

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

**KENYA TRADE NETWORK
AGENCY**

**FOR THE YEAR ENDED
30 JUNE, 2023**

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 07 MAR 2024

DAY: TUES

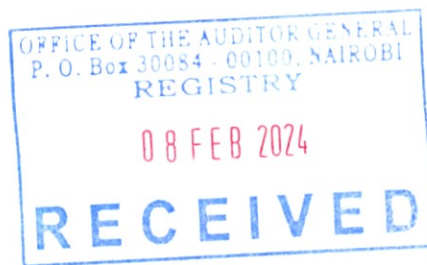
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Don Naomi Wago, mp
Deputy majority whip

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A. shibuko

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KENYA TRADE NETWORK AGENCY (KENTRADE)

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDING
30TH JUNE 2023**

**Prepared in accordance with the accrual Basis of Accounting method under the
International Public Sector Accounting Standards.**



KENYA TRADE NETWORK AGENCY
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1. Abbreviations, Acronyms and Glossary of Terms

A. Abbreviations and Acronyms

BIT	- Business Intelligence Tool
CEO	- Chief Executive Officer
CSR	- Corporate Social Responsibility
DCS	- Director Corporate Services
DVS	- Directorate of Veterinary Services
GAA	- Government Advertising Agency
GOK	- Government of Kenya
ICT	- Information Communication Technology
ICD	- Inland Container Depot
ICF	- Investment Climate Facility for Africa (Development Partners)
ICMS	- Integrated Customs Management System
IPSAS	- International Public Sector Accounting Standards
KECOBO	- Kenya Copyright Board
KENTRADE	- Kenya Trade Network Agency
KEBS	- Kenya Bureau of Standards
KDB	- Kenya Dairy Board
KMA	- Kenya Maritime Authority
KRA	- Kenya Revenue Authority
NEMA	- National Environment Management Authority
NESWS	- National Electronic Single Window System
PFM	- Public Finance Management
PCPB	- Pest Control Products Board
SWS	- Single Window System (otherwise referred to as the Trade Facilitation Platform - TFP)
SAGAs	- Semi-Autonomous Government Agencies
SCs	- State Corporations
TFP	- Trade Facilitation Platform
TMA	- Trademark Africa

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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.

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2. Key Entity Information and Management

a. Background information

The Kenya Trade Network Agency (KenTrade) is established under the National Electronic Single Window System Act No. 25 of 2022. The Agency is domiciled in Kenya in Nairobi, Upper Hill at the Embankment Plaza and has branches in Mombasa, Malaba, Busia, Namanga, Isebania and ICD Nairobi.

b. Principal Activities

The principal role of KenTrade is to establish and manage a National Electronic Single Window System (TradeNet System) and facilitate trade.

The National Electronic Single Window System serves as a single-entry point for parties involved in trade and transport to:

- a) Lodge documents electronically including imports or export documents for processing and approval;
- b) Facilitate the electronic payment of fees and levies due to the Government on goods imported or exported for transactions submitted through the system, and
- c) The System may be used by a person involved in domestic trade transactions.

Our vision

"A Global Leader in Trade Facilitation."

Mission statement

"To facilitate trade by simplifying, harmonizing, and automating business processes through effective and efficient management of the National Electronic Single Window System and provision of related services for Kenya's global competitiveness."

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Key Entity Information and Management (Continued)

c. Key Management

The Agency's day-to-day management is under the following key officers:

- a) The Board of Directors
- b) The Chief Executive Officer
- c) Heads of Directorate (Directors)
- d) Heads of Department (Managers)

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:

	Name	Position
1	David Ngarama	CEO (Appointed on 1 st October 2022 & confirmed on 17 th July 2023)
2	Amos Wangora	Immediate Former Chief Executive Officer (Up to 30 th September 2022)
3	Anne Waweru	Director IT Infrastructure, Innovation & Information Security
4	Chrispus Mbogo	Director Corporate Services
5	Fridah Kaberia	Director Strategy, Compliance and Business Development.
6	Bernard Milewa	Corporation Secretary and Legal Affairs Manager
7	Paul Mwaura	Manager, Internal Audit
8	Joanne Kweyu	Manager, Supply Chain Management

e. Fiduciary Oversight Arrangements

The following are the Board committees and members who provided fiduciary oversight over the financial year. The CEO is a member of every committee except the Audit and Risk Committee.

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Key Entity Information and Management (Continued)

i. Audit & Risk Committee

- | | |
|---------------------|---------------------------------------|
| 1. Florence Chemtai | - Chairperson |
| 2. Kenneth Odhiambo | - Member (Alternate Director CS NT&P) |
| 3. Erastus Kimuri | - Member |
| 4. Rose Masita | - Member (Alternate Director PS SDT) |

ii. Finance & General Purposes Committee

- | | |
|---------------------|--|
| 1. Stephen Lekupe | - Chairperson |
| 2. Kenneth Odhiambo | - Member (Alternate Director CS NT&P) |
| 3. Micheal Muchiri | - Member (Alternate Director PS MOTIHUD) |

iii. Human Resource and Compliance Committee

- | | |
|--------------------|--|
| 1. Erastus Kimuri | - Chairperson |
| 2. Stephen Lekupe | - Member |
| 3. Micheal Muchiri | - Member (Alternate Director PS MOTIHUD) |

iv. Strategy and Business Committee

- | | |
|---------------------|--------------------------------------|
| 1. Florence Chemtai | -Chairperson |
| 2. Erastus Kimuri | -Member |
| 3. Rose Masita | - Member (Alternate Director PS SDT) |

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Key Entity Information and Management (Continued)

f. Entity Headquarters

Embankment Plaza, First Floor,
Longonot Road, Upper Hill
P.O. Box 36943 – 00200
Nairobi

g. Entity Contacts

Telephone: (254) 20 464 5000
E-mail: info@Kentrade.go.ke
Website: www.Kentrade.go.ke

h. Entity Bankers

1. Equity Bank Limited.
Equity Centre Branch
P.O. Box 75104 – 00200
Nairobi
2. Co-operative Bank of Kenya Limited
KUSCO Centre Branch
P.O. Box 48231 – 00100
Nairobi
3. KCB Bank Limited
Upperhill Branch/KICC Branch
P.O. Box 48400 – 00100
Nairobi

i. Independent Auditors

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

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Key Entity Information and Management (Continued)

j. Principal Legal Adviser

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

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3. The Board of Directors

Hon. Basil Criticos

Chairman (Appointed May 26, 2023)



Hon. Basil Criticos has worked in public service for over 30 years. He served as an elected Member of Parliament for Taveta Constituency (1992-2002) and also served in the Executive as an Assistant Minister for Health (1992-1999) and Assistant Minister for Roads and Public Works (1999-2001).

Hon. Basil Criticos is currently the Chief Executive Officer of the Kenya Trade and Development Company Limited. He has served in a similar capacity in Agro Development Company Limited as well as Deputy Group Manager at the Kenya Trade and Development Company Limited.

Hon. Basil has over 50 years of experience in farming and wildlife conservancy.

Mr. Milton Mugambi Imanyara

Immediate former Chairman (October 06, 2021-May 26, 2023)



Mr. Mugambi Imanyara holds a Bachelor of Laws (LLB) degree from the University of Nairobi and a Post Graduate Diploma from the Kenya School of Law. He is a senior advocate of the High Court of Kenya and a Certified Public Secretary. He is a member of the Law Society of Kenya, the International Commission of Jurists and the Commonwealth Law Association.

He has over 28 years' experience in private practice and consultancy and has consulted extensively for both the Government of Kenya and Non-Governmental Organizations. He is the immediate former Chairman of Kenya Industrial Estates, a State Corporation under the Ministry of Industrialization, Trade and Enterprise Development.

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The Board of Directors (Continued)

Eng. Erastus Kimuri
Member



Eng. Kimuri holds an MSc in Chemical Engineering from the Moscow State University of Fine Chemical Technologies. He is a retired civil servant, his last assignment being a Director Industries/ Acting Head Delivery Unit at the Ministry of Industrialization, Trade and Enterprise Development. He was a Member of the Kenyan team which participated in the preparation of the Treaty for the Establishment of the East African Community. He was also a part of high-Level Tripartite Committee of Experts which studied the impediments to the promotion of Inter-State Trade within the East African Region (EAC). Eng. Kimuri has over 40 years' experience in trade and industrialization matters.

Ms. Florence Chemtai
Member



Ms. Chemtai holds a master's degree in Business Administration from the Kisii University and a Bachelor's Degree in Business Management from Moi University, Currently Pursuing PhD in Management and Leadership at the Management University of Africa, PhD in Entrepreneurship & Innovations at Kisii University and CPSP-K finalist.

She has attended various trainings on; Strategic Leadership Development Programme and Senior Management Course (Kenya School of Government), Corporate Governance Training and Business Process Reengineering amongst others. She has served as an Assistant Registrar (Administration) at the Koitaleel Samoei University College (A Constituent College of The University of Nairobi).

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The Board of Directors (Continued)

Ms. Chemtai has also served as a Lecturer in the School of Business and Economics and Coordinated Industrial Attachment and Placement-Kisii University. She is an active member of Kenya Institute of Management, Kenya Institute of Supplies Management and Institute of Human Resource Management.

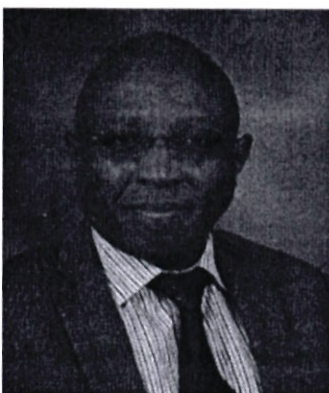
Mr. Stephen Lekupe
Member



Mr Lekupe is a former County Executive Committee Member, Samburu County Government. He has previously served in various positions at the Ministry of Local Government including as County Clerk; Town Clerk; Town Treasurer; Revenue Officer and Administration Officer in various counties. He holds a Masters of Business Administration Degree from Kenyatta University and a Bachelor of Commerce (Accounting and Business Administration /Management option) from Daystar University. He is also a PhD candidate (Business Administration) at the University of Nairobi.

Eng. Michael Muchiri

Alternate Director to the Principal Secretary, State Department for Transport (July 22, 2022 to June 14, 2023)



Eng. Michael Muchiri is the Senior Principal Superintending Engineer (SPSE) at the State Department for Transport - Ministry of Roads, Transport and Public Works.

He is a registered Engineer with the Engineers Board of Kenya (EBK), and a Corporate Member of the Institution of Engineers of Kenya (MIEK).

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The Board of Directors (Continued)

In the Public Sector, Eng. Muchiri has worked in the Civil Service, Kenya Railways Corporation (KRC), Kenya Airports Authority (KAA), Kenya Civil Aviation Authority (KCAA), Kenyatta National Hospital (KNH) as the Hospital Engineer (Facilities Manager). He has also been the Alternate Director to the Principal Secretary State Department for Transport at Kenya National Highways Authority (KeNHA), National Transport & Safety Authority (NTSA), Scrap Metal Council (SMC), and currently at Kenya Trade Network Agency (KenTrade). In the Private Sector, he worked at Steel Structures Limited (SSL), and S.R. Manga and Associates. Eng. Muchiri has also worked as the Head of the Maritime Technology Cooperation Centre (MTCC-Africa) in Jomo Kenyatta University of Agriculture and Technology (JKUAT).

Mr. Ibrahim Maalim Abdi, HSC

Alternate Director to the Principal Secretary, State Department for Transport (Appointed 14th June 2023)



Mr. Abdi holds a Master's Degree in Human Resource Management from the University of Westminster and a Bachelor of Education (Arts) from Egerton University. Further, Mr. Abdi has experience as an educational trainer and worked as a Secondary school teacher. He is also a trained Integrity Assurance Officer to help fight against corruption in public sector.

Mr. Abdi currently serves as a Senior Deputy Secretary in the State Department of Transport under the Ministry of Roads and Transport. He has over twenty-eight (28) years of experience in Public Administration and Management.

Previously, he was the Alternate Director representing the Principal Secretary of the State Department for Transport at the National Transport Safety Authority (NTSA). He was also a

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The Board of Directors (Continued)

member of the National Emergency Medical Care (EMC), Steering Committee and the National Hospital Service Committee at the Ministry of Health.

He has been Chair and Member of various Ministerial Administrative Committees in the Ministries he served. He is a Member of Africa Association for Public Administration and Management (AAPAM).

Mr. Abdi has attended various trainings in Management and Leadership Programs which include strategic Leadership Development Programme, Senior Management Course and Advanced Public Administration at Kenya School of Government.

In addition, he has been trained at Eastern and Southern African Management Institute (ESAMI) on other Strategic Management Development courses such as Modern Management; Project Design and Conduct of Service Delivery Programme.

Mr. Kenneth Ayuelu Odhiambo

Alternate Member for the Cabinet Secretary, The National Treasury and Economic Planning



Mr. Odhiambo currently serves as a Deputy Director of Human Resource Management & Development in the National Treasury. He has previously served as Head of Human Resource Management & Administration at the Constituencies Development Fund. Mr. Odhiambo has also previously served in the roles of Principal Human Resource Management & Development Officer and Chief Human Resource Management & Development, in the Office of the Vice President & Ministry of Home Affairs.

Mr. Odhiambo has a Bachelor of Arts from the University of Nairobi Political Science and History and is an ongoing student pursuing a Master of Science in Human Resource Management from the Moi University.

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The Board of Directors (Continued)

Mr. Odhiambo sits in the Governing Council of the National Crime Research Centre. He has previously served as a Board member of Chemilil Sugar Company and Governing Council of Jomo Kenyatta University of Agriculture and Technology (JKUAT) and Meru University.

Ms. Rose Masita

Alternate Member for the Principal Secretary, State Department for Trade



Ms. Masita has a Master of Science Degree in Entrepreneurship (MSc Entrepreneurship, a Bachelor of Arts in Anthropology and a BA (Anthropology and Economics). She also has a Certificate from UNCTAD on Trade Facilitation in the East African Community.

Ms. Masita currently serves as an Assistant Director, External Trade in the Ministry of Industry, Trade and Cooperatives. She has previously served as a Senior Foreign Service Officer in the Ministry of Foreign Affairs and International Trade attached to the Directorate of Economic & international Trade, Division of Economic Affairs where she was posted to Pretoria South Africa as the officer in Charge of Trade at the Kenya High Commission. Ms. Masita has vast experience in matters International Trade including trade facilitation.

Mr. David Ngarama

Chief Executive Officer

(Appointed Ag. CEO on October 01,2022, confirmed on July 17, 2023)



David Ngarama is currently the Chief Executive Officer of the Kenya Trade Network Agency, having been appointed to that position on July 17, 2023. He previously served as the Director Trade Facilitation at the Kenya Trade Network Agency. Prior to his appointment as a Director Trade Facilitation, Mr. Ngarama served as the Director Strategy, Compliance and Business Development. Before this appointment, he had served for over eight years as the Manager

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The Board of Directors (Continued)

Strategy and Planning at the KenTrade. He joined KenTrade in 2013 having served as a Transaction Manager with the Privatization Commission, a parastatal under The National Treasury and Planning, for four years where he was in charge of various privatization transactions in the country.

Mr. Ngarama has also served as a Principal Economist in the Office of the Deputy Prime Minister and Minister for Trade where he doubled as a Technical Assistant to the Deputy Prime Minister.

Mr. Ngarama has over 25 years' experience in public sector operations and has worked as a Senior Economist at the Ministries of Planning, Finance, International Trade and Industry. In addition, he has wide exposure in regional trade and integration matters and has represented Kenya in many trade negotiations within and outside the Common Market for East and Southern Africa (COMESA) Region and EAC.

Over and above the Bachelors and Master's degrees in Economics, Mr. Ngarama has been trained in Senior Management related courses including the Strategic Leadership Development Programme at the Kenya School of Government and Senior Managers Leadership Programme at the Strathmore Business School; Project Monitoring and Evaluation; Project Management; Financial modeling and a host of other areas.

Mr. Ngarama has been the Chairman of the Technical Committee of the African Alliance for Electronic Commerce (AAEC) for over five years and is the current Chair of the Executive Committee of the AAEC. AAEC brings together countries implementing trade electronic Single Window Systems in Africa.

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The Board of Directors (Continued)

Mr. Amos Wangora

Former Chief Executive Officer (October 01, 2016 to September 30, 2022)



Amos S. Wangora is the immediate former Chief Executive Officer of the Kenya Trade Network Agency having been appointed to that position on October 1, 2016. He served as the General Manager Operations and Project Director for the Kenya National Electronic Single Window System implementation (Kenya TradeNet System) with responsibility for the system implementation and operationalization.

Mr. Wangora holds a Master's degree in Maritime Affairs specializing in Port and Shipping Management from the World Maritime University (Sweden). He is also a Fellow of the Institute of Chartered Shipbrokers (UK) and a Certified Information Systems Auditor (CISA).

He has over twenty-five years work experience in the Trade and Logistics sector with specialization in C-Suite Strategic Management, Maritime Affairs and Project Management in Port, Customs and Trade sector automation. He has vast experience in the designing, development and implementation of ICT interventions for Trade and Transport facilitation.

Mr. Bernard Milewa, Advocate, CS, CPA.

Corporation Secretary & Legal Affairs Manager



Mr Bernard Milewa has served in the Agency as the Corporation Secretary and Legal Affairs Manager since January 2018. In this role, he oversees the Board Secretarial and Legal Affairs functions of the Agency. He provides legal counsel to the Board and other management. He is a member of the Executive Committee and reports functionally to the Chief Executive Officer and administratively the Board. Mr. Milewa is an Advocate of the

High Court of Kenya, Commissioner for Oaths, Notary Public and a certified Governance Auditor.

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The Board of Directors (Continued)

Mr. Milewa holds a Master of Business Administration (MBA) Strategic Management from the University of Nairobi, Bachelor's degree in law from Moi University and Post-Graduate Diploma in Law from Kenya School of Law. He is also a Certified Secretary (CS-K), Certified Public Accountant (CPA-K) and a Governance Auditor

Mr. Milewa is a member of the Institute of Certified Secretary of Kenya, Institute of Certified Public Accountant (ICPAK) and Chartered Institute of Arbitrators (CiArb). He has 17 years legal experience and previously served in a similar capacity at the Kenya Literature Bureau a regional publishing agency as well as a Senior Compliance, Risk and Legal Officer at the Postal Corporation of Kenya.

Mr. Milewa is a strategic leader and an exceptional thinker with a conviction that Africa's public and private sector organizations can deliver Africa's development agenda through good governance practices and effective leadership.

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4. Key Management Team

Mr. David Ngarama

Chief Executive Officer

(Appointed Ag. CEO on October 01, 2022, confirmed on July 17, 2023)



David Ngarama is currently the Chief Executive Officer of the Kenya Trade Network Agency, having been appointed to that position on July 17, 2023. He previously served as the Director Trade Facilitation at the Kenya Trade Network Agency. Prior to his appointment as a Director Trade Facilitation, Mr. Ngarama served as the Director Strategy, Compliance and Business Development. Before this appointment, he had served for over eight years as the Manager Strategy and Planning at the KenTrade. He joined KenTrade in 2013 having served as a Transaction Manager with the Privatization Commission, a parastatal under The National Treasury and Planning, for four years where he was in charge of various privatization transactions in the country. He has also served as a Principal Economist in the Office of the Deputy Prime Minister and Minister for Trade where he doubled as a Technical Assistant to the Deputy Prime Minister.

