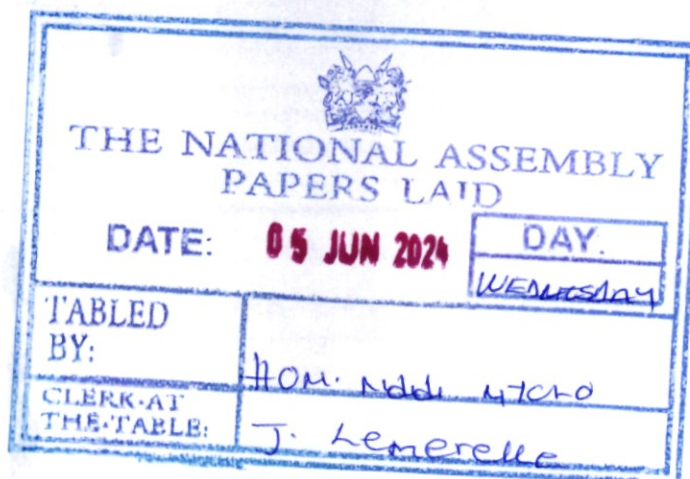


THE INFORMATION AND COMMUNICATION TECHNOLOGY AUTHORITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2023

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



The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023.

Table of Contents.....	Page
1. Acronyms, Abbreviations and Glossary of Terms	iii
2. Key Entity Information and Management	v
3. The Board of Directors.....	x
4. Key Management Team.....	xvii
	xvii
5. Statement by Board of Directors Chairman	xix
6. Report of the Chief Executive Officer	xxi
7. Statement of Performance against Predetermined Objectives for FY 2022/2023	xxiii
8. Corporate Governance Statement	xxvi
9. Management Discussion and Analysis	xxxiii
10. Environmental and Sustainability Reporting.....	xxxviii
11. Report of the Directors.....	xlili
12. Statement of Directors Responsibilities.....	xliv
13. Report of the Independent Auditor for the Financial Statements of The Information and Communication Technology Authority.....	xlvi
14. Statement of Financial Performance for the year ended 30 June 2023	1
15 Statement of Financial Position as at 30 June 2023	3
16. Statement of Changes in Net Assets for the year ended 30 June 2023.....	4
17. Statement of Cash Flows for the year ended 30 June 2023	5
18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2023.	6
19. Notes to the Financial Statements	10
20. Appendices.....	54

**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023**

1. Acronyms, Abbreviations and Glossary of Terms

A: Acronyms and Abbreviations

CEO	Chief Executive Officer
DG	Director General
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MD	Managing Director
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
WB	World Bank
VC	Vice Chancellor
MDAs	Ministries, Departments & Agencies

**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023**

B: Glossary of Terms

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resources of the organisation

Comparative Year- Means the prior period.

2. Key Entity Information and Management

(a) Background information

The information and communications Technology Authority was established in August 2013 by merging the Government Information Technology Service (GITS), The Kenya ICT Board, and E-Government services in line with the Executive Order No.2 of 2013 on the Reorganization of Government, under Legal Notice No. 183 of 2013. At Cabinet level, the ICT Authority is represented by the Cabinet Secretary for Information, Communications and Technology who is responsible for the general policy and strategic direction of the ICT Authority.

(b) Principal Activities

The principal activity of the ICT Authority is to rationalize and streamline the management of all Government of Kenya ICT functions. Its broad mandate entails enforcing ICT Standards in Government and enhancing the supervision of its electronic communication. The Authority also promotes ICT literacy, capacity, innovation and enterprise in line with the Kenya National ICT Masterplan 2017 and the Kenya National Digital Master Plan (2022-32).

ICTA Vision

Transforming Lives using ICT.

ICTA Mission

To champion and harness ICT for efficient and effective public service delivery, wealth creation and well-being of Kenyans

ICTA Mandate

- Set and enforce ICT standards and guidelines for the human resource, infrastructure, processes and system and technology for the public office and public service; and
- Deploy and manage all ICT staff in the public service;
- Facilitate and regulate the design, implementation and use of ICTs in the public service;
- Promote ICT literacy and capacity;
- Promote e-Government services;
- Facilitate optimal electronic, electronic form, electronic record and equipment use in public service;
- Promote ICT Innovation and enterprise;
- Establish, develop and maintain secure ICT infrastructure and systems
- Supervise the design, development and implementation of critical ICT projects across the public service.
- Implement and manage the Kenya National Spatial Data Initiative

**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023**

Key Entity Information and Management (continued)

(c) Key Management

The ICT Authority's day-to-day management is under the following key organs:

No.	Designation	Name
1.	Board of Directors	- Hon. Sylvanus Maritim-Chairman - Edna Atisa-Alt PS Treasury - John Njogu-Alt PS Lands - Mwanga Chimongo-Alt PS MOIC & DE - Rahma Jillo - Ken Vincent Kaunda - Annette Mutuku - Alfred Ngeno - Njogu Wachira - Boniface Mbithi
2.	Chief Executive Officer	Stanley Kamanguya, OGW
3.	Director Shared Services	Michael Odhiambo
4.	Director Capacity Development, Innovation & Partnership (DCDIP)	Zilpher Owiti, OGW
5.	Director Corporate Services (Ag. Capacity)	CPA Oliver Pyoko
6.	Director Programs & Standards (Ag. Capacity)	Thomas Odhiambo, OGW

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023**

Key Entity Information and Management (continued)

No.	Designation	Name
1.	Chief Executive Officer	Stanley Kamanguya, OGW
2.	Director Shared Services	Michael Odhiambo
3.	Director Capacity Development, Innovation & Partnership (DCDIP)	Zilpher Owiti, OGW
4.	Director Corporate Services (Ag. Capacity)	CPA Oliver Pyoko
5.	Director Programs & Standards (Ag. Capacity)	Thomas Odhiambo, OGW

(e) Fiduciary Oversight Arrangements

1. Audit and Risk Committee

The Board has constituted an Audit Committee which meets four times a year or as necessary. Its responsibilities include review of the integrity of the financial statements and formal announcements relating to the organizations financial performance, accounting standards and maintaining oversight on internal control systems.

2. Finance Committee

The Finance Committee of Board ensures effective financial management of the ICT Authority. They therefore review and monitor the budget of the institution. The committee also ensures that the tendering, procurement and disposal of assets are administered as per Government and Donor regulations. On a quarterly basis, the management presents a financial report to the committee

3. Human Resource Committee

The objective of the Human Resources Committee is to assist the Board in discharging its duty to oversee the establishment of appropriate Human Resource policies and strategies that provides the Authority with the capability to achieve its short- and long-term objectives. The committee reviews, monitors and makes recommendations to the Board on human resources strategy and policies that pertain to staffing, compensation, benefits, and related issues of strategic importance that directly affect ICT Authority ability to recruit, develop and retain the highly-qualified staff needed for it to achieve its mandate.

**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023**

Key Entity Information and Management (continued)

4. E-Gov Committee

The Projects and Standards Committee serves as the governing committee for the work done by the Project Management team at the Authority. The purpose of the committee is to provide approvals, guidance, resolutions and to review the project implementation throughout the lifecycle of each project. The committee ensures good governance which sets the stage for success of the Project

(f) Entity Headquarters

P.O Box 27150-00100
Telposta Towers
12th Floor, Kenyatta Avenue
Nairobi, Kenya

(g) Entity Contacts

Telephone: 254-20-2089061
E-mail: info@ict.go.ke
Website: www.icta.go.ke

(h) Entity Bankers

Citibank NA, Citibank House, Upper Hill Road,
P.O Box 30711-00100
Tel: +254-20-2711221
Nairobi, Kenya

Kenya Commercial Bank
Kencom House, Moi Avenue,
P.O. Box 48400-00100,
Nairobi, Kenya

(i) Independent Auditor

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

**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023**

Key Entity Information and Management (continued)

(j) Principal Legal Adviser

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

**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023**

3. The Board of Directors



SYLVANUS MARITIM
Chairman ICTA Board

Hon. Maritim is a Telecoms Engineer with vast knowledge in ICT and has worked in several African countries. He has extensive experience in both the ICT & Telecommunications sector. He also has vast experience in the corporate sector as well as in the national Assembly where he was an elected member of Parliament until 2022.

He believes in building teams and especially now as he leads the ICT Authority Board which oversees the organization.



ENG. JOHN TANUI, MBS
PS MoIC&DE

Eng. John Tanui, MBS is the Principal Secretary in the Ministry of Information, Communications and the Digital Economy in charge of the State Department for ICT and the Digital Economy. Prior to joining the Ministry, Eng. Tanui was the Chief Executive Officer of the Konza Technopolis Development Authority (KoTDA) for over 7 years, Deputy Country CEO and Vice President of Huawei Technologies responsible for Kenya, Tanzania, Somalia and Djibouti and the Director of Technical Service Department in the same organization that he served for over of 15 years.

He holds a Bachelor's Degree of Technology in Electrical and Communication Engineering from Moi University and MBA in International Business from the University of Nairobi where he is currently pursuing PhD in global business management. He is a member of the Institution of Engineers of Kenya (MIEK), a registered engineer and a member of the Academy of International Business.

Eng. Tanui is an active ICT professional who was profiled as tenth in the 2012 Top 40 under 40 by the Business Daily (Nation Media Group). He is a Council Member of Jomo Kenyatta University of Science and Technology, a council member of IEK (Institution of Engineers of Kenya) where he chairs industrialization, Environment and quality assurance committee and also serves as committee member for Advocacy, Journal and Publicity. Previously, he served as the University Council Vice Chairman at Technical University of Kenya and also as an Advisory Council Member of the Presidential Digital Talent Program.



MR. KAMANGUYA
Chief Executive Officer

Mr. Stanley Kamanguya, OGW is the Chief Executive Officer for ICTA from August 2022. Before his appointment he was the alternate to the Principal Secretary, Treasury up to April 2022 and Acting Director of Integrated Financial Management Information System (IFMIS) at the National Treasury. He has over 10 years of experience in Information Technology, Project Management and Business Development. His previous roles include Consultancy Services in both the Public and Private Sectors.

He holds a Bachelor's Degree in Computer Science from Maseno University. He also holds a Master of Business Administration from the United States International University. He is also a registered Project Management Professional (PMP) with the Project Management Institute.

Mr. Kamanguya has a strong business acumen with great leadership skills and work.

Alternate Members



Ms. Edna Atisa
Alt. to PS

Ms. Edna Atisa was appointed to the Board of Director as an alternate to the Principal Secretary National Treasury on 30th April 2022. Ms. Atisa holds a Masters Degree in Economics, a bachelor's of arts in Economics and a post graduate diploma in education from the University of Nairobi. She is an economist with cast experience in economic policy and formulation.



MR. JOHN NJOGU
Director

Mr. John Njogu was appointed to the Board on 29th March 2022 as an alternate to the Principal Secretary Ministry of Lands and Physical planning. Mr Njogu is a State Counsel and head of the Legal Unit in the ministry. He previously worked in the Ministry of Youth Affairs, Sports, Culture and Arts and in the litigation department of the Office of the Attorney General (14 years). He holds a Bachelor's Degree in Law (LLB) and Bachelor's in Commerce (BCom) from the University of Poona as well as a diploma from the Kenya School of Law.

**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023**

Independent Members



RAHMA JILLO
Director

Rahma Jillo is a Director at the ICT Authority Board effective from 10th March 2023.

Rahma holds a Bachelors of Law (LLB) and a Masters in Law (LLM) from the University of Nairobi (UoN) with specialization in Banking and Financial Services Law. She is an Advocate of the High Court of Kenya with a cumulative practice experience of over 15 years' in Commercial, Real Estate, Competition, Telecommunication and Not -for - Profit Law.

Director Jillo served as a Member of the Cooperative Tribunal from November of 2012 to November of 2014, specifically, the Hearing and Settling of Co-operative Disputes. She served as an adhoc Member of the Political Parties Dispute Tribunal from 15th March 2022 to 10th March 2023. During this period, she gained immense experience in identifying and determining contentious issues.

She has an in-depth grasp of several other areas: Infrastructure Development, Joint Ventures, Transfer of Land, Telecommunication Law, Real Estate Law & Projects Development such as residential, commercial and mixed-use.

Director Jillo advises clients on all stages of a project from inception, development, financing, undertaking due diligence on the purchasers, drafting and overseeing to the conclusion of transfer of ownership of units in large Housing Developments.

Rahma also sits as a board member in various Boards of international and national Non-Governmental Organizations as well as offering legal counsel to others. She has also published in Not-for-Profit Law and is a Fellow of the International Center for Non-Profit Law in Washington D.C, US.



KEN VINCENT KAUNDA
Director

Ken Vincent Kaunda is a Director at the ICT Authority Board effective from 10th March 2023.

He graduated from the University of Nairobi in 1986 with a degree in Economics and Political Science. He holds a Post Graduate Qualification in Human Resources from the College of Professional Management (UK) and Leadership in Change Management Certificate from Cornell University, USA.

Ken's corporate management experience includes sectors in Security services, manufacturing, motor vehicles, pharmaceuticals, media and aviation. He has valuable corporate experience in business re-engineering and change management. This includes transformational leadership in Corporate/ Shared Services in Human Resources, Procurement & Logistics, Administration and ICT.

Director Ken has Professional Membership in Kenya Institute of Management, a Pioneer Member of the Institute of Human Resources Management, member of the Institute of Directors, Kenya-IOD, Technical Member (Committee of Experts) of Airports Council, International (ACI- AFRICA) and an ex-Chair of the Committee of Experts for Africa.



ANNETTE MUTUKU
Director

Annette Mutuku is a Director at the ICT Authority Board effective from 10th March 2023.

Annette holds a Masters in Marketing from the University of Nairobi, and a Bachelor's degree in Communication from Daystar University.

She has over 15 years of leading Communication and Public Relations for leading multinationals, INGOs, start-ups, and government agencies across Healthcare, Renewable Energy, Power, Agriculture, Technology, and Education. She has led development and execution of communication strategies for 3 leading global organizations leading to increased business by 30% and improved reputation by 40%, targeted stakeholder engagement and Public Relations efforts that led to a \$1bn deal signed with an African government. She has also led crisis management for a government healthcare project, saving the company \$300M and improving its reputation by 20%.

Director Annette is a Coach, Trainer and Speaker



ALFRED NGENO
Director

Alfred Ngeno is a Director at the ICT Authority Board effective from 10th March 2023.

Alfred holds Msc in Finance from Cass Business School (City Univ), London, UK and a Bachelor's degree in Eng. in Electronic and Communication Engineering from University Of Warwick Coventry, UK.

Director Alfred is the founder/CEO of Bluefast with a responsibility of Determining and formulating policies and business strategies by providing overall direction for the company.

He is also a board member to Bishop Korir Foundation.



NJOGU WACHIRA
Director

Njogu Wachira is a Director at the ICT Authority Board effective from 10th March 2023.

Njogu is a News Anchor at Kameme FM-Mediamax Network Limited. He is undertaking a Bachelors of arts in Communication (majoring in Developmental Communication) at PAC University. He holds a Diploma in broadcast journalism (ICM) and Diploma in Journalism & Media Studies from Kenya College of Commerce & Hospitality.

Director Njogu is Specialized in political writing/reporting and also worked for business news desk. He has also written many opinion articles published by the Nation, Standard, Taifa Leo and lately The People Daily on politics and other topical issues of national importance.

**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023**



BONIFACE MBITHI
Director

Boniface Mbithi is a Director at the ICT Authority Board effective from 10th March 2023.

Boniface, a lawyer by training is a global Youth Leader, a climate-tech enthusiast and circular economy entrepreneur who believes in solving global challenges through innovation.

Mr. Mbithi has worked in several sectors such ICT, NGO as well as the Service industry. He has utilized his skills and expertise in Law for ICT such as developing Extended Producer Responsibility (EPR) policies as well as legal support for Strategic and Operations Management in organizations.

He is an alumnus of Catholic University of Eastern Africa-Kenya, Coady International Institute, St Francis Xavier -Antigonish, Nova Scotia, Canada and Copenhagen University, Denmark.

Boniface, a dedicated Rotarian, has been awarded Top 35 under 35 in Kenya and is recognized among the top 50 UN Climate Change Champions in Africa



JAMES K. WANG'OMBE
*Rep Inspectorate
Of State Corporations*

James K. Wang'ombe is the Representative Inspectorate of State Corporations

**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023**



Ms. Pauline W. Kimotho is the Company Secretary. She has been an advocate of the High Court of Kenya for the last 14 years. She is a commercial lawyer with sector experience in retail, oil and gas, telecommunications and most recently the ICT Sector.

She is a specialist in Telecommunication Law, Contract Law, Commercial Law, Employment and Labor relations Law, Public Sector Law, Compliance and general corporate governance practices.

She holds a Master's Degree in Commercial Law from the University of Cape Town South Africa, a Bachelor's degree in Law from the University of Nairobi Kenya and a Diploma in Law from the Kenya School of Law. She is also a Certified Public Accountant and a Certified Public Secretary

**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023**

4. Key Management Team



Mr. Stanley Kamanguya, OGW is the Chief Executive Officer for ICTA from August 2022. Before his appointment he was the alternate to the Principal Secretary, Treasury up to April 2022 and Acting Director of Integrated Financial Management Information System (IFMIS) at the National Treasury. He has over 10 years of experience in Information Technology, Project Management and Business Development. His previous roles include Consultancy Services in both the Public and Private Sectors.

He holds a Bachelor's Degree in Computer Science from Maseno University. He also holds a Master of Business Administration from the United States International University. He is also a registered Project Management Professional (PMP) with the Project Management Institute.

