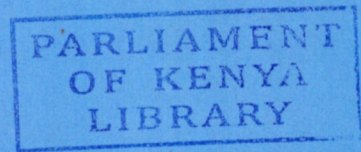


REPORT

THE NATIONAL ASSEMBLY	
DATE: 05 JUL 2023	DAY: WED
TABLED BY: Hon Owen Bayo, BSc, MP Deputy leader, majority	
CLERK-AT-THE-TABLE: Enlaye Mwangi	



OF

THE AUDITOR-GENERAL

ON

**INFORMATION AND COMMUNICATION
TECHNOLOGY AUTHORITY**

**FOR THE YEAR ENDED
30 JUNE, 2022**



THE INFORMATION AND COMMUNICATION TECHNOLOGY AUTHORITY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2022

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

The Information and Communication Technology Authority
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1. Key Entity Information and Management

(a) Background information

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

(b) Principal Activities

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

ICTA Vision

Be the leader in transforming Kenya into a regional ICT hub and a globally competitive digital economy

ICTA Mission

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

ICTA Mandate

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

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- Implement and manage the Kenya National Spatial Data Initiative

(c) **Key Management**

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

- Board of Directors
- Chief Executive Officer
- Senior Management

(d) **Fiduciary Management**

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

No.	Designation	Name	Period
1	Chief Executive Officer	Dr. Katherine Getao, EBS	Up to December 2021
		Dr. Ronoh Kipronoh (Acting capacity)	September 2021 to June 2022
2.	Director Partnerships, Innovation and Capacity Development	Zilpher Owiti	
3	Director Programmes and Standards	Dr. Ronoh Kipronoh	up to September 2021
		Thomas Odhiambo (Acting capacity)	September 2021 to June 2022
4	Director Corporate Services	Rosemary Ndiritu	up to March 2022
5.	Director Shared Services	Michael Odhiambo	

(e) **Fiduciary Oversight Arrangements**

i) Audit Committee

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

ii) Finance committee

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

iii) Human Resource Committee

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

iv) Projects and Standards Committee

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

(f) Entity Headquarters

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

(g) Entity Contacts

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

(h) Entity Bankers

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

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

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

2. The Board of Directors



Professor Fredrick Owino was the Chairman of the ICT Authority with effect from the 7th August 2020 to 17th April 2021. Prof. Owino is a scholar, research professional and a senior consultant. He holds a Ph.D. in forestry from North Carolina State University (USA), a Hons degree in Biology from the University of Nairobi, and a Doctor of Science (Honoris Causa) from the University of Helsinki (Finland) in recognition of pioneering professional forestry education in Kenya. He has over 40 years of global work experience and thrives at steering board oversight, driving implementation monitoring, spearheading policy development and project planning, and driving organizations' strategic direction.

Professor Owino is both a Fellow of the African Academy of Sciences, an Honorary Fellow of the Society of American Foresters and patron of the Kenya Forestry Society.

Mr. Jerome Ochieng is the Principal Secretary for State Department of ICT, Innovation & Youth Affairs and Innovation. Until his appointment, he was the Director of the Integrated Financial Management Information System (IFMIS) at the National Treasury.

He has 17 years' work experience in the field of information and communication technology in the Public Service at an Administrative level, he has served as a Manager ICT with Public Procurement Oversight Authority for 6 years. At operational level, he has a stint of 8 years' experience rising within the ranks to the position of Asst. Director ICT in the Department of Government Information Technology Services.

He holds a master's degree in Information Engineering from the University of the Ryukyus, Okinawa, Japan and is undertaking a Master's in Business Administration from (ESAMI). He is a registered fellow of the Computer Society of Kenya and a Licentiate Member of the Institute of Management Information Systems (IMIS), UK.



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Dr. Kipronoh Ronoh Paul-Ag, Chief Executive Officer

Dr. Ronoh has held key senior positions in the past, among them Head of MIS at the Kenya Post & Telecommunications Corporation (KPTC), Gilgil Telcoms Industries, Head of ICT and Quality Management System at Kenya Urban Roads Authority and Head of ICT at Kenya Civil Aviation Authority, Deputy Head of ICT at Agricultural Finance Corporation among others.