Mr. Ngarama has over 25 years' experience in public sector operations and has worked as a Senior Economist at the Ministries of Planning, Finance, International Trade and Industry. In addition, he has wide exposure in regional trade and integration matters and has represented Kenya in many trade negotiations within and outside the Common Market for East and Southern Africa (COMESA) Region and EAC.

Over and above the Bachelors and Master's degrees in Economics, Mr. Ngarama has been trained in Senior Management related courses including the Strategic Leadership Development Programme at the Kenya School of Government and Senior Managers Leadership Programme at the Strathmore Business School; Project Monitoring and Evaluation; Project Management; Financial modeling and a host of other areas.

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Key Management Team (Continued)

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Mr. Amos Wangora

Former Chief Executive Officer (October 01, 2016 to September 30, 2022)



Amos S. Wangora is the immediate former Chief Executive Officer of the Kenya Trade Network Agency having been appointed to that position on October 1, 2016. He has served as the General Manager Operations and Project Director for the Kenya National Electronic Single Window System implementation (Kenya TradeNet System) with responsibility for the system implementation and operationalization. He holds a Master's degree in Maritime Affairs specializing in Port and Shipping Management from the World Maritime University (Sweden). He is also a Fellow of the Institute of Chartered Shipbrokers (UK) and a Certified Information Systems Auditor (CISA).

Mr. Wangora has over twenty-five years work experience in the Trade and Logistics sector with specialization in C-Suite Strategic Management, Maritime Affairs and Project Management in Port, Customs and Trade sector automation. He has vast experience in the designing, development and implementation of ICT interventions for Trade and Transport facilitation.

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Key Management Team (Continued)

Ms. Anne Waweru

Director IT Infrastructure Innovation & Information Security



Ms. Waweru joined the Agency in June 2019 as Director IT Infrastructure, Innovations & Information Security. She has extensive experience in the ICT profession mainly from the private sector. Before joining the Agency, she worked as Business Manager, ICT at Eagle Africa Insurance Brokers. Prior to this she was the Assistant Divisional Director, ICT at Eagle Africa.

Ms. Waweru holds an MSc in Management Information Systems from the University of Nairobi and Bachelor of Education (Science) degree from Kenyatta University. She holds various certifications in management and leadership from the Kenya School of Government. She has certification in ITIL in IT Service Management, is a Certified Information Systems Auditor among other professional certifications in IT related courses. She is a member of Information Systems Audit and Control Association (ISACA) and the Computer Society of Kenya. She has done various other courses in the field of IT Infrastructure, Governance & Security. Ms. Waweru is the Chairperson of the ICT Subcommittee of the Mombasa Port & Northern Community Corridor Charter.

Mr. Chrispus Mbogo

Director, Corporate Services



CPA Chrispus Reuben Mbogo has served in the Agency as the Director, Corporate Services since September 2020. In this capacity he oversees the human resources and administration function and the finance function and is a member of the Executive Committee of Management (EXCOM). He reports to the Chief Executive Officer and provides technical support to the Finance and General Purposes (F&GPC) and the Human Resources and Compliance (HRCC) committees of the Board.

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Key Management Team (Continued)

CPA Mbogo holds a Master of Business Administration in Finance degree from the University of Nairobi and a Bachelor of Commerce degree in Finance from the Catholic University of Eastern Africa. He is a Certified Public Accountant of Kenya (CPA(K) and a member of the Institute of Certified Public Accountants of Kenya (ICPAK). He holds various certifications in management and leadership from the Kenya School of Government, as well as certificates in other areas of management including pension administration, ISO and corporate governance.

He has worked for 23 years as a public financial management (PFM) practitioner, beginning with the Kenya Agricultural Research Institute (KARI) in 2000, where for ten years he served in various research centers (and at the headquarters) as an accountant and as an Internal Auditor. Before joining the Agency in 2013, as the Manager, Internal Audit, Risk and Compliance and later the Manager Finance, he worked with the Coffee Development Fund (CoDF) as Head of Internal Audit and Acting Finance & Administration Manager.

CPA Mbogo is an active member of ICPAK and currently serves in the ICPAK Council Committee for Public Sector Accountants. He is also the current Chairman of the Board of Trustees of the KenTrade Staff Pension Scheme, as well as serving in other leadership capacities in the society.

Ms. Fridah Kaberia

Director, Strategy, Compliance & Business Development



CS Fridah is the Director Strategy, Compliance and Business Development. She joined the Agency in September 2022 and has been instrumental in developing the overall KenTrade Corporate Strategy, by overseeing key functions of Strategy, Compliance, Project Management, Public Relations & Marketing.

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Key Management Team (Continued)

Ms. Fridah is an experienced professional with more than 18 years' experience in both private and public service of hands-on proven track record of verifiable success coupled with good understanding of government operations. She has a wealth of experience in Intellectual Property Rights Enforcement, spanning over 12 years. Prior to her current position, Fridah served as the acting Executive Director/CEO of the Anti-Counterfeit Authority, the lead Kenyan government Agency mandated to combat counterfeiting and trade in counterfeit goods.

Ms. Fridah was also the Director in charge of Corporate Services as well as performing the functions of the Corporation Secretary at the Authority.

Ms. Fridah holds a Master's degree in Business Administration and Bachelor of Art (Economics) degree all from the University of Nairobi. She is a Certified Public Accountant of Kenya CPA(K) and also a Certified Secretary CS (K). Ms. Fridah is a member of the Institute of Certified Public Accountants of Kenya (ICPAK) and Institute of Certified Secretaries of Kenya (ICS). She holds various certifications in management and leadership courses, as well as certifications in pension administration, ISO and corporate governance. Her passion is in facilitation and promotion of genuine trade.

Mr. Bernard Milewa, Advocate, CS, CPA.
Corporation Secretary & Legal Affairs Manager



Mr Bernard Milewa has served in the Agency as the Corporation Secretary and Legal Affairs Manager since January 2018. In this role, he oversees the Board Secretarial and Legal Affairs functions of the Agency. He provides legal counsel to the Board and other management He is a member of the EXCOM and reports functionally to the Chief Executive Officer and administratively the Board.

Mr. Bernard Milewa is an Advocate of the High Court of Kenya, Commissioner for Oaths, Notary Public and a certified Governance Auditor.

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Key Management Team (Continued)

Mr. Milewa holds a Master of Business Administration (MBA) Strategic Management from the University of Nairobi, Bachelor's degree in law from Moi University and Post-Graduate Diploma in Law from Kenya School of Law. He is also a Certified Secretary (CS-K), Certified Public Accountant (CPA-K) and a Governance Auditor.

He is a member of the Institute of Certified Secretary of Kenya, Institute of Certified Public Accountant (ICPAK) and Chartered Institute of Arbitrators (CiArb). Mr. Milewa has 17 years legal experience and previously served in a similar capacity at the Kenya Literature Bureau a regional publishing agency as well as a Senior Compliance, Risk and Legal Officer at the Postal Corporation of Kenya.

Mr. Milewa is a strategic leader and an exceptional thinker with a conviction that Africa's public and private sector organizations can deliver Africa's development agenda through good governance practices and effective leadership.

Mr. Paul Mwaura
Manager, Internal Audit



CPA Paul Mwaura serves as the Manager Internal Audit. He joined the Agency in June 2019 as Manager Internal Audit. In his capacity, he is responsible for provision of an independent and objective assurance to the Board of the risk exposure, effectiveness of controls and governance processes to ensure compliance of KenTrade's operations to internal control systems, procedures and policies, to enable realization of its strategic goals and objectives. He reports functionally to the Board Audit & Risk Committee (ARC) and administratively to the Chief Executive Officer.

He holds an MSc in Finance & Investments, an MBA in Accounting, and a Bachelor of Commerce Accounting degree all from the University of Nairobi. He is a Certified Public Accountant of Kenya (CPA/K), a Certified Information Systems Auditor (CISA) and a member of the Institute of Certified Public Accountants of Kenya (IIA), Information Systems

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Key Management Team (Continued)

Audit and Control Association (ISACA) and the Institute of Internal Auditors (IIA). He has also undertaken certifications in Strategic Leadership from Kenya School of Government and in ISO 9001 Audit.

He has extensive experience in the audit profession both in public and private sectors. Before joining the Agency, he worked as Manager, Audit & Risk Management at the National Transport and Safety Authority. Prior to this he was the Head of Audit at Kenya Investment Authority an investment promotion agency. He has also carried out audits within the private sector in the banking industry.

Ms. Joanne Kweyu
Manager, Supply Chain Management



Ms. Joanne Kweyu is a Supply Chain Management professional with a wealth of experience spanning over 25 years in public sector procurement. She joined the Agency in July 2012 as a Procurement Officer, and is currently the Manager, Supply Chain Management, a position she has held since March 2013.

She began her career at the Ministry of Agriculture, Livestock Development and Marketing, and has served in various senior positions under the Office of the President in Koibatek, Machakos and Makueni Districts, as head of procurement at the Government Information Technology Services (GITS), Senior Procurement Officer at the Ministry of Lands, Chief Supply Chain Management Officer at the Ministry of Public Health and Sanitation, and as head of the Supplies Training section at the National Treasury.

Ms. Kweyu holds an Executive Master of Business Administration degree from Jomo Kenyatta University of Agriculture and Technology, a Bachelor of Commerce degree (Business Administration Option) from the University of Nairobi and a Graduate Diploma in Purchasing & Supply (CIPS) from the Institute of Purchasing and Supply (UK).

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Key Management Team (Continued)

She has also undergone extensive training in Ethics and Integrity, Corporate Governance and Strategic leadership.

Ms. Kweyu is a licensed Supply Chain Management practitioner and a member of the Kenya Institute of Supplies Management (KISM). She is also a member of the Chartered Institute of Purchasing and Supply (UK).

She is an immediate former Disciplinary Committee Council member of the Kenya Institute of Supply Management (KISM) Council, and currently serves as a member of the Board of Trustees of the KenTrade Staff Pension Scheme. She is also a member of the Executive Committee of Management (EXCOM).

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5. Chairman's Statement

On behalf of the Board of Directors, I am pleased to present to you KenTrade's annual report for the Financial Year ended 2022/2023. The Board of Directors continued to provide its oversight role to Management with a view to ensure that planned activities and projects were implemented. We have continued to discharge our mandate which focuses on streamlining trade facilitation processes through the Kenya National Electronic Single Window System (Trade Facilitation Platform). The Single Window System upgrade to the new Trade Facilitation Platform (TFP) has been finalized and is now operational.

The 2022/2023 Financial Year has been a significant year and we take pride in the many achievements we have attained from the services offered to our stakeholders. The year provided us with an opportunity to learn and receive feedback from our customers from the engagements we undertook nationally. The feedback received has provided vital information that made it possible for us to reposition ourselves strategically to meet their needs by offering value added services that have had a significant impact on the trade logistics value chain.

The year under review saw the Agency embark on the implementation of the National Electronic Single Window System Act (National Assembly Bill No. 15 of 2021) by Parliament following enactment and Presidential assent on June 21, 2022. This implementation crucially involved the development of Regulations to guide in operationalizing the Act. The Agency embarked on an awareness creation and public participation campaign in the months of March and April 2023 in the Rift Valley, Nyanza, Western, Coast and Nairobi regions to gather feedback on the draft Regulations developed to guide the execution of our mandate going forward. These regulations are expected to lead to better service delivery and sustainability for the Agency as it seeks to make trade easier for the benefit of the country and its citizens.

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Chairman's Statement (Continued)

The Agency embarked on the development of the new Strategic plan, 2023/24-2027/28 which involved the engagement of all our stakeholders to ensure the development of an all-inclusive strategy that addresses the needs of the Agency and those of our stakeholders. Implementation of the Plan is underway and will see tangible benefits to the Agency and all its stakeholders.

In the financial year under review, the Agency experienced transition in its top leadership with the exit of the Chief Executive Officer Mr. Amos Wangora, who had joined the Agency as General Manager Operations in September 2012. Mr. Wangora successfully steered the Agency from 2015 (as Acting CEO, then CEO from October 2016) through various challenges and phases of its growth, including overseeing the successful upgrade of the Single Window system and positioning the Agency as an African leader in electronic commerce and trade facilitation. We are immensely grateful for his contribution to the growth of the Agency. The Board of Directors also experienced transition with the exit of Mr. Mugambi Imanyara as Chairman in May 2023. Mr. Imanyara served from October 2021 and we express our gratitude for his faithful stewardship and governance of the Agency.

Some of the projects that we successfully undertook are credited to the support that we received from our key development partners such as, Trademark Africa (TMA), International Finance Corporation (IFC) and GIZ who complimented the funding that we received from the exchequer, enabling us to deliver on our mandate.

We therefore look forward to the exciting year ahead not only at the Agency but also in the trade logistics industry.

In conclusion, I would like to appreciate our stakeholders and users of the system, who are the reason for our success. Their support and utilization of the system has made it possible for us to make a difference in trade facilitation. I am grateful to our management team for their exemplary leadership and a big thank you to our staff, whose indomitable spirit has been a credit to themselves and to KenTrade.

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Chairman's Statement (Continued)

I am equally grateful to my fellow directors for their sound advice and direction that they have continued to offer since their appointment. Their level of engagement remains valuable.

I would like to express my appreciation to our parent ministry, The National Treasury and Economic Planning, for the constant support to the mandate of the Agency.

Thank You.



Hon. Basil Criticos

CHAIRMAN

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6. Report of The Chief Executive Officer

The past fiscal year 2022/2023 has seen KenTrade during an exciting transformation in the era of technology, and I am proud of how we responded to various challenges, guided by our vision of being a Global Leader in Trade Facilitation for our stakeholders and the country.

The financial year 2022/2023 was a challenging year for KenTrade due to financial constraints in an environment of global economic turmoil, post covid-19 recovery and macro-economic fluctuations for the Kenyan economy. The Agency currently overwhelmingly relies on Government funding for its operations thus, delays in disbursements and non-disbursement of Government grants and budget cuts negatively affected the Agency's operations.

In the year under review, the Agency received **Kshs.581 million** against Approved Budget Estimates of **Kshs. 797.65 million** thus a budget deficit of **Kshs. 216.625 million** resulting to a lower budget absorption rate of 82% (compared to the previous year of 95%) and pending bills of **Kshs. 189.9 million**. Other exogeneous factors also affected the financial performance of the Agency, one major factor being the depreciation of the Kenya shilling against the dollar. This resulted in much higher payments for the Single Window support service whose payment is in dollars. A deeper analysis of the finances of the Agency is in the management discussion section of this report.

Despite the financial challenges that the Agency experienced in the FY2022/2023, we maintained an uninterrupted level of service and support to our stakeholders, while also accomplishing significant achievements. The Agency is in the process of enacting regulations to operationalize the National Electronic Single Window Act 2022, which among other things, allows the Agency to raise revenue from its Single Window System activities. This will enable the Agency to increase its own-generated revenue and reduce reliance on the National Treasury for funding. This will also enable the Agency finance research and development of ICT related value-added services to enhance its revenue and ensure its financial sustainability.

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Report of The Chief Executive Officer (Continued)

The successful enhancement and upgrade of the Kenya TradeNet System to the Trade Facilitation Platform (TFP) is one major milestone that has paved the way for KenTrade to continue providing quality services.

Implementation of the upgraded system commenced in 2019 and operations commenced in August 2021. The TFP system has now been rolled out and is operational. KenTrade, through the Trade Facilitation Platform (TFP), has implemented 11 out of 16 recommendations from the World Trade Organization's Trade Facilitation Agreement. Additionally, the agency has onboarded 26 out of 40 government agencies onto the Trade Facilitation Platform (TFP) and 46 stakeholder organizations are using the platform. The system has facilitated over 6,653 used bonds with a total value of Kshs.310 billion by 38 insurance companies since 2015. Additionally, over 4,533,078 permits have been issued through the system and over 4,290,981 unique consignment references (UCRs) have been processed. Furthermore, the system has improved automation levels of trade facilitation processes and procedures in PGAs from 14% to 95%. This has led to an increase in PGA revenue yield of Kshs.4.65 billion.

The Agency has continued to foster its relations with Partner Government Agencies as well as private sector players in a bid to collaborate in the provision of services to create a conducive trading environment to reduce the cost of doing business. The National Electronic Single Window System has been operational for just under ten (10) years and has gathered enormous data that can be very useful and relevant to institutions in making various business decisions. Towards this end, KenTrade in partnership with TradeMark Africa implemented a Business Intelligence, Data Warehouse, and Integration Layer to assist stakeholders to access reports conveniently and easily. The Business Intelligence (BI) tool is a collection of technologies (applications, infrastructure, and tools) and best practices that enable access to, and analysis of information to improve and optimize decisions and performance.

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Report of The Chief Executive Officer (Continued)

The tool will, among other uses, be utilized:

- To understand an organization's internal and external strengths and weaknesses.
- To understand the relationship between different data
- For detection of opportunities for innovation, and
- To guide cost reduction and optimal deployment of resources

It has benefits such as publishing, managing, creating, and delivering business documents and reports and deploying data models while maintaining a picture of data operation from multiple sources. I am also pleased to notify you that since the Go-Live of the Business Intelligence, Data Warehouse, and Integration Layer tool on June 29, 2022 we have made a lot of progress and now six (6) Partner Government Agencies have been onboarded. Additionally, our Project Implementation Team has finalized the development of additional report visuals which will be of benefit to our users. The visual reports have already been deployed to our test environment pending a joint review.

We are also in the process of revamping our website. The project implementation team (PIT) has a draft project plan and a roadmap. The PIT will work hand in hand with relevant internal stakeholders in the design & implementation phase. Innovation is one of the core values of the Kenya Trade Network Agency which explains why the Agency is unrelenting in rolling out innovative solutions.

We are happy to report growth and expansion of our offices at the Inland Container Depot (ICD) Nairobi where our Trade Facilitation and Customer Service and Contact Centre Departments are now based. This move has enabled the team to promptly respond to the needs of our customers in an efficient and satisfactory manner.

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Report of The Chief Executive Officer (Continued)

With the tenacity that our staff has shown and solid foundations of our vision, mission, and shared values, I am confident that we will be able to address any challenges and embrace any opportunities the future may bring.

Finally, I wish to thank all stakeholders for being part of this inspiring journey and for shaping the days ahead. I take this opportunity to give a special mention to all stakeholders who have continuously believed in us. I thank the management who have worked closely with me, for their passion and dedication in keeping our operations running seamlessly. I am grateful to all staff for their relentless spirit and for pushing through these tumultuous times to uphold our vision of making a difference in Trade Facilitation.

I would also like to thank the Chairman and the Board of Directors for their guidance in providing strategic direction and leadership. I would also like to thank our former CEO, Mr. Amos Wangora whose successful term of 8 years came to an end on September 28, 2022. I want to express my deep appreciation to him for making an immense contribution to the incredible growth and positive change experienced by KenTrade during his tenure. Lastly, I am thankful to our parent ministry, The National Treasury and Economic Planning, for their support and oversight role which has enabled us to achieve the milestones' we have realized this financial year 2022/2023.

Thank you.