Mr. Kamanguya has a strong business acumen with great leadership skills and work



Michael Odhiambo-Director Shared Services

Michael has an MBA in Strategic Management from the University of Nairobi and a BSc Information Systems from the United States International University. Performance Management certifications from the University of Nairobi, he also has professional management and technical qualifications which include expertise in strategy formulation, leadership, project management, telecommunications, ICT infrastructure management, Microsoft enterprise solutions, HP UX and IBM AIX among others. He is a member of the Computer Society of Kenya, ICT Association of Kenya and ISACA.

He has a 21 years' wealth of experience in the ICT Industry both in private and public sector having worked in Computech Ltd, Safaricom PLC Ltd for ten years where he gained private sector experience as well as his previous posting at the Kenya Wildlife Service for ten years as the head of ICT and acting Deputy Director of Corporate Services and a Trustee of the Kenya Wildlife Service Pension Scheme where he attained a Trustee Development Program Certification (TDPK) and gained public sector management experience.

He is passionate about process and self-sustaining structures within ICT environments, leadership and mentorship of young upcoming IT talent.

**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023**



Zilpher A. Owiti: Director Capacity Development, Innovation & Partnerships.

Until her appointment, she was the Ag. Director Partnership, Innovation and Capacity. She has served as Deputy Director ICT, Directorate of eGovernment, Presidency and Cabinet Affairs. Previously, Ms Owiti served as a lecturer at United States International University (USIU) & other public & private Universities, worked at the University of Nairobi and the Kenya National Examination Council.

She is a specialist in Learning & Development, Talent Development & Change & Performance management, Mentoring & Coaching and Organisation Development

Director Owiti has over 22 years of dedicated exemplary public services, progressively serving at senior strategic positions in the ICT environment, held various leadership roles providing strategic direction for capacity development across programs, designing and implementing knowledge systems, public policies, strategies, standards & competency frameworks that place the individuals, institutions and country at the heart of development.

The Director is a Result Based Project champion accomplished in effecting capacity building reforms with an outstanding record of managing large public sector projects geared towards fulfilment of key national goals. Ms Owiti is the Program Manager & National coordinator for the Ajira Digital Program and is keen in empowering the youth with ICT skills for productivity, innovation and employment. She is also the founder Project Manager & National Coordinator for the Presidential Digital Talent Programme (PDTP) as well as a partnership relations and people-oriented strategist.

Director Owiti holds MSC, Information Systems from the University of Nairobi, MA, Economics and Post Graduate Diploma in Personnel Management; Certified Corporate Governance, Strategic leadership & change management and a practitioner in project management & IT service management (ITIL). She is also a member of the Institute of Directors (IOD) Kenya and Professional member of ISACA Kenya Chapter.



Ms. Pauline has been an advocate of the High Court of Kenya for the last 14 years. She is a commercial lawyer with sector experience in retail, oil and gas, telecommunications and most recently the ICT Sector.

She is a specialist in Telecommunication Law, Contract Law, Commercial Law, Employment and Labor relations Law, Public Sector Law, Compliance and general corporate governance practices.

She holds a Master's Degree in Commercial Law from the University of Cape Town South Africa, a Bachelor's degree in Law from the University of Nairobi Kenya and a Diploma in Law from the Kenya School of Law. She is also a Certified Public Accountant and a Certified Public Secretary.

5. Statement by Board of Directors Chairman

The ICT Authority is now on its 10th Financial Year Cycle. This is since August 2013 when we were given an expanded mandate of overseeing and managing all ICT Programmes & Projects across Government. Another major function is that of enforcing ICT Standards.

The Authority is responsible for growing the local ICT skills Development and Capacity not only for Government, but the entire economy, so that the Government of Kenya can achieve its Digital Economy Dream.

We are also implementing and managing the efficient and secure use of ICT infrastructure, systems and Applications in the public sector as well as the overall delivery of e-Government Services. In addition, the Authority promotes business value through ICT innovation and enterprise.

This Mandate is enshrined in the Constitution of Kenya, 2010 as well as other legal and policy frameworks such as Vision 2030, the National ICT Masterplan of 2017, the Broadband and National Cyber Security Strategy of 2014 and most recently, the Kenya National Digital Master Plan (2022-32).

To achieve what I have outlined above, the Authority is guided by the Strategic Plan (2020-24) and other documents such as this one which define the foundations and pillars that will guide the Authority to achieve its Mandate.

During the Financial Year 2022/2023, the Authority Board has continued to oversight the implementation of Strategic Government of Kenya ICT Programmes & Projects being delivered through the Authority.

The Board has continued to make decisions to support management's day- to -day execution of activities that will lead to the successful implementation of programmes and projects to realise the success of the functions I have cited above.

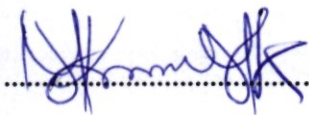
As we look to the next fiscal year, we are committed to continue delivering on our Mandate as guided by the ICTA Strategic Plan (2020-24). We will continue to work on many of the projects from the previous year, while building momentum on new ones.

Our main constraints still lies in inadequate funding of our operations and projects as well as low staffing levels. The Board will continue to explore ways addressing that so that there is business continuity and high performance of the organization.

**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023**

The Board is committed to see to it that the Authority work is communicated to the various stakeholders so that our mandate is clearly understood and supported. The Authority will also undertake quarterly monitoring and evaluation of these priority projects in order to ensure that the completion rate and cost efficiency of each project is 100 per cent.

In conclusion, I affirm that the ICT Authority will continue to play its strategic role as the country's sole Agency that enforces ICT Standards and creating an enabling environment for a robust Digital Economy to be realised.

A handwritten signature in blue ink, appearing to read 'Sylvanus Maritim', is written over a horizontal dotted line.

Hon. Sylvanus Maritim
Chairman, Board of Directors

**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023**

6. Report of the Chief Executive Officer

For the past year, we have been working on operationalizing the structures and enhance good governance practices in the organization.

We also developed the Kenya National Digital Master Plan (2022-32) which will guide the structured delivery of the country's ICT needs through the following four Pillars: Digital Infrastructure; Digital Services; ICT Innovation and Enterprise; Information Security; ICT Human Capital and ICT governance.

The main Programmes and Projects implemented during this period include the Presidential Digital Talent Programme (PDTP), National Optic Fibre Backbone (NOFBI), Network Operation Centre Help Desk, Data Centres as well as Capacity building and Automation projects in various Ministries, Departments & Agencies.

To achieve our goals, we continue to work with our development partners like World Bank through the Eastern Africa Regional Transport, Trade and Development Facilitation (EARTTDF) and Horn of Africa Gateway Development Project which has just commenced. We are also engaging with other numerous partners in the private sector stakeholders and the academia.

In the period under review, we dedicated more resources towards project implementation with focus on those with the greatest impact to the country's development. We looked into initiatives that will improve efficiency, accountability and transparency in government such as government communication through the Government Unified Communication framework and providing connectivity countrywide to serve all the 47 counties.

Going forward we plan to concentrate on projects that meet the immediate needs of Mwananchi and make Kenya a top regional ICT hub and a globally competitive digital economy. These include projects like DLP to support E-learning, promoting a culture of innovation so that there are ICT solutions being developed for the different sectors of the economy and engaging the ICT literary skills for all levels of citizens.

We will also cultivate partnerships with entities whose support is critical in realizing all our goals and improve our stakeholder engagement processes. On information Security, we have developed and now implementing a framework to guide the management and security of government as well as citizen data and information

There are two main Programmes that continue to impact the country's digital skills development namely the Digital Literacy Programme (DLP) and the Presidential Digital Talent Programme (PDTP). The process of recruiting for PDTP Cohort VIII is ongoing and already 900 interns have graduated and are either employed or in self-employment.

**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023**

We continue good governance practices in project management through both the Monitoring & Evaluation Department as well as the Audit Office.

I am glad that the Board has continued to provide oversight and support and this has helped the Authority surmount the challenges faced during the implementation of our mandate.

I would also like to recognize our development and strategic partners as well as public and private organizations who are important in our achieving our objectives.

We are thankful to all county governments who have collaborated with us in our various projects and events. We remain grateful to all the citizens of Kenya for giving us the opportunity to serve them.

As I conclude, I would like to express deep appreciation to the Government of Kenya for their support and commitment in support of ICT growth in the country.



Stanley Kamanguya, OGW
Chief Executive Officer

**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023**

7. Statement of Performance against Predetermined Objectives for FY 2022/2023

The ICT Authority has *four* strategic pillars and objectives within its Strategic Plan for the FY 2019/20- 2023/2024. These strategic pillars are as follows:

Pillar 1: Digital Infrastructure

Pillar 2: Digital Services

Pillar 3: Digital skills, values and culture as well as

Pillar 4: Applied research, innovation and enterprise

The ICT Authority develops its annual work plans based on the above four pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Authority achieved its performance targets set for the FY 2022/2023, as indicated in the diagram below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
1) Digital Infrastructure	To improve access to ICT services & bridge digital divide	No. of Kms Installed across the Country.	Install 5,000 KM of Optic Fibre infrastructure across the country under the National Digital Superhighway project.	5,280 Kms achieved. 2500 Kms of Public sector (GoK Agencies and 2,780 Kms in the Private sector.
2) Digital Government Services, Products and Data Management	To enhance service delivery to the Public.	No. of services onboarded to E-citizen portal.	Identify, prioritize and onboard 4000 Government services online in collaboration with State Department of Citizen services.	Identified 9,362 services and fully onboarded 5,084 service on E-Citizen portal

The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
3) Digital Skills	Increase digital literacy to ensure citizens and businesses have the skills and motivation to use digital services.	No. of interns recruited and deployed.	Recruit and induct 400 Cohort VII ICT and related disciplines PDTPs.	400 interns recruited and inducted.
		No. of officers trained.	Conduct training to 350 innovators to create awareness and enhance the capabilities on digital innovation opportunities	1. Whitebox Entrepreneurship Bootcamp training • Entrepreneurship Training: 29th August-2nd September-216 Participants • Art of storytelling and pitching training: 5th and 8th September-169 Participants • Money Matters: Startup funding, Investor readiness and partnership engagement training: 12th and 15th September-184 Participants • Financial planning & Record keeping training: 19th and 22nd September-148 Participants • Product design training: 26th and 29th September-147 Participants • Market Strategies: Developing marketing strategies training: 3rd and 6th October-138 Participants • Market Strategies: social media and Digital marketing training: 10th and 13th October-112 Participants • Legal processes for early-stage entrepreneurs: training 17th and 20th October-116 Participants 2. Whitebox Entrepreneurship Bootcamp training County Edition -Nyeri. 27th and 28th November 2022- 97 Participants

The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
				- Nakuru Edition- 1st and 2nd November 2022- 296 Participants
4) Data Protection and Cyber Management	Enhance the capacity and capability of information security enforcement	NPKI Operationalized.	Operationalize the National Public Key Infrastructure by undertaking the following.	• 100% Completion of the GOVCA-NPKI Set-up. • Milestone 1& 2 (Operationalization) completed & accepted • Milestone 3 (Training) Completed and accepted • Project on 2-year maintenance from Jan 2023 (Milestone 4)

8. Corporate Governance Statement

a. Overview:

The Authority has instituted systems to ensure that high standards of corporate governance are maintained at all levels. ICTA continues to endeavour to comply with the provisions of the Constitution, State Corporations Act, Legal Notice 183 of 2013 and Mwongozo Code of Corporate Governance for State Corporations. The Authority also adheres to the various circulars issued from time on operations and management of state corporations. The Board of Directors of is responsible for the governance of the Authority and the Directors are committed to fulfilling their fiduciary responsibilities.

b. The Board of Directors:

i. The role of the Board

The Board is collectively responsible for the Authority's vision, mission, strategic direction, values, and governance. The primary role of the Board remains;

- Provision of effective leadership in collaboration with the management team;
- Approval of the Authority's mission, vision, its business strategy, goals, risk policy plans and objectives;
- Approval of the Authority's strategy;
- Approval of the Authority's budget;
- Approval of the Authority's performance contract;
- Approval of the Authority's procurement plan;
- Ensuring that the relevant audits are conducted.

ii. Board Committees

The Board has established four Board committees, to which it has delegated certain responsibilities, namely the Audit, E-government projects and standards, Finance and Human Resources Committee. The roles, membership and activities of these committees are described in more detail later in the Board Committee Charters. Each committee has its own terms of reference which are reviewed periodically and updated as appropriate.

iii. Board size, independence and appointments:

The constitution of the Authority's Board is stipulated by the Legal Notice 183 of 2013. It comprises 11 Directors, 3 of whom are government representatives (The National Treasury, the Ministry of Information, Communication and Digital Economy and the Ministry of Lands, Public works, Housing and Urban Development) and one is an Executive Director.

The following changes to the Board composition occurred in the year under review:

- The appointment of Stephen Mwangi Maina as an independent on 28th July 2022;
- Ms. Beatrice Akoth's term came to an end on 20th October 2022;

**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023**

- Ms. Jerotich Sirma's term came to an end on 20th October 2022.

iv. Board Meetings:

A summary of Board meetings and attendance in the year under review is indicated below:

NAME OF BOARD MEMBER	26th July 2022	3rd November 2022	2nd February 2023	7th February 2023
Veronica Thiga	Present	---	---	---
Dr. Jerotich Sirma	Present	----	---	---
Ms. Edna Atisa	Present	Present	Absent	Present
Mr. Andrew Nyamwamu	Present	Present	---	---
Dr. Paul Kipronoh Ronoh	Present	---	---	---
Eng. John Kipchumbah	---	Absent	Present	Present
Mongo Chimwaga	---	---	Present	Present
Stanley Kamanguya	----	Present	Present	Present
NEW BOARD	4th May 2023			
Njogu Wachira	Present			
Edna Atisa	Present			
Annette Mutuku	Present			
Alfred Ngeno	Present			
Stanley Kamanguya	Present			

NAME OF BOARD MEMBER	27th July 2022	1st November 2022	10th November 2022	31st February 2023
Eng John Kipchumbah	Present	Absent	Absent	Present
Mr. Andrew Nyamwamu	Present	Present	---	---
Ms. Beatrice Akoth	Present	---	---	---
Ms. Veronica Thiga	Present	---	---	---

**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023**

Dr. Paul Kirponoh Ronoh	Present	---	---	---
Fahmo Mohamed	---	Present	Absent	Present
John Njogu	---	Present	Absent	Present
Stanley Kamanguya	---	Present	Present	Present
NEW BOARD	2 nd May 2023			
Alfred Ngeno	Present			
Boniface Mbithi	Present			
Njogu Wachira	Present			
John Njogu	Present			
Annette Mutuku	Present			
Stanley Kamanguya	Present			

NAME OF BOARD MEMBER	2nd August 2022	30th September 2022	4th November 2022	30th January 2023
Ms. Beatrice Akoth	Present	Present	---	
Mr. John Njogu	Present	Present	---	
Ms. Fahmo Mohammed	Present	Absent	---	
Ms. Edna Atisa	Absent	Absent	Present	Present
Dr. Paul Kipronoh Ronoh	Present	---	---	---
Veronica Thiga	---	---	Absent	Present
Andrew Nyamwamu	---	---	Present	
Stephen Maina	---	---	Present	Present
Stanley Kamanguya	---	---	Present	Present
NEW BOARD	5 th May 2023			
Ken Vincent Kunda	Present			
Rahma Jillo	Present			
Edna Atisa	Present			
Boniface Mbithi	Present			

NAME OF BOARD MEMBER	28th July 2022	1st September 2022	2nd November 2022	14th December 2022	7th February 2023
Dr. Jerotich Sirma	present	Present	---	---	---
Fahmo Mohammed	present	Present	Present	Present	Absent

**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023**

Eng. John Kipchumbah	Absent	Absent	---	---	---
John Njogu	Present	Present	Present	Present	Present
Dr. Paul Kipronoh	present	Present	---	---	---
Veronica Thiga	---	---	Absent	Present	Present
Stephen Maina	---	Present	Present	Present	Present
Stanley Kamanguya	---	---	Present	Present	Present
NEW BOARD	3 rd May 2023				
Ken Vincent Kaunda	Present				
Rahma Jillo	Present				
John Njogu	Absent				
Annette Mutuku	Present				
Stanley Kamanguya	Present				

FULL BOARD MEETINGS							
NAME OF BOARD MEMBER	19 th August 2022	15 th September 2022	20 th September 2022	30 th November 2022	5 th December 2022	11 th January 2023	23 rd February 2023
Prof Fredrick Owino	Present	Present	Absent	Present	Present	Present	Present
Dr Jerotich Sirma	Present	Present	Absent	---	---	---	---
Eng John Kipchumbah	Present	Present	Absent	Absent	Absent	Present	---
Veronica Thiga	Present	Present	Absent	Present	Present	Present	Present
Beatrice Okoth	Present	Present	Present	---	---	---	---
Andrew Nyamwamu	Present	Present	Present	Present	Present	Present	---
Fahmo Mohammed	Present	Present	Present	Present	Absent	Present	Present
Edna Atisa	Present	Present	Absent	Present	Present	Present	Absent
Stephen Maina	Present	Present	Present	Present	Present	Present	Present
John Njogu	Present	Present	Present	Present	Present	Present	Present
Dr. Paul Kipronoh Ronoh	Present	Excused	---	----	----	---	---
Stanley Kamanguya	-----	-----	Present	Present	Absent	Present	Present

The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023

NEW BOARD	16th February 2023	21st March 2023	27th April 2023	18th May 2023	30th May 2023	27th June 2023	
Hon. Sylvanus Maritim	Present	Present	Present	Present	Present	Present	
Rahma Jillo	Present	Present	Present	Present	Present	Present	
Boniface Mbithi	Present	Present	Present	Present	Present	Present	
Alfred Ngeno	Present	Present	Present	Present	Present	Present	
Annette Mutuku	Present	Present	Present	Present	Present	Present	
Ken Vincent Kaunda	Present	Present	Present	Present	Present	Present	
Edna Atisa	Present	Present	Present	Present	Present	Present	
Michael Njogu Wachira	Present	Present	Absent	Present	Present	Present	
John Njogu	Present	Present	Absent	Absent	Present	Present	
Chimwaga Mongo	Present	Present	Absent	---	---	---	
Stephen Karani	---	---	---	---	---	Present	
Stanley Kamanguya	Present	Present	Present	Present	Present	Present	

AD HOC BOARD COMMITTEE MEETINGS

NAME OF BOARD MEMBER	24th March 2023	14th April 2023				
Boniface Mbithi	Present	Present				
Annette Mutuku	Present	Present				
Ken Vincent Kaunda	Present	Present				
Alfred Ngeno	Present	Present				
Stanley Kamanguya	Absent	Present				

**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023**

v. Management of conflicts of interest:

The Directors are obligated to fully disclose to the Board any real or potential conflict of interest, which comes to any Director's attention, whether direct or indirect. The statutory duty to avoid situations in which the Directors have or may have interests that conflict with those of the Authority has been observed by the Board in the financial year under review.