He holds a PhD in Leadership and Governance, Masters' Degree in Business Administration, Bachelor of Science Degree in Computer Science, and Leadership Certification from Harvard Leadership Excellence, Strategic Leadership Certification and Project Management Certification, among others. This is in addition to Microsoft and Cisco Certification Courses. He is a Member of Harvard Leadership Excellence Square, Member of Institute of Directors of Kenya and Fellow Member of Computer Society of Kenya. He has gained a lot of international exposure and knowledge through participation and training.

Dr. Ronoh has published a number of articles in Leadership and Technology and currently a Member of Community of Researchers for Global Journals for UK and USA and a Fellow Reviewer for both International Journal for Economics, Commerce and Management. He is also a member of Africa Regional Internet Development Dialogue on Technology in Education.

Alternate Members



Ms. Edna Atisa

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



Mr. Njogu

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

Andrew Nyamwamu

Mr. Nyamwamu was appointed to the Board of Directors on 7th June 2022 as an alternate to the Principal Secretary Ministry of ICT, Innovation and Youth Affairs. He is the Deputy Director Supply Chain Management Services, State Department of ICT and Innovation.

Independent Members



Dr. Jerotich Sirma

Dr. Jerotich Sirma is the Finance Committee Chair. She is a lecturer of Information Systems at Egerton University, Nakuru Town Campus College.

Dr. Sirma has enormous experience spanning over 20 years in the field of information systems. She has worked for IBM Corporation and other private and public sectors in the United States of America by managing, deploying and performing systems integration as well as implementation and infrastructure analysis of large-scale systems.

She holds a PhD in Business Information Systems in the School of Informatics and Innovative Systems from Jaramogi Oginga Odinga University of Science & Technology.

She holds an MBA from Howard University, Washington D.C. and BS in Computer Information Systems from South-eastern University, Washington D.C. Ms Sirma has also published in different journals in the area of Cyber Security/Information Security. She is a member of Institute of Electrical and Electronics Engineers (IEEE).



Eng. John Kipchumba

Eng. John K Kiprotich (PhD) is the Finance Committee Chair. He is a Scientist. He has been involved in shaping the Information and Communications Technology Policies in Kenya for the last 11 years by preparing and presenting sectorial policy briefs to African government and international agencies. He hails from a computer science (Nairobi University) and computer engineering (National University of Singapore) background with a major in Information Security.

He also has Master of Engineering and Computer Science from MIT and Attained his Learning Sciences and Technology Design doctorate at Stanford. He is also a Liberation Technology Fellow from Stanford. He is the Co-Founder of INFONET Group, A global technology and Governance institution focused on Building capable institutions through Innovations and use of Technology. His 16-years' experience in the non-profit sector has been centrally focused on analysing and developing technologies that empower communities. These programs have been in the area of participation in governance, transparency, development of monitoring and evaluation methodology for policy, research and organizations' advocacy strategy



Ms. Fahmo was appointed as a director of the Board on 6th October 2021. Ms. Mohammed is a communications expert. She is the Managing Director at Studio 63. She holds two bachelor's arts degrees in journalism and international studies from the University of Oregon. She also holds master's of science degree in journalism from Columbia Graduate School of Journalism. Ms. Mohammed is credited as a producer of various features focused on women, religion, human rights, and climate change.



Ms. Veronica Thiga

Ms. Veronica Thiga is the Projects and Standards Committee Chair. She has an expansive work experience in consulting and management of Information Systems both locally and internationally. She has also worked in commercial banking, microfinance, higher education and the non-profit sectors.

She holds a BSc. degree in Mathematics from Kenyatta University and a MSc. Degree in Computer Science from University of Victoria, Canada. Her thesis was based on project research focusing on Technology Transfer issues in Sub-Saharan covering Kenya, Uganda, Rwanda and Ethiopia. Veronica is currently working as an Independent Consultant



Mr. Bernard Kitungi

Mr. Bernard Kitungi was appointed to the Board of directors on 6th October 2021 to April 2022. He was a Member of Parliament for Mwingi West Constituency in Mwingi County 2013-2017.