David Ngarama

CHIEF EXECUTIVE OFFICER

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

The Financial Year 2022/2023 was the final year in the implementation of the three-year Strategic Plan for the period 2020/2021- 2022/2023. This Strategic Plan had six (6) thematic areas and twelve (12) strategic objectives with several strategies on how to achieve the intended objectives. These Strategic Thematic areas are as discussed below:

Thematic area 1: Trade facilitation

The strategic objectives under this theme were to reduce cargo documentation processing time from the current 3 days as of 2020 to an average of one (1) day by 2023, to build capacity of stakeholders and to facilitate domestic trade.

This was to be achieved through eleven strategies which included full implementation of the Trade Facilitation Platform (TFP), rolling out the TradeNet System to the borders, integrating the Kenya TradeNet System with stakeholder systems, on boarding the remaining stakeholders on the TradeNet System, establishing stakeholder collaboration through sharing of data and increasing trade across the Northern Corridor, documentation of at least ten (10) commodities annually on trade portal, simplification and harmonization of trade procedures for at least two (2) commodities per year, implementation of Business Intelligence (BI) platform, Implementation of the digital logistics market place platform, implementation of Trade protocols/agreements and monitoring implementation of the MOU/SLAs between KenTrade and PGAs.

The Agency managed to on board forty-three (43) Partner Government Agencies (PGAs) onto the National Electronic Single Window System (NESWS) of which thirty-five (35) PGAs are actively using the system as permit issuing agencies and eight (8) are non-permit issuing agencies. To simplify trade procedures, ninety-eight (98) commodity procedures were documented and mapped on the information for trade portal. In addition, eight (8) commodity procedures were simplified to reduce number of steps required to get the service from PGAs.

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Statement of Performance Against Predetermined Objectives for FY 2022/2023
(Continued)

Through onboarding of PGAs, the objective of reducing cargo documentation processing time from the 3 days as of 2020 to an average of one (1) day by 2023 was largely achieved as several PGAs were able to achieve this target. The NESWS was fully implemented, this saw the number of system users increase from 13,632 users as at June 30, 2021 to 17,788 users as at June 30 2023.

The transactions in the SWS grew from an average of 636,853 transactions per year as at June 30, 2021 to an average of 1,057,090 transactions per year as at June 30, 2023. The Agency also conducted training and sensitization to over 1000 stakeholders on the Trade Facilitation Platform (TFP), Marine Cargo Insurance (MCI) and the Cargo Release module.

The Agency through the support of TradeMark Africa (TMA) implemented the Business Intelligence platform which made data sharing among the stakeholders more efficient. By the end of the Financial Year, seventeen PGAs were already onboarded onto the BI.

Thematic area 2: Management of the TradeNet System and other Systems

The strategic objective under this theme was to maintain at least 99.5% availability of systems. This was to be achieved through setting up the TFP primary hosting site, implementation and operationalizing the secondary hosting environment for Kenya TradeNet System and finally reviewing, upgrading/replacing and maintaining internal systems.

The Agency managed to upgrade the TradeNet System to the Trade Facilitation System (TFP) which is more user friendly and efficient. The System availability was also maintained above 99%, this was supported by the set-up of a modern secondary hosting site for the System.

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Statement of Performance Against Predetermined Objectives for FY 2022/2023
(Continued)

The Agency also implemented Application Performance Monitoring (APM) Solution to assist in monitoring of the Single Window System, this was undertaken in partnership with International Finance Corporation (IFC) who provided the project funding.

Thematic Area 3: Financial Sustainability

The objective under this theme was to finance 25% of the Agency's operating budget by year 2023. This was to be achieved through reviewing and implementing the marketing strategy, reviewing tariffs, enhancing the TradeNet System to increase services and users, developing and implementing framework to monetize trade statistics, developing and implementing framework for new product development through research & development and introducing new products and services.

The Agency managed to introduce several value-add services such as the I-Screen system, short messaging service and the information for trade portal.

The Agency also prepared the National Electronic Single Window Act Regulations which sought to implement the fees component of the Act and other services. The regulations had been submitted to the National Treasury for the necessary approvals by the end of the Financial Year.

During the Financial Year ended June 30, 2023, the Agency raised Appropriation in Aid (A-I-A) from the various sources as detailed below;

- a) Interest earned on deposits was Kshs. 5,746,642.00.
- b) Training fees income amounted to Kshs. 5,774,470.00.
- c) Fees from Contact Centre Augmented service charges amounted to Kshs. 680,193.00
- d) Miscellaneous income was Kshs. 31,426 mainly from the disposal of assets.
- e) Forex Gain of Kshs. 10,709.00

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Statement of Performance Against Predetermined Objectives for FY 2022/2023
(Continued)

Thematic Area 4: Institutional Capacity strengthening

This thematic area had various objectives which included increasing operational efficiency in service delivery by 2023, increasing productivity and enhancing service delivery by continuously developing the human capital of the Agency, institutionalizing research and development, enhancing corporate image and business continuity.

Under this thematic area, several milestones were achieved key among them being building the capacity within the Agency to facilitate quality, efficient and effective services to the stakeholders, reviewing the organizational structure, undertaking training needs assessment and implementation of trainings on need basis due to financial constraints. The Agency also managed to review the Human Resource Manual and related policies and implemented them. The performance management tool was automated to strengthen performance management process by automating the tool in ERP.

During the Financial Year ended June 30, 2023, a recertification audit and review of the Quality Management System was undertaken by Kenya Bureau of Standards (KEBs) leading to ISO 9001:2015 Re-Certification. The Agency was also ISO/IEC 27001 Certified during the period.

Thematic Area 5: Customer Service

The Strategic Objective under this theme was to increase quality and timeliness of service delivery to stakeholders by increasing customer satisfaction index by 1% annually from the customer satisfaction index of 81.3% as at 2020.

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Statement of Performance Against Predetermined Objectives for FY 2022/2023
(Continued)

This was to be achieved through benchmarking with the industry for best practices and implementing the recommendations, enhancing the current systems to improve service delivery, reviewing and implementing the customer service policy, developing and implementing the BPO policy and conducting customer satisfaction surveys every two years and implementing the recommendations.

The Agency managed to achieve high customer satisfaction levels which stood at 83.28% as at June 30, 2023 due to increased automation, implementation of customer relationship management techniques and on-boarding of more government agencies onto the System. The internal systems such as the Customer Relationship Management (CRM) system and Avaya Systems amongst others were enhanced to improve service delivery. The level of automation of government agencies improved following the upgrading and implementation of the System. This led to an increase in efficiency in the documentation processing which ultimately had an impact on the customer satisfaction levels. The Agency also managed to achieve 100% resolution of customer complaints thus enhancing the satisfaction levels.

Thematic Area 6: Legal and regulatory framework

The main objective under this theme was to strengthen the legal and corporate governance framework for the Agency. The National Electronic Single Window System Act No. 25 of 2022 was passed into law on June 21, 2022 and became effective on July 11, 2022. The enactment of the Act will provide a strong legal framework for the establishment and operations of the Agency. This legal framework will address the challenges posed by conflicting legal mandates and legislative provisions which have negatively affected KenTrade's operations in the past.

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Statement of Performance Against Predetermined Objectives for FY 2022/2023 (Continued)

In addition, the Agency has with support of the Kenya Law Reform Commission and the concurrence of the National Treasury developed the draft National Electronic Single Window System Regulations which will operationalize the Act. The draft Regulations have been taken through an extensive process of public participation and stakeholder engagements to obtain stakeholders' input on the same following which the final Regulations have been forwarded to the National Treasury for engagement with the Attorney General and onward transmission to Parliament. The Regulations, once passed, are expected to operationalize the Act and provide clarity on procedural issues relating to the Agency's mandate of trade facilitation.

In terms of corporate governance requirements, the Agency biennially contracts an independent consultant to carry out a legal and governance audit to review the extent of the Agency's conformity to the required standards of corporate governance principles and practices as stipulated in the Code of Governance for State Corporations, 2015 ("Mwongozo"). The Agency received recommendations from the 2021/2022 legal and governance audit report and has been implementing these well into the FY 2022/2023 to fully comply with the said recommendations. The Agency is committed to full compliance with the framework of the laws, regulations, and policies under which it operates.

The Agency is committed to full compliance with the framework of the laws, regulations, and policies under which it operates. The Agency has ensured quarterly reporting of the performance targets achievements to the Board of directors and other agencies as provided in various legal requirements. The Agency achieved its performance targets set for the Financial Year 2022/23 for its six strategic themes, as indicated in the table below:

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Statement of Performance Against Predetermined Objectives for FY 2022/2023 (Continued)

Table 1: Analysis of performance against predetermined objectives for FY 2022/2023

Strategic Theme	Objective	Activities	Key Performance Indicators	Achievements
Thematic Area 1: Trade Facilitation	To reduce cargo documentation processing time from the current 3 days to an average of one (1) day by 2023	Full implementation of the Trade Facilitation Platform	Percentage of system implementation. Number of users using the System. Number of transactions in the system.	The NESWS was 100% implemented, this saw the number of system users increase to 17,788 users as at the end of FY. The transactions stood at average of 1,057,090 transactions as at 30 th June 2023.
		Training & sensitization	Number of trained stakeholders	The Agency conducted training and sensitization to 1,288 stakeholders on the Trade Facilitation Platform (TFP), Marine Cargo Insurance (MCI) and the Cargo Release module.
		Roll out the TradeNet System at the borders	Number of borders stations identified	The National Electronic Single Window System was rolled out to various borders namely Malaba, Busia, Namanga, Isebania and Oloitokitok.

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		Documentation of at least ten (10) commodities annually on trade portal	Number of commodities identified.	Fourteen commodities were documented Veterinary pharmaceuticals, Feed additives, Veterinary pest control products, Industrial & domestic soap, Salt, Paper & paperboard, Organic & organic chemicals, Essential oils, perfumes & cosmetics, Glassware, Pigments, paints & varnishes, Cereals, Roots & tubers, Legumes, Irish potatoes
		Simplification and Harmonization of trade procedures for at least two (2) commodities per year	Number of commodities simplified.	The following commodities procedures have been simplified, 1. Leather 2. Leather products 3. Minerals
		Implementation of Business Intelligence (BI) Platform	Number of stakeholders onboarded onto the platform.	Seventeen (17) stakeholders were onboarded onto the BI. These included VMD, FLB, HCD, Department of Mining, PHS, AFA SD, AFA

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				CD, ACA, NBA, AFA NOCD, AFA FD, EPRA, TBK, KNRA, AFA FCD, NEMA, KDB.
Thematic Area 2: Management of the TradeNet System and other Systems	To maintain at least 99.5% availability of systems.	Set up the TFP primary hosting site	Percentage of system availability.	The System availability was maintained above 99%. This was supported by the set-up of a modern secondary hosting site for the System.
Thematic Area 3: Financial Sustainability	To finance 25% of the Agency's operating budget by 2023.	Review and implement the marketing strategy	Number of new proposals developed and implemented from the marketing strategy.	The marketing strategy was reviewed. AIA raised amounting to Kshs. 12,243,738.
Thematic Area 4: Institutional capacity strengthening.	To increase operational efficiency in service delivery by 2023	Improve business processes.	Increased quality in service delivery.	The Agency maintained the Quality Management System and was ISO 9001:2015 re-certified.
		Enhance use of ICT based solutions.	Improved productivity.	All internal and external systems maintained during the year
		Strengthen risk management and internal controls.	Effective risk management and reduced risk exposure for the Agency.	Risk monitoring carried out on a quarterly basis. Implemented BCP and Risk Framework. Reviewed the risk

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				management framework.
		Expenditure control	Increased efficiency and Expenditure control.	Budget Implementation Committee monitored all expenditures on a monthly basis.
		Research and development	Increased efficiency and information-based decisions And mainstreamed innovations.	Received several innovations from staff to be reviewed and implemented, conducted on varied Agencies Issues.
	To ensure optimum productivity and enhanced service delivery by continuously developing the human capital of the Agency.	Institutionalize the performance management framework.	Increased staff productivity and Improved employee morale and staff	Performance management framework maintained and automated on ERP. Staff motivation Employee of the quarter program in place. Reward for top performing Staff implemented.
		Implement effective HR policies.	Best practices in HR management.	All HR policies maintained and new policies developed.
Thematic Area 5: Customer service	To increase quality and timeliness of service delivery to stakeholders by	Enhance the current systems to improve service	Percentage of Systems improvement and Customer satisfaction	100% CRM System enhanced and all modules utilized.

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	increasing customer satisfaction by 1% annually from the current customer satisfaction index of 81.3%.	delivery.	level	Customer satisfaction level of 83.28% achieved as at 30 th June 2023.
Thematic Area 6: Legal and regulatory framework	To continuously strengthen the legal and Corporate Governance frame works in place.	Facilitate enactment of the Act on the National Electronic Single Window System.	Assented NESWS Act.	The Act was assented by the President and gazetted into law i.e. The National Electronic Single Window System Act, 2022.
		Facilitate enactment of regulations on the National Electronic Single Window System.	Draft regulations.	Draft regulations have been developed with assistant of Kenya Law Reform Commission and submitted to The National Treasury for the necessary approvals by 30 th June 2023.

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8. Corporate Governance Statement

The Kenya Trade Network Agency (KenTrade) recognizes Corporate Governance as key to the success of its business operations and is unreservedly committed to applying the principles necessary to ensure that good governance is practiced in all of its business dealings in respect of its customers, shareholders and relevant stakeholders. At KenTrade, the purpose of corporate governance is to support value creation and accountable management and thus contributes to the long-term success of the Agency.

The Agency's Corporate Governance framework provides a framework for monitoring and ensuring statutory compliance which fosters a culture of values, rewards the highest ethical standards and personal integrity. KenTrade strives to ensure that the principles of good Corporate Governance are applied by the Board of Directors in their dealings in respect and on behalf of KenTrade to enable them provide strategic guidance, leadership and effective management oversight.

Roles and Functions of the Board of Directors

The Agency is run through the general direction of the Board of Directors, which provides strategic direction to the Agency, exercises control and remains accountable to the Agency's stakeholders. The Board is further responsible for administration, management and development of the Agency; administering the assets and funds of the Agency in such manner and for such purposes as shall promote the best interests of the Agency and Committing to the underlying principles of good governance.

The Board of KenTrade is committed to the principles of Good Corporate Governance as stipulated in the Mwongozo Code of Governance for State Corporations and ensures attainment of the Agency's mandate through:

1. Determining the business strategies and plans that underpin the corporate strategy and provide strategic advice to Management;

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Corporate Governance Statement (Continued)

2. Reviewing the financial statements and overseeing compliance with applicable audit, accounting and reporting requirements;
3. Monitoring and evaluating Corporate Performance;
4. Regularly reviewing systems, processes, procedures and policies to ensure the effectiveness of internal control;
5. Monitoring compliance with legal and regulatory requirements and ethical standards and policies;
6. Establishing a sound system of risk oversight, Management and internal controls;
7. Ensuring that the rights of stakeholders that are protected by law are respected;
8. Ensuring that a comprehensive system of policies and procedures is operative;
9. Ensuring ethical behavior and compliance with relevant laws and regulations, audit and accounting principles, and the institution's own governing documents and Codes of Ethics.

Board Structure and Processes

The Board of Directors of the Agency consists of:

- A non- executive Chairperson, appointed by the President.
- The Principal Secretary in the National Treasury & Economic Planning or his/her representative.
- The Principal Secretary in the Ministry of Investments, Trade and Industry (State Department for Trade) or his/her representative.
- The Principal Secretary in the Ministry of Roads and Transport (State Department for Transport) or his/her representative.
- A representative from the Shippers Council of East Africa.
- Three other members, not being public officers, appointed by the Cabinet Secretary - the National Treasury & Economic Planning by virtue of their knowledge and experience in matters relating to:
 - Trade logistics,

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Corporate Governance Statement (Continued)

- Information communication technology, or
- Finance and administration.
- The Chief Executive Officer, appointed by the Board.

The KenTrade Board reflects a diversity of competencies, experience, talent and skills required for the effective leadership of the Agency. The Board is exposed to trainings, seminars and workshops on Corporate Governance issues to enhance their knowledge and skills. The board is also trained on matters that are relevant to the business of the Agency including changes in laws and regulations, auditing and government accounting policies and practices.

During the year, the Board members were taken through a training on corporate governance facilitated by representatives from the State Corporations Advisory Committee (SCAC) held in Naivasha on October 17-19, 2022. The training covered topics on board efficiency and leadership; training on enhancing board accountability facilitated by representatives from the Office of the Auditor General (OAG).

The Board was also taken through Public Procurement and Asset Disposal rules and Regulations by representatives from the Public Procurement Regulatory Authority (PPRA). Further, the Board attended a Board Audit Committee Masterclass Training organized by the Institute of Certified Public Accountants (ICPAK) in September 2022. The training was instrumental to the Board in enhancing effective execution of their oversight role and providing insight to the Board's critical success factors and practical solutions to meeting standards for assuring governance.

The Agency ensures that a board induction programme is developed for new board members and that all new board members are effectively inducted in their role as directors.

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Corporate Governance Statement (Continued)

The current board members were appointed in October 2021 and the Agency accordingly organized an induction program for all members in November 2021.

The Agency ensures that it provides the necessary resources and expertise to the Board of Directors to assist them in their decision- making processes and as such, they are regularly consulted on key policy matters.

The Board is governed by a Board Charter as required by Section 1.11 of the Mwongozo Code. The Board Charter defines the role, responsibilities and functions of the Board in governance of the Agency. It guides the Board in the execution of its roles and functions to ensure conformity with best Corporate Governance practices. The Board Charter is reviewed on a regular basis to ensure that it is in line with emerging governance standards. The Board reviewed its Charter during the financial year and on 9th December 2022, approved the revised Board Charter to guide execution of its role.

Evaluation of the Board Members is carried out annually as dictated by the Charter and is supported by the State Corporations Advisory Committee (SCAC). The Annual Evaluation reviews the effectiveness of the Board, individual and collective roles of Board Directors and the duties and responsibilities of the Board of Directors. A board evaluation exercise was conducted on August 24, 2022, facilitated by State Corporations Advisory Committee (SCAC). The results of the board evaluation were presented to the board members at its meeting held on September 8, 2022. The results indicated an excellent board performance with a corporate score of 93.4%. Following the board evaluation exercise, the board developed a performance improvement plan which covered areas identifies as requiring improvement. The board is currently implementing the plan.

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Corporate Governance Statement (Continued)

Board Committees

The Board continued to ensure that proper standards of corporate governance were maintained and continued to have oversight over the management of the Agency, not only through the Board meetings but also through the various Board Committees. In its governance, the Board has established four Committees as per section 31 of the National Electronic Single Window System Act No. 25 of 2022 and in line with Section 1.7 of the Mwongozo Code of Governance for State Corporations. The Committees are all chaired by Independent Board Members.

The members of each Board Committee were as shown on page vii. Membership to these committees is based on the relevant skills, expertise and experience required to handle respective functions. The Committees execute their functions in accordance with terms of reference which define their mandate, roles and responsibilities.

The Committees' main functions are described below:

1. Audit and Risk Committee

The main function of the Committee is to oversee the Internal Audit, Risk Management and Governance systems within the Agency.

2. Strategy and Business Committee

The main function of the Committee is to monitor the strategic direction and core business activities/operations of the Agency to ensure achievement of its objectives.

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Corporate Governance Statement (Continued)

3. Finance and General-Purpose Committee

This Committee oversees finance and procurement matters collectively, and general affairs of the Agency. The Committee reviews financial statements of the Agency and oversees compliance with applicable accounting and reporting requirements.