All business transactions with all parties, directors or their related parties are carried out at arm's length. Declaration of a conflict of interest is a standard agenda item which is addressed at the onset of each Board and committee meeting. No conflicts were reported by Directors in the year under review.

vi. Director induction:

On joining the Board, all new Directors receive a full induction that provides an overview of the Authority's operating environment and new developments thereof, accounting and financial reporting developments, as well as any regulatory requirements.

vii. Board evaluation:

The Board undertook an annual evaluation of its performance as an entity, the Chairman and each individual Director and the Company Secretary on 7th July 2022. This was aimed at enabling the board and its members and the committees to gauge their performance and identify areas of improvement. The evaluation was conducted by State Corporations Advisory Committee (SCAC).

viii. Governance, legal and compliance audits:

Governance audit and the legal and compliance audit were not undertaken in the year under review.

ix. Key deliberations by the Board During the year under review:

The key areas of focus for the Board's activities and topics discussed during the year were on the following matters: -

- Approved the Performance Contract and reviewed its implementation on a quarterly basis;
- Monitored performance against the approved budget of the Company;
- Approved and monitored the implementation of the approved Procurement plan
- Approved the quarterly financial reports
- Received regular reports of the proceedings of the Board Committees
- Board committees, membership and meeting attendance Board committees

**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023**

x. Board Charter:

The Board Charter is critical to the Authority's governance framework, and offers guidance on matters including but not limited to the following:

- The separation of the roles, functions, responsibilities and powers of the Board and its individual members;
- Powers delegated to the Board committees;
- Matters reserved for final decision-making and approval by the Board;
- Policies and practices of the Board on matters of corporate governance, Directors' declarations and conflict of interest, conduct of Board and Board committee meetings.

The Board Charter is periodically reviewed to ensure that it remains current.

9. Management Discussion and Analysis

A. Financial Performance

For the year ending 30 June 2023, the total revenue was KShs 2,094,339,676 which comprised of grants of KShs 891,454,560 from the Parent Ministry (MoIC&DE), transfers from other MDAs of KShs 4,328,365, Public donations and contributions -KShs 146,819,022, interest income-KShs 28,228,470 and income from rendering of services of KShs 1,023,509,259 of which NOFBI Commercialization -KShs.791,750,838, Internet connectivity to public offices-KShs 2,958,528, accreditation fees- KShs 21,301,115, and E-Citizen-KShs 207,498,779. Other gains and losses include KShs. 212,248,576 unrealized exchange gain. The total revenue for the previous year was KShs 1,937,549,777 which is 8% increase.

Total expenditure for the year ending 30 June 2023 was KShs.2,701,719,786 compared to the previous year which was KShs 1,900,127,168. This was an increase of 42% from the previous year's total expenditure. This can be attributed to the increase in the development activities undertaken during the period. The reduced exchequer for development led to delays in signing of contracts and undertaking the relevant activities for the period under review.

B. Operational Performance

The Authority is tasked with the responsibility of rationalising and streamlining the management of all Government of Kenya ICT functions. Our broad mandate entails enforcing ICT standards in Government and enhancing the supervision of its electronic communication. We also promote ICT literacy, capacity, innovation and enterprise in line with the Kenya National ICT Masterplan 2017.

Some of the core functions and from which the performance indicators are derived from include:

- Set and enforce ICT standards and guidelines for the human resource, infrastructure, processes and system and technology for the public office and public service including deployment and management of all ICT staff in the public service;
- Facilitate and regulate the design, implementation and use of ICTs in the public service;
- Promote ICT literacy and capacity;
- Promote e-Government services;
- Facilitate optimal electronic, electronic form, electronic record and equipment use in public service
- Promote ICT Innovation and enterprise;
- Establish, develop and maintain secure ICT infrastructure and systems

**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023**

- Supervise the design, development and implementation of critical ICT projects across the public service.
- Implement and manage the Kenya National Spatial Data Initiative

C. Key projects

The key Projects that are currently being implementing is East Africa Regional Transport, Trade and Development Facilitation Project (EARTTDFP), Horn of Africa Gateway Development Project-the two are regional initiatives agreed and jointly financed by the Government of Kenya and the International Development Association for the component to be implemented by the Kenya Government agencies. Others include National Optic Fiber Backbone Infrastructure Project (NoFBI), and Presidential Digital Talent Programme (PDTP).

The Eastern African Regional Transport, Trade and Development Facilitation Project [EARTTDFP]. The South Sudan - Eastern Africa Regional Transport, Trade and Development Facilitation Program (EARTTDFP) is a regional initiative to facilitate efficient movement of persons, goods and services between Kenya and South Sudan. The Information Communication and Technology component entail's the enhancement of internet connectivity along the development corridor from Eldoret to the common border post at Nadapal- Nakodok. The ICT component is being implemented by two (2) government agencies through integrated infrastructure building model whereby KENHA is implementing the civil works of the main backbone and ICT Authority is implementing the Spurs civil works, OFC cable installation, Supply and installation of passive and active equipment as well as commissioning of the network.

EARTTDFP Project involves the construction of a Fiber Optic Cable Network alongside part of Eldoret - Nakodok Corridor. The scope of works under ICTA mandate involves Supply, Installation, Testing, Commissioning, Training, Warranty and Maintenance of two (2) optical fiber networks (backbone and access) along the Eldoret to Nadapal-nakodok road

The EARTTDFP OFC Network Project extends along five (5) counties of Uasin Gishu, Trans Nzoia, West Pokot and Turkana from Eldoret to Nadapal/Nakodok border post. There is a meet-me point interfacing between the Kenyan side of the network and the South Sudan side of the network. The network will provide infrastructure to serve the National and County government administration offices and government institutions such as dispensaries, hospitals, citizen service offices (Huduma centers), schools, colleges and universities, security and law enforcement posts, border immigration and customs centers as well as communications service providers.

This project is 99.2 % complete with ducts installed, fibre blown and equipment installed on the Eldoret to Nadapal stretch and active equipment working. There is additional works to connect government institutions long the 630 Km Eldoret-Nadapal road-corridor. The project is ready for commissioning, now planned for August 2023.

The Horn of Africa Gateway Development Project (HoAGDP). The project aims to Improve movement of people, goods and digital services, facilitation of regional trade and transport, improve access to selected basic social services at designated locations along Isiolo-Mandera Road Corridor and institutional strengthening. The ICT component is being implemented by two (2) government agencies through integrated infrastructure building model whereby KENHA is implementing the civil works of the main backbone and ICT Authority is implementing the Spurs civil works, OFC cable installation, Supply and installation of passive and active equipment as well as commissioning of the network. The Authority will install fibre optic network in the 740 Km stretch of the main road and an additional 200 Km of spurs. The network will provide infrastructure to serve the National and County government administration offices and government institutions such as dispensaries, hospitals, citizen service offices (Huduma centers), schools, colleges and universities, security and law enforcement posts, border immigration and customs centers as well as communications service providers along the corridor.

The consultancy for design and supervision of installation of the Fibre Optic Cable for the 740 Km Isiolo-Mandera road (200 Km spurs) is under technical evaluation and has been provided to the bank for review. The Consultant is expected to be on-boarded by August 2023 and take 9 months to complete design. Procurement plan and TOR cleared and procurement on-going for: Request For Proposal (RFP) document for Environmental and Social Impact Assessment. RFP for the Design and supervision of 740 Km FOC under two-stage evaluation is on-going.

UNICEF Giga. The initial scope of the project is to provide internet connectivity to **35 primary schools** (which translates to connectivity to an estimated **21,000** children and teachers). ICTA, Ministry of Education and UNICEF worked with different internal mapping teams to identify and assess public primary schools within the proximity of NOFBI. Based on a survey, ICTA and UNICEF selected 35 schools from a cohort of 500 schools provided by UNICEF and the Ministry of Education that fall within 1 Km or less of NOFBI. Using a combination of ICTA, UNICEF and ITU partners, these schools are being connected to the internet and tested to ensure functional and operational access to world-class digital solutions

**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023**

and content for learners and teachers. ICTA has brought expertise from connecting government institutions to the NOFBI infrastructure, while UNICEF brings in experience from connecting 230 public primary schools under Giga. The project has connected 34 schools out of the 35 to date.

Digital Literacy Programme

The project objective was to enhance the provision of quality education through use of ICT for fostering 21st century skills by acquiring and distributing seventy-five thousand (75,000) locally assembled digital learning devices and deploy 50 devices to each of the 1,500 schools out of the 24,000. The schools will be identified and provided by the Ministry of Education. The Authority procured and installed 25,089 LDDs under the JKUAT/POSITIVO BGH Consortium and 65,425 LDDs under the MOI/JP SA COUTO Consortium. The LDDs were locally assembled in the two assemblies at Juja (JKUAT) and Eldoret (Moi) respectively

Presidential Digital Talent Programme (PDTP)

Specialized Internship for ICT and Engineering Graduates

The Presidential Digital Talent Programme (PDTP) is an internship programme that develops the ICT talent pool in Kenya through a collaboration between the public and private sectors and in compliance with the constitution and public service internship policy. The Programme was borne out of the need for government to enhance its capacity to use ICT for effective public service delivery.

It admits ICT graduates who have completed the university in the last 2 years in the fields of ICT and Engineering with 1st class or 2nd Class Upper Division. Initiated in 2015, the programme is in its seventh (7) year of implementation, having recruited 2500 interns with recruitment of COHORT VIII in progress. The program is implemented by ICT Authority on behalf of the Ministry of ICT and The Digital Economy.

Through this programme, the government hope to fulfil its promise on:

- a) **Making the public service efficient** and effective in service delivering to its citizens
- b) **Increase youth employability-** Enhancing skills for job creation through Public and private sector on the job experience, training and Certification
- c) Development of high-end innovative leaders for the digital and knowledge economy-
- d) **Accelerated economic impact through ICT effectiveness-** Develop a pipeline of next generation of globally competitive ICT leadership and technology expert talent that will transform Kenya through world-class service delivery.

Program has recruited 2500 interns, with over 1600 employed or in business.

PDTP Interns



10. Environmental and Sustainability Reporting

i) *Sustainability strategy and profile*

The Authority's top management always makes reference to socio-political economic global dynamics, Government priorities as well as international best practices as it makes decisions on corporate sustainability Strategy & Profile.

ii) *Environmental performance*

E-waste Project: towards a sustainable digital green economy and employment creation

The increasing rate of technology advancement has resulted in the proliferation of electronic devices and appliances that have a limited lifespan. As a result, e-waste has become a major environmental concern due to the hazardous materials contained in these devices and the improper disposal of these materials.

In view of the above, The Authority has established an e-waste management facility to support the government manage issues arising out of implementation of the digital economy initiatives across the government as well as the Country. The initiative is expected to spur economic growth through creation of 1 million indirect and direct employment opportunities through SMEs growth and distribution refurbished devices to citizens centres to assist in training digital skills to the rural communities in markets, villages, wards, and constituencies.

Additionally, provide skills development to 500,000 youths on e-waste management, repair and maintenance of ICT and accessories equipment.

The Project is in operation with over 10,000 devices collected from MCDAs, and 8,000 tested. This is intended to scale across the country to citizens and private sector organizations. The project supports the Digital eservices and Digital super highway projects.

Impact:

a) Creation of Employment (direct and indirect) The project has a capacity to create 500,000 direct and indirect jobs

- i). Establishment of Infrastructure factory/ facilities and systems;
- ii). Establishment of e-waste collection centers in all counties
- iii). Establishment of SMEs for EEE repair and maintenance shops for youth through Husler fund after training across the country
- iv). Education and training - (Awareness, change management and capacity building);
- v). Collection, Repair and maintenance - all the Country's devices (ALL EEE), schools, public and private sector
- vi). Distribution of refurbished devices to centres to support citizens skills development

**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023**

- vii). Recycle of materials - towards a Circular economy -
 - viii). Research and innovation
 - ix). Commercialize refurbished equipment & sale of recovered rare minerals from recycling- empower informal sector Establishment of a device manufacturing factory
- b) **Globally-the goal is to meet the SDG goals** - Raise Kenya's Index on globe e-waste management and Promotion of a circular economy for a sustainable climate change adaptation through safe and proper disposal of e-waste (eliminate or reduce obsolete electronics and safeguard the natural resources and reduce unnecessary dumps and landfills through recycling.

iii) Employee welfare

The Human Resource Policy and procedure manual guides our hiring process considering the gender ratio. The manual is improved after every three (3) years or as need arises in order to address emerging issues. The amendments are done by the Board of Directors with the advice of the CEO.

To improve on employee skills. the Authority has a training policy and also a committee in place that evaluates the training projections from every employee and the budget allocated for trainings in order to ensure that every employee has attended a training not less than 5 days per financial year. The employees attend trainings that are in line with the jobs to improve on their knowledge and skills. The Authority has a performance appraisal in place whereby the employees sign targets with their supervisors at the beginning of the financial year and evaluation is done at the end of the financial year.

iv) Market place practices-

a) Responsible competition practice.

ICTA ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors by Avoiding causing or contributing to adverse impacts on such matters and address such impacts when they occur.

b) Responsible Supply chain and supplier relations

On local community, the authority ensures that our work with the local community involves working and supporting local and national charities and encouraging volunteer work in community activities. The Authority will also ensure that we deal responsibly, openly and fairly with suppliers by ensuring that we use local suppliers as much as possible and that we will endeavour to pay them on time. The Authority will continue to forge public private partnership when undertaking the activities in order to ensure we make a significant positive difference in the society

**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023**

c) *Responsible marketing and advertisement*

ICTA is Ethical, Truthful and Responsible Communication Transparency: It uses clear marketing communications that does not mislead customers. Where possible, ICTA makes the boundary between content and commercial promotion clear and always identify commercial content as such.

d) *Product stewardship*

ICTA doesn't offer any products in the market but offers ICT services to the public. To safeguard the consumer rights and interests, this can be achieved through various means, such as self-regulation, industry codes, consumer organizations, public education, and legal action. Consumer regulation is the set of laws and rules that govern the conduct of businesses towards consumers.

v) *Corporate Social Responsibility / Community Engagements*

This is about how ICTA takes account of its economic, social and environmental impact in the way it operates as a public organization. By demonstrating our commitment to corporate social responsibility (CSR), we aim to align our values, purpose and strategy with the needs of our employees, Local community and society at large, while embedding such responsible and ethical principles into everything we do.

Though the Authority does not have a CSR policy in place, we endeavour to have one in place in the near future. Nevertheless, as a parastatal, our dealing with our clients, suppliers and the local community principles in an effort to support reducing our energy, procurement, transport, water use and other business usage to reduce our carbon footprint and environmental impact.

The Authority undertook the CSR activity during the Connected 2023 Summit which was held at Diani, Kwale in April 2023 on the sidelines of the 4-day technology summit that brings together professionals, entrepreneurs, and leaders from the ICT industry.

The ICT Authority Board donated basic needs such as food to the less fortunate families in Kwale county and in the Spirit of Easter.





**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023**

11. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2023, which show the state of the Authority's affairs.

i) Principal activities

The principal activities of the ICT Authority is to rationalize and streamline the management of all Government of Kenya ICT functions. Its broad mandate entails enforcing ICT standards in Government and enhancing the supervision of its electronic communication. The Authority also promotes ICT literacy, capacity, innovation and enterprise in line with the Kenya National ICT Masterplan 2017.

ii) Results

The results of the Entity for the year ended June 30, 2023, are set out on pages 1 to 6 of these financial statements.

iii) Directors

The members of the Board of Directors who served during the year are shown on page x. During the year 2022/2023 six (6) directors were degazetted/retired and six independent directors were appointed with effect from March 10, 2023.

iv) Surplus remission

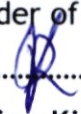
In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year.

The Authority did not make any surplus during the year under review (FY 2022/23 KShs Nil) and hence no remittance to the Consolidated Fund

v) Auditors

The Auditor-General is responsible for the statutory audit of the ICT Authority in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board

.....


Pauline Kimotho

Corporation Secretary

**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023**

12. Statement of Directors Responsibilities

Section 81 of the Public Finance Management Act, 2012 require the Directors to prepare financial statements in respect of ICT Authority, 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 ICT Authority for the period ended June 30, 2023. The Directors are also required to ensure that the Authority 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 the Authority.

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 Authority for and as at the end of the financial year ended on June 30, 2023. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Authority; (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 ICT Authority's 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). The Directors are of the opinion that the Authority's financial statements give a true and fair view of the state of Authority's transactions during the financial year ended June 30, 2023, and of the Authority's financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for the Authority which have been relied upon in the preparation of the

**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023**

Authority's 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 Authority's 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 ICT Authority's financial statements were approved by the Board on September 26, 2023 and signed on its behalf by:

A blue ink signature of Hon. Sylvanus Maritim, consisting of stylized, overlapping loops and strokes.