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Ms. Beatrice Akoth Okoth

Ms. Akoth is the Audit Committee Chair. She has experience in communication and linguistics scholar who has taught communication skills and other communication related courses at the university. She is an online instructional designer and content developer at the e-Campus of Maseno University. She hold a Bachelor of Education and a Masters in Applied Linguistics (communication). Akoth is presently undertaking a PhD in Linguistics at Maseno University.

She has wealth of experience spanning over 10 years in development, designing and implementing programmes and courses for Open and Distance Learning (ODL) in developing countries and knowledge in web design.

The University Scholar is has experience in leadership, negotiation skills and conflict resolution. She has been the Coordinator, Online learner Support Services and Capacity Building, Maseno University. She has immense experience in editing newsletters, and experience in teaching crisis communication, a consultant in research projects and a widely published academician in renowned journals like *Silencing the Voices of the Worlds Languages. Implications of Kenya Language Policy on Biodiversity Conservation*. Paper Presented at the Humbolt Kolleg Conference, 9-12 April 2013, Nairobi among others.



Ms. Pauline Kimotho

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

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

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

3. Management Team



Dr. Kipronoh Ronoh Paul- Ag. Chief Executive Officer

Dr. Ronoh has held key senior positions in the past, among them Head of MIS at the Kenya Post & Telecommunications Corporation (KPTC), Gilgil Telcoms Industries, Head of ICT and Quality Management System at Kenya Urban Roads Authority and Head of ICT at Kenya Civil Aviation Authority, Deputy Head of ICT at Agricultural Finance Corporation among others.

He holds a PhD in Leadership and Governance, Masters' Degree in Business Administration, Bachelor of Science Degree in Computer Science, and Leadership Certification from Harvard Leadership Excellence, Strategic Leadership Certification and Project Management Certification, among others. This is in addition to Microsoft and Cisco Certification Courses. He is a Member of Harvard Leadership Excellence Square, Member of Institute of Directors of Kenya and Fellow Member of Computer Society of Kenya. He has gained a lot of international exposure and knowledge through participation and training.

Dr. Ronoh has published a number of articles in Leadership and Technology and currently a Member of Community of Researchers for Global Journals for UK and USA and a Fellow Reviewer for both International Journal for Economics, Commerce and Management. He is also a member of Africa Regional Internet Development Dialogue on Technology in Education.



Michael Odhiambo-Director Shared Services

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

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

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

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Zilpher A. Owiti is the Director Capacity Development, Innovation & Partnerships at ICT Authority with effect from 9th February 2021. Until her appointment, she was the Ag. Director Partnership, Innovation and Capacity. She has served as Deputy Director ICT, Directorate of eGovernment, Presidency and Cabinet Affairs. Previously, Ms Owiti served as a lecturer at United States International University (USIU) & other public & private Universities, worked at the University of Nairobi and the Kenya National Examination Council.

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

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

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

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



Ms. Pauline W. Kimotho- The Company Secretary

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

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

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

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Outgoing Members



Dr. Katherine Getao, EBS, was the Chief Executive Officer for ICT Authority until her retirement on December 9, 2021. Until her appointment, served as the ICT Secretary at the Ministry of ICT. She has also held other senior appointments in government such as ICT Secretary, e-Government at the Presidency and served in the United Nations as a member of the Group of Governmental Experts on Security in the context of ICT. Among the key contributions Dr. Getao has brought to the government is spearheading the Huduma Kenya Initiative that has brought a raft of government services close to the citizens and has made public service delivery accessible and efficient.

Other strategic initiative that Dr. Getao drove was DLP business model that led to the provision of devices and capacity building through a consortium approach that combined a local university and assembly plant with an international technology provider.

She is also a popular international keynote speaker on topics such as cyber diplomacy, internet freedom and digital economy. Dr. Getao played a critical role during the formation of the ICT Authority in 2013 where she provided expert advice on the strategic planning, a role which saw three entities merge into one Authority in a seamless transition process.

Dr. Getao brings to this office immense experience as a researcher, policy maker, expertise in ICT for education, project management in an ICT environment, among others. She holds a B.SC (Hons) in Combined Sciences (Chemistry & Computer Studies) from the University of Brighton, U.K; an M.SC in Intelligent Knowledge-based Systems from the University of Essex and a Ph.D. in Computing from Lancaster University, U.K.