4. Human Resource and Compliance Committee

The main function of the Committee is to oversee Human Resource related matters and policies, including other administrative issues.

Board Meetings

The Board meets quarterly or as necessary, in accordance with the business requirements, the Board Work-Plan and Calendar (ALMANAC) as prepared at the beginning of the year. The Board held 14 meetings in the financial year 2022/2023 while the Committees held their meetings as scheduled. The high number of board meetings was occasioned by the additional meetings held for purposes of recruitment of the Chief Executive Officer and board level management positions during the financial year. Additional meetings were also scheduled for purposes of conducting the board evaluation exercise and presentation of the evaluation results.

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Corporate Governance Statement (Continued)

The Board and Committee attendance was as follows:

Table 2: Analysis of Agency Full Board and Committee meetings

Board Member	Full Board Meetings	Board committees			
		Audit & Risk	Strategy & Business	Finance & General Purpose	Human Resource & Compliance
Mugambi Imanyara	12/14	N/A	N/A	N/A	N/A
Stephen Lekupe	14/14	N/A	N/A	5/5	7/7
Erastus Kimuri	14/14	5/5	7/7	N/A	7/7
Florence Chemtai	14/14	5/5	7/7	N/A	N/A
Rose Masita	14/14	5/5	7/7	N/A	N/A
Kenneth Odhiambo	13/14	5/5	N/A	4/5	N/A
George Wanjau	1/14	N/A	N/A	1/5	N/A
Amos Wangora	2/14	N/A	2/7	1/5	2/7
New Appointments					
Michael Muchiri	12/14	N/A	N/A	4/5	7/7
David Ngarama	5/14	N/A	4/7	3/5	4/7
Hon. Basil Criticos	1/14	N/A	N/A	N/A	N/A
Ibrahim Abdi	1/14	N/A	N/A	N/A	N/A

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Corporate Governance Statement (Continued)

Notes:

- a) N/A (Not applicable) means that a specific Board member was not a member of that committee;
- b) Michael Muchiri was appointed on July 25, 2022 to replace George Wanjau;
- c) David Ngarama was Appointed Acting CEO on October 01, 2022 to replace Amos Wangora;
- d) Hon. Basil Criticos was appointed Chairman on May 26, 2023 to replace Mugambi Imanyara;
- e) Ibrahim Abdi was Appointed on June 14, 2023 to replace Michael Muchiri

Legal and Governance Audit

The Agency recognizes the need to conduct its business and operations with integrity and in accordance with generally accepted corporate governance practices and endorses internationally developed principles of corporate governance. The Agency in accordance with its corporate workplan, conducts a legal and governance audit biennially, to review and establish the extent of the Agency's conformity to the highest standards of governance and compliance with the framework of laws, regulations and policies under which it operates.

Following a legal and governance audit exercise, a legal and governance audit report is presented to the board and an implementation matrix is developed to guide the Agency in putting in place measures to address any gaps identified in the audit. To this end, the Agency carried out a legal and governance audit towards the end of FY 2021/2022. In the FY 2022/2023, the Agency embarked on implementing the recommendations of the audit report and the implementation matrix.

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9. Management Discussion and Analysis

Operation performance analysis

The Agency successfully upgraded the Kenya TradeNet System to the Trade Facilitation Platform (TFP) paving way for KenTrade to continue providing quality services to stakeholders. This upgrade aims to achieve increased efficiency not only for the Agency but for the Partner Government Agencies processes as well. The Agency in its efforts to embrace digital transformation and to offer Value Added Services rolled out several initiatives to drive change in trade logistics.

The Agency successfully launched the KenTrade Business Intelligence Tool (BI) to facilitate ease of trade in Kenya through extraction and analysis of real-time data to help trade facilitators and government agencies make data-driven decisions. The Agency is still on course in its efforts and focus to implement the Digital Logistics Market Place and Trade Finance platforms. Listed below are the projects that the Agency undertook during the financial year:

1. Second Generation SWS/ TFP Upgrade Project

The Agency undertook to upgrade the TradeNet system to a more versatile, robust, and secure Trade Facilitation Platform (TFP). Implementation of the upgrade is at an advanced stage with all key modules having been migrated from the legacy system to TFP during the year. So far, all trade document processing Regulatory Agencies have been on-boarded and capacity building and trainings to end users has been offered upon requests.

The Agency has embarked on onboarding the new functionalities identified during the gap analysis with stakeholders. These include:

- ✓ Container Freight Station (CFS) Delivery Order (DO) module whose Development and testing has been completed pending implementation of proposed improvements.
- ✓ Office De Gestion Du Fret Maritime (OGEFREM) process for Congo bound cargo – Development completed, viewing of holds enabled by KRA.

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Management Discussion and Analysis (Continued)

- ✓ Exemptions module implementation is ongoing. DA1 exemptions already implemented.

2. Business Intelligence (BI) Tool & Data Warehouse

The Agency is implementing a Data Warehouse (DWH), Integration Layer and Business Intelligence (BI) tool for the Trade Facilitation Platform (TFP) System and stakeholder systems' data.

The data warehouse (DWH) consolidates relevant data from TFP and other identified internal and external source systems through an Integration layer (IL). The Business Intelligence (BI) tool would then be used to analyse the data and provide visualization features.

- ✓ Reporting module for BI has been successfully completed.
- ✓ For the Integration layer; Integration with KPA has been completed and production set up is ongoing. Testing with Mombasa Port & Northern Corridor Community Charter (MPNCCC) stakeholders is scheduled.
- ✓ KRC and KeNHA integration proposed to be pursued by availing a role/interface on TFP for KRC and KeNHA to submit data which will then be shared to the BI through the IL.

The project is scheduled to be completed by November 30, 2023.

3. Maritime Single Window System

The Agency partnered with Kenya Maritime Authority to implement the Maritime Single Window (MSW) system in Kenya. The Kenya TradeNet system was enhanced to include an E-Maritime module to meet the International Maritime Organization (IMO) FAL requirements. The IMO FAL convention requires member countries to establish systems for the electronic exchange of information related to arrival, stay and departure of ships on international voyages.

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Management Discussion and Analysis (Continued)

MSW phase I was successfully completed, and the project is now in phase II. The Second phase entails onboarding of Firearms and Licensing Board (FLB) and integration to iCMS. Requirements for iCMS integration and FLB onboarding have been collected, validated, and signed off. Development work is currently underway. The project is scheduled to be completed by December 15, 2023.

4. Agriculture Food Authority (AFA) Integrated Management Information System (IMIS) Integration Project

The Agency embarked on a project to integrate the AFA IMIS system with the Trade Facilitation Platform (TFP). The integration is expected to facilitate seamless exchange of trade documents to improve efficiency and service delivery. Implementation of the integration is complete, and all AFA Directorates have been migrated to the upgraded TFP.

The project is at the tail end concluding the implementation and configuration of automatic opting in/out functionality for Exporters/Importers. Completion of the project is expected to be achieved by September 30, 2023.

5. Mobile Application Implementation Project

The Agency is enhancing the KenTrade mobile application into a dynamic mobile app. Implementation of the mobile App is now complete and can be downloaded on google store and Apple Store. The first phase entailed implementation of augmented services and training while the second phase entailed integration to the Trade Facilitation Platform (TFP) and USSD integration.

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Management Discussion and Analysis (Continued)

6. Enterprise Resource Planning (ERP) Implementation Project

The Agency replaced the previous Oracle based ERP system with a more robust system that would address the existing challenges. The ERP consists of the Finance, HR, Finance, and Supply Chain modules.

Phase II of the project is almost complete. Piloting for E-Project and E-Performance is underway. Implementation of the ERP will ensure that the Agency automates its critical processes for improved service delivery.

7. Pharmacy and Poisons Board Integration

Pharmacy and Poisons Board (PPB) and KenTrade have been working to integrate the TFP system with new PPB Information Management System (IMS) System. Once the integration is completed, the system shall be able to exchange data comprising of unregistered and registered products. The Agency in conjunction with the PPB have finalized the development work and testing and is scheduled to go live.

8. Kenya Bureau of Standards (KEBS) Integration

Kenya Bureau of Standards has been working with the Agency to integrate the TFP system and the KEBS Information Management System (KIMS) for end-to-end execution of trade transactions. Development, piloting, and the testing of the integration was successful undertaken.

The project has since been completed.

9. Integrated Protocol Management Information System (IPMIS)

Kenya Trade Network Agency (KenTrade), Ministry of Foreign Affairs (MFA) and Kenya Revenue Authority (KRA) have been working together to automate the diplomatic exemptions applications and processing of PRO IA and PRO IB.

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Management Discussion and Analysis (Continued)

The automation will enable Diplomatic Organizations to submit PRO IA and PRO IB applications through the Kenya TradeNet system for transmission to the Integrated Protocol Management Information System (IPMIS) for Processing.

The project is in the initial stages of development.

10. Internal Systems Hosting on Open Compute Platform (OCP) Project

The Agency seeks to leverage on the Trade Facilitation Platform (TFP) infrastructure for primary and secondary sites on OCP technology, for hosting internal systems. By implementing this project, the Agency will ride on the TIER III data center facilities, hosting the TFP secondary and primary sites thereby enhancing systems availability and achieve redundancy for its internal systems hence mitigating risks to business continuity.

Migration of the low-risk systems to the OCP infrastructure has been completed while migration of high-risk systems is underway. Migration of FortiSIEM, FortiNAC and Customer Relationship Management (CRM) system has been done while migration of Privileged Access Management (PAM) system and ERP are underway.

11. Import/Export Data Validation API Project (Trade Finance)

The Trade Finance project delivered a platform that validates important documents for the import and export trade financing purposes. Development work, testing and system walk-through were successfully undertaken. The project was successfully closed.

12. KECOBO- Blank Tape Levy Project

The project sought to onboard the Kenya Copyright Board (KECOBO) to the Trade Facilitation Platform (TFP) to collect Blank Tape Levy. Requirements collection has been concluded and end user testing has been undertaken.

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Management Discussion and Analysis (Continued)

13. Exemption Letters Automation

The project entails automation of the master list, letter-based exemptions and DA1 exemptions. DA1 development has been completed and deployed to the Production environment. Requirements for the letter-based exemptions and master list have been developed and validated. System developers have also been taken through the letter-based exemptions requirements and a walk-through for the master list exemptions requirements is scheduled.

14. Website Revamp

The project entails upgrading the Agency's website to address technological obsolescence and keep up with technological advancement; to improve the user experience; update the look and feel and subsequently attract more traffic to the site. Theme for the website has been selected and an e-mail account set-up for the configuration. Development of the new website is currently underway.

Financial Performance Analysis

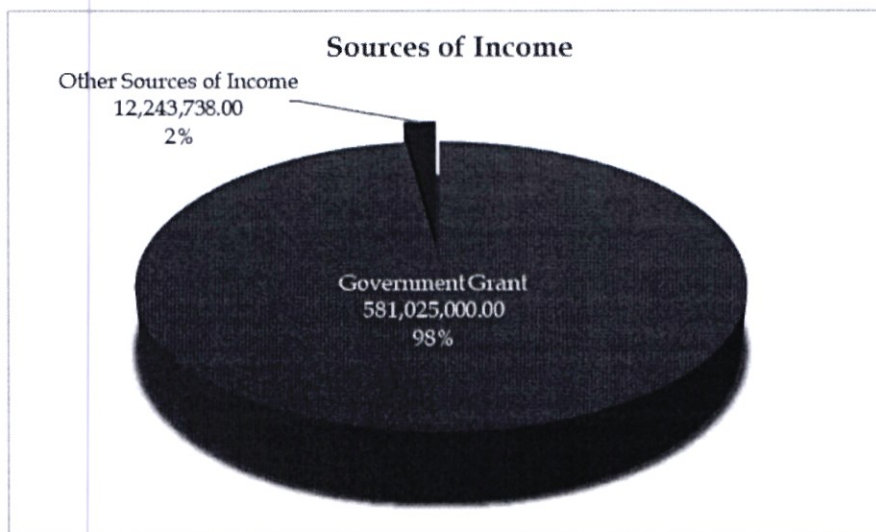
a) Revenue

The Agency overwhelmingly relies on the support of the National Government. During the year, **Kshs. 581,025,000** was provided by the Exchequer representing **Kshs. 216,625,000** for development and **Kshs. 364,400,000** for recurrent expenditure. **Kshs. 12,243,738** was generated from other sources, primarily interest income from call accounts, training fees for single window users, augmented fees and other miscellaneous sources. In comparative terms, GOK funding was **98%** while other sources accounted for about **2%** as indicated in Figure 1 below:

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Management Discussion and Analysis (Continued)

Figure 1:



b) Exchequer Receipts FY 2022/2023

The Agency had an approved Government Grant allocation of **Kshs. 797,650,000** for the FY 2022/2023. However, the allocation was reduced by **Kshs. 100,000,000** in Supplementary Estimates One and a non-disbursement of **Kshs. 116,625,000** at the end of the FY. This resulted to an actual government grant of **Kshs. 581,025,000** thus a total reduction of **Kshs. 216,625,000** in Government Grant in the current FY.

The analysis of the exchequer receipts is summarized in table 3 below:

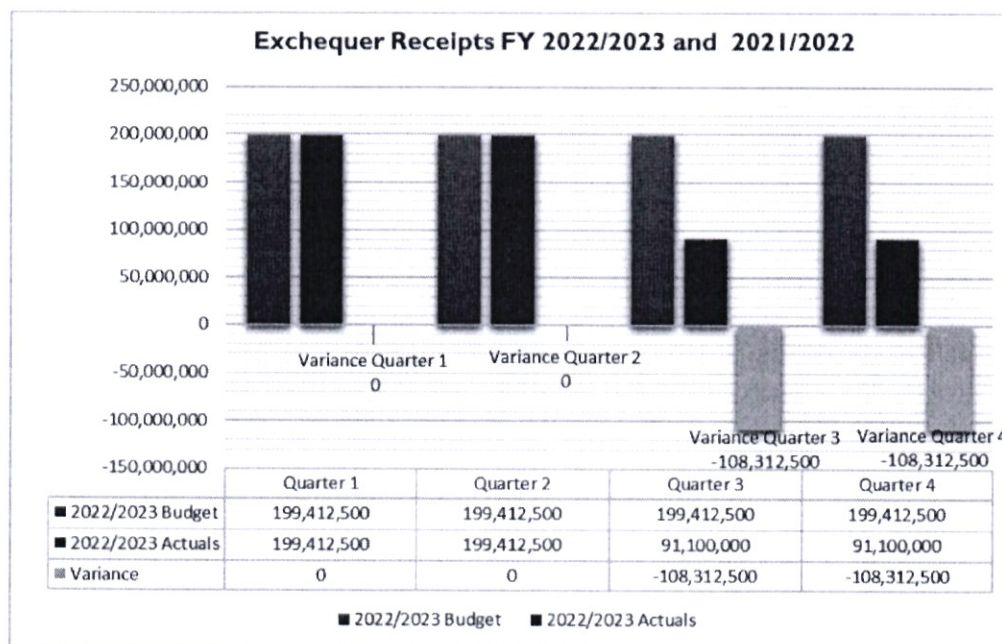
Table 3: Exchequer Receipts

Period	Approved Government allocation 2022/2023	Disbursed amounts (exchequer receipts) 2022/2023	Budget Cut 2022/2023
Quarter 1	199,412,500	199,412,500	-
Quarter 2	199,412,500	199,412,500	-
Quarter 3	199,412,500	91,100,000	-108,312,500
Quarter 4	199,412,500	91,100,000	-108,312,500
Total	797,650,000	581,025,000	-216,625,000

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Management Discussion and Analysis (Continued)

Figure 2:



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Management Discussion and Analysis (Continued)

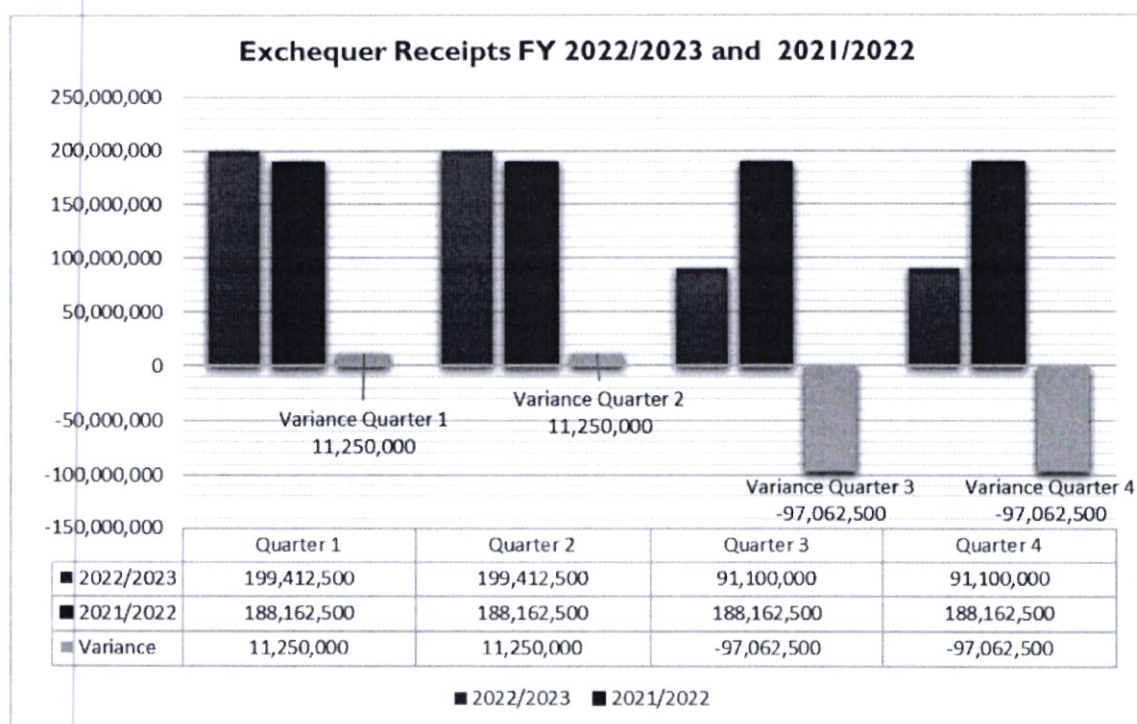
c) Exchequer receipts for the FY 2022/2023 and comparatives for the FY 2021/2022

The Agency received government Grant of **Kshs. 581,025,000** in the current Financial year compared to **Kshs. 752,650,000** in the previous Financial year. This was a reduction of **Kshs. 171,625,000** in government grant compared to the previous year. The analysis of the exchequer receipts and the comparatives for the previous financial year are summarized in table 4 below:

Table 4: Comparable statement of exchequer receipts for FY 2022/2023 and 2021/2022 (Amount in Ksh)

Period	2022/2023	2021/2022
Quarter 1	199,412,500	188,162,500
Quarter 2	199,412,500	188,162,500
Quarter 3	91,100,000	188,162,500
Quarter 4	91,100,000	188,162,500
Total	581,025,000	752,650,000

Figure 3



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Management Discussion and Analysis (Continued)

e) Overall Expenditure Analysis

The Agency incurred a total of **Kshs.835,958,346** in actual expenditure, comprising **Kshs.226,264,493** for capital expenditure, staff mortgage and car loan and a total of **Kshs.609,693,853** for recurrent expenditure.