Hon. Sylvanus Maritim
Chairperson of the Board

A black ink signature of Stanley Kamanguya, featuring a long, horizontal, sweeping stroke followed by a smaller, more complex flourish.

Stanley Kamanguya, OGW
Chief Executive Officer

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON INFORMATION AND COMMUNICATION TECHNOLOGY AUTHORITY (ICTA) FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Information and Communication Technology Authority set out on pages 1 to 56, which comprise of the statement of financial position as at 30 June, 2023, and the statement of financial performance,

statement of changes in net assets, 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 Information and Communication Technology Authority as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Legal Notice No.183 of 2013.

Basis for Qualified Opinion

1. Long Outstanding Receivables

The statement of financial position reflects receivables from exchange transactions balance of Kshs.304,042,368 which includes Kshs.248,427,178 due from Telkom Kenya and which had been outstanding for long. However, Management did not provide explanations on why the Authority continued to advance services to Telkom Kenya while still bearing the risk of the amounts being defaulted.

In the circumstances, the accuracy, completeness and recoverability of receivables from exchange transactions balance of Kshs.304,042,368 could not be confirmed.

2. Long Outstanding Pasha Loans

The statement of financial position reflects receivables from exchange transactions balance of Kshs.304,042,368 which, as disclosed in Note 25 to the financial statements, includes an amount of Kshs.45,193,389 in respect of digital villages revolving fund (Pasha). As previously reported, the latter balance, which has been outstanding since the year 2017, represents loans advanced to entrepreneurs to set up information hubs with a condition of repayment within nine (9) years. However, during the year under review and in the prior years, no repayment were received from the borrowers. Although the loans have remained outstanding for a long period of time and their recovery were doubtful, Management has not made an impairment provision for the loan amount. Further, interest chargeable on the loans was not included in the financial statements.

In the circumstances, the accuracy and completeness of the Digital Village Revolving Fund (Pasha) balance of Kshs.45,193,389 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Information and Communication Technology 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.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis amounts of Kshs.2,984,654,913 and Kshs.2,094,339,676 respectively, resulting in an underfunding of Kshs.890,315,237, or 30% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis amounts of Kshs.3,067,538,917 and Kshs.2,669,604,452 respectively, resulting in an under-expenditure Kshs.397,934,465 or 13% of the budget.

The underfunding and under-expenditure affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Non-Settlement of Trade Payables

The statement of financial position reflects trade and other payables balance of Kshs.678,422,488 which, as disclosed in Note 29 to the financial statements, includes trade payables balance of Kshs.612,246,956 out of which, payables totalling to Kshs.261,150,870 had been outstanding for more than one (1) year, some dating back to the financial year 2016/2017. The latter amount was still outstanding as at time of audit in March, 2024, contrary to Regulation 42(1)(a) of the Public Finance Management (National Government) Regulations, 2015, which provides that debt service payments shall be a first charge on the Consolidated Fund and the Accounting Officer shall ensure this is done to the extent possible that the Government does not default on debt obligations.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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 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 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 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 terminate 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 Authority's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report 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 overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal 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 controls 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 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 controls that are identified during the audit.

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

02 May, 2024

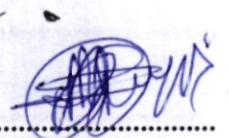
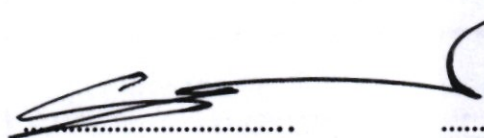
The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023.

14. Statement of Financial Performance for the year ended 30 June 2023

	Notes	2022-2023 KShs	2021-2022 KShs
Revenue from non-exchange transactions	Note		
Grants income	6	895,782,925	1,410,994,172
Public Contributions & Donations	7	146,819,022	76,367,424
		1,042,601,946	1,487,361,595
Revenue from exchange transactions			
Other income	8	28,228,470	18,417,883
Rendering of services	9	1,023,509,259	431,770,299
		1,051,737,730	450,188,182
Total revenue		2,094,339,676	1,937,549,777
Expenses			
Employee costs	11	409,002,945	388,817,276
Directors' costs	12	15,998,822	12,070,956
Routine maintenance	13	1,568,314	2,333,912
General expenses	14	24,468,101	16,231,968
Departmental Expenses	15	7,130,154	2,979,138
Finance costs	16	1,092,270	1,035,495
Depreciation & Amortization	17	29,522,169	40,038,614
Government Digitization Platform (E-Citizen)	18	206,489,290	-
Presidential Digital Talent program	19	124,467,824	132,596,759
Innovation Expenses	20	3,456,814	351,976
Other Expenses			
Programs & Projects	21	1,724,197,067	1,191,831,512
Provision for Bad Debts	22	122,210,682	109,031,865
Total expenses		2,669,604,452	1,897,319,515
Other Gains (Losses)			
PPE Sales	10	0	10,111
Unrealized Exchange Gain/(Loss)	10	212,248,576	95,892,104
Surplus/(deficit) before tax		-363,016,201	136,132,478
Taxes	23	32,115,334	2,807,698
Surplus/(deficit) for the year		-395,131,534	133,324,779

The notes set out on pages 10 to 53 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 53 were signed on behalf of the Board of Directors by:

The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023.

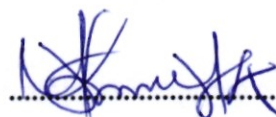


Stanley Kamanguya, OGW
Chief Executive Officer

CPA Oliver Pyoko
Head of Finance
ICPAK W/No: 12558

Date

Date



Hon. Sylvanus Maritim
Chairman of the Board

Date

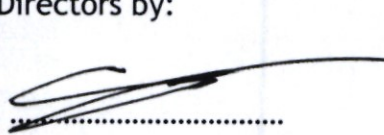
**Comparative year means prior year*

**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023.**

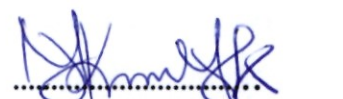
15 Statement of Financial Position as at 30 June 2023

Assets	Note	2022-2023 KShs	2021-2022 KShs
Current Assets			
Cash and cash equivalents	24	2,325,723,364	2,251,450,100
Receivables from Exchange Transactions	25	304,042,368	479,379,151
Receivables from Non-Exchange Transactions	26	40,445,050	17,379,363
Total Current Assets		2,670,210,783	2,748,208,614
Non-Current Assets			
Property, plant and equipment	27	28,240,002	29,568,311
Intangible Assets	28	7,380,531	17,221,239
Total Non-Current Assets		35,620,533	46,789,550
Total Assets		2,705,831,315	2,794,998,164
Liabilities			
Current liabilities			
Payables from exchange transactions	29	678,422,487	372,457,801
Non-Current Liabilities			
NOFBI II Expansion Deferred Income	30	896,309,916	896,309,916
Total liabilities		1,574,732,403	1,268,767,717
Net assets			
Accumulated (Deficit)/Surplus	31	1,131,098,911	1,526,230,447
Total net assets and liabilities		2,705,831,315	2,794,998,164

The financial statements set out on pages 1 to 53 were signed on behalf of the Board of Directors by:


Stanley Kamanguya, OGW
Chief Executive Officer


CPA Oliver Pyoko
Head of Finance
ICPAK M/No: 12558


Hon. Sylvanus Maritim
Chairman of the Board

Date

Date

Date

16. Statement of Changes in Net Assets for the year ended 30 June 2023

	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Proposed dividends	Capital/Development Grants/Fund	Total
	KShs	KShs	KShs	KShs	KShs	KShs	KShs
At July 1, 2021	-	-	-	1,861,119,684	-	-	1,861,119,684
Prior year Adjustments				(468,214,019)			(468,214,019)
Total comprehensive income				133,324,825			133,324,825
At June 30, 2022	-	-	-	1,526,230,490	-	-	1,526,230,490
At July 1, 2022	-	-	-	1,526,230,490	-	-	1,526,230,490
Prior year Adjustments				(45)			(45)
Total comprehensive income				(395,131,534)			(395,131,534)
At June 30, 2023	-	-	-	1,131,098,911	-	-	1,131,098,911

Note:

1. Prior year adjustment should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances needs to be done.

The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023.

17. Statement of Cash Flows for the year ended 30 June 2023

		2022-2023	2021-2022
	Notes	KShs	KShs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities	6	895,782,925	1,410,994,172
Public contributions and donations	7	146,819,022	76,367,424
Other income	8	28,228,470	18,417,883
Rendering of services	9	1,023,509,259	431,770,299
Total receipts		2,094,339,676	1,937,549,777
Payments			
Use of goods and services		1,550,675,078	2,103,992,792
Employee costs		409,002,945	388,817,276
Board Expenses		15,998,822	12,070,956
Repairs and maintenance		1,568,314	2,333,912
Contracted services		24,468,101	16,231,988
Total payments		2,001,713,260	2,523,446,925
Net cash flows from/(used in) operating activities		92,626,416	-585,897,147
Cash flows from investing activities			
Purchase of PPE and Intangible assets	17	-18,353,152	-1,184,513
Proceeds from sale of PPE			
Purchase of investments			
Sale of investments			
Net cash flows from/(used in) investing activities		-18,353,152	-1,184,513
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Proceeds from issue of shares		-	-
Net cash flows from financing Activities		-	-
Net increase/(decrease) in cash &Cash equivalents		74,273,264	-587,081,660
Cash and cash equivalents at 1 July	24	2,251,450,100	2,838,531,760
Cash and cash equivalents at 30 June	24	2,325,723,364	2,251,450,100

(PSASB has now prescribed the direct method of cashflow presentation for all entities under the IPSAS Accrual basis of accounting).

18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2023

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	KShs	KShs	KShs	KShs	KShs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
GOK Recurrent	441,000,000	-14,600,000	426,400,000	426,400,000	0	100%
Presidential Digital Talent Programme	116,000,000	-3,800,000	112,200,000	112,200,000	0	100%
Government Shared Services Grants	519,000,000	-400,000,000	119,000,000	-	119,000,000	0%
NOFBI II E	104,000,000	-75,000,000	29,000,000	-	29,000,000	0%
Digital Literacy Programme	70,000,000	-60,000,000	10,000,000	2,500,000	7,500,000	25%
EARTTDFP IDA Grants	1,302,000,000	-600,000,000	702,000,000	299,973,944	402,026,057	43%
HOAGDP IDA Grants	525,000,000	-375,000,000	150,000,000	15,380,617	134,619,383	10%
EARTTDF Counterpart Funds	100,000,000	-75,000,000	25,000,000	25,000,000	0	100%
HOAGDP Counterpart Funds	50,000,000	-40,000,000	10,000,000	10,000,000	0	100%
Transfers from Other MDAs	0	4,328,365	4,328,365	4,328,365	0	100%
E-Citizen	0	600,000,000	600,000,000	207,498,779	392,501,221	35%
NOFBI Maintenance	330,000,000	300,000,000	630,000,000	794,709,365	-164,709,365	126%
Accreditation Fees	5,000,000	5,000,000	10,000,000	21,301,115	-11,301,115	213%
Connected Summit	139,501,830	-21,501,830	118,000,000	107,792,474	10,207,526	91%
UNICEF GIGA Project	38,726,548	0	38,726,548	38,726,548	0	100%
Interest Income			0	28,228,470	-28,228,470	
Other Donations & Public Contributions			0	300,000	-300,000	
Total Revenue	3,740,228,378	-755,573,465	2,984,654,913	2,094,339,676	890,315,237	
Expenses						
Employee costs	405,123,816	-310,635	404,813,181	409,002,945	-4,189,764	101%
Directors' costs	8,000,000	5,344,000	13,344,000	15,998,822	-2,654,822	120%

The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023.

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	KShs	KShs	KShs	KShs	KShs	
Routine maintenance	4,000,000	-2,545,000	1,455,000	1,568,314	-113,314	108%
General expenses	15,576,184	-5,080,960	10,495,224	24,468,101	-13,972,877	233%
Departmental Expenses	12,300,000	-6,907,405	5,392,595	7,130,154	-1,737,559	132%
Finance costs	1,000,000	-100,000	900,000	1,092,270	-192,270	121%
Depreciation & Amortization expense	0			29,522,169	-29,522,169	
Government Digitization Platform (E-Citizen)		600,000,000	600,000,000	206,489,290	393,510,710	34%
Presidential Digital Talent program	116,000,000	-3,800,000	112,200,000	124,467,824	-12,267,824	111%
Innovation Expenses				3,456,814	-3,456,814	
Other Expenses					0	
Government Shared Services Expenses	519,000,000	-400,000,000	119,000,000	243,797,013	-124,797,013	205%
NOFBI II Expansion	104,000,000	-75,000,000	29,000,000	78,140,329	-49,140,329	269%
Digital Literacy Programme	70,000,000	-60,000,000	10,000,000	177,141,772	-167,141,772	1771%
NOFBI Maintenance	330,000,000	300,000,000	630,000,000	544,439,889	85,560,111	86%
EARTTDF IDA Grants	1,302,000,000	-600,000,000	702,000,000	421,091,968	280,908,032	60%
HOAGDP IDA Grants	525,000,000	-375,000,000	150,000,000	44,354,344	105,645,656	30%
EARTTDF Counterpart	100,000,000	-75,000,000	25,000,000	39,723,088	-14,723,088	159%
HOAGDP Counterpart	50,000,000	-40,000,000	10,000,000	8,408,120	1,591,880	84%
Connected Summit	139,501,830	-21,501,830	118,000,000	108,408,641	9,591,359	92%
Nairobi Expressway			0	18,016,320	-18,016,320	
UNICEF GIGA Project	38,726,548	0	38,726,548	27,271,061	11,455,487	70%
E-Waste Expenses		82,884,004	82,884,004	13,404,522	69,479,482	16%
Bad Debts Expense			0	122,210,682	-122,210,682	
CA Loggersite		4,328,365	4,328,365	0	4,328,365	0%
Total expenses	3,740,228,378	-672,689,461	3,067,538,917	2,669,604,452	397,934,464	
Other Gains(Losses)						

The Information and Communication Technology Authority
 Annual Report and Financial Statements
 for the year ended June 30, 2023.

	Original budget KShs	Adjustments KShs	Final budget KShs	Actual on comparable basis KShs	Performance difference KShs	% of utilization
Unrealized Exchange				212,248,576	-212,248,576	
Gain/(Loss)						
Surplus/(deficit) before	0	-82,884,004	-82,884,004	-363,016,201	280,132,197	
tax				32,115,334	-32,115,334	
Taxes						
Surplus/(deficit) for the	0	-82,884,004	-82,884,004	-395,131,534	312,247,530	
year						

Budget notes

- Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (IPSAS 24.14)
 - Under NOFBI AIA the total invoiced amounts was KShs 794,709,365, actual received for the period under review was KShs 581,738,429.
 - E-Citizen was underutilized during the year under review due to the budget was for one year while the approval for the expenditure was received in January 2023, thus few months were considered.
 - NOFBI maintenance was underutilized due to some of the sites not maintained as earlier budgeted.
 - EARTTDFP IDA project was underutilized due to delay in receipt of exchequer. The project is on cash basis.
 - HOAGDP IDA project is in its initial stages hence the low utilization as the consultant is not on board yet.
 - UNICEF low utilization is due to some delays in some school connectivity.
 - The rest of other expenditures have been overutilized due to budget cuts. The budgets were cut after most of the expenditures have been incurred.
- Provide an explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)

The changes between the original budget and the final budget is due to supplementary increase or decrease in budget.

19. Notes to the Financial Statements

1. General Information

The ICT Authority is established by and derives its authority and accountability from Legal Notice No.198 amended order 2013. The Authority is wholly owned by the Government of Kenya and is domiciled in Kenya. The Authority's principal activity is to rationalize and streamline the management of all Government of Kenya ICT functions. Its broad mandate entails enforcing ICT standards in Government and enhancing the supervision of its electronic communication. The Authority also promotes ICT literacy, capacity, innovation and enterprise in line with the Kenya National ICT Masterplan 2017.

2. Statement of Compliance and Basis of Preparation

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

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

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

- i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2023.*

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2023: 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: • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <i>The standard has no impact in the Authority.</i>
IPSAS 42: Social Benefits	Applicable: 1st January 2023 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

The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023.

Standard	Effective date and impact:
	should help users of the financial statements and general-purpose financial reports assess: (a) The nature of such social benefits provided by the Entity. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows. <i>The standard has no impact in the Authority.</i>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2023: a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued. d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued. <i>The standard has no impact in the Authority.</i>
Other improvements to IPSAS	Applicable 1st January 2023 • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008).

The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023.

Standard	Effective date and impact:
	• IPSAS 39: Employee Benefits. Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023. <i>The standard has no impact in the Authority.</i>

ii. ***New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.***

Standard	Effective date and impact:
IPSAS 43	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. <i>The standard has no impact to the Authority</i>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. <i>The standard has no impact to the Authority</i>

iii. Early adoption of standards

The Entity did not early - adopt any new or amended standards in the financial year.