Mr. Stanley Kamanguya, OGW is the alternate to the Principal Secretary, Treasury up to April 2022. He is currently an Acting Director of Integrated Financial Management Information System (IFMIS) at the National Treasury. He has over 10 years of experience in Information Technology, Project Management and Business Development. His previous roles include Consultancy Services in both the Public and Private Sectors.

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

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

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Ms. Lucy Mulili was the Alternate to the Principal Secretary for State Department of ICT, Innovation & Youth Affairs up to April 2022. She is the Secretary, Administration in the Ministry of ICT, Innovations and Youth Affairs.

She holds a Bachelors of Arts Degree from Egerton University and a Master's Degree in Contemporary Diplomacy from the University of Malta.

She is an experienced public Administrator with over 20 years' experience. She is well versed in policy, strategy and operational aspects of Governance. She previously served as Secretary Administration in the State Department of Post Training and Skills Development and as the County Commissioner in Nandi, Kakamega and Kericho Counties.



Mr. Tom Abuta was the alternate to the Principal Secretary State Department of Lands up to April 2022. He is currently a Senior State Counsel at the Ministry of Lands and Physical Planning. He also previously worked as the Head of Legal Services at the Ministry of Industry, Trade and Co-operatives.

He holds a Bachelor of Commerce from Punjab University, India and a Bachelor in Law and Legislation from South Gujarat University, India. He is also an Advocate of the High Court of Kenya.

Mr. Abuta was played a key role in the digitization taskforce that collaborated with the ICT Authority that oversaw the digitization of land records of the Ministry of Lands



CPA Mwabu Dominic Muriungi was the Human Resource Committee Chair, left in October 2021. He is currently a senior Accountant and Systems Support at Jubilee Insurance Company. He has over 20 years' experience in accounting and economics after working with both AON Minet Insurance and Agha Khan University Hospital.

He holds a Bachelor of Economics and Sociology from the University of Nairobi. He is also a certified accountant by the Institute of Certified Public Accountants of Kenya (ICPAK)

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Rosemary Ndiritu-Director Corporate Services (up to March 14, 2022)

Rosemary is a holder of Corporate Finance (CF), MBA, CPA (K) and BCom. (Accounting) professional qualifications. She has, in her extensive career, held a number of Senior Leadership positions within the private and public sectors at both Executive Management and Board Levels, in multiple roles as Corporate Leader, Executive and Corporate Finance Practitioner.

The Director has significant hands-on solid experience in the formulation, development and implementation of organization, business and financial strategies and in managing operations (Administration, Finance, Audit, Tax, HR, Risk & Compliance and Performance-related activities). She has been involved in key

milestone corporate finance transactions in the region, with

Specialization in M&A transactions, capital raising, transaction advisory, corporate restructuring, financial and investment advisory. Rosemary is also a Certified Retirement Benefits Fund Trustee and a member of the Institute of Directors (IOD) Kenya, the Faculty of Corporate Finance at the Institute of Chartered Accountants in England and Wales (ICAEW) and of the Institute of Certified Public Accountants of Kenya (ICPAK) professional bodies.

4. Chairman's Statement

The ICT Authority is now on ninth Financial Year cycle since August 2013, we were given an expanded mandate of overseeing and managing all ICT Projects across government. Another major function is that of growing the local ICT skills development and capacity needed to manage these ICT projects.

We are also implementing and managing the efficient and secure use of infrastructure, systems and data in the public sector through integration and sharing. In addition, the Authority promotes business value through ICT innovation and enterprise as well as delivers trusted e-government services.

These objectives are enshrined in the Constitution of Kenya, other laws and policies such as Vision 2030, the National ICT Masterplan 2017, the Broadband and National Cyber Security Strategy 2014.

To achieve what I have outlined above, we are guided by the Strategic Plan (2020-24) and other documents such as the Kenya National Digital Master Plan (2022-32). These documents define the foundations and pillars that will guide the Authority to achieve the provision of digital services to the citizens, the development of skilled ICT Human Capital & workforce needed to offer those services and ICT supporting every sector of the economy.