Table 6: Overall budget performance for the period to 30 June 2023 of FY 2022/2023

Details	Budget 2022/2023	Actuals 2022/2023	Variance	% Variance
Amount in Kshs				
Capital expenditure				
Capital expenditure, staff mortgage and car loan	121,451,094	226,264,493	-104,813,399	-86.3%
Recurrent Expenditure				
Use of goods and services	262,962,123	264,099,657	(1,137,534)	-0.4%
Personnel emoluments	347,898,783	317,289,548	30,609,235	8.80%
Remuneration of directors	25,000,000	24,378,476	621,524	2.49%
Repairs and maintenance	5,188,000	3,926,172	1,261,828	32.28%
Total Recurrent	641,048,906	609,693,853	31,355,053	4.89%
Total Expenditure	762,500,000	835,958,346	(73,458,346)	(9.6%)

Personnel Costs were the largest item in the recurrent expenditure, followed by computer expenses which are accounted for in the Use of goods vote. Computer expenses are made up of the following: internet, licenses, computer repairs and other ICT recurrent items such as vendor maintenance and support for the single window and other systems. The computer costs totaled to **Kshs.138,811,649**. On their own, the computer costs would account for 22.7% of the total direct cash items expenditure. This is because the Agency's main business is ICT driven. The expenditure items listed above were direct cash items meaning they did not include **Kshs.295,221,830** which was a provision for depreciation and amortization.

In terms of Assets, the Agency has a total Asset Base of **Kshs.1,021,388,707** compared to **Kshs.1,212,863,535** in the previous FY 2021/2022. The reduction in the asset base is attributed to the current year's deficit, depreciation and amortization that is not funded by

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Management Discussion and Analysis (Continued)

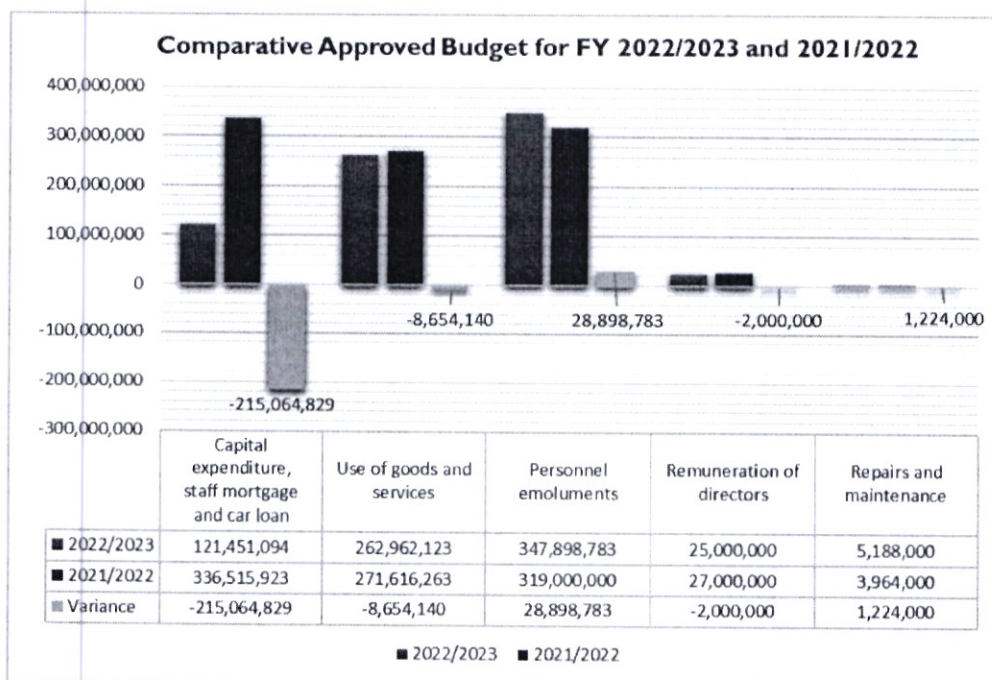
d) Approved Budget Analysis

The Approved Agency budget by the National Treasury for FY 2022/2023 was **Kshs.762,500,000** constituting **Kshs.121,451,094** for capital expenditure, staff mortgage and car loan, **Ksh.262,962,123** for use of goods and services, **Kshs.347,898,783** for personnel emoluments, **Kshs.25,000,000** for remuneration of directors and **Kshs.5,188,000** for repairs and maintenance. The comparative budget for the previous year was **Kshs.958,096,186** resulting in a decrease of **Kshs.195,596,186** (20.42%).

Table 5: Comparative approved budget for FY 2022/2023 and 2021/2022

Details	Budget 2022/2023	Budget 2021/2022	Increase/ (decrease)	% Increase/ (decrease)
Amount in Kshs				
Capital expenditure, staff mortgage and car loan	121,451,094	336,515,923	(215,064,829)	(63.91%)
Use of goods and services	262,962,123	271,616,263	(8,654,140)	(3.19%)
Personnel emoluments	347,898,783	319,000,000	28,898,783	9.06%
Remuneration of directors	25,000,000	27,000,000	(2,000,000)	(7.41%)
Repairs and maintenance	5,188,000	3,964,000	1,224,000	30.88%
Total	762,500,000	958,096,186	(195,596,186)	(20.42%)

Figure 4:



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the Government and the reduced Capital Grant of **Kshs.216,625,000** in the current FY. However, despite the reduction in the asset base, the current asset base of **Kshs. 1,021,388,707** compares favorably with total liabilities of **Kshs.204,902,013**. The total assets are made up of **Kshs.998,195,472** in Non-Current Assets and **Kshs 23,193,235** in Current Assets. Cash and Cash Equivalents of **Kshs.15,005,447** were available for use at the end of the FY. These amounts were set aside to pay for a portion of the trade payables at the end of the year.

The Financial statements for year 2022/2023 indicate that KenTrade has a sound operation base, however there is need for continued and increased government funding to effectively execute its mandate and implement additional value add services that will have an impact on the trade logistics value chain. KenTrade is in the process of enacting the NESWS regulations which once passed as Law will allow the Agency to raise revenue from its Single Window System Services and reduce its reliance on the National Treasury and Economic Planning.

10. Environmental and Sustainability Reporting

The Agency is established under the National Electronic Single Window System (NESWS) Act No. 25 of 2022 to provide high quality and sustainable trade facilitation services by simplifying, harmonizing, and automating business processes through effective and efficient management of the National Electronic Single Window System (Trade Facilitation Platform) and provision of related services for Kenya's global competitiveness. This is KenTrade's purpose; the driving force behind everything that the Agency does. It is what guides the Agency to deliver on its strategy which is rooted in five core values: Customer centric, Integrity, Excellence, Innovation and One KenTrade. Below is a brief highlight of KenTrade's achievements in the following four sustainability pillars.

a) Sustainability strategy and profile

The Agency demonstrated a proactive approach by allocating resources to develop departmental business continuity plans, ensuring the continuity of operations and the restoration of services in the face of potential disasters that could impact KenTrade's assets

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Environmental and Sustainability Reporting (Continued)

and infrastructure. The adoption of cloud computing for data backup further enhances the Agency's preparedness, enabling staff to access their data storage devices seamlessly, without the need to carry physical external hard disks. This strategic deployment of cloud-based solutions not only enhances operational efficiency but also strengthens the Agency's resilience against unforeseen challenges.

b) Environmental performance

The Agency has undertaken a series of proactive initiatives to ensure the long-term sustainability of its environmental activities. These efforts are exemplified by the implementation of various policies and practices, such as the proper disposal of electronic waste, the consolidation of water dispenser units, the sharing of IT assets, and the promotion of using soft copies instead of hard copies for documents.

The adoption of a Just-In-Time philosophy for store item replenishment minimizes the storage of large stocks, reducing waste and inefficiencies.

Furthermore, KenTrade has taken significant steps towards digitization, developing and implementing various innovative systems, including an intranet, an Electronic Document Management System based on Microsoft SharePoint, a KenTrade mobile App & USSD, a Bulk SMS System, and an online ERP System automating back-office services. These technological advancements not only enhance the efficiency and effectiveness of the Agency's operations but also contribute to its overall sustainability goals. To guide in the disposal of e-waste, the Agency has an e-waste policy which provides guidelines on the disposal.

c) Employee welfare

The Agency exemplifies a strong commitment to public service values and principles by incorporating them into its HR policy during staff recruitment, as stipulated in Article 232

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Environmental and Sustainability Reporting (Continued)

of the constitution. A fair performance appraisal system is in place for the staff, which not only assesses their performance but also identifies areas for improvement and facilitates targeted training. The Agency's office holds certification from the Ministry of Labour, confirming compliance with the Occupational Safety and Health Act of 2007 (OSHA, 2007), ensuring a safe and secure work environment for its employees. During the Covid-19 pandemic, the Agency diligently followed all Ministry of Health protocols to safeguard the well-being of staff and stakeholders while ensuring uninterrupted business operations. Moreover, the Agency goes the extra mile by providing comprehensive medical insurance, WIBA, and GPA coverage for its employees, demonstrating its unwavering commitment to their welfare and protection.

d) Corporate Social Responsibility /Community Engagements

KenTrade is committed to making a positive contribution to the community by giving careful thought to the environmental consequences of its business choices. To achieve this goal, the organization has incorporated Corporate Social Responsibility (CSR) policies and actions into its operations.

The Agency has established a dedicated CSR and Environmental Committee responsible for creating guidelines that outline the objectives and tasks required for the Agency to fulfil its responsibilities as a socially responsible corporate entity.

KenTrade recognizes Corporate Social Responsibility (CSR) initiatives as a strategic avenue to make meaningful contributions, no matter how modest, in uplifting the lives of vulnerable groups throughout Kenya and promoting environmental sustainability. Through these initiatives, KenTrade showcases a genuine commitment to social and environmental stewardship, aiming to create a positive impact and effect positive change in the communities it serves. By engaging in responsible and purposeful CSR endeavours,

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Environmental and Sustainability Reporting (Continued)

the Agency aligns its values with the broader goal of fostering a more inclusive and sustainable society.

Environmental conservation and sustainability remain a priority focus for KenTrade as the Agency scales up its public service delivery and the compliance with Presidential directive on replenishing the country's forests and making tree planting part of the core public engagements. In pursuit of this goal, KenTrade have over the last 4 years planted a total of over 5000 trees across Kenya in Nairobi, Kajiado, Mombasa, Busia and Malaba. In the 2022/2023 Financial Year Performance Contract, KenTrade committed to continue to implement measures to protect the environment, mitigate climate change and improve the national forest cover by planting a target of 2500 trees.

It is for this reason that KenTrade in partnership with the Mombasa Kilindini Forest Action Committee and residents of Miritini, Mombasa undertook a massive afforestation activity which saw over 2500 trees planted at the Kilindini mangrove forest on Tuesday January 31, 2023.

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Environmental and Sustainability Reporting (Continued)



The Agency spent Ksh 270,000 for the purchase of the mangrove seedlings and labour hire. The money was from the CSR & Environmental Sustainability budget allocation. The event at Kilindini, Mombasa was also an opportunity for KenTrade representatives to check on the mangrove trees that had been planted in previous years.

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Environmental and Sustainability Reporting (Continued)



The team with members of the Mombasa Kilindini Forest Action Committee were able to confirm a 100 per cent sustainability rate of over 2500 mangrove trees that were planted between 2020 and 2023. This was a successful event that also enabled the Agency to deliver on CSR given that the local community were engaged for labour by the Mombasa Forest Action Committee.

In conclusion, during the financial year 2022/2023, the Agency conducted a review of our CSR Policy to align it with the Agency's mission of defining our role as a responsible Corporate Citizen. The revised policy outlines clear guidelines and mechanisms for implementing programs aimed at promoting the well-being and sustainable development of the broader community. Our commitment remains steadfast in fostering a fair, equitable, and inclusive society, not only within our organization but also wherever we can effect positive change. We continuously strive to maximize the positive impact of our initiatives, ensuring that they reach the deserving members of our society.

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2023.

11. Report of The Directors

The Directors hereby submit their Report together with the Audited Financial Statements for the year ended June 30, 2023, which outline the state of the Agency's affairs.

Principal activities

The principal activities of the entity are to:

- i. Establish and manage a National Electronic Single Window System and facilitate trade.
- ii. The National Electronic Single Window System serves as a single entry point for parties involved in trade and transport to:-
 - Lodge documents electronically, for processing and approval; and
 - Make payments electronically for fees and levies due to the Government, on goods imported or exported.

Results

The results of the Agency for the year ended June 30, 2023 are set out on page 1 to 66.

Directors

The members of the Board of Directors who served during the year are shown on page xi to xix. During the year ended June 30, 2023, Mr. Mugambi Imanyara was degazetted as the Chairman and Hon. Basil Criticos was appointed with effect from May 26, 2023.

Auditors

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

By Order of the Board

.....
Bernard Milewa

Corporation Secretary and Legal Affairs
Manager/Secretary to the Board

12. Statement of Directors' Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, Cap 446, require the Directors to prepare financial statements in respect of the Agency, which give a true and fair view of the state of affairs of the Agency at the end of the financial year and the operating results of the Agency for that year. The Directors are also required to ensure that the Agency keeps proper accounting records, which disclose with reasonable accuracy the financial position of the Agency. The Directors are also responsible for safeguarding the assets of the Agency.

The Directors are responsible for the preparation and presentation of the Agency's financial statements, which give a true and fair view of the state of affairs of the Agency for and as at the end of the financial year ended on June 30, 2023. This responsibility includes:

- a. Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- b. Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Agency;
- c. 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;
- d. Safe-guarding the assets of the Agency;
- e. Selecting and applying appropriate accounting policies; and
- f. Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Agency'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 and the State Corporations

KENYA TRADE NETWORK AGENCY
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Statement of Directors' Responsibilities (Continued)

Act. The Directors are of the opinion that these financial statements give a true and fair view of the state of Agency's transactions during the financial year ended June 30, 2023, and of the Agency's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the Agency, which have been relied upon in the preparation of the Agency'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 Agency 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 Agency's financial statements were approved by the Board on 19/07/2023 and signed on its behalf by:



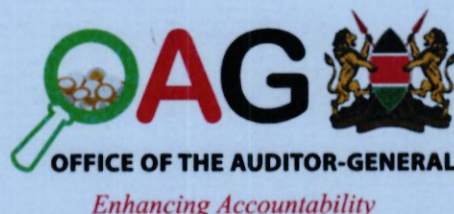
Hon. Basil Criticos
Chairperson of the Board



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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kenya Trade Network Agency set out on pages 1 to 58, which comprise of the statement of financial position as at

Report of the Auditor-General on Kenya Trade Network Agency for the year ended 30 June, 2023

30 June, 2023, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the 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, the financial statements present fairly, in all material respects, the financial position of the Kenya Trade Network Agency as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Accrual Basis) and comply with the State Corporations Act, Cap 446, the Public Finance Management Act, 2012 and Legal Notice No.6 of 2011.

Basis for Opinion

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

Emphasis of Matter

1. Poor Financial Performance

As previously reported, the statement of financial performance reflects a deficit after taxation of Kshs.429,220,040 (2021/2022-Kshs.343,856,456) increasing the Agency's accumulated deficit from Kshs.1,878,100,347 in the previous year to Kshs.2,307,320,385 in the year under review. Although, in Note 33 to the financial statements, Management has indicated that The National Treasury is likely to continue funding the Agency as a going concern, its survival is dependent on the continued financial support by the Government pending operationalization of the National Electronic Single Window Act, 2022 which will enable the Agency to raise revenue from its Single Window System activities.

2. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.762,500,000 and Kshs.640,681,077 respectively, resulting to an under collection of Kshs.121,818,923 or 16% of the budget. In addition, the statement reflects budgeted operational expenditure of Kshs.641,048,906 against actual expenditure of Kshs.609,693,853 resulting in under-expenditure of Kshs.31,355,053 or 5% of the budget.

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

3. Pending Accounts Payable

The statement of financial position and Note 21 to the financial statements reflects trade and other payables of Kshs.201,394,947 which include trade payables of Kshs.200,330,662 which were due as at 30 June, 2023. Failure to settle bills in the year to which they relate adversely affects the implementation of the subsequent year budgeted programs as the pending bills form the first charge to the subsequent year budget. The Agency is also at risk of incurring penalties and interest with the continued delays in settlement of accounts payable.

My opinion is not modified with respect to these matters.

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

Unauthorized Reallocation of Funds

As previously reported, the statement of financial performance and Note 6 to the financial statements reflects government grants of Kshs.463,760,507 which includes realigned development grant of Kshs.99,360,507 transferred from development grant to fund recurrent expenditure as revealed in the statement of changes in net assets. This was contrary to Section 43(1)(b) of the Public Finance Management Act, 2012 which states that, an Accounting Officer may reallocate funds from the authorised use but may not reallocate funds where the funds are appropriated for capital expenditure except to defray other capital expenditure.

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

Basis for Conclusion

1. Improper Board Constitution

During the year under review, the Board of Kenya Trade Network Agency did not have a representative from the Shippers Council of East Africa as required by Chapter 2(2.1) of the Board Charter. The Cabinet Secretary National Treasury reappointed a representative of the council vide letter ref no: KTN/ADM/4/CONF/4/ (28) dated 26 January, 2022. However, the said representative had already served for six (6) terms thus was not eligible for appointment. The Shippers' Council later substituted the representative with a new one through a letter to the Cabinet Secretary, The National Treasury dated 28 September, 2022. However, as at the time of this audit, the Cabinet Secretary had not appointed and gazetted the appointee.

In the circumstances, the Board was not properly constituted.

2. Transfer of Scheme's Funds to Fund Agency Operations

Review of the Agency's Mortgage and Staff Car Loan Scheme's bank statements revealed that Management had transferred back to the Agency amounts totalling to Kshs.33,863,975 since the Scheme's inception which include Kshs.12,100,000 transferred during the year under review. Although the withdrawals were approved by the Agency's Board, the transfer of funds from the Scheme is likely to affect the effectiveness of the Mortgage and Staff Car Loan Scheme.

In the circumstances, the transfer of the funds has adversely affected effectiveness of the Mortgage and Staff Car Loan Scheme.

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

Responsibilities of Management and the 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 overall governance.

In preparing the financial statements, Management is responsible for assessing the Agency's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of its services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Agency 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 Agency'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 overall 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 controls 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 controls 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 control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of 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 Agency's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Agency to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Agency to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and 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

20 February, 2024

KENYA TRADE NETWORK AGENCY
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14. Statement of Financial Performance for the year ended 30 June 2023

	Notes	2022/2023	2021/2022
		Kshs	Kshs
Revenue from non-exchange transactions			
Government grants	6	463,760,507	481,099,814
		463,760,507	481,099,814
Revenue from exchange transactions			
Finance income - external investments	7	5,747,040	11,825,671
Other income	8	6,496,698	8,291,613
		12,243,738	20,117,284
Total revenue		476,004,245	501,217,098
Expenses			
Use of goods and services	9	260,426,535	253,402,192
Employee costs	10	317,289,548	287,359,720
Remuneration of directors	11	24,378,476	28,719,680
Depreciation and amortization expense	12	295,221,830	261,964,470
Repairs and maintenance	13	3,926,172	3,649,874
Total expenses		901,242,561	835,095,936
Other gains/(losses)			
Loss on disposal of assets	14	(308,602)	(3,942,387)
Deficit before tax		(425,546,918)	(337,821,225)
Taxation	15	(3,673,122)	(6,035,231)
Deficit for the period/year		(429,220,040)	(343,856,456)

The notes set out on pages 10 to 53 form an integral part of the Financial Statements. The Financial Statements set out on pages 1 to 76 were signed on behalf of the Board of Directors by:


.....