Notes to the financial statements (continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

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

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the *Entity* and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions

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)

Summary of Significant Accounting Policies (Continued)

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for the Current FY was approved by the National Assembly in June 2022. 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 600 million on the 2023 budget following the governing body's approval.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Budget information (continued)

The ICT Authority's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 18 of these financial statements.

c) Taxes

Current income tax

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable *Entity* and the same taxation authority.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Sales tax

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

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

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of derecognition. Transfers are made to or from investment property only when there is a change in use.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

e) Property, plant and equipment

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

f) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the *Entity*. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The *Entity* also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the *Entity* will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

g) Intangible assets

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

h) Research and development costs

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

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements.

a) Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date.

b) Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

j) Inventories

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

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized

**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023.**

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

k) Provisions

Provisions are recognized when the *Entity* has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the *Entity* expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

l) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

m) Contingent liabilities

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

n) Contingent assets

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

o) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. *The Authority has no reserved maintained.*

p) 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.

q) Employee benefits

Retirement benefit plans

The Authority 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 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. 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.

r) Foreign currency transactions

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

s) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

t) Related parties

The Authority 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 Authority, or vice versa. Members of key management are regarded as related parties and comprise *the directors, the CEO and senior managers*.

u) Service concession arrangements

The Authority analyses all aspects of service concession arrangements that it enters in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Authority recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise - any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Authority also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

v) Cash and cash equivalents

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

w) Comparative figures

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

x) 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, 2023.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

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 Authority 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 value

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

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

Notes to the Financial Statements (Continued)

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material. The Authority maintains provision for bad debts only.

**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023.**

Notes to the Financial Statements (Continued)

6. Transfers from Other Government entities

Description	2022-2023	2021-2022
	KShs	KShs
Unconditional Grants		
GoK Recurrent Funds	426,400,000	424,380,000
Presidential Digital Talent Programme	112,200,000	132,520,000
Shared Services		259,500,000
GoK NOFBI		52,000,000
Digital Literacy Programme	2,500,000	35,000,000
EARTTDF Counterpart Funds	25,000,000	50,000,000
HOAGDP Counterpart Funds	10,000,000	25,000,000
EARTTDF IDA Grants	299,973,944	432,594,172
HOAGDP IDA Grants	15,380,617	
Other Organizational Grants (CA)	4,328,365	
Total Government Grants and Subsidies	895,782,925	1,410,994,172

The funds are for recurrent and development expenses for the Authority.

6.A Transfers from Ministries, Departments and Agencies (MDAs)

Name Of the Entity Sending the Grant	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Amount recognised in capital fund.	Total transfers 2022-2023	Total transfers 2021-22
	KShs	KShs	KShs		KShs
State Department of ICT & Innovation	891,454,560	-	-	891,454,560	1,410,994,172
Communications Authority	4,328,365	-	-	4,328,365	-
Total	895,782,925	-	-	895,782,925	1,410,994,172

(Ensure that the amount recorded above as having been received from the Ministry fully reconciles to the amount recorded by the sending Entity Ministry. An acknowledgement note/receipt should be raised in favour of the sending Ministry. The details of the reconciliation have been included under appendix iv)

**Amount recognised in the statement of financial performance should be the recurrent grant and the development grant to the extent that there are no conditions attached. Total of column 1 should tie to note 6(the part on unconditional grants).*

**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023.**

Notes to the Financial Statements (Continued)

7. Public Contributions and Donations

Description	2022-2023	2021-2022
	KShs	KShs
Huawei Technologies	300,000	
UNICEF	38,726,548	
Connected Summit Contributions	107,792,474	76,367,424
	146,819,022	76,367,424
Reconciliation of public contributions and donations		
Balance unspent at beginning of quarter		
Current year receipts	146,819,022	76,367,424
Conditions met - transferred to revenue		
Conditions to be met - remain liabilities	146,819,022	76,367,424

The Connected summit is a yearly event aimed at connecting all ICT entities worldwide which is sponsored by well-wishers and delegates contribute towards the event.

The UNICEF GiGa Project funds were to provide internet connectivity to **35 primary schools** (which translates to connectivity to an estimated **21,000** children and teachers).

8. Other Income

Description	2022-2023	2021-2022
	KShs	KShs
Interest Income (Banks)	28,228,470	18,417,883
Total other income	28,228,470	18,417,883

Interest income is earned through the bank accounts that the Authority has with the local Bankers.

9. Rendering Of Services

Description	2022-2023	2021-2022
	KShs	KShs
NOFBI Commercialization	791,750,838	418,324,494
Shared Services Income	2,958,528	1,117,319
Innovations Income		1,100,000
Accreditation Fees & Penalties	21,301,115	11,228,485
Government Digitization Platform (E-citizen)	207,498,779	
Revenue from Exchange Transactions		
Total other income	1,023,509,259	431,770,299

**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023.**

Notes to the Financial Statements (Continued)

- Revenue from NOFBI Commercialization relates to the sale of NOFBI cable to the Telcos
- Revenue from Shared services- Internet connectivity to MDAs
- E-citizen-convenience fees collected for offering services through digitization platform.
- Fees and Penalties are accreditation fees collected.

10. Other Gains (Loss)

Description	2022-2023	2021-2022
	KShs	KShs
PPE Sales	0	10,111
Unrealized Exchange Gain/(Loss)	212,248,576	95,892,104
Total other income	212,248,576	95,902,215

The unrealized exchange gain is due to revaluation of the foreign currency-maintained bank accounts to KShs for reporting purposes. No transaction took place

11. Employee Costs

Description	2022-2023	2021-2022
	KShs	KShs
Basic Salaries and wages	103,307,915	101,305,748
Housing benefits and allowances	69,201,186	59,142,654
Other Staff Costs	1,218,499	837,433
Contract Staff Salaries	186,310,154	184,984,433
Employee related costs - contributions to pensions, NSSF and Gratuity	28,072,967	22,289,462
Medical Expenses	14,215,410	17,679,139
Group life insurance/WIBA	4,789,365	1,397,293
Staff Welfare Expenses	1,010,904	36,600
Recruitment	876,545	1,144,514
Employee costs	409,002,945	388,817,276

12. Board Expenses

Description	2022-2023	2021-2022
	KShs	KShs
Chairman's Honoraria	960,000	698,667
Sitting Allowances	6,400,000	6,352,000
Other allowances	8,638,822	5,020,289
Total Director Costs	15,998,822	12,070,956

The variations is due to onboarding of a new board who had to undergo trainings and inductions.

**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023.**

Notes to the Financial Statements (Continued)

13. Routine Maintenance

Description	2022-2023	2021-2022
	KShs	KShs
Motor Vehicles	902,049	1,266,970
Furniture and fittings	126,565	497,482
Computers, Networks & Accessories	539,700	569,460
Total repairs and maintenance	1,568,314	2,333,912

Minimum repairs compared to the previous year.

14. General Expenses

Description	2022-2023	2021-2022
	KShs	KShs
Travel, motor car, accommodation, subsistence and other allowances	4,495,110	717,320
Advertising, Printing and Supplies	1,248,959	2,787,415
Membership fees, dues and subscriptions	1,320,071	234,595
Fuel and oil	909,885	681,940
Office and General Supplies	1,739,807	1,643,157
Hospitality supplies and Services	2,319,592	1,936,300
Training & Capacity Building	5,898,674	3,251,452
Contracted and Utilities Supplies	2,380,437	2,437,552
Motor Vehicle Insurance	30,176	38,238
Toners & Cartridges	934,040	
Audit fees	1,600,000	2,504,000
Legal expenses	1,591,350	-
Rent & Parking		
Total general expenses	24,468,101	16,231,968

The Accreditation expenses has been put in note 15 under departmental expenses.

15. Departmental Expenses

Description	2022-2023	2021-2022
	KShs	KShs
Accreditation Expenses	4,771,454	2,979,138
Finance Department Expenses	992,800	
HR & Administration Dept	900,000	
Internal Audit Department Expenses	465,900	
Total finance costs	7,130,154	2,979,138

In the previous year, Accreditation expenses were treated under General Expenses. In the period under review, it has been included as part of departmental expenses.

**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023.**

Notes to the Financial Statements (Continued)

16. Finance Cost

Description	2022-2023	2021-2022
	KShs	KShs
Bank Charges	1,092,270	1,035,495
Total finance costs	1,092,270	1,035,495

The finance cost relates to bank charges.

17. Depreciation & Amortization

Description	2022-2023	2021-2022
	KShs	KShs
Property, Plant and Equipment	19,681,461	30,197,906
Intangible assets Amortization	9,840,708	9,840,708
Total depreciation and amortization	29,522,169	40,038,614

The decrease in PPE depreciation is attributed to some assets being fully depreciated.

18. Government Digitization Platform (E-Citizen)

Description	2022-2023	2021-2022
	KShs	KShs
Support, Maintenance and Gateway Services	203,503,333	-
Onboarding of new services	2,220,857	
General Operations	765,100	
Total Government Digitization Platform (E-Citizen)	206,489,290	-

The E-citizen was allocated to ICTA in the FY 2022/23, thus there are no figures in the comparison period.

**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023.**

Notes to the Financial Statements (Continued)

19. Presidential Digital Talent Program (PDTP)

PRESIDENTIAL DIGITAL TALENT PROGRAM		
Description	2022-2023	2021-2022
	KShs	KShs
Presidential Digital Talent Program - Interns	102,250,807	109,291,207
Presidential Digital Talent Program - Operations	22,217,017	23,305,550
Total PDTP Expenses	124,467,824	132,596,757

20. Innovation Expenses

Description	2022-2023	2021-2022
	KShs	KShs
Innovation Expenses	3,456,814	351,976
Total Innovation Expenses	3,456,814	351,976

21. Programs & Projects

Description	2022-2023	2021-2022
	KShs	KShs
Government Shared Services	243,797,013	369,446,809
NOFBI II E Expenses	78,140,329	54,906,079
NOFBI Maintenance	544,439,889	96,548,982
Digital Literacy Program - Devices	131,020,240	38,410,138
Digital Literacy Program - Operations	46,121,532	42,454,349
EARTTDF Project Expenses	421,091,968	392,523,795
HOAGD Project Expenses	44,354,344	14,911,071
TCIP Expenses Category 7 (Operating)	-	126,440
EARTTDF Counterpart Expenses	39,723,088	23,710,453
HOAGDP Counterpart Expenses	8,408,120	26,148,000
Connected Summit Expenses	108,408,641	70,012,733
Nairobi Expressway Expenses	18,016,320	62,632,687
UNICEF GIGA Project	27,271,061	-
E-Waste Expenses	13,404,522	-
Total Programs & Projects	1,724,197,067	1,191,831,536

The GoK development expenses, IDA funded projects and other programs ran by the Authority has been collapsed into Programs and Projects. As at June 2023 the IDA funded project EARDTDFP had spent KShs 1,1517,956,497 against receipt of KShs 1,532,067,671. The project is 99% complete. HOAGDP is at its initial stages.

The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023.

Notes to the Financial Statements (Continued)

22. Provision for Bad Debts

	2022-2023	2021-2022
Description	KShs	KShs
Provision for Bad Debts during the year (Note 22A)	122,210,682	109,031,865
Total Bad Debts Provision	122,210,682	109,031,865

22.A Detailed Analysis of Debtors

Debtor	Aging	Amount	Required % provision	Provision 2022/2023	Provision 2021/2022	Additional Provision
Pasha Fund	Over years 2	45,193,389	100%	45,193,389	-	45,193,389
Telkom Kenya	Over years 2	78,280,988	100%	78,280,988	39,827,170	38,453,819
Telkom Kenya	Over year 1	168,606,092	50%	84,303,046	58,858,624	25,444,422
Telkom Kenya	Over months 8	93,860,498	25%	23,465,125	10,346,072	13,119,052
Totals		385,940,967		231,242,548	109,031,865	122,210,682

23. Taxation

Description	2022-2023	2021-2022
	KShs	KShs
With Holding Taxes Paid	4,366,983	2,807,698
Income Tax for the year	27,748,351	
Total Taxes	32,115,334	2,807,698

24. Cash and Cash Equivalents

Description	2022-2023	2021-2022
	KShs	KShs
Current account	946,195,173	1,095,034,535
Escrow Account	1,379,528,192	1,156,415,566
Cash at Hand/cash in transit	-	-
Total cash and cash equivalents	2,325,723,364	2,251,450,100

**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023.**

Notes to the Financial Statements (Continued)

24.A Detailed Analysis of the Cash and Cash Equivalents

Description		2022-2023	2021-2022
Financial institution	Account number	KShs	KShs
a) Current account			
Citi Bank GOK Account	0300085016	18,438,677	782,439,479
Citi Bank PDTP Account	0300085024	8,379	93,239,353
Citi Bank EARTTDFP Account	0300085035	2,584,517	100,704,321
Citi Bank HOAGDP Account	0300085415	44,714,040	73,274,027
Citi Bank GOK Account (USD)	0300085043	3,822,526	3,247,732
Kenya Commercial bank (KShs)	1219615692	504,313,055	42,129,622
KCB Connected Summit Account	1303722755	(201,007)	-
ICTA Government Digitization Account KES	1310084726	11,019,477	-
ICTA Government Digitization Account USD	1310084858	36,306,720	-
KCB-ICTA GOK FUNDS	1312872519	243,222,551	-
KCB-ICTA PDTP ACCOUNT	1312872640	81,966,238	-
		946,195,173	1,095,034,535
b) Escrow Account			
Kenya Commercial bank (USD)	1219130680	1,379,528,192	1,156,415,566
c) Others(specify)			
Cash In Transit			-
Cash in hand			-
Grand total		2,325,723,364	2,251,450,100

25. Receivables from Exchange Transactions

Description	2022-2023	2021-2022
	KShs	KShs
NOFBI Commercialization	486,524,234	540,493,837
Accreditation Fees	135,400	74,000
Innovation	0	1,353,700
Shared Services	3,431,893	1,296,091
Digital Villages Revolving Fund (Pasha)	45,193,389	45,193,389
Less: Provision for Bad Debts	-231,242,548	-109,031,865
Total current receivables	304,042,368	479,379,151

The Pasha Fund of KShs 45,193,389 has been included in the Receivables compared to the previous year where it was in its own.

Notes to the Financial Statements (Continued)

(A) Ageing analysis for Receivables from exchange transactions

Description	2022/2023 FY		2021/2022 FY	
	KShs		KShs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	149,343,949	28%	381,597,681	65%
Between 1- 2 years	340,747,578	64%	161,619,947	27%
Between 2-3 years	-	0%	-	0%
Over 3 years	45,193,389	8%	45,193,389	8%
Total	535,284,916		588,411,017	

(B) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Impairment allowance/ Provision	2022/2023 FY	2021/2022 FY
	KShs	KShs
At the beginning of the year	109,031,865	-
Additional provisions during the year	122,210,682	109,031,865
Recovered during the year	-	-
Written off during the year	-	-
At the end of the year	231,242,547	109,031,865

The provisions have been provided for doubtful debts. (IPSAS 41.)

26. Receivables from Non-Exchange Transactions

Description	2022-2023	2021-2022
	KShs	KShs
Current receivables		
Accounts Receivable	420,000	
Connected Summit Receivable	20,737,491	7,190,438
Staff Advances	1,383,948	722,574
Unsurrendered Imprests	17,823,412	7,754,501
Prepayments	-40,950	
Deposits Receivables	121,150	1,711,850
Less: impairment allowance		
Total current receivables	40,445,050	17,379,363

The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023.

Notes to the Financial Statements (Continued)

27. Property, Plant & Equipment

	Motor Vehicles	Computers and Other IT Equipment	Furniture and Fittings	Total
Cost	KShs	KShs	KShs	KShs
At 1st July 2021	89,488,897	55,082,214	96,153,896	240,725,007
Additions		2,034,520	1,396,640	3,431,160
Disposals				-
Transfer/adjustments		(2,246,647)		(2,246,647)
At 30th June 2022	89,488,897	54,870,087	97,550,536	241,909,520
Additions		18,353,152		18,353,152
Disposals				-
Transfer/adjustments				-
At 30th June 2023	89,488,897	73,223,239	97,550,536	260,262,672
Depreciation				
At 1st July 2021	56,474,125	38,155,985	87,513,193	182,143,303
Depreciation	19,692,424	9,103,036	1,402,446	30,197,906
Disposals				-
Impairment	-	-	-	-
Transfer/adjustment	-	-	-	-
At 30th June 2022	76,166,549	47,259,021	88,915,639	212,341,209
Depreciation	8,718,124	9,429,956	1,533,381	19,681,461
Disposals				-
Impairment	-	-	-	-
Transfer/adjustment	-	-	-	-
At 30th June 2023	84,884,674	56,688,977	90,449,019	232,022,670
Net book values				
At 30th June 2023	4,604,223	16,534,262	7,101,517	28,240,002
At 30th June 2022	13,322,348	7,611,066	8,634,897	29,568,311

27 (a) Valuation

There was no revaluation on Plant, Property and Equipment during the year under review.

The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023.

Notes to the Financial Statements (Continued)

27 (b) Property, Plant and Equipment at Cost

PPE stated at cost is as follows:

Description	Cost	Accumulated Depreciation	NBV
	KShs	KShs	KShs
Motor Vehicles	89,488,897	84,884,674	4,604,223
Computers And Related Equipment	73,223,239	56,688,977	16,534,262
Furniture and Fittings	97,550,536	90,449,019	7,101,517
Total	260,262,672	232,022,670	28,240,002

28. Intangible Assets

Description	2022-2023	2021-2022
ERP System	KShs	KShs
Cost		
At beginning of the year	32,802,360	32,802,360
Additions		-
At end of the year	32,802,360	32,802,360
Additions-internal development		-
At end of the year	32,802,360	32,802,360
Amortization and impairment		
At beginning of the year	15,581,121	5,740,413
Amortization	9,840,708	9,840,708
At end of the year	25,421,829	15,581,121
Impairment loss		-
At end of the year	25,421,829	15,581,121
NBV	7,380,531	17,221,239

29. Trade and Other Payables

Description	2022-2023	2021/2022
	KShs	KShs
Trade payables	612,246,957	322,232,145
Audit Fees Payable	3,200,000	3,200,000
Tax Payable	25,209,223	165,391
Staff Gratuity	37,290,974	46,860,264
DLP Devices Replacement Payables	235,334	-
NOFBI Infrastructure Fees & Penalties Payable	240,000	-
Total trade and other payables	678,422,488	372,457,801

The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023.