In the financial year 2020/2021, the Authority has continued to implement the Strategic Programmes & Projects. This has been done through the themes of; Shared services; ICT Innovation and Enterprise; Information Security; ICT Human Capital and ICT governance.

The board has continued to make decisions to support management's day- to -day execution of activities that will lead to the successful implementation of programmes and projects to realise the success of the functions I have cited above. The main programmes and projects implemented during this period include the Digital Literacy Programme (DLP), the Presidential Digital Talent Programme (PDTP), Government Enterprise Architecture Framework, National Optic Fibre Backbone (NOFBI), Network Operation

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Centre help desk, Data Centres, Transport Integrated Management System (TIMS) as well as Capacity building and Automation projects in various Ministries, Departments & Agencies.

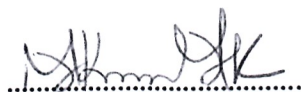
To achieve our goals, we continue to work with our development partners like World Bank through the Eastern Africa Regional Transport, Trade and Development Facilitation (EARTTDF) and Horn of Africa Gateway Development Project which has just commenced. We are also engaging with other numerous partners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

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

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

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

In conclusion, I affirm that the ICT Authority will continue to play its strategic role as the country's agency that enforces ICT Standards and creating an enabling environment for a robust digital economy to take root.



CHAIRMAN

5. Report of the Chief Executive Officer

For the past year, we have been working on operationalizing the structures and enhance good governance practices in the organization. We also developed the Kenya National Digital Master Plan (2022-32) which will guide the structured delivery of the country's ICT needs.

The Master Plan identifies five key pillars namely Digital Infrastructure, Digital Services, Digital skills, values and culture as well as applied research, innovation and enterprise.

To fund the activities listed in the Master Plan as well as the ICT Authority Strategic Plan (2020-24), the Authority will rely on income largely from the Government of Kenya and World Bank through the Eastern Africa Regional Transport, Trade and Development Facilitation (EARTTDF).

In the period under review we dedicated more resources towards project implementation with focus on those with the greatest impact to the county's development. This includes projects, country transforming projects like the Digital Literacy Programme (DLP), the National Optic Fiber Project (NOFBI) and ICT capacity building initiatives like the Presidential Digital Talent Programme. We looked into initiatives that will improve efficiency, accountability and transparency in government like government communication through the GUC and providing connectivity countrywide.

Going forward we plan to concentrate on projects that meet the immediate needs of Mwananchi and make Kenya a top regional ICT hub and a globally competitive digital economy. These include projects like DLP to support E-learning, promoting a culture of innovation so that there are ICT solutions being developed for the different sectors of the economy and engaging the ICT literary skills for all levels of citizens. We will also cultivate partnerships with entities whose support is critical in realizing all our goals and improve our stakeholder engagement processes. On information Security, we have developed and now implementing a framework to guide the management and security of government as well as citizen data and information

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

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

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

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

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

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



CHIEF EXECUTIVE OFFICER

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6. Statement of Performance against Predetermined Objectives for FY 2021/22

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

Pillar 1: Digital Infrastructure

Pillar 2: Digital Services

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

Pillar 4: Applied research, innovation and enterprise.

The ICT Authority develops its annual work plans based on the above four pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Authority achieved its performance targets set for the FY 2020/2021, as indicated in the diagram below:

Programme / Project	Project Objective/ Outcome	Key Performance Indicator	Activities.	Achievements
Digital Literacy Programme.	To enhance the provision of quality education through use of ICT for fostering 21st century skills.	1. No. Primary schools installed. 2. No. of Devices installed.	Support the realization of the Big Four Agenda under the manufacturing cluster by acquiring and distributing seventy-five thousand (75,000) locally assembled digital learning devices and deploy 50 devices to each of the 1,500 schools out of the 24,000. The schools will be identified and provided by the Ministry of Education.	The Authority procured and installed 25,089 LDDs under the JKUAT/POSITIVO BGH Consortium and 65,425 LDDs under the MOI/JP SA COUTO Consortium. The LDDs were locally assembled in the two assemblies at Juja (JKUAT) and Eldoret (Moi) respectively