David Ngarama
Chief Executive Officer

Date 05/02/2024


.....

Chrispus Mbogo
DCS
ICPAK M/No:7470

Date 05/02/2024


.....

Hon. Basil Criticos
Chairman of the Board

Date 05/02/2024

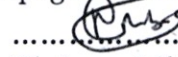
KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2023.

15. Statement of Financial Position as at 30 June 2023

	Notes	2022/2023	2021/2022 Restated
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	16	15,005,447	123,669,533
Current portion of receivables from exchange transactions	17(a)	7,741,308	7,869,231
Current receivables from non-exchange transactions	18(a)	446,480	730,995
		23,193,235	132,269,759
Non-current assets			
Property, plant and equipment	19	97,310,178	182,040,881
Intangible assets	20	848,863,482	842,893,807
Long term receivables from exchange transactions	17(b)	7,263,521	7,063,521
Long term receivables from non-exchange transactions	18(b)	44,758,291	48,595,566
		998,195,472	1,080,593,775
Total assets		1,021,388,707	1,212,863,535
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	21	201,394,947	74,494,711 R
Current Provisions	22	696,000	2,088,000 R
Taxation	29	2,811,066	1,774,985
		204,902,013	78,357,696
Non-Current liabilities			
Non-Current Provisions	23	-	6,063,600 R
Total liabilities		204,902,013	84,421,296
Net assets		816,486,694	1,128,442,238
Revaluation reserves		68,704,634	68,704,634
Donor grants		95,313,707	95,313,707
Accumulated deficit		-2,307,320,385	-1,878,100,347
Capital reserves		2,959,788,738	2,842,524,245
Owners' Equity		816,486,694	1,128,442,238
Total net assets and liabilities		1,021,388,707	1,212,863,535

The Financial Statements set out on pages 1 to 76 were signed on behalf of the Board of Directors by:


David Ngarama
CEO


Chrispus Mbogo
DCS
ICPAK Member Nos:7470


Hon. Basil Criticos
Chairman of the Board

Date 05/02/2024

Date 05/02/2024

Date 05/02/2024

KENYA TRADE NETWORK AGENCY
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For the Year Ended June 30, 2023.

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

	Capital Reserve	Donor Grants	Revaluation reserve	Accumulated surplus Restated	Total
At July 1, 2021	2,570,974,059	95,313,707	68,704,634	(1,534,962,854)	1,200,029,546
Capital/Development grants received during the year	388,250,000	-	-	-	388,250,000
Realignment during the year	(116,699,814)	-	-	-	(116,699,814)
Deficit for the year	-	-	-	(343,856,458)	(343,856,458)
Prior Year Adjustment	-	-	-	718,965	718,965
At June 30, 2022	2,842,524,245	95,313,707	68,704,634	(1,878,100,347)	1,128,442,238
At July 1, 2022	2,842,524,245	95,313,707	68,704,634	(1,878,100,347)	1,128,442,238
Capital/Development grants received during the year	216,625,000	-	-	-	216,625,000
Realignment during the year	(99,360,507)	-	-	-	(99,360,507)
Deficit for the year	-	-	-	(429,220,038)	(429,220,038)
At June 30, 2023	2,959,788,738	95,313,707	68,704,634	(2,307,320,385)	816,486,694

Notes

1. The Capital reserve is the Cumulative cost of Development Funds contributed by the Government of Kenya to the Agency.
2. The Development grant disbursed in 2022/2023 was **Kshs.216,625,000** out of which **Kshs.99,360,507** remained after capital expenditures of **Kshs.117,264,493** was realigned to increase the recurrent grant. This is because a higher percentage of its Budget under the Development vote since the National Treasury and Economic Planning considers the Agency as a project named Single Window Support Project Number 1071105700 despite having the Single Window expenses being recurrent in nature, the National Treasury continues to fund the Single Window under the Development Vote.

KENYA TRADE NETWORK AGENCY
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For the Year Ended June 30, 2023.

Statement of Changes in Net Assets for the year ended 30 June 2023 (continued)

3. Prior year adjustment of **Kshs.718,965** comprises the following:

Description	Kshs
Tuddah Limited	1,575
Konvergenz Network Solution	279,888
Gratuity payable	138,086
Charging model payables	251,416
Provision of audit fees	48,000
Total	718,965

KENYA TRADE NETWORK AGENCY
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For the Year Ended June 30, 2023.

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

		2022/2023	2021/2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfer from other Government entities	6	463,760,507	481,099,814
Finance Income	7	5,747,040	19,663,293
Other Income	8	6,496,698	453,991
Car Loan and Mortgage loan repayments	18b	3,837,275	(6,750,790)
Total Receipts		479,841,520	494,466,308
Payments			
Use of goods and services	9	134,917,321	62,408,769
Employee costs	10	323,335,553	281,493,715
Remuneration of Directors	11	24,378,476	28,719,680
Repairs and maintenance	13	3,732,307	4,431,061
Income tax paid	29	2,637,041	7,119,758
Total Payments		489,000,698	384,172,983
Net Cash flows from operating activities		(9,159,178)	110,293,325
Cash flows from investing activities			
Purchase of Fixed Assets	19	(3,829,016)	(105,004,148)
Purchase of intangible assets	20	(213,235,477)	(205,994,563)
Proceeds from disposed assets		295,091	1,324,780
Net cashflows from investing activities		(216,769,402)	(309,673,931)
Cash flows from financing activities			
Increase in development grants		117,264,493	271,550,186
Amortized ICF Grants		-	-
Decrease in Deferred grants		-	-
Net cash in financing activities		117,264,493	271,550,186
Net increase/decrease in cash and cash equivalents		(108,664,086)	72,169,579
Movement in cash and cash equivalents			
Cash and cash equivalents at 1 July		123,669,533	51,499,954
Cash and cash equivalents at 30 June	16	15,005,447	123,669,533

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2023.

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

	Original budget	Adjustment s	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						
Government grants	797,650,000	(100,000,000)	697,650,000	581,025,000	(116,625,000)	83
Finance income - external investments	10,200,000	-	10,200,000	5,747,040	(4,452,960)	56
Other income	54,650,000	-	54,650,000	53,909,037	(740,963)	99
Total Income	862,500,000	(100,000,000)	762,500,000	640,681,077	(121,818,923)	84
Expenses						
Use of goods and services	323,421,217	(60,459,094)	262,962,123	264,099,657	(1,137,534)	100
Employee costs	347,898,783	-	347,898,783	317,289,548	30,609,235	91
Remuneration of directors	25,000,000	-	25,000,000	24,378,476	621,524	98
Repairs and maintenance	5,100,000	88,000	5,188,000	3,926,172	1,261,828	76
Total Expenditure	701,420,000	(60,371,094)	641,048,906	609,693,853	31,355,053	95
Surplus for the period	161,080,000		121,451,094	30,987,224	90,463,870	
Capital Expenditure	161,080,000	(39,628,906)	121,451,094	226,264,493	(104,813,399)	186

KENYA TRADE NETWORK AGENCY
Annual Report and Financial Statements
For the Year Ended June 30, 2023.

Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2023
(Continued)

Budget Notes

1. Explanation of significant underutilization (below 90% of utilization) and any overutilization (IPSAS 24.14) IPSAS 24.14
 - **Government Grants**-The Agency did not achieve this target since it did not receive Development Government grant for quarter 3 and 4 amounting to Kshs.116,625,000
 - **Finance income** - external investments -The Agency did not achieve the target for the year due to extended delays in disbursements and non-disbursement of Kshs.116,500,000 in Government Grant, in addition to a budget cut of Kshs.100 Million, hence very minimal cash was available to invest in call deposits.
 - **Repairs and maintenance**-This category had a utilization of 76% even after a budget reallocation that reduced this vote. The explanation for this is that the Agency had to scale down on operations due to the cash flow issues attributed to delayed and non-disbursement of government grants.
 - **Capital Expenditure**- This category had an over utilisation of 86% since the Agency had two invoices for two quarters of FY 2021/2022 relating to Single window hosting that were taken to be pending bills.This is due to the reduction of the Agency's Budget by 100 Million and non-disbursement of Ksh 116 Million.
2. Explanation of changes between original and final budget (IPSAS 24.29)
 - **Government Grants**- The Agency had to reallocate its budget to align it with the Budget cut of Kshs.100 Million by the National Treasury and Economic Planning.

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Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2023
(Continued)

- **Use of Goods-** The Agency had to reallocate items in this category by reducing the original budget by Kshs.60,459,094 to accommodate the Budget cut of Kshs. 100 Million by the National Treasury and Economic Planning.
- **Capital Expenditure-** The Agency had to reallocate items in this category by reducing the original budget by Kshs.39,628,906 to accommodate the Budget cut of Ksh.100 Million by the National Treasury and Economic Planning.

3. Reconciliation of the deficit as per Statement of Financial Performance and statement of Comparison of Budget and Actual Amount.

Description	Kshs	Kshs
Surplus as per Statement of Comparison of Budget and Actuals		30,987,224
Deficit as per Statement of Financial Performance	(429,220,040)	
Add:		
Loss on disposal	308,602	
Cash reserves included in the Statement of Comparison of Budget and Actual amounts	40,000,000	
Development Grant included in the Statement of Comparison of Budget and Actual amounts	216,625,000	
Revolving fund included in the Statement of Comparison of Budget and Actual amounts	7,412,339	
Depreciation & amortization	295,221,830	
Less:		
Realigned Development Grant included in the Statement of Financial Performance	99,360,507	
Surplus as per Statement Comparison of Budget and Actuals	30,987,224	

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19. Notes to The Financial Statements

1. General Information

The Kenya Trade Network Agency (KenTrade) is established by and derives its authority and accountability from The Kenya Trade Network Agency Order, 2010 of 28th January 2011. Subsequently, the National Electronic Single Window Act, 2022 (NESWS) was enacted to reaffirm the legal formation of the Agency. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to facilitate trade through the development, operationalization and maintenance of the Kenya National Single Window System also known as the Trade Facilitation Platform (TFP).

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 entities accounting policies. The financial statement has been prepared and presented in Kenya shillings which is the functional and reporting currency of the Agency.

The financial statement has 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 all the years presented.

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**Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2023
(Continued)**

Reconciliation of the use of goods amount as per Statement of Financial Performance and statement of Comparison of Budget and Actual Amount

Use of Goods and Services	Kshs	Kshs
Total as per the Statement of Comparison of Budget and Actual Amount		264,099,657
Less:		
Taxation	3,673,122	
Total as per statement of Financial Performance		260,426,535

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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.

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Standard	Effective date and impact:
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 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.
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 guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. 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.
Other improvements to IPSAS	Applicable 1st January 2023 IPSAS 22 <i>Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts

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Standard	Effective date and impact:
	(SNA 2008). • <i>IPSAS 39: Employee Benefits</i> 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 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.
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.
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.

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ii. Early adoption of standards

The Agency did not early – adopt any new or amended standards in the financial year.

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Notes to The Financial Statements (Continued)

4. Summary of Significant Accounting Policies

a) Revenue Recognition

i) Revenue from non-exchange transactions

Grants

The Agency recognizes grants from Government of Kenya (GoK) and donor grants when the actual receipt has occurred 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. Provision for doubtful debts is made when collection of the full amounts is no longer probable.

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.

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

ii) Revenue from exchange transactions

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.

b) Budget information

The original budget for the current FY was approved by the National Treasury & Planning on June 30, 2022. 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 the Statement of Comparison of Budget and Actual amounts.

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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 Entity 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.

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.

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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.

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

d) 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.

Depreciation is calculated on a straight-line basis, at the following annual rates:

Computers & Peripherals	33.3%
Furniture, Fittings & Equipment	12.5%
Motor Vehicles	25%
Single Window Software (Intangible)	10%
Office partitions	12.5%
Software and Applications (Intangible)	20%

The depreciation rate on Single Window software (Intangible) in the year under review is at 10%.

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

e) Intangible assets (Single Window and Supporting software)

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. 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.

f) 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 Agency does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Agency's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

a) Financial assets

Classification of financial assets

The Agency 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.

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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.

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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.

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.

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

g) Provisions

Provisions are recognized when the Agency 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 Agency 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.

h) Contingent liabilities

The Agency 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.

i) Contingent assets

The Agency 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

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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.

j) Nature and purpose of reserves

The Agency creates and maintains reserves in terms of specific requirements. Agency also states the reserves maintained and appropriate policies adopted. The Capital reserves arise through the investment by the GOK on capital Assets which basically facilitate the mandate of the Agency. The revenue reserves are as a result of operation through to the operating period and are fully attributable to the GOK as a sole owner of the Agency. Donor grants reserves are a recognition of sums from development partners that were used to buy capital items and are reduced gradually with the depreciation and amortization amounts of these assets each year. The revaluation reserve relates to an increase in the value of assets that were revalued in the 2014/2015 financial year.

k) Changes in accounting policies and estimates

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

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

1) Employee benefits

Retirement benefit plans

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

The Agency operates a defined contribution scheme for its employees. The assets of the scheme are held in separate trustee administered funds, which are funded from contributions from both the Agency and the employees.

The Agency also contributes to a statutory defined contribution pension scheme, the National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Corporation's obligation under the scheme is limited to specific monthly contributions legislated from time to time and were fixed at Sh.1,080 per employee.

The Agency's contributions to the defined contribution retirement benefit scheme and to the NSSF in respect of current service are charged to the statement of financial performance in the year.

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

m) 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.

n) Related parties

The Agency 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 Agency, or vice versa. Members of key management are regarded as related parties and comprise the CEO, Directors and Managers who are direct reports to the CEO.

o) 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 Cooperative Bank of Kenya, Equity Bank Kenya Limited and Kenya Commercial Bank (KCB) at the end of the financial year.

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

p) Comparative figures

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

q) 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

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Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Agency'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. Significant judgements made were on depreciation methods and assets impairment.

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 Agency 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 Agency. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

- The condition of the asset based on the assessment of experts employed by the Agency
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset

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Notes to the Financial Statements (Continued)

Significant Judgments and Sources of Estimation Uncertainty (Continued)

- Changes in the market in relation to the asset

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 22 and 23.

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.

6. Government Grants

Description	2022/2023 Kshs	2021/2022 Kshs
Recurrent-Government grant	364,400,000	364,400,000
Realigned development grant	99,360,507	116,699,814
Total Government Grant	463,760,507	481,099,814

The grants received of Kshs.364,400,000 cater for recurrent expenses. Kshs.99,360,570 is disbursed as development grant but was realigned to increase the recurrent grant.

The amount allocated to the Agency under recurrent vote is not sufficient to cater for the recurrent needs of the Agency. Out of a base allocation of Kshs.364,400,000, an amount of Kshs.317,000,000 is committed in paying personnel emoluments. The balance of Kshs. 47,400,000 from the Recurrent Budget Allocation is not sufficient to pay for other recurrent expenses. This scenario means that the Agency must realign the development budget to cater for the recurrent expenditures since the above leaves the Agency with a deficit in the recurrent expenditure and a surplus in development budget.

KENYA TRADE NETWORK AGENCY
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Notes to the Financial Statements (Continued)

7. Finance Income - External Investments

Description	2022/2023	2021/2022
	Kshs	Kshs
Cash investments and Call deposits	5,747,040	11,825,671
Total finance income - external investments	5,747,040	11,825,671

The interest income was earned as a result of investments in call accounts placed by banks during the times that the funds were awaiting payment to vendors. Included in interest income was **Kshs.737,121** received from mortgage and car loan revolving funds. Out of this amount, interest earned from the mortgage fund was **Kshs.675,035** while interest earned from car loan fund was **Kshs.62,086**

8. Other Income

Description	2022/2023	2021/2022
	Kshs	Kshs
Training fees income	5,774,370	7,667,400
Augmented fees	232,746	170,222
Forex Gain	10,709	-
Value added services	447,447	-
Miscellaneous Income	31,426	453,991
Total other income	6,496,698	8,291,613

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Notes to the Financial Statements (Continued)

9. Use of Goods and Service

Description	2022/2023	2021/2022
	Kshs	Kshs
Local Travels	6,019,324	10,123,661
International Travel	7,187,945	9,932,387
Training expenses	4,119,839	5,419,559
Stakeholders expenses	4,149,340	5,690,341
Conference & Workshops	3,968,710	4,081,911
Staff welfare expenses	8,026,417	7,376,262
Organisational Membership subscription	845,700	716,000
Lease Expenses	28,834,327	27,789,289
Cleaning services	2,002,932	1,903,256
Security	2,151,770	1,795,500
Utilities	3,329,325	2,626,360
Telephone	1,548,017	1,591,126
Postage Services	54,238	34,370
Printing and Stationery	717,240	812,573
Fuel	1,799,996	1,771,566
Procurement Processing Expenses	423,798	209,680
legal expenses	1,871,800	918,150
ISO Expenses	560,413	1,055,880
Risk management expenses	703,160	2,479,390
Business Continuity Plan Expense	-	606,640
Change management	227,500	420,500
Consultancy Fees	5,081,340	6,948,275
Publicity & Advertisement	6,670,658	10,687,101
Corporate Social Responsibilities	603,700	1,057,159
Bank Charges	817,339	822,133
Audit fees	696,000	720,000
TV subscriptions	44,362	35,515
Newspapers and Periodicals	126,408	62,004
AAEC Expenses	970,376	-
Motor Vehicle Insurance	881,871	987,810
Insurance General	303,936	579,645
Internet Expenses	2,737,282	2,670,524
Computer accessories	38,300	-
ICT Recurrent expenses	103,389,728	52,361,749
Licences	30,938,570	65,288,065
Staff Medical Insurance	27,592,033	22,651,402
Club Membership	345,000	588,000
Membership Prof subscription	647,841	588,409
	260,426,535	253,402,192

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Notes to the Financial Statements (Continued)

Reconciliation of the balance as per Statement of Financial Performance and Cash Flow Statement for use of Goods and service

Description	Kshs	Kshs
Balance as per Statement of Financial Performance		260,426,535
Add:		
Opening Payables	75,915,346	
Closing Receivables	15,271,309	
Less:		
Closing Payables	201,229,717	
Opening Receivables	15,466,152	
Balance as per cash flow statement		134,917,321

10. Employee Costs

	2022/2023	2021/2022
	KShs	KShs
Basic Salaries	206,914,460	188,205,754
House Allowance	43,783,006	38,814,704
Commuter Allowance	14,401,310	12,240,067
Other Staff Allowance	11,457,561	9,937,868
Acting/Special Duty Allowance	1,818,536	1,844,456
Leave Allowance	4,391,433	3,711,620
Casual Wages	4,192,629	3,666,989
Pension Contributions	29,443,550	26,367,179
Gratuity Expense	576,600	2,283,150
Fringe benefit tax	258,563	242,683
NITA	51,900	45,250
	317,289,548	287,359,720

The amount of **Kshs.4,192,629** for wages related to payments made to Interns and casuals who were engaged during the 2022-2023 financial year.