Notes to the Financial Statements (Continued)

Ageing analysis: (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	516,997,697	76%	236,502,079	63%
1-2 years	26,835,690	4%	4,872,929	1%
2-3 years	4,803,344	1%	1,877,785	1%
Over 3 years	129,785,756	19%	129,220,081	35%
Total	678,422,487		372,472,873	

The trade payables arose due to accrual basis of account. These payables will be paid once documentation is completed.

30. NOFBI II Expansion Deferred Income

Description	2022-2023	2021/2022
	KShs	KShs
NOFBI II Expansion Deferred Income	896,309,916	896,309,916
Total trade and other payables	896,309,916	896,309,916

The amount will be recognized as income once the billing for the loan is due.

30.A The Deferred Income movement is as follows:

	2022-2023	2021/2022
	KShs	KShs
Balance Brought Forward	896,309,916	896,309,916
Additions	-	-
Transfers To Income Statement	-	-
Balance Carried Forward	896,309,916	896,309,916

31. Accumulated Surplus/ (Deficit)

Description	2022-2023	2021/2022
	KShs	KShs
Accumulated Surplus/ (Deficit) b/d	1,526,230,490	1,861,119,684
Prior Year Adjustments	-45	-468,214,019
(Deficit)/Surplus for the year	-395,131,534	133,324,825
Accumulated (Deficit)/Surplus c/d	1,131,098,911	1,526,230,490

31.A Prior year Adjustments

Description	2022-2023	2021/2022
	KShs	KShs
Trade Payables	-45	263,932,999
Accrued Gratuity		1,022,406
DLP Funds returned to treasury		(733,169,423)
Total Adjustments	(45)	(468,214,019)

Notes to the Financial Statements (Continued)

32. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Benefits	2022-2023	2021-2022
	KShs	KShs	KShs	KShs	KShs
Current Benefit Obligation	17,163,739	-	-	17,163,739	16,620,401
Non-Current Benefit Obligation	-	-	-	-	-
Total Employee Benefits Obligation	17,163,739	-	-	17,163,739	16,620,401

Retirement benefit Asset/ Liability

The Authority operates a defined benefit scheme for all full-time employees from July March 1, 2018. The scheme is based on 10 percentage of salary of an employee and a 20% of employer contribution. Being a Defined Contribution Scheme, there is no requirement for annual actuarial valuations as per the RBA regulations.

The Authority also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs.1,080 per employee per month

33. Surplus Remission (*for category 3 entities*)

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The Authority did not make any surplus during the year and hence no remittance to the Consolidated Fund.

Notes To the Financial Statements (Continued)

34. Cash Generated from Operations

	2022-2023	2021-2022
	KShs	KShs
Surplus for the year before tax	-395,131,534	133,324,825
Adjusted for:		
Depreciation/amortization	29,522,169	40,038,614
Non-cash grants received		0
Prior Year Adjustments	-45	-468,214,019
Working capital adjustments	-365,609,410	-294,850,579
Increase in receivables	152,271,096	-110,881,672
Increase in deferred income	0	0
Increase in payables	305,949,614	-180,149,779
Increase in payments received in advance		0
Net cash flow from operating activities	92,611,299	-585,882,030

35. 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) Credit risk

The Entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Entity's management based on prior experience and their assessment of the current economic environment.

**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023.**

Notes To the Financial Statements (Continued)

Financial Risk Management

The carrying amount of financial assets recorded in the financial statements representing the Entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

	Total amount	Fully performing
	KShs	KShs
As at 30 June 2023		
Receivables from exchange transactions	304,042,368	304,042,368
Receivables from non-exchange transactions	42,096,450	42,096,450
Bank balances	2,325,723,364	2,325,723,364
As at 30 June 2022	2,671,862,183	2,671,862,183
Receivables from exchange transactions	479,379,151	479,379,151
Receivables from non-exchange transactions	17,379,363	17,379,363
Bank balances	2,251,465,217	2,251,465,217
Total	2,748,223,731	2,748,223,731
As at 30 June 2021		
Receivables from exchange transactions	252,883,173	252,883,173
Receivables from non-exchange transactions	87,800,280	87,800,280
Bank balances	2,838,531,761	2,838,531,761
Total	3,179,215,214	3,179,215,214

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from debtors. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023.**

Notes to the Financial Statements (Continued)

ii) Liquidity risk management

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

	Less than 1 month	Between 1- 3 months	Over 5 months	Total
	KShs	KShs	KShs	KShs
As at 30 June 2023				
Trade payables	1,600,000		676,557,224	678,157,224
Current portion of borrowings				-
Provisions				-
Deferred income			896,309,916	896,309,916
Employee benefit obligation				-
Total	1,600,000	-	1,572,867,140	1,574,467,140
As at 30 June 2022				
Trade payables	22,522,962	-	349,949,911	372,472,873
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	896,309,916	896,309,916
Employee benefit obligation	-	-	-	-
Total	22,522,962	-	1,246,259,827	1,268,782,789

Notes to the Financial Statements (Continued)

Financial Risk Management (Continued)

iii) Market risk

The Authority has put in place an internal audit function to assist it in assessing the risk faced by the Authority 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 Authority'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 Authority'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 Authority's exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

The Authority has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The Authority manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

The carrying amount of the Authority's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023.

Notes to the Financial Statements (Continued)

Financial Risk Management

Foreign currency sensitivity analysis

Current FY

	In KShs	Other currencies	Total
	KShs	KShs	KShs
As At 30 June 2023			
Financial Assets			
Cash		1,419,657,438	1,419,657,438
Total Financial Assets	-	1,419,657,438	1,419,657,438
Financial Liabilities			
Trade And Other Payables		896,309,916	896,309,916
Borrowings	-	-	-
Total Financial Liabilities	-	896,309,916	896,309,916
Net Foreign Currency Asset/(Liability)	-	523,347,521	523,347,521

The following table demonstrates the effect on the Entity's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	KShs	KShs	KShs
2023			
USD	10%	141,965,744	141,965,744
2022			
USD	10%	115,966,330	115,966,330

b) Interest rate risk

Interest rate risk is the risk that the Authority's financial condition may be adversely affected as a result of changes in interest rate levels. The Authority's interest rate risk arises from bank deposits. This exposes the Authority to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Authority's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Notes to the Financial Statements (Continued)

Financial Risk Management

Sensitivity analysis

The Authority analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs 1,036,162 (2021/2022 FY: KShs 1,333,248). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs 5,180,811 (2021/2022 FY - KShs 133,324,825)

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Authority's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The Authority considers relevant and observable market prices in its valuations where possible.

**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023.**

Notes to the Financial Statements (Continued)

Financial Risk Management

iv) Capital Risk Management

The objective of the Authority's capital risk management is to safeguard the Authority's ability to continue as a going concern. The Authority capital structure comprises of the following funds:

	2022/2023	2021/2022
	KShs	KShs
Revaluation reserve	-	-
Retained earnings	1,336,864,063	1,526,230,492
Capital reserve	-	-
Total funds	1,336,864,063	1,526,230,492
Total borrowings	-	-
Less: cash and bank balances	-2,325,723,364	-2,251,465,217
Net debt/ (excess cash and cash equivalents)	-988,859,302	-725,234,725
Gearing	-74%	-48%

36. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the Authority 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 Authority, holding 100% of the Authority's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Authority, both domestic and external.

Other related parties include:

- i) The Ministry of Information, Communication & Digital Economy.
- ii) Key management.
- iii) Board of directors.

The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023.

Notes to the Financial Statements (Continued)

Other related parties include (Continued):

	2022/2023	2021/2022
	KShs	KShs
Transactions with related parties		
a) Grants from the Government		
Grants from National Gov't	895,782,925	1,410,994,172
Donations in kind		
Total	895,782,925	1,410,994,172
b) Key management compensation		
Directors' emoluments	15,998,822	12,070,956
Compensation to the CEO	6,064,920	4,693,560
Compensation to key management staff	14,087,203	21,690,720
Total	36,150,945	31,789,441

37. Contingent Assets and Contingent Liabilities

Contingent Assets

The Authority did not have any contingent asset as at the close of the 2022/2023 financial year.

Contingent Liabilities

During the financial years 2016/17 and 2017/2018 the Authority lost some funds through some staff whose contracts were later terminated. The matter is in court. The amount is subject to the court ruling.

The below are the cases that the Authority has pending.

NO	CASE	SUMMARY	STATUS	EXPOSURE
1.	HCCC E002 Professional Marketing Services Limited vs ICTA	Claim for unpaid invoices totalling KShs 35,790,748.00 provision of public relations, communication and event management services. The Authority's position on the matter is that there was no contract in	Filed defence and identified witness, Mr. Sostanis Okoth. Hearing set for 14 th June 2023	KShs 35,790,748.00 plus interest and advocate fees

The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023.

NO	CASE	SUMMARY	STATUS	EXPOSURE
		place no evidence produced to support the claims.		
2.	Civil Suit No. 1281 Of 2020 Leisure Lodge Limited and Another Vs The ICT Authority	Unpaid invoices for provision of services for Connected Conference 2017 totalling KShs 5,391,566.00. The Authority's position on the matter is that there was no contract in place and no documents were produced to support the claim.	Agreed issues filed. Plaintiff to set down the matter for hearing.	KShs 5,391,566.00 plus interest and advocate fees
3.	ELC No 51 of 2019(Migori)Naftali Mbondo Oyugi Versus Information & Communications Technology Authority (Ict) And Safaricom Limited	Claim for Special damages of KShs 50,000/- and general damages for trespass of NOFBI on the Plaintiff's land. The Authority's position is that the cable is outside of the Plaintiff's land.	Defence filed. Thomas Odhiambo to appear as witness on behalf of Authority. Plaintiff to set the matter down for hearing. Matter last in court on 29 th June 2023. Plaintiff informed court he is pursuing out of court settlement. Mention to be held on 1 August 2023 to confirm status.	Kshs 50,000 plus general damages, interest and advocate fees
4.	Petition No 233 Of 2022; Legal Advice Centre (Kituo Cha Sheria) &Anor Vs Ag& 54(1e) Others	A constitutional petition seeking to have internet access declared as essential to enjoyment of basic human rights	Filed a replying affidavit.	
5.	E511 of 2021 Magdalene Mjomba VS ICTA	ICTA filed an application to set aside a judgement entered against it on 21 st July 2022 awarding damages for termination of contract to 4 Consultants engaged under the TCIP Program. Magdalene Mjomba- Kshs 13,912,040 less amounts already paid and taxes.	Ruling to be delivered on 28 th September 2023	KShs 91,552,170 plus interest and advocate fees

**The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023.**

NO	CASE	SUMMARY	STATUS	EXPOSURE
		Kwame Shiroya- Kshs 20,407,270 Zablon Ringera- Kshs 25,446,070 Anthony Mugambi- Kshs 31,786,790		

38. Events after the Reporting Period

There were no material adjusting and non- adjusting events after the reporting period.

39. Ultimate And Holding Entity

The Authority is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of Information, Communication & Digital Economy. Its ultimate parent is the Government of Kenya.

40. Currency

The financial statements are presented in Kenya Shillings (KShs) rounded to the nearest KShs.

20. Appendices

Appendix 1: Implementation Status of Auditor-General's Recommendations

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

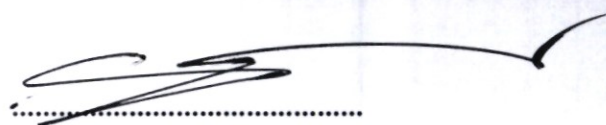
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Long outstanding Pasha Loans	The statement of financial position reflects Pasha Fund balance of Kshs.45,193,389. The balance which has been outstanding since the year 2017, represents loans advanced to entrepreneurs to set up information hubs with a condition of repayment within 9 years. However, during the year under review and in the prior years, no repayment had been received from the borrowers. Although the loans have remained outstanding for a long period and its recovery was doubtful, Management has not made an impairment provision for the loan amount. Further, interest chargeable on the loans was not included in the financial statements.	The Management has made an impairment provision for the loan amount	Under PIC	December 2023

The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	In the circumstances, the accuracy and completeness of the Pasha Fund balance of Kshs.45,193,389 could not be confirmed.			
Other Matter 1.Budgetary Control Performance	The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis totalling Kshs. 3,088,800,000 and Kshs 1,937,549,777 respectively, resulting to an underfunding amount of Kshs 1,151,250,223 or 37% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis amounts of Kshs 3,088,800,000 and Kshs 1,900,127,168 respectively, resulting to an underperformance amount of Kshs.1,188,672,832 or 38% of the budget. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.	The underfunding was due to supplementary budget cuts during the last quarter of the financial year. Budget cuts were unforeseen however, management will strive to ensure regular discussions are held with National Treasury to request for additional funding during and after budget cuts.		

The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2.Unresolved Prior Year Matters	In the previous year's report, several issues were raised under the Report on Financial Statements. Although, Management has indicated in the progress on follow up of auditor's recommendations section of the financial statements that all the issues have been resolved. However, the issues remained unresolved as the matters were yet to be discussed by the National Assembly's Public Investments Committee	The National Assembly's Public Investments Committee has scheduled meeting with the Authority to discuss the previous year's report.		December 2023



Chief Executive Officer

Date:

The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023.

Appendix II: Projects implemented by ICTA

Projects implemented by The Authority Funded by development partners the Government are as below:

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements
1. East Africa Regional Transport, Trade and Development Facilitation Project (EARTTDF)	IDA Credit No.: 5638-KE		8 years		Yes	Yes
2. Horn of Africa Gateway Development Project	IDA Credit No.: 6768-KE	World Bank	7 Years		Yes	Yes

Status of Projects completion

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
East Africa Regional Transport, Trade and Development Facilitation Project (EARTTDF)	2,950 million	1,477,171,262	50%	702,000,000	421,289,309	World Bank
Horn of Africa Gateway Development Project (HOAGDP)	2,757 million	59,415,055	2%	150,000,000	44,354,344	World Bank

The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023.

Appendix IV: Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/D development/ Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - must be specific	
Ministry of Information, Communications and The Digital Economy	23/09/2022	Recurrent	46,833,333	46,833,333					46,833,333
Ministry of Information, Communications and The Digital Economy	28/09/2022	Recurrent	46,833,333	46,833,333					46,833,333
Ministry of Information, Communications and The Digital Economy	07/10/2022	Recurrent	45,583,326	45,583,326					45,583,326
Ministry of Information, Communications and The Digital Economy	07/12/2022	IDA	159,895,786	159,895,786					159,895,786
Ministry of Information, Communications and The Digital Economy	07/12/2022	IDA	3,785,896	3,785,896					3,785,896
Ministry of Information, Communications and The Digital Economy	27/01/2023	Development / Counterpart	37,500,000	37,500,000					37,500,000
Ministry of Information, Communications and The Digital Economy	21/02/2023	Recurrent	46,416,667	46,416,667					46,416,667
Ministry of Information, Communications and The Digital Economy	21/02/2023	Recurrent	46,416,667	46,416,667					46,416,667

The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023.

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/D evelopment/ Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capit al Fund	Deferr ed Incom e	Recei vables	Others - must be specifi c	
Ministry of Information, Communications and The Digital Economy	21/02/2023	Recurrent	46,416,667	46,416,667					46,416,667
Ministry of Information, Communications and The Digital Economy	21/02/2023	Recurrent	46,416,667	46,416,667					46,416,667
Ministry of Information, Communications and The Digital Economy	23/03/2023	Recurrent	46,416,667	46,416,667					46,416,667
Ministry of Information, Communications and The Digital Economy	27/03/2023	IDA	11,594,721	11,594,721					11,594,721
Ministry of Information, Communications and The Digital Economy	27/03/2023	IDA	140,078,158	140,078,158					140,078,158
Ministry of Information, Communications and The Digital Economy	06/04/2023	Recurrent	46,416,667	46,416,667					46,416,667
Ministry of Information, Communications and The Digital Economy	02/05/2023	Recurrent	40,283,336	40,283,336					40,283,336
Ministry of Information, Communications and The Digital Economy	09/06/2023	Recurrent	40,283,336	40,283,336					40,283,336
Ministry of Information, Communications and The Digital Economy	23/06/2023	Recurrent	40,283,335	40,283,335					40,283,335

The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2023.