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Programme / Project	Project Objective/ Outcome	Key Performance Indicator	Activities.	Achievements
East Africa Regional Transport Trade and Development Facilitation Project implemented (Backbone-Installation)	<ol style="list-style-type: none"> 1. Creation of an efficient transport and trade Corridor. 2. Enhanced use of ICT for internet connectivity and road management . 3. Improving the access to Market for Pastoralist communities 4. Increased access to economic opportunities and basic services. 	<p>No. of Km laid. No. of Telcos served No. of subscribers connected</p>	<p>Rehabilitate existing 24-core fiber from Eldoret to Nadapal. Target of 630KM.</p> <p>Install a new fibre optic link to link South Sudan</p>	<p>Rehabilitation from Eldoret to Lodwar (425 Km) completed. Wireless connection between Lodwar and Nadapal/Nakodok</p> <p>Install new fibre along the 630 Km Eldoret to Nadapal/Nakodok route</p>
(NOFBI Phase II Expansion)	<ol style="list-style-type: none"> 1. To provide affordable and quality broadband infrastructure. 2. Promote and facilitate open access to underserved areas for Education delivery, public safety, and healthcare delivery through 	<p>-No of sub-Counties installed. -Operational NOC.</p>	<p>-Installation of internet access points to 290 sub-county sites (Refer to Annex III). - Establish a centralized Network Operation Centre (NOC). -Installation of network equipment in 122 sites in sub county offices and commissioning (Refer to Annex V).</p>	<ol style="list-style-type: none"> 1. Installation of internet access points to 290 sub-county sites. 2. Establish a centralized Network Operation Centre (NOC). 3. Installation of network equipment in 122 sites in sub

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Programme / Project	Project Objective/ Outcome	Key Performance Indicator	Activities.	Achievements
	enhanced Broadband Connectivity. 3. Reduce costs for ISPs to provide rural broadband coverage.			county offices Complete installation of 58.24 KM of Optic fiber. Maintain already installed fibre
Presidential Digital Talent Programme (PDTP)	To enhances ICT skills within public sector through a 1-year training programme.	No. of interns recruited and deployed.	Recruit, induct and deploy 400 Cohort 5 interns for the FY 2019/2020.	400 Cohort V PDTPs interns recruited, inducted and deployed to MCDAs for the Financial year 2020/2021
Shared Services	-Provision of Government-wide common services aligned to the needs of all customers through common platforms that support the sharing of data, systems, applications, storage and computing. These shared services include networks, data centers, systems and applications that provide service throughout government.	- No. of National Security firewall implemented -No. of Enterprise security management solutions developed. - Information security risk assessment report. -No. of secure broadband internet links established.	i. Implemented national security firewalls for the two GOK internet gateways (at Treasury & Ardhi House). - Implemented enterprise security management solution to ensure security for GOK ICT resources & infrastructure that include hosted sites, mail services, applications and infrastructure. iv. Conducted information security risk assessment, structured	- Implemented national security firewalls for the two GOK internet gateways (at Treasury & Ardhi House). - Implemented enterprise security management solution to ensure security for GOK ICT resources & infrastructure that include hosted sites, mail services, applications and infrastructure

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Programme / Project	Project Objective/ Outcome	Key Performance Indicator	Activities.	Achievements
			<ul style="list-style-type: none"> patch management and periodic status assessment for GoK ICT resources and infrastructure. v. Establish two secure broadband internet links to undersea fibre cables for public entities. vi. Provide internet services to 22 Government Ministries and forty-seven (47) county headquarters. <ul style="list-style-type: none"> - Develop contract management mechanism for GDC maintenance and support. - Redesign the GCCN Network. - Migrate 150 Government websites to a more 	<ul style="list-style-type: none"> - Conducted information security risk assessment, structured patch management and periodic status assessment for GoK ICT resources and infrastructure . - Established two secure broadband internet links to undersea fibre cables for public entities. - Provide and operationalized internet services to 22 Government Ministries and forty-seven (47) county headquarters. - Developed contract management mechanism for GDC maintenance and support.

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Programme / Project	Project Objective/ Outcome	Key Performance Indicator	Activities.	Achievements
			flexible Enterprise Content Management System.	- Migrated 150 Government websites to a more flexible Enterprise Content Management System.