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Reconciliation of the balance as per Statement of Financial Performance and Cash Flow Statement for use of Employee Costs

Description	Kshs	Kshs
Balance as per Statement of Financial Performance		317,289,548
Add:		
Opening Payables	6,063,600	
Closing Receivables	180,000	
Less:		
Closing Payables	-	
Opening Receivables	197,595	
Balance as per cash flow statement		323,335,553

11. Remuneration of Directors

Description	2022/2023	2021/2022
	KShs	KShs
Chairman's Honoraria	960,000	707,097
Directors retainer	2,640,000	2,471,182
Directors Sitting Allowance	6,860,000	7,061,800
Other related expenses	13,918,476	18,479,601
Total Director emoluments	24,378,476	28,719,680

The amount of **Kshs.13,918,476** for other related expenses comprises of accommodation allowances, mileage, medical insurance and training expenses during the year under review.

12. Depreciation and Amortization

Description	2022/2023	2021/2022
	KShs	KShs
Property, plant and equipment	87,956,027	70,920,376
Intangible assets	207,265,803	191,044,094
Total depreciation and amortization	295,221,830	261,964,470

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Notes to the Financial Statements (Continued)

13. Repairs and Maintenance

Description	2022/2023	2021/2022
	KShs	KShs
Equipment and machinery	823,862	584,278
Motor Vehicles	1,394,541	1,762,456
Computers and accessories	1,707,769	1,303,140
Total repairs and maintenance	3,926,172	3,649,874

Reconciliation of the balance as per Statement of Financial Performance and Cash Flow Statement for use of Repairs and Maintenance

Description	Kshs	Kshs
Balance as per Statement of Financial Performance		3,926,172
Add:		
Opening Payables	667,365	
Closing Receivables	-	
Less:		
Closing Payables	861,230	
Opening Receivables	-	
Balance as per cash flow statement		3,732,307

14. Loss on Sale of Assets

Description	2022/2023	2021/2022
	KShs	KShs
Property, plant and equipment	308,602	3,942,387
Intangible assets	-	-
Other assets not capitalised	-	-
Total loss on sale of assets	308,602	3,942,387

This amount arose from the difference between the sale-by-auction values set by the members of the disposal committee, the final price realised at the sale auction and the net book value based on the accounting value for the assets disposed.

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Notes to the Financial Statements (Continued)

15. Taxation

Description	2022/2023	2021/2022
	Kshs	Kshs
Current income tax charge	3,673,122	6,035,231
Income tax expense reported in the statement of financial performance	3,673,122	6,035,231

No provision of tax has been made on income from grants received from Government of Kenya however, a tax charge of **Kshs.3,673,122 /=** has been provided on income from investment interest on call account with banks and other incomes generated from operations. The tax liability is **Kshs.2,811,066** after adjusting for Withholding tax of **Kshs.862,056** in the year. See note 29 on taxation payable.

16. Cash and Cash Equivalents

Description	2022/2023	2021/2022
	Kshs	Kshs
Current account	12,914,628	113,722,968
On - call deposits	881,970	2,428,535
Fixed deposits account	-	-
Staff car loan/ mortgage	1,142,134	7,016,807
Others-Cash	34,395	36,020
Others-Mpesa paybill	32,320	465,203
Total cash and cash equivalents	15,005,447	123,669,533

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Notes to the Financial Statements (Continued)

16. (a) Detailed Analysis of The Cash and Cash Equivalents

Financial institution	Account number	2022/2023 Kshs	2021/2022 Kshs
a) Current account			
Equity bank -Main account	0810298272422	11,780,399	94,835,592
Equity bank -gratuity account	0810260715303	2,966	6,447,434
Equity bank -Collection account	0810279618173	46,085	35,376
Co-operative bank-Main account	01141162178000	245,433	41,499
Co-operative bank-Collection account	01141162178002	839,745	12,363,067
Sub- total		12,914,628	113,722,968
b) On - call deposits			
Co-operative bank		-	-
Equity Bank		-	-
Kenya Commercial Bank-Mortgage account		881,970	2,428,535
Sub- total		881,970	2,428,535
c) Staff car loan/ mortgage			
Kenya Commercial Bank-Mortgage account	1220622605	144,757	126,254
Kenya Commercial Bank-Car Loan account	1220944998	997,377	6,890,553
Sub- total		1,142,134	7,016,807
d) Others(specify)			
Cash in hand		34,395	36,020
M-pesa paybill		32,320	465,203
Sub- total		66,715	501,223
Grand total		15,005,447	123,669,533

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Notes to the Financial Statements (Continued)

17. Receivables from Exchange Transactions

17. (a)

	2022/2023	2021/2022
	Kshs	Kshs
Current receivables		
Prepaid Insurance	7,741,308	7,869,231
Total current receivables	7,741,308	7,869,231

17. (b)

Description	2022/2023	2021/2022
	Kshs	Kshs
Non-current receivables		
Rent Deposits	2,487,600	2,487,600
Other Prepayments	4,775,921	4,575,921
Total non-current receivables	7,263,521	7,063,521
Total receivables (a+b)	15,004,829	14,932,752

18. Receivables from Non- Exchange Transactions

18. (a)

Description	2022/2023	2021/2022
	Kshs	Kshs
Current receivables		
Staff imprests	266,480	533,400
Staff salary advance	180,000	197,595
Total Current receivables	446,480	730,995

18. (b)

Description	2022/2023	2021/2022
	Kshs	Kshs
Non-current receivables		
Staff loans - Mortgage Receivable	39,691,677	39,991,499
Staff loans - Car Loan Receivable	5,066,614	8,604,067
Total non-current receivables	44,758,291	48,595,566
Total receivables (a+b)	60,209,600	49,326,561

The breakdown of Mortgage and Car Loan is on appendix VII

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19. Property, Plant and Equipment

	Office Partitions	Office Equipment	Furniture and fittings	Computers & Peripherals	Motor vehicles	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1July 2021	40,624,310	11,451,945	10,156,911	119,849,522	25,107,500	207,190,188
Additions	-	643,700	439,450	103,920,998	-	105,004,148
Disposals	(3,542,500)	(1,662,825)	-	(736,513)	(1,480,000)	(7,421,838)
Transfers/adjustments	-	-	-	-	-	-
At 30 th June 2022	37,081,810	10,432,820	10,596,361	223,034,007	23,627,500	304,772,498
Additions	-	136,616	578,400	3,114,000	-	3,829,016
Disposals	-	(75,040)	(395,690)	(2,026,936)	-	(2,497,666)
At 30 June 2023	37,081,810	10,494,396	10,779,071	224,121,071	23,627,500	306,103,848
Depreciation and impairment	5,078,039	1,431,493	1,269,614	39,909,891	6,276,875	53,965,912
At 1July 2021	4,967,335	1,393,465	1,270,496	57,104,702	6,184,377	70,920,375
Eliminated on valuation	(774,922)	(363,744)	-	(368,505)	(647,500)	(2,154,671)
Depreciation	-	-	-	-	-	-
At 30 June 2022	9,270,452	2,461,214	2,540,110	96,646,088	11,813,752	122,731,616
Depreciation	4,635,226	1,311,353	1,347,600	74,754,970	5,906,878	87,956,027
Disposals	-	(25,795)	(136,017)	(1,732,161)	-	(1,893,973)
Impairment	-	-	-	-	-	-

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	Office Partitions	Office Equipment	Furniture and fittings	Computers & Peripherals	Motor vehicles	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 30 June 2023	13,905,678	3,746,772	3,751,693	169,668,897	17,720,630	208,793,670
Net book values						
At 30 June 2023	23,176,132	6,747,624	7,027,378	54,452,174	5,906,870	97,310,178
At 30 th June2022	27,811,358	7,971,606	8,056,251	126,387,919	11,813,748	182,040,881

The amount of computers and peripherals includes **Kshs.119,063,459** site hosting hardware cost for the Single window system.

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Notes to the Financial Statements (Continued)

20. Intangible Assets-Software

Description	Period ended June 2023	Audited Prior year
	Kshs	Kshs
Cost		
At beginning of the year 2021	1,799,673,683	1,528,260,247
Additions	205,994,563	271,413,436
At end of year 2022	2,005,668,246	1,799,673,683
Additions-internal development	213,235,477	205,994,563
At end of year 2023	2,218,903,723	2,005,668,246
Amortization and impairment		
At beginning of the year 2022	1,162,774,438	971,730,344
Amortization	207,265,803.00	191,044,094
At end of year 2023	1,370,040,241	1,162,774,438
Impairment loss	-	-
At end of the Year NBV 2023	848,863,482	842,893,807

The amount of intangible assets comprises the single window base and supporting software which has been incurred during the development of the software in facilitation of trade.

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21. Trade and Other Payables

Description	2022/2023	2021/2022 Restated
	Kshs	Kshs
Trade payables	200,330,662	73,705,376
Statutory deductions payable	-	190,074
Charging model payables	104,600	155,200
Retention account payables	-	444,061
Other current liabilities	959,685	-
Total trade and other payables	201,394,947	74,494,711

- I. The trade and other payables for 2021/2022 were restated to cater for a prior year adjustment of **Kshs.532,879** as indicated below.

Description		Kshs
Tuddah Limited	Trade payables	1,575
Konvergenz Network Solution	Trade payables	279,888
Charging model payables	Charging model payables	251,416
Total		532,879

- II. The Trade and other payables indicated above of **Ksh 201,394,947** included **pending bills of Ksh 190,042,709** which will be budgeted as first charge items in the FY 2023/2024.

22. Current Provisions

Description	Audit fees	Total (Restated)
	Kshs	Kshs
Balance b/d (1.07.2022)	2,088,000	2,112,000
Additional Provisions	696,000	672,000
Provision utilised	(2,088,000)	(696,000)
Total provisions as at 30.6.2023	696,000	2,088,000

The provisions for 2021/2022 were restated to cater for a prior year adjustment of **Kshs.48,000** on Audit fees.

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Notes to the Financial Statements (Continued)

23. Non-Current Provisions

Description	Gratuity provision	2021/2022 Restated
	Kshs	Kshs
Balance b/d (1.07.2022)	6,063,600	3,918,536
Additional Provisions	576,600	2,145,064
Provision utilised	(6,640,200)	-
Total provisions as at 30.6.2023	-	6,063,600

The Non-Current Provisions for 2021/2022 were restated to cater for a prior year adjustment of **Kshs.138,086** on gratuity payable.

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24. Cash Generated from Operations

		2022/2023	2021/2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfer from other Government entities	6	463,760,507	481,099,814
Finance Income	7	5,747,040	19,663,293
Other Income	8	6,496,698	453,991
Car Loan and Mortgage loan repayments	18b	3,837,275	(6,750,790)
Total Receipts		479,841,520	494,466,308
Payments			
Use of goods and services	9	134,917,321	62,408,769
Employee costs	10	323,335,553	281,493,715
Remuneration of Directors	11	24,378,476	28,719,680
Repairs and maintenance	13	3,732,307	4,431,061
Income tax paid	29	2,637,041	7,119,758
Total Payments		489,000,698	384,172,983
Net Cash flows from operating activities		(9,159,178)	110,293,325

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Notes to the Financial Statements (Continued)

25. 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 company'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 Agency regularly reviews its risk management policies and systems to reflect changes in markets and emerging best practices.

Risk Management is carried out by the Management under direct supervision of the Board of Directors. The Agency provides policies for overall risk management as well as policies covering specific areas such as interest rate risk, credit risk and liquidity risk.

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

(i) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in financial loss to the Agency. Credit risk arises from bank balances, as well as trade and other receivables and amounts due from related parties. Although the risk is unlikely to occur in the short term, it is mitigated as follows:

1. Cash and short- term deposits are placed with well- established financial institutions of high quality and credit standing and also approved by the National Treasury and Economic Planning.
2. Funds are invested in short term facilities and
3. The Agency does not raise trade receivables in its ordinary cause of business.

Credit risk with respect to accounts receivable is limited due to the nature of the Agency's business and its reliance on Government grant as its main source of funding.

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The amount that best describes the Agency's exposure to credit risk at the end of the financial year is as follows:

	2022/2023 Kshs	2021/2022 Kshs
Cash at Bank	15,005,447	123,669,533
Current Receivables	7,741,308	7,869,231
Non-Current Receivables	7,263,521	7,063,521
Staff Car loan and Mortgage	44,758,291	48,595,566
Staff Travel imprests	266,480	533,400
Salary Advances	180,000	197,595
Total	75,215,047	187,928,846

(ii) Market risk

Market risk is the risk that the value of the investment will decrease due to changes in market factors such as interest rate, equity prices and foreign exchange rates. Although the risk is unlikely to occur in the short term, it is mitigated as follows:

1. Cash and short- term deposits are placed with well- established financial institutions of high quality and credit standing and also approved by the National Treasury and Economic Planning.
2. Funds are invested in short term facilities and
3. The Agency's cash balances are in local currency
4. The Agency does not raise trade receivables in its ordinary cause of business.

a) Foreign currency risk

The entity 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.

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Notes to the Financial Statements (Continued)

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

	Ksh	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2023			
Financial assets			
Investments			
Cash		46,085	46,085
Debtors			
Total financial assets		46,085	46,085
Financial Liabilities			
Trade and other payables			
Borrowings			
Total financial liabilities			
Net foreign currency asset/(liability)			

b) Interest rate risk

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

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Notes to the Financial Statements (Continued)

Capital Risk Management

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

	2022/2023	2021/2022 Restated
	Kshs	Kshs
Revaluation reserve	68,704,634	68,704,634
Retained earnings	(2,307,320,385)	(1,878,100,347)
Donor Grant	95,313,707	95,313,707
Capital reserve	2,959,788,738	2,842,524,245
Total funds	816,486,694	1,128,442,239
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt/ (excess cash and cash equivalents)	-	-
Gearing	-	-

(iii) Liquidity risk management

Liquidity risk is the risk that the Agency will not be able to meet its financial obligations when they fall due. The Agency's approach to manage liquidity is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or at the risk of damaging the Agency's reputation.

The Agency ensures that it has sufficient cash on demand to meet expected operational expenses including servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

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Notes to the Financial Statements (Continued)

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

The amounts that best describes the Agency's exposure to liquidity risk at the end of the financial year is made up as follows:

	Less than 1 month	Between 1- 3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As At June 30, 2023				
Trade payables	-	201,394,947	-	201,394,947
Current portion of borrowings	-	-	-	-
Provisions	696,000	-	-	696,000
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	696,000	201,394,947	-	202,090,947
As At June 30, 2022				
Trade payables	74,494,711	-	-	74,494,711
Current portion of borrowings	-	-	-	-
Provisions	2,088,000	-	-	2,088,000
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	76,582,711	-	-	76,582,71

26. Related Party Balances

Nature of related party relationships

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

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Government of Kenya

The Government of Kenya is the principal shareholder of the *entity*, holding 100% of the *entity's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

- i) The National Government;
- ii) The National Treasury;
- iii) Other SCs and SAGAs
- iv) The Board of directors
- v) Key management

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	2022/2023	2021/2022
	Kshs	Kshs
Transactions with related parties		
a) Sales to related parties		
Sales of goods to staff	-	-
Sales of services staff	-	-
Total	-	-
b) Purchases from related parties		
Purchases of electricity from KPLC	3,329,325	2,626,360
Rent expenses paid to govt agencies	6,925,480	5,771,232
Training and conference fees paid to govt. Agencies	4,299,006	3,657,440
Others (specify)		
b) Grants from the Government		
Grants from National Govt	581,025,000	752,650,000
Grants from County Government	-	-
Donations in kind	-	-
Total	581,025,000	752,650,000
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for employees	-	-
Payments for goods and services	-	-
Total	-	-
d) Key management compensation		
Directors' emoluments	24,378,476	28,719,680
Compensation to the CEO	9,582,900	11,870,600
Compensation to key management	137,081,100	114,608,260
Total	171,042,476	155,198,540

27. Contingent Liabilities

Contingent liabilities	2022/2023	2021/2022
	Kshs	Kshs
Court case-Mweha Enterprise	13,858,266	13,858,266
Court Case-Willy Kirui	-	920,000
Total	13,858,266	14,778,266

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Notes to the Financial Statements (Continued)

A contingent liability of Kshs.13,858,266 to Mweha Enterprises who were undertaking office works in year 2011/2012 is probable. The contingent liability of Kshs.920,000 being legal fees and compensation to Willy Kirui, a former staff of the Agency was paid during the financial year 2022-2023.

28. Capital Commitments

Capital commitments	2022/2023	2021/2022
	Kshs	Kshs
Authorised for Partitioning	-	10,000,000
Authorised and contracted for	-	-
Total	-	10,000,000

29. Taxation

	2022/2023	2021/2022
	Kshs	Kshs
At beginning of the year	1,774,985	2,859,511
Income tax charge for the year (note 15)	3,673,122	6,035,231
Withholding tax paid during the year	(862,056)	(1,773,874)
Under/(over) provision in prior year/s (note 15)	-	-
Income tax paid during the year	(1,774,985)	(5,345,883)
At end of the year	2,811,066	1,774,985

The total tax paid to KRA in 2022/2023 was **Kshs.2,637,041**. This is a total of tax withheld by banks and paid directly to KRA of **Kshs.862,056** and income tax paid directly by the Agency to KRA of **Kshs.1,774,985**.

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Notes to the Financial Statements (Continued)

30. Events After the Reporting Period

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

31. Ultimate and Holding Entity

The entity is a State Corporation under the National Treasury and Planning. Its ultimate parent is the Government of Kenya.

32. Currency

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

33. Going Concern

The Agency relies on the National Treasury for funding and despite the deficits in the Statement of Financial Performance, nothing has come to the attention of Management to suggest that the National Treasury will not continue to fund the Agency as a going concern. The Agency is in the process of enacting regulations to operationalize the National Electronic Single Window Act 2022, which among other things, allows the Agency to raise revenue from its Single Window System activities. This will enable the Agency to increase its own-generated revenue and reduce reliance on the National Treasury. This will also enable the Agency finance research and development of ICT related value-added services to enhance its revenue and ensure its financial sustainability.

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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. We have included the time frame within which we expect the issues to be resolved. The accounts were not qualified on account of the issues raised as Emphasis of Matter.

Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	Poor Financial Performance I draw your attention to Note 33 of the financial statements. As previously reported, the statement of financial performance reflects a deficit after taxation of Kshs.343,856,458 increasing the Agency's accumulated deficit from Kshs.1,534,962,854 in the previous year to Kshs.1,878,819,312 in the year under review. Although	1. The Agency relies on The National Treasury and Economic Planning for funding and despite the deficits in the Statement of Financial Performance, nothing has come to the attention of Management to suggest that The National Treasury and Economic Planning will not continue to fund the Agency as a going concern. The Agency being a non-commercial is expected to spend what it receives from the National Treasury. 2. It is important to note that due to IPSAS Accrual Accounting, even where the	In progress	

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Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Management has indicated that The National Treasury is likely to continue funding the Agency as a going concern, its survival is dependent on the continued financial support by the Government pending operationalization of the National Electronic Single Window Act which will enable the Agency to raise revenue from its Single Window System activities.	Agency has spent exactly what it is allocated, there will always be a deficit because depreciation and amortization expense is never funded by the National Government. The Agency's software systems, including the Single Window, incur high amortization costs as intangible assets. This expense will therefore always cause a deficit with 100% utilization of the allocated budget, as these expenses are required under accrual accounting. The depreciation and amortization expense for FY 2021/2022 was KES 261,964,470, with the difference being amounts rolled over from the previous year due to late disbursement from the National Treasury. 3. The National Electronic Single Window System Act No. 25 of 2022 was enacted in June 2022. This Act allows the Agency to raise fees and levies from its single window services. The Agency is in the process of developing regulations to operationalize the Act which will enable the Agency to raise revenue from its Single Window		

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Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		System activities and pay for amounts such as depreciation and amortization that are not funded by The National Treasury. The Regulations are with the AG for finalization. 4. A disclosure note on this matter has been included in the financial statements.		
2.0	Unauthorized Reallocation of Funds The statement of financial performance reflects government grants of Kshs.481,099,814 which, as disclosed in Note 6 to the financial statements, includes realigned development grant of Kshs.116,699,814 transferred from development grant to fund recurrent expenditure as revealed in the statement of changes in net assets. This is	1. It is important to note that the Agency did not reallocate Funds from the capital expenditure to operational expenditure as indicated in the draft Audit Certificate. Section 43 of the Public Financial Management Act 2012 uses the term 'Capital Expenditure' and not 'Development Expenditure'. This is because Development Expenditure is not always the same as 'Capital Expenditure.' 2. The Agency realigned amounts allocated to the Agency under the Development Grant allocation but expensed as operational expenditure items to the Statement of	In progress	

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Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	contrary to Section 43(1)(b) of the Public Finance Management Act, 2012 which states that, an Accounting Officer may reallocate funds from the authorised use but may not reallocate funds where the funds are appropriated for capital expenditure except to defray other capital expenditure.	Financial Performance because the same cannot be capitalized. This is because the Single Window System is funded by The National Government as a project in the Development Vote. The amounts in question, after the finalization of the development of the system, now cater for hosting, annual maintenance, internet costs and annual licenses for the National Electronic Single Window System and computerized systems that support the operations of the Single Window. These items are operational expenditure items but funded through the Development Allocation given to support the Single Window System. 3. This is normally reflected in the financial statements through realignment of the amounts to the Statement of Financial Performance. The attached approved budget for year 2021/2022 shows that the Agency requested for this funding under the Recurrent/operating expenditure part of the budget but the National Treasury		

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Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		provided the funding to the Agency under both Development and Recurrent items. We thus align the amounts in accordance with the matching principle for items in the Statement of Financial Performance. 4. The National Treasury Approved Kshs.922.377 million under Recurrent Expenditure and Kshs.471.3 million under Development Expenditure. However, in the printed estimates, the Agency's final allocated Recurrent Budget was Kshs. 364.4 million and Development Budget of Kshs 388.25 million. The Agency rationalized its budget to capital and operational expenses after these Estimates were published and there was no reallocation from the capital to the operational expenses during any of the reallocations done by the Agency in FY 2021/2022.		

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Chief Executive Officer

Date: 05/02/2024

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Appendix II: Projects implemented by Kenya Trade Network Agency

Projects implemented by the State Corporation/ SAGA Funded by development partners and/ or the Government.

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 (Yes/No)

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Status of Projects completion

(Summarise the status of project completion at the end of each quarter, i.e. total costs incurred, stage which the project is etc)

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Application Performance Monitoring (APM) Implementation	11,000,000.00	11,000,000.00	100%	11,000,000.00	11,000,000.00	IFC
2	Trade Facilitation Platform (TFP) upgrade Implementation	7,902,242.00 USD	3,352,194.00 USD	95%	7,902,242.00 USD	3,352,194.00 USD	GOK
3	Mobile App Implementation	1,878,206.00	1,878,206.00	100%	1,878,206.00	1,878,206.00	GOK
4	ERP Implementation	10,577,369.78	9,281,289.41	87.75%	10,577,369.78	9,281,289.41	GOK
5	KECOBO Blank Tape Levy onboarding	7,300,000.00 (Quantified from man days)	6,530,000.00 (Quantified from man days)	89.45%	7,300,000.00 (Quantified from man days)	6,530,000.00 (Quantified from man days)	GOK
6	Internal System Hosting on Open Compute Platform (OCP) migration	69,756,869.21	28,835,922.90	41.34%	69,756,869.21	28,835,922.90	GOK
7	Enhance Collocated Open Compute Platform Infrastructure for hosting internal Systems and	69,756,869	0	50%	69,756,869	14,417,961 paid in August	GOK

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	implement Secondary site for Internal systems.						
8	Integration Layer, Business Intelligence and Data Warehouse solution Implementation	583,000 USD	174,900 USD	66.67%	583,000 USD	Additional 69,960 USD paid in August but invoice was raised in June	TMEA
9	Network Operation Centre (NOC) Implementation	6,850,000.00	6,850,000.00	100%	6,850,000.00	6,850,000.00	GOK
10	Video Conferencing Solution Implementation	1,900,000.00	1,900,000.00	100%	1,900,000.00	1,900,000.00	GOK
11	Security Operation Centre (SOC) Implementation	6,978,560.00	6,978,560.00	100%	6,978,560.00	6,978,560.00	GOK
12	Microsoft SharePoint Implementation	4,992,365.31	4,992,365.31	100%	4,992,365.31	4,992,365.31	GOK

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Appendix III: Transfers from Other Government Entities

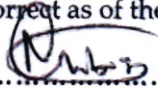
Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/ Development/Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Total realignment during the Year	
The National Treasury	Various	Recurrent	364,400,000	364,400,000	-	-	-	94,732,817	-
The National Treasury	Various	Development	216,625,000	-	216,625,000	-	-	(94,732,817)	-
Total			581,025,000	364,400,000	216,625,000	-	-	-	-

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Appendix IV- Inter-Entity Confirmation Letter

The National Treasury
P. O. Box 30007 - 00200
Nairobi - Kenya

The Kenya Trade Network Agency wishes to confirm the amounts received from The National Treasury as at 30th June 2023 as indicated in the table below.

Confirmation of amounts received by Kenya Trade Network Agency as at 30 th June 2023							
Reference Number	Date Disbursed	Amounts Disbursed by The National Treasury as at 30 th June 2023				Amount Received by [beneficiary Fund] (Kshs) as at 30 th June 2022 (E)	Differences (Kshs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
	29/08/2022	91,100,000	-	-	91,100,000	91,100,000	-
	13/12/2022	91,100,000	-	-	91,100,000	91,100,000	-
	10/02/2023	91,100,000	-	-	91,100,000	91,100,000	-
	25/05/2023	91,100,000	-	-	91,100,000	91,100,000	-
	27/09/2022		108,312,500.00	-	108,312,500.00	108,312,500.00	-
	15/12/2022		108,312,500.00	-	108,312,500.00	108,312,500.00	-
Total		364,400,000	216,625,000	=	581,025,000	581,025,000	-
I confirm that the amounts shown above are correct as of the date indicated.							
DCS		Sign  Date <u>05/02/2025</u>					

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Appendix V: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

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Appendix VI: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments

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Appendix VII: Pending Bills Register as at June 30, 2023

S/N	Vote No	Vote Name	Name of the Vendor	Description	Reference document	Invoice No	Pending bill Amount as at 30 th June 2023
1	700300	Single Window Base Software	Singapore Co-operation Enterprise	Single Window Base Software for two quarters in the previous financial year 2022/2023	KTNA/LEG/0039/2019 18/11/2019-17/11/2024	2022065 & 2023007	109,000,000
						Total	109,000,000
2	513020	Computer Repairs	Dignity Traders Ltd	Preventive Maintenance for basic hardware	KTNA/LEG/CONTRACT /0028/2022 27/05/2022-26/05/2023	0449	174,500
3			MFI Managed Document Solutions Ltd	Leasing of managed printing services for April-June 2023	KTNA/LEG/CONTRACT /053/2022	KEGEA-IN/0472907	238,206
						Total	412,706
4	514030	Insurance General	CIC General Insurance LTD	Asset Insurance premium	KTNA/LEG/CONTRACT /004/2023 06/03/2023-05/03/2024	12062023	607,935
						Total	607,935

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S/N	Vote No	Vote Name	Name of the Vendor	Description	Reference document	Invoice No	Pending bill Amount as at 30 th June 2023
5	515010	Internet expenses	Liquid Intelligent Technologies	Provision of Internet services from 9th March 2023 to 8th June 2023	Contract No. KTNA/LEG/0032/2022 Date:8/06/2022-07/06/2025	104157	523,068
6			Liquid Intelligent Technologies	Provision of Internet Services from 09/09/2022 to 08/12/2022	Contract No. KTNA/LEG/0032/2022 Date:8/06/2022-07/06/2025	104155	523,068
7			Liquid Intelligent Technologies	Provision of Internet Services from 09/12/2022 to 08/03/2023	Contract No. KTNA/LEG/0032/2022 Date:8/06/2022-07/06/2025	104156	523,068
8			Technology Service Provider of Kenya	Acquisition of linkage to Kenya internet exchange point for fail over of internal systems	KTNA/LEG/CONTRACT/0019/2023	S7140	97,500
						Total	1,666,704
9	515030	Systems Maintenance Recurrent Expenses	Atlancis Technologies Limited	Hosting services of Internal systems on OCP 22 April 2023-22 June 2023	KTNA/LEG/CONTRACT/0096/2021 27/07/2021-26/07/2027	68898	4,271,028

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S/N	Vote No	Vote Name	Name of the Vendor	Description	Reference document	Invoice No	Pending bill Amount as at 30 th June 2023
10			Atlancis Technologies Limited	Primary and secondary hosting services 27/01/23-26/04/2023	KTNA/LEG/CONTRACT /0096/2021 27/07/2021-26/07/2027	POSS/2023/0017	8,976,193
11			Atlancis Technologies Limited	Primary and secondary hosting services 27/04/23-26/06/2023	KTNA/LEG/CONTRACT /0096/2021 27/07/2021-26/07/2027	POSS/2023/0025	5,984,129
12			Liquid Intelligent Technologies	Secondary hosting services October-December	KTNA/LEG/CONTRACT /0037/2021 09/06/2020-09/06/2023	97593	4,172,958
13			Safaricom Limited	Website hosting	KTNA/LEG/CONTRACT /0057/2022 18/11/2022-17/11/2023	Not yet invoiced	334,777
14			Technoroots Limited	Provision of TFP Primary and Secondary software	KTNA/LEG/CONTRACT /0023/2022 03/05/2022-02/05/2023	195	26,459,502
15			Technoroots Limited	Supporting software for trial environment	KTNA/LEG/CONTRACT /0023/2023 06/05/2023-5/05/2024	154	4,894,869

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S/N	Vote No	Vote Name	Name of the Vendor	Description	Reference document	Invoice No	Pending bill Amount as at 30 th June 2023
16			MFI Technology Solutions Ltd	Support and maintenance of Alcatel PABX for Q4	KTNA/LEG/CONTRACT /0060/2022 08/10/2022-07/10/2023	KEGEA-IN0105218	237,500
17			Kikosi Ltd	Support and maintenance of Mobile App	KTNA/LEG/CONTRACT /0024/2023 12/04/2023-11/04/2024	KL/KTRADE/Y 2/1/23	336,369
						Total	55,667,325
18	515040	Software Licenses	Revere Technologies Limited	Privilege Access Management (PAM)	KTNA/LEG/CONTRACT /0010/2023 30/05/2023-29/05/2024	Not yet invoiced	1,000,000
19			Revere Technologies Ltd	Security Information Enterprise Management (SIEM) Support Maintenance and Licences	KTNA/LEG/CONTRACT /0009/2023 14/04/2023-13/04/2024	20220011	1,465,052
20			Computer Revolution Africa	Microsoft Dynamics 365 cloud	KTNA/LEG/CONTRACT /0012/2023	INV-000930	1,883,452
21			Gapstack	Trade Finance licenses	KTNA/LEG/CONTRACT /0009/2022 15/03/2022-14/03/2023	Not yet invoiced	500,000

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S/N	Vote No	Vote Name	Name of the Vendor	Description	Reference document	Invoice No	Pending bill Amount as at 30 th June 2023
22			Panache Technohub	Visual Studio licenses	KTNA/LEG/CONTRACT /0037/2022 28/05/2022-27/05/2023	2023-17	682,679
23			Sybil Kenya Ltd	Acquisition of annual support partner for Microsoft dynamics 365 CRM & Avaya CC solutions from 9th April 2023 to 8th July 2023 (Q4)	KTNA/LEG/CONTRACT /0039/2022 09/07/2022- 08/07/2023	SYINV20230286	1,488,020
24			Fresco Ltd	SSL Wildcard Certificate	KTNA/LEG/CONTRACT /0026/2023 19/05/2023- 18/05/2024	23017	185,000
25			Revere Technologies Ltd	Provision of Network Access Control Partner Support for Q4	KTNA/LEG/CONTRACT /0038/2022 15/06/2022-14/06/2023	INV0230020	325,000
26			Revere Technologies Ltd	Provision of Security Information and Event Management (SIEM) solution for Q4	KTNA/LEG/CONTRACT /009/2023 14/04/2023-13/04/2024	INV/2023/0019	488,351
27			Serianu Limited	Provision of Security Operation Center (SOC) February-May 2023	KTNA/LEG/CONTRACT /0005/3023 22/02/2023-21/08/2023	08122PR1436	2,625,000
28			Pdsystems Ltd	Provision of Sonic wall gateway security licences and support	KTNA/LEG/0014/2023	PDINV/120	1,300,000

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S/N	Vote No	Vote Name	Name of the Vendor	Description	Reference document	Invoice No	Pending bill Amount as at 30 th June 2023
					14/04/2023-13/04/2024		
29			Sybil Kenya Ltd	Acquisition of annual support partner for Microsoft dynamics 365 CRM & Avaya CC solutions from 9th Jan 2023 to 8th April 2023 (Q3) at Kshs.1,488,020	KTNA/LEG/CONTRACT /0039/2022 09/07/2022- 08/07/2023	SYINV20230286	1,488,020
						Total	13,430,574
30	516010	Local Transport and Travel	Kenatco Taxis Limited	Kenatco Taxi invoices	Invoices	45036	147,111.20
			Kenatco Taxis Limited			44800	106,986.80
			Kenatco Taxis Limited			44726	115,570.80
						Total	369,668.80
31	516040	Stakeholder Seminars, Workshops	Kenya School Of Monetary Studies	Conference facility for BIDW project testing workshop	LSO PO00327	31490	275,200
						Total	275,200
32	516050	Conferences and workshops	Kenya School Of Monetary Studies	Conference facilities for various trainings and public participation	LSO PO00339	31679	150,500

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S/N	Vote No	Vote Name	Name of the Vendor	Description	Reference document	Invoice No	Pending bill Amount as at 30 th June 2023
			Tom Mboya Labour College		LSO PO00372	31936	236,600
			Kenya School Of Monetary Studies		LSO PO00376	32051	266,600
			Lake Naivasha Resort Ltd		LSO PO00309	5789	352,800
			Radisson Blu Hotel		LSO PO00353	144787	187,400
						Total	1,193,900
33	516060	Staff Welfare	Bonds Garden Restaurant	Various Staff Welfare activities and items	LSO PO00292	6438	184,000
			Victam Investments		KTNA/LEG/CONTRACT /0030/2023 03/06/2023-12/06/2024	069	52,460
			Efficio Supplies		KTNA/LEG/CONTRACT /0031/2023 03/06/2023-12/06/2024	202	36,505
			Kenya School Of Monetary Studies		LSO PO00378	32246	509,200
			Kenya School Of		KTNA/LEG/CONTRACT	124188	114,840

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S/N	Vote No	Vote Name	Name of the Vendor	Description	Reference document	Invoice No	Pending bill Amount as at 30 th June 2023
			Monetary Studies		/0016/2023		
			Kenya School of Monetary Studies		20/04/2023-19/04/2024 LSO PO00381	32247	190,000
						Total	1,087,005
39	516100	Office Rent	Kenya Ports Authority	April-June 2023 Q4 ICDN Rent	ICDN/PTE/ER/01/01 01/07/2022-30/06/2025	99014568	1,731,370
40			The Filling Room	Provision of offsite records storage and management services-March-May 2023	KTNA/LEG/CONTRACT /0014/2021 16/05/2021-15/05/2024	15040	91,465
						Total	1,822,835
41	516120	Security services	Lavington Security Ltd	Security and receptionist services March-June 2023	KTNA/LEG/CONTRACT /0050/2022 01/09/2022-31/08/2024	176220	728,343
						Total	728,343
42	516130	Utilities	Kenya Ports Authority	Electricity bill for ICDN office-June 2023	ICDN/PTE/ER/01/01	18014287	139,789
						Total	139,789
43	516180	Procurement related Expenses	The Kenyatta International	Conference facility for Supplier sensitization	LSO PO00331	PSINV2051	365,318

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S/N	Vote No	Vote Name	Name of the Vendor	Description	Reference document	Invoice No	Pending bill Amount as at 30 th June 2023
			Convention Centre				
						Total	365,318
44	516240	Consultancy General	Recad Consulting	Asset Revaluation	LSO PO00310	Not yet invoiced	625,000
45			Kenya School of Government-Lower Kabete	CEO Interview questions consultancy -KSG	LSO PO00353	144787	250,000
46			Kenya School Of Monetary Studies	Conference facility for Regulations Drafting Retreat	LSO PO00372	31936	141,900
47			Kenya School Of Government-Mombasa	Hire of Half day conference facilities during public participation in Mombasa	LSO PO00333	SINVC_MSA_1371	225,000
48			The Kenyatta International Convention Centre	Hire of holding room during public participation forums in Nairobi	LSO PO00356	SINV2706	30,000
49			The Kenyatta International Convention Centre	Hire of Half day conference facilities during public participation in Nairobi	LSO PO00334	SINV2705	319,400

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S/N	Vote No	Vote Name	Name of the Vendor	Description	Reference document	Invoice No	Pending bill Amount as at 30 th June 2023
						Total	1,591,300
50	516260	Publicity & Advertisement	State Department For Broadcasting & Telecommunication	Advertisement for public participation on MyGov	Invoice	5702	292,106
						Total	292,106
51	516290	Audit Fees	Office of The Auditor General	Audit fees for financial years 2021/2022 and 2022/2023	Expense Provision	Invoice No. 12254 and FY 2022/2023 Provision	1,392,000
							1,392,000
				TOTAL			190,042,709

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Appendix VIII: Schedule of Car Loan and Mortgage Loans

The mortgage and car loan schemes of the Agency were set up in November 2017 and are managed by KCB Bank Ltd. The Agency has so far facilitated 27 of its staff with Mortgage and Car loans worth Kshs.85,557,707 out of which Kshs.9,200,000 was issued in the current year as shown below:

Staff Car Loan Scheme			
Year	Number of staff beneficiaries	Amounts disbursed	Balance as at 30 June 2023
2017/2018	6	7,916,501	-
2018/2019	6	10,627,995	829,786
2019/2020	3	3,343,945	858,698
2020/2021	4	5,910,371	2,097,378
2021/2022	-	-	-
2022/2023	1	1,500,000	1,280,752
TOTAL	20	29,298,812	5,066,614
Mortgage Scheme			
Year	Number of staff beneficiaries	Amounts disbursed	Balance as at 30 June 2023
2017/2018	-	-	-
2018/2019	2	19,758,894.00	5,808,770
2019/2020	-	-	-
2020/2021	1	9,900,000.00	8,218,197
2021/2022	3	18,900,000.00	18,065,941
2022/2023	1	7,700,000.00	7,598,769
TOTAL	7	56,258,894	39,691,677
GRAND TOTAL	27	85,557,707	44,758,291

A total of Kshs.24,251,194 has been recovered as Principal for the Car Loan Scheme while Kshs.16,567,217 has been recovered as Principal for the Mortgage scheme.