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/D evelopment/ Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capit al Fund	Deferr ed Incom e	Recei vables	Others - must be specifi c	
Total			891,454,560	891,454,560	-	-	-	-	891,454,560



REPUBLIC OF KENYA
MINISTRY OF INFORMATION, COMMUNICATIONS AND THE DIGITAL ECONOMY

STATE DEPARTMENT FOR ICT AND DIGITAL ECONOMY

Telephone Nairobi 251152
Telegrams: "Telposta", Nairobi
Fax; 315147
When replying please quote
Ref. No. MIC/ICT& DE/SAGA/4

Telposta Towers
P.O. Box 30025
NAIROBI
KENYA
24th July, 2023

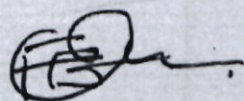
Chief Executive Officer
ICT AUTHORITY
NAIROBI

RE: DISBURSEMENT OF FUNDS TO SAGAS FOR FINANCIAL YEAR 2022-2023

The State Department for Information communication and Digital Economy wishes to confirm the amounts disbursed to you as at 30th June, 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table and sign and stamp the request in the space provided and return it to this office on or before 28th July, 2023

Reference Number	Date Disbursed	Recurrent (Kshs) (A)	Development (Kshs) (B)	Inter-Minist erial (Kshs) (C)	Total (Kshs) D=(A+B+C)	Amount Received by ICT Authority as at 30 June, 2023 (Kshs) E	Differences (Kshs) F=D-E
FT222666JQ 5N	23-Sep-22	46,833,333.30			46,833,333.30	Confirmed	
FT22271JYC H2	28-Sep-22	46,833,333.30			46,833,333.30	Confirmed	

FT22280D7X 5V	07-Oct- 22	45,583,326.00			45,583,326.00	Confirmed
FT22341W7 P5Y	07-Dec- 22	0.00	3,785,896.05		3,785,896.05	Confirmed
FT22341WW VKN	07-Dec- 22	0.00	159,895,785.50		159,895,785.50	Confirmed
FT23027D6 M61	27-Jan- 23	0.00	37,500,000.00		37,500,000.00	Confirmed
FT23052WL WNV	21-Feb- 23	46,416,666.65			46,416,666.65	Confirmed
FT23052KSB GL	21-Feb- 23	46,416,666.65			46,416,666.65	Confirmed
FT23052159 77	21-Feb- 23	46,416,666.65			46,416,666.65	Confirmed
FT2305238J VZ	21-Feb- 23	46,416,666.65			46,416,666.65	Confirmed
FT23082HD XDQ	23-Mar- 23	46,416,666.65			46,416,666.65	Confirmed
FT23086RCT 4Y	27-Mar- 23	0.00	11,594,720.65		11,594,720.65	Confirmed
FT23086KF6 SW	27-Mar- 23	0.00	140,078,158.00		140,078,158.00	Confirmed
FT23096RD QZF	06-Apr- 23	46,416,666.65			46,416,666.65	Confirmed
FT23122CS Q8F	02-May- 23	40,283,336.00			40,283,336.00	Confirmed
FT23160JFM 5G	09-Jun- 23	40,283,336.00			40,283,336.00	Confirmed
FT23174TW W86	23-Jun- 23	40,283,335.00			40,283,335.00	Confirmed
TOTAL		538,599,999. 50	352,854,560.2 0	0.00	891,454,559.7 0	Confirmed
I confirm that the amounts shown above are correct as of the date indicated						
Head of Accounts Department						
Name <i>Machine Odera</i>						



FRANCIS O. ODERA
FOR PRINCIPAL SECRETARY

cc. Director General Accounting Service and Quality Assurance
National Treasury
NAIROBI

Minutes

Meeting Title:	Board Audit Committee
Venue:	Board Room, Telposta Towers 12 th Floor and through Webex
Date:	26 th September 2023
Time Started:	9.00 AM
Time Ended:	12.30 AM
Chair:	Rahma Jillo
Note Taker:	Patrick Masika

Attendees:

Name	Designation	Role	Attending from
Rahma Jillo	Chair of the Audit Committee	Chairing	Physically
Stephen Karani	Member, Board of Directors ICTA	Member	Physically
Alfred Ng'eno	Member, Board of Directors ICTA	Member	Physically
Edna Atisa	Member, Board of Directors ICTA	Member	Electronically
Stanley Kamanguya, OGW	CEO, ICT Authority	Management	Physically
Patrick Masika	Head of Internal Audit	Secretariat	Physically
Veronica Seleyian	Senior Internal Auditor	Secretariat	Physically
Oliver Pyoko	Ag. Director Corporate services	Management	Physically
Sostanis Okoth	Deputy Director, Supply chain Management	Management	Physically
Macline Onyiego	Ag. Assistant Director Finance and Accounts	Management	Physically

Agenda

1. PRELIMINARIES

- 1.1 Prayers
- 1.2 Notice of the meeting
- 1.3 Quorum and apologies
- 1.4 Adoption of Agenda
- 1.5 Declaration of interest
- 1.6 Chairman's welcoming remarks

2. MATTERS FOR DISCUSSION

- 2.1 Presentation of the Financial Statements of the ICTA for the year ending 30th June 2023 by the Ag, Director Corporate services.
- 2.2 Presentation of the Internal Audit report on the Financial statements of the ICTA for the year ending 30th June 2023 by the Deputy Director Internal Audit.

3. CLOSURE OF THE MEETING

- 3.1 Review of the Actions to be taken
- 3.2 Any Other Business

Agenda #1 PRELIMINARIES

1.1 Notice of the meeting

The notice convening the meeting was read by the Chair of the Audit Committee

1.2 Quorum and apologies

The meeting had the requisite quorum, four Committee members were in attendance as indicated above.

1.3 Adoption of the Agenda

The agenda was proposed for adoption by director Alfred Ng'eno and seconded by director Stephen Karani.

1.4 Declaration of interest

No interest was declared.

1.5 Chairman's welcoming remark

The Chair of the Audit Committee, welcomed members to the meeting. The chair notified the members that she attended a meeting on zero audit queries, convened by the Head of Public service at the Kenya School of Government and asked the Deputy Director Internal Audit to brief the committee on the issues discussed in the meeting:

The Deputy Director Internal audit highlighted the following issues that arose from the meeting with head of public service:

- 1) The Head of Public Service is spearheading a campaign to sanitize the public finance management by focusing of zero audit queries. The Head of Public Service directed that pending audit queries for previous years should be cleared and evidence submitted to his office by 2nd October 2023. He also directed that should queries arise in subsequent years they should be cleared by 31st March.
- 2) Separation of roles between management and the board where management undertake the day to day running of the organization and the board undertake the oversight role.
- 3) Strengthening the internal audit departments by staffing them with professionally qualified staff and elevating the head of internal audit to highest ranks.
- 4) Submission of financial statements to the office of the auditor general earlier than 30th September should be considered.
- 5) There will be consequences for noncompliance with zero audit queries requirements.

In line with the head of public service guideline on zero audit queries, the chair of the Audit Committee requested;

1. Deputy Director Internal Audit to Prepare a report on all pending audit issues for the financial year 2016/17 and 2017/18,2018/19, 2019/20,2020/21 and 2021/22 and circulate to the committee members on 27th September 2023.
2. The CEO to prepare a write up on the pasha fund with a proposal for writing off the loans for presentation to the Board of 29th September 2023.

Agenda # 2 MATTERS FOR DISCUSSION

1. Financial Statements for the ICTA for the year ending 30th June 2023

The report was presented to the committee by the Ag, assistant Director Finance and Accounting where the following was noted;

- i. The line item indicated as Pasha expenses is should be renamed e-waste expenses.
- ii. It was noted that shared services budget item is classified as development while activities funded by the budget item are mostly recurrent in nature. The CEO reported that management is exploring breaking down the budget item into smaller subitems that more closely describe the activities in shared services directorate.

Committee resolutions

- i. The committee requested management to correctly classified pasha expenses as e-waste expenses both in the budget and income statement before submission of the financial statements to the Office of the Auditor General.
- ii. The Committee requested management to include budget lines under shared services which more closely describe the activities under the docket during the current budgeting circle.

2. Internal Audit Report on the Financial statements of the ICTA for the year ending 30th June 2023.

The report was presented to the committee and the following was noted;

- i. The final budget lines on general expenses, departmental expenses, directors' expenses and EARTTDFP Counterpart expenses were overspent. Management reported that the original printed estimates we reviewed mid-year after the expenses had been incurred.
- ii. Internal audit was not able to verify the propriety of Connected summit payments for accommodation of Ksh 8,406,000 since the attendance sheets were not provided. The attendance sheets were provided during the meeting.
- iii. Internal audit noted that the ICTA had connected summit receivables of Ksh 7,139,360 for the year 2022/23. The finance department reported that the amount included VAT withheld by delegates but not yet submitted.
- iv. Internal audit also noted that the financials contained receivables from NOFBI commercialization clients amounting to ksh 254,788,360 as at 30th June 2023. Out of the amount is Ksh 248,427,179 are receivables from Telkom Kenya and has been outstanding for more than a year. Management confirmed that provisions for impairment have been made in the accounts.

Committee resolution

The committee requested management to take the following actions on the above points:

1. Management to share the connected attendance sheet with audit immediately
2. Management were requested to analyse the connected summit receivables, clearly indicating the VAT amounts and the actual amount outstanding. Management was also requested to follow up with the companies to file the VAT withheld

3. The committee requested management to provision for doubtful debts by 29th September 2023.

Agenda # 3 MEETING CLOSURE

I. Review of actions to be taken

RESOLUTION	RESPONSIBILITY	TIMELINES	STATUS
Prepare a report on audit pending issues for the financial year 2016/17 to 2021/22, detailing the actions taken and share with the audit committee by close of business 27 th September 2023	DCS/DIA	27th/9/2023	
Prepare a write up on the pasha fund debt with a proposal for writing it off to be presented to the board	DDF	27/9/23	
Breakdown the shared services budget into budget lines closely representing activities in the directorate	DDF	29/9/23	
Rename Pasha expenses to E-waste expenses	DCS	29/9/23	
Provide internal audit with the connected summit attendance	DPIC	Immediately	

	sheet			
	Analyze of the connected summit receivables	DDF		
	Provision for doubtful debts on the Telkom Kenya commercialization amount.	DDF/DDIA	Immediately	

II. Approval of the Financial statements of the ICTA for the Financial year ending 30th June 2023.

The accounts were approved with the above amendments. Alfred Ng'eno proposed and Steven Karani seconded the Approval.

The meeting ended at 12.30 PM

Prepared by:

Signed..........Date.....24/09/2023.....

Mr. Patrick M. Masika

Deputy Director Internal Audit and Secretary to the Audit Committee.

Approved by:

Signature..........Date: 28/09/2023.....

Rahma Jillo

Chair, Audit Committee

Trial Balance

Period: 01/07/22...30/06/23

The ICT Authority

21/03/2024 09:08

Page 1

ICTA\MACLINE.ONYIEGO

G/L Account: Date Filter: 01/07/22...30/06/23

No.	Name	Net Change		Balance	
		Debit Per Period	Credit Per Period	Debit	Credit
100000	BALANCE SHEET				
100001	Assets				
100002	Current Assets				
100003	Cash and Cash Equivalents				
100005	Citibank ICTA GOK FUNDS-(USD)	574,794.26		3,822,526.22	
100010	Citi Bank EARTTDF Account		98,119,803.80	2,584,516.85	
100020	Citi Bank GOK Main Account		764,000,801.60	18,438,677.17	
100030	Citi Bank PDTP Account		93,230,974.10	8,379.04	
100040	KCB Escrow A/C (USD)	223,112,626.00		1,379,528,191.62	
100050	KCB NOFBI Recurrent A/C	462,183,433.02		504,313,055.37	
100055	ICTA Connected Kenya Summit Account		201,006.76		201,006.76
100060	Petty Cash				
100070	Citi Bank-HOAGDP		28,559,987.26	44,714,039.89	
100080	Cash in Transit				
100090	ICT Authority Government E-Citizen	11,019,476.55		11,019,476.55	
100100	ICT Authority Government E-Citizen	36,306,719.78		36,306,719.78	
100110	KCB-ICTA GOK FUNDS	243,222,550.63		243,222,550.63	
100120	KCB-ICTA PDTP ACCOUNT	81,966,238.05		81,966,238.05	
100130	KCB ICT AUTHORITY EARTTDFP				
100140	KCB ICT AUTHORITY HOAGDP				
199999	Total Cash and Cash Equivalents	74,273,264.77		2,325,723,364.41	
200000	Accounts Receivable From Non-				
200001	Accounts Receivable				
200005	Accounts Receivable	420,000.00		420,000.00	
200015	Connected Summit Receivable	13,547,052.62		20,737,490.74	
200020	Staff Salary Advances	661,373.67		1,383,947.57	
200029	Total Accounts Receivable	14,628,426.29		22,541,438.31	
200030	Imprests				
200040	Imprests:Corporate Imprests				
200045	Imprests:DLP Operations Imprests				
200050	Imprests:EARTTDF Imprests				
200055	Imprests:Nairobi Expressway Imprests				
200060	Imprests:NOFBI Imprests				
200070	Imprests:PDTP Imprests				
200080	Imprests:Shared Services Imprests				
200085	Imprests:Standards Dept Imprests				
200091	Staff Imprests	10,068,910.63		17,823,411.74	
200999	Total Imprests	10,068,910.63		17,823,411.74	
250000	Inventory				
259999	Inventory Total				
260000	Prepayments				
260010	Prepayments		40,300.00		40,950.00
260020	Security Deposits			121,150.00	
260030	Legal Deposits		1,591,350.00		
269999	Total Prepayments		1,631,650.00	80,200.00	
299999	Total Accounts Receivable From Non	23,065,686.92		40,445,050.05	
300000	Recievable from Exchange				
310000	NOFBI Commercialization		53,969,603.10	486,524,234.04	
315000	Accreditation Fees	61,400.00		135,400.00	
320000	Innovation		1,353,700.00		

Trial Balance

Period: 01/07/22..30/06/23

The ICT Authority

21/03/2024 09:08

Page 2

ICTA\MACLINE.ONYIEGO

No.	Name	Net Change		Balance	
		Debit Per Period	Credit Per Period	Debit	Credit
325000	Shared Services	2,135,802.03		3,431,892.55	
326000	Pasha Fund			45,193,389.00	
329000	Accumulated Provision for Bad Debts		122,210,682.09		231,242,547.54
330000	Total Recievables from Exchange		175,336,783.16	304,042,368.05	
400000	Inventory				
400010	Inventory				
499990	Total Inventory				
499999	Total Current Assets		77,997,831.47	2,670,210,782.51	
500000	Non-Current Assets				
500001	Fixed Assets				
500010	Computer Equipment:Cost	18,353,151.80		73,223,237.50	
500020	Computer Equipment:Accumulated		9,429,955.98		56,688,977.19
500030	Furniture and Fixtures:Cost			97,550,536.82	
500040	Furniture and Fixtures:Accumulated		1,533,380.64		90,449,019.51
500050	Motor Vehicles:Cost			89,488,898.00	
500060	Motor Vehicles:Accumulated		8,718,124.28		84,884,673.52
500070	Office Equipment:Cost				
500080	Office Equipment:Accumulated				
500089	Total Fixed Assets		1,328,309.10	28,240,002.10	
500090	Intangible Assets				
500100	ERP 365 Microsoft Navision			32,802,360.00	
500105	Accumulated Amortization on ERP		9,840,708.00		25,421,829.00
500110	Total Intangible Assets		9,840,708.00	7,380,531.00	
599998	Total Non-Current Assets		11,169,017.10	35,620,533.10	
599999	Total Assets		89,166,848.57	2,705,831,315.61	
600000	Liabilities				
600005	Current Liabilities				
600010	Accounts Payables				
600020	Accrued Audit Fees				3,200,000.00
600030	Accrued Staff Gratuity	9,569,290.41			37,290,974.04
600040	Payroll Payable:DLP Staff Payroll				2,383,552.98
600050	Payroll Payable:GOK Payroll Payable	150.00			3,262,276.24
600060	Payroll Payable:PDTP Payroll Payable				17.12
600065	Payroll Payable: Other Deductions	5,651,161.84		13,892,650.94	
600070	Surcharge Account				
600080	Trade and Other Payables		314,230,647.60		627,482,558.89
600090	VAT Liability	22,945,191.93		11,525,577.86	
600100	Tax Payable		25,043,832.14		25,209,223.26
600110	Accounts Payable				
600130	Accounts Payable-USD				
600140	Imprest/Claim Payable		4,536,779.23		4,536,779.23
600150	DLP Devices Replacement Payables		79,221.00		235,334.00
600160	NOFBI Infrastructure Fees & Penalties		240,000.00		240,000.00
699990	Total Accounts Payables		305,964,685.79	678,422,486.96	
699999	Total Current Liabilities		305,964,685.79	678,422,486.96	
700000	Non Current Liabilities				
700010	NOFBI Escow Account				896,309,916.32
799998	Total Non-Current Liabilities				896,309,916.32
799999	Net Assets		395,131,534.36	1,131,098,912.33	
800000	Accumulated Surplus/(Deficit)				
800005	Accumulated Surplus/(Deficit)				1,526,230,446.69
800020	Surplus/ (Deficit) for the year	395,131,534.36		395,131,534.36	

Trial Balance

Period: 01/07/22...30/06/23

The ICT Authority

21/03/2024 09:08

Page 3

ICT\MA\CLINE\ONYIEGO

No.	Name	Net Change		Balance	
		Debit Per Period	Credit Per Period	Debit	Credit
800025	Total Accumulated Surplus/(Deficit)	395,131,534.36		1,131,098,912.33	
800026	Share Capital				
800030	Members Equity				
800040	Total Share Capital				
899999	Net Assets and Liabilities	395,131,534.36		1,131,098,912.33	
900000	INCOME STATEMENT				
900001	Income				
910000	Revenue from Non Exchange				
910001	Government Grants				
910010	Government Grants:Recurrent-GOK		426,399,999.65	426,399,999.65	
910011	Government Grants:PDTP		112,199,999.85	112,199,999.85	
910012	Government Grants:DLP		2,500,000.00	2,500,000.00	
910013	Government Grants:NOFBI				
910014	Government Grants:TCIP				
910015	Government Grants:Shared Services				
910016	Government Grants:NOFBI Escrow				
919999	Total Government Grants		541,099,999.50	541,099,999.50	
920000	IDA Grants				
920010	EARTTDF PROJECT		299,973,943.50	299,973,943.50	
920020	HORN OF AFRICA GETAWAY		15,380,616.70	15,380,616.70	
925000	Total IDA Grants		315,354,560.20	315,354,560.20	
926000	Counterpart Funds				
926010	EARTTDFP-Counterpart Funds		25,000,000.00	25,000,000.00	
926020	HOAGDP-Counterpart Funds		10,000,000.00	10,000,000.00	
929000	Counterpart Funds Total		35,000,000.00	35,000,000.00	
930000	Transfers from other Gov't Agencies				
930010	Nairobi Expressway Project				
930020	Communications Authority of Kenya		4,328,364.80	4,328,364.80	
930050	Total Transfers from other Gov't		4,328,364.80	4,328,364.80	
934000	Donations & Other Public Contributions				
934010	Connected Summit		107,792,473.86	107,792,473.86	
934015	Pre-Connected Summit				
934020	UNICEF GIGA Project		38,726,548.00	38,726,548.00	
934030	Other Contributions & Donations		300,000.00	300,000.00	
934999	Total Donations & Other Public		146,819,021.86	146,819,021.86	
935000	Total Revenue From Non-Exchange		1,042,601,946.36	1,042,601,946.36	
935010	Revenue from Exchange Transactions				
935011	Other Incomes				
935050	Interest Income		28,228,470.36	28,228,470.36	
935055	Credit Notes				
935059	Total Other Incomes		28,228,470.36	28,228,470.36	
935060	Rendering of services				
935070	NOFBI Commercialization		791,750,837.55	791,750,837.55	
935075	Shared Services Income		2,958,527.60	2,958,527.60	
935080	Innovations Income				
935090	Accreditation Fees & Penalties		21,301,115.00	21,301,115.00	
935100	Government Digitization Platform (e-		207,498,779.21	207,498,779.21	
935200	Total Rendering of services		1,023,509,259.36	1,023,509,259.36	
939990	Total Revenue from Exchange		1,051,737,729.72	1,051,737,729.72	
939999	Total Income		2,094,339,676.08	2,094,339,676.08	
940000	Expenses				
941001	Recurrent GOK				