7. Corporate Governance Statement

a. Board meetings:

In the year under review the Board held audit, finance, human resources, projects and full board meetings as per their calendar.

b. Board and Board Committee Charters:

In the year under review the Board reviewed, approved and over saw the implementation of the Board and Board Committee charters.

c. Appointment and removal of directors:

The process of appointment and removal of Directors is as outlined in the State Corporations Act and Legal Notice No 183 of 2013 which establishes the Authority. During the period under review, 4 members left and 4 new members were appointed to replace them.

d. Roles and functions of the Board:

The Functions of the Board are set out in Legal Notice 183 of 2013, the State Corporations Act and the Mwongozo Code of Corporate Governance for State Corporations include interalia;

- I. Administer the property and funds of the Authority in a manner and for the purposes which shall promote the interest of the Authority; but the Board shall not charge or dispose of immovable property of the Authority except in accordance with the procedures laid down by the Government of Kenya;
- II. Receive, on behalf of the Authority, donations, endowments, gifts, grants or other moneys and make disbursements there from to the Authority or other bodies or persons;
- III. Approve the appointment criteria and the terms and conditions of service of staff;
- IV. Provide for the welfare of the staff of the Authority;
- V. On behalf of the Authority enter into association with other agencies, institutions or bodies, whether within Kenya or otherwise, as the Board may deem necessary and appropriate; and
- VI. Make regulations governing the conduct and discipline of the staff of the Authority;

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- VII. Ensure that a proper management structure is in place and make sure that the structure functions to maintain corporate integrity, reputation and responsibility;
- VIII. Monitor and evaluate the implementation of strategies, policies, and management criteria and plans of the Authority;
- IX. Regularly review the viability and financial sustainability of the Authority;
- X. Ensure that the Authority complies with all the relevant laws, regulations, governance practices, accounting procedures and auditing standards;
- XI. Consider and approve the Authority's budget;
- XII. Undertake any other activities as may be necessary for the performance of its functions and the attainment of the purposes of the Authority.

e. Board training:

In the year under review the Board was trained in Audit & corporate governance.

f. Board Performance:

In the year under review board evaluation was conducted under the guidance of the State Corporation's Advisory Committee on 26th July 202.

g. Board remuneration:

The Board sitting allowances were paid in line with government guidelines. A total of KShs 4,532,000 was paid to the Board as sitting allowances, KShs 667,269 chairman honoraria and KShs 5,663,739 as other allowances (telephone, travelling & accommodation).

h. General governance:

In the year under review the Board maintained a register of attendance of all meetings as well as a register of interest.

8. Management Discussion and Analysis

A. Financial Performance

For the year ending 30 June 2022, the total revenue was KShs 1,937,549,777 which comprised of grants of KShs 1,410,994,172 from the Parent Ministry (MoICT), connected summit-KShs 76,367,424, other incomes include; KShs.450,188,182 (NOFBI Commercialization, Internet connectivity to public offices and innovation), accreditation fees- KShs 11,228,485, KShs 18,417,883 interest income from the Escrow Account. Other gains and losses include KShs. 95million foreign exchange loss and gain on sale of assets of KShs 10,111. The total revenue for the previous year was KShs 2,168,500,711 which is a 11% decrease due to non-receipt of two quarters for development funds.

Total expenditure for the year was KShs. 1,900,127,168 compared to the previous year which was KShs 1,941,092,108. This was a decrease of 2% from the previous year's total expenditure. This can be attributed to the delay in development funds receipt and the reduced exchequer for development which led to delays in signing of contracts and undertaking the relevant activities for the period under review.

B. Operational Performance

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

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

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

- Implement and manage the Kenya National Spatial Data Initiative

C. Key projects

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

9. Environmental and Sustainability Reporting

ICT Authority is tasked with rationalizing and streamlining the management of all Government of Kenya ICT functions.

Our broad mandate entails enforcing ICT standards in Government and enhancing the supervision of its electronic communication. We also promote ICT literacy, capacity, innovation and enterprise. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is an outline of the organization's policies and activities that promote sustainability.

i) Sustainability strategy and profile

The top management especially the accounting officer should refer to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure.

ii) Environmental performance

We endeavour to reduce the environmental impact by