Trial Balance

Period: 01/07/22..30/06/23

The ICT Authority

21/03/2024 09:08

Page 4

ICTA\MACLINE.ONYIEGO

No.	Name	Net Change		Balance	
		Debit Per Period	Credit Per Period	Debit	Credit
941010	Employee Costs				
941020	Basic Salaries	103,307,915.38		103,307,915.38	
941030	Housing & other allowances	69,201,185.72		69,201,185.72	
941040	Other staff costs	1,218,498.62		1,218,498.62	
941045	Contract Staff Salaries	186,310,154.07		186,310,154.07	
941050	Gratuity provision	10,909,228.43		10,909,228.43	
941060	NSSF-Employer contribution	447,880.00		447,880.00	
941070	Pension - Employer Contribution	16,715,859.00		16,715,859.00	
941075	NHDF- Employer Contribution				
941080	Medical Expenses	14,215,409.67		14,215,409.67	
941090	Group life insurance/ WIBA	4,789,364.91		4,789,364.91	
941200	Staff welfare costs	1,010,904.33		1,010,904.33	
941210	Recruitment costs	876,545.00		876,545.00	
949999	Total Employee Costs	409,002,945.13		409,002,945.13	
950000	Directors Expenses				
950010	Sitting Allowances	6,400,000.00		6,400,000.00	
950020	Chairman's Honoraria	960,000.00		960,000.00	
950030	Telephone Allowance	84,000.00		84,000.00	
950040	Travelling and Accommodation	5,577,304.03		5,577,304.03	
950050	Other Board Expenses/Trainings	2,977,517.58		2,977,517.58	
950500	Total Directors Expenses	15,998,821.61		15,998,821.61	
951000	Routine Maintenance				
951010	Repair, maintance & service for motor	902,049.24		902,049.24	
951020	Maintenance of office furniture &	126,565.00		126,565.00	
951030	Maintenance of Compters, Networks &	539,700.00		539,700.00	
951040	Partitioning of new offices				
955000	Total Routine Maintenance	1,568,314.24		1,568,314.24	
955010	General Expenses				
955020	Travel costs	4,495,110.36		4,495,110.36	
955030	Printing Advertismnt and Info services	1,248,958.83		1,248,958.83	
955040	Membership fees/Dues and subscriptions	1,320,070.88		1,320,070.88	
955050	Fuel and lubricants	909,885.00		909,885.00	
955060	Office and general supplies	1,739,807.21		1,739,807.21	
955070	Hospitality supplies and services	2,319,591.53		2,319,591.53	
955080	Rent and parking				
955090	Training and capacity building	5,898,674.15		5,898,674.15	
955100	Staff team building				
955110	Contractual	2,380,437.05		2,380,437.05	
955120	Motor vehicle Insurance	30,176.00		30,176.00	
955130	Toners and catriges	934,040.00		934,040.00	
955140	Audit fees	1,600,000.00		1,600,000.00	
955150	Legal fees	1,591,350.00		1,591,350.00	
955160	Covid Tests				
957999	Total General Expenses	24,468,101.01		24,468,101.01	
958000	Departmental Expenses				
958010	Accreditation Expenses	4,771,453.78		4,771,453.78	
958020	Finance Department Expenses	992,800.00		992,800.00	
958030	HR & Adminstration Dept	900,000.00		900,000.00	
958040	Internal Audit Department Expenses	465,900.00		465,900.00	
958050	CEO Office				
958060	Legal and Consultancy services				
958070	ICT Unit				

Trial Balance

Period: 01/07/22...30/06/23

The ICT Authority

21/03/2024 09:08

Page 5

ICTA\MACLINE.ONYIEGO

No.	Name	Net Change		Balance	
		Debit Per Period	Credit Per Period	Debit	Credit
958080	Communications Department				
958090	Regional/County ICT Offices Expenses				
959999	Total Departmental Expenses	7,130,153.78		7,130,153.78	
960000	Finance costs				
960010	Bank Charges	1,092,270.00		1,092,270.00	
960020	Reconciliation discrepancies				
960500	Total Finance Costs	1,092,270.00		1,092,270.00	
960510	Depreciation costs				
960520	Depreciation on Motor Vehicles	8,718,124.28		8,718,124.28	
960530	Depreciation on Computer equipment	9,429,955.98		9,429,955.98	
960540	Depreciation on Furnitures and Fixtures	1,533,380.64		1,533,380.64	
960550	Depreciation on Office Equipment				
960599	Total Depreciation Costs	19,681,460.90		19,681,460.90	
960600	Amortization on Intangible Assets				
960610	Amortization on ERP	9,840,708.00		9,840,708.00	
960699	Total Amortization on Intangible Assets	9,840,708.00		9,840,708.00	
960700	Government Digitization Platform (e-				
960710	Hosting services				
960720	Support, Maintenance and Gateway	203,503,333.47		203,503,333.47	
960730	Onboarding of new services	2,220,857.02		2,220,857.02	
960731	General Operations	765,100.00		765,100.00	
960740	Upgrade of system and other supporting				
960799	Total Government Digitization Platform	206,489,290.49		206,489,290.49	
969999	Total Recurrent GOK	695,272,065.16		695,272,065.16	
970000	DPIC				
970001	Presidential Digital Talent Program				
970010	Presidential Digital Talent Program				
970020	Presidential Digital Talent Program -	102,250,806.72		102,250,806.72	
970025	Total Presidential Digital Talent	102,250,806.72		102,250,806.72	
970030	PDTP Operations				
970040	PDTP - General Operations	20,329,150.04		20,329,150.04	
970050	PDTP-Finance Cost	638,181.00		638,181.00	
970051	PDTP-Innovations Department				
970060	PDTP Secretariat Staff Costs	1,249,686.28		1,249,686.28	
970200	PDTP Operations-Total	22,217,017.32		22,217,017.32	
970500	Total Presidential Digital Talent	124,467,824.04		124,467,824.04	
970505	Innovations				
970506	Innovation Department Expenses	3,456,814.00		3,456,814.00	
970507	Innovations, Total	3,456,814.00		3,456,814.00	
970508	DPIC Total	127,924,638.04		127,924,638.04	
970510	Connected Summit				
970520	Connected Summit 2022 Expenses				
970525	Connected Conference & Accomodation	43,108,924.00		43,108,924.00	
970530	Connected Summit Merchandize	6,123,000.00		6,123,000.00	
970535	Connected Summit Travelling &	6,644,830.00		6,644,830.00	
970540	Connected A/C Bank Charges	15,612.00		15,612.00	
970545	PR, Event Management &	47,963,500.00		47,963,500.00	
970550	Innovation and CSR	100,000.00		100,000.00	
970555	Content and Rapporteur	285,000.00		285,000.00	
970560	Registration and Accreditation system				
970565	Transport and transfers	4,167,775.00		4,167,775.00	
970999	Total Connected Summit Expenses	108,408,641.00		108,408,641.00	

Trial Balance

Period: 01/07/22..30/06/23

The ICT Authority

21/03/2024 09:08

Page 6

ICTA\MACLINE.ONYIEGO

No.	Name	Net Change		Balance	
		Debit Per Period	Credit Per Period	Debit	Credit
971010	Whitebox Project				
971020	Whitebox Project Expenses				
971999	Total Whitebox Project Expenses				
972000	Taxes				
972010	WHT paid	4,366,982.82		4,366,982.82	
972020	Income Tax	27,748,350.71		27,748,350.71	
972999	Total Taxes Paid	32,115,333.53		32,115,333.53	
973000	GOK Development Grants Expenses				
973010	Government Shared services				
973020	Government Shared	14,815,514.12		14,815,514.12	
973030	Government Shared services:Capacity	84,317,956.60		84,317,956.60	
973040	Government Shared	88,170,572.26		88,170,572.26	
973050	Government Shared	56,492,970.51		56,492,970.51	
973051	Government Shared Services:AIA				
973060	Shared Services-General Operations				
973999	Total Government Shared services	243,797,013.49		243,797,013.49	
974000	NOFBI II Expansion Project				
974010	NOFBI II E:Masterplan &				
974015	NOFBI II E: Office Rent				
974020	NOFBI II E:Operations and General	37,293,572.90		37,293,572.90	
974030	NOFBI II E: Network Operation Centre	2,334,690.00		2,334,690.00	
974035	NOFBI II E: Staff Training				
974045	NOFBI II E: School Connectivity				
974046	NOFBI II E:Maintenance costs				
974050	NOFBI II E: Buy Capacities (Teams)	38,512,065.66		38,512,065.66	
974070	Total NOFBI II Expansion Project	78,140,328.56		78,140,328.56	
974075	NOFBI Maintenance				
974076	Maintenance of NOFBI Infrastructure	385,003,280.31		385,003,280.31	
974077	Closeout Circuits of NOFBI				
974078	Lease of Lit Capacity and Dark Fiber	98,617,809.40		98,617,809.40	
974079	NOFBI Bank Charges	105,689.81		105,689.81	
974080	NOFBI Maintenance General	60,713,109.69		60,713,109.69	
974081	Digital Superhighway costs				
974082	Connectivity to Government offices				
974085	NOFBI Escrow Expenses				
974086	Motor Vehicle Maintenance (NOFBI)				
974087	Fuel & Lubricants (NOFBI)				
974088	Motor Vehicle Insurances (NOFBI)				
974099	Total NOFBI Maintenance	544,439,889.21		544,439,889.21	
975000	Digital Literacy Program				
975010	Digital Literacy Program - Devices	131,020,240.12		131,020,240.12	
975030	DLP Operations:Bank Charges	9,151.20		9,151.20	
975040	DLP Operations:Conference &	997,692.00		997,692.00	
975050	DLP Operations:DLP Staff Salaries &				
975060	DLP Operations:Legal Fees				
975070	DLP Operations:Maintanance & Repair	3,844,104.57		3,844,104.57	
975080	DLP Operations:Media, PR,	781,000.01		781,000.01	
975090	DLP Operations:Office Stationery	100,000.00		100,000.00	
975100	DLP Operations:Operational Office Set	6,490,280.00		6,490,280.00	
975110	DLP Operations:Planning,				
975120	DLP Operations:Transport Services	7,259,511.07		7,259,511.07	
975130	DLP Operations:Travelling	3,154,550.54		3,154,550.54	

Trial Balance

Period: 01/07/22..30/06/23

The ICT Authority

21/03/2024 09:08

Page 7

ICTAMACLINE.ONYIEGO

No.	Name	Net Change		Balance	
		Debit Per Period	Credit Per Period	Debit	Credit
975140	DLP Operations:Medical Expenses	23,382,042.18		23,382,042.18	
975150	DLP Operations:ICT Systems & Server				
975160	DLP Operations:Prof. Materials &				
975170	DLP Operations:Protective				
975180	DLP Operations:Staff Capacity Dvpt &	103,200.00		103,200.00	
975190	DLP Operations:Project audits				
975200	Refurbishment of Centres				
975210	Corporate Social Responsibility (CSR)				
975999	Total Digital Literacy Program	177,141,771.69		177,141,771.69	
979999	Total GOK Development Grants	1,043,519,002.95		1,043,519,002.95	
980000	EARTTDF Project Expenses				
980010	EARTTDF Project:Main Build	376,152,383.70		376,152,383.70	
980011	EARTTDF Project:Rehabilitation Eld-	30,000,000.00		30,000,000.00	
980015	EARTTDF Project:Project Consultant	12,426,471.89		12,426,471.89	
980020	EARTTDF Project:Project				
980030	EARTTDF Project:Project	12,291.00		12,291.00	
980031	EARTTDF Project:Project				
980032	EARTTDF Project:Project	922,411.00		922,411.00	
980033	EARTTDF Project:Project				
980034	EARTTDF Project:Project	947,410.20		947,410.20	
980035	EARTTDF Project:Project				
980036	EARTTDF Project:Project				
980037	EARTTDF Project:Project Operations				
980038	EARTTDF Project:Project	631,000.00		631,000.00	
980099	Total EARTTDF Project Expenses	421,091,967.79		421,091,967.79	
980100	EARTTDFP Counterpart Expenses				
980140	EARTTDFP: Counterpart Domestic	31,613,374.03		31,613,374.03	
980141	EARTTDFP: Counterpart Foreign Travel				
980142	EARTTDFP: Counterpart Routine	180,000.00		180,000.00	
980143	EARTTDFP: Counterpart Conference &				
980144	EARTTDFP: Counterpart Capacity				
980145	EARTTDFP: Counterpart General	7,929,714.00		7,929,714.00	
980199	Total EARTTDFP Counterpart Expenses	39,723,088.03		39,723,088.03	
981000	TCIP Project Expenses				
981010	Category 1 (Telecom Services)				
981020	Category 2 (Goods)				
981030	Category 3 (Consultants)				
981040	Category 5 (Grants)				
981050	Category 6 (Capacity Building)				
981060	Category 7 (Operating)				
981070	Total TCIP Project Expenses				
981080	Horn of Africa Gateway Development				
981081	HOAGDP: Consultancy costs				
981082	HOAGDP: Non-Consulting Services	2,685,313.10		2,685,313.10	
981083	HOAGDP: Institutional Strengthening	40,631,030.90		40,631,030.90	
981084	HOAGDP: Works				
981085	HOAGDP: Goods	1,038,000.00		1,038,000.00	
981086	Installation of FOC cables and				
981087	Capacity Building/Training				
981099	Total Horn of Africa Gateway	44,354,344.00		44,354,344.00	
981100	Horn of Africa Gateway Development				
981110	HOAGDP-Counterpart Domestic Travel	2,556,440.00		2,556,440.00	

Trial Balance

Period: 01/07/22...30/06/23

The ICT Authority

21/03/2024 09:08

Page 8

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No.	Name	Net Change		Balance	
		Debit Per Period	Credit Per Period	Debit	Credit
981111	HOAGDP-Counterpart Foreign Travel	37,800.00		37,800.00	
981112	HOAGDP-Counterpart Routine	70,000.00		70,000.00	
981113	HOAGDP-Counterpart Conferences &	4,341,680.00		4,341,680.00	
981114	HOAGDP-Counterpart Capacity Building	63,500.00		63,500.00	
981115	HOAGDP-Counterpart General	1,338,700.00		1,338,700.00	
981199	Total Horn of Africa Gateway	8,408,120.00		8,408,120.00	
982000	Nairobi Expressway Project Expenses				
982010	NRB EXPRESSWAY: Project Operation				
982020	NRB EXPRESSWAY:Relocation of ICT &	18,016,320.00		18,016,320.00	
982030	Total Nairobi Expressway Project	18,016,320.00		18,016,320.00	
982040	UNICEF GIGA Project Expenses				
982045	UNICEF GIGA Project -Devices	24,897,493.99		24,897,493.99	
982046	UNICEF GIGA Project-Survey and				
982050	UNICEF GIGA Project -Operations Cost	2,373,567.00		2,373,567.00	
982060	Total UNICEF GIGA Project Expenses	27,271,060.99		27,271,060.99	
982070	Other Gains or Losses				
982080	Exchange Gain or Loss		212,248,575.55		212,248,575.55
982081	Gain/Loss on Disposal				
982082	Disposal Income-PPE Sales and				
982999	Total Other Gains or Losses		212,248,575.55		212,248,575.55
983000	Bad Debts				
983010	Provision for Bad Debts	122,210,682.09		122,210,682.09	
983999	Total Bad Debts Expenses	122,210,682.09		122,210,682.09	
984000	E-Waste Expenditure				
984010	Digital Skills trainings (Basic, Advance,	8,200,023.93		8,200,023.93	
984020	Development, design and Printing of four				
984030	Training for Innovators and	47,800.00		47,800.00	
984040	Purchase of E-Waste equipment,				
984050	Transportation of devices				
984060	Purchase of Assets				
984070	General operation cost (DPIC)	262,530.00		262,530.00	
984080	General operation cost (HQ)	4,894,168.48		4,894,168.48	
984099	Total E-Waste Expenditure	13,404,522.41		13,404,522.41	
999998	Total Expenses	2,489,471,210.44		2,489,471,210.44	
999999	Surplus/Deficit for the year	395,131,534.36		395,131,534.36	
Totals			6,258,310,533.57	6,258,310,533.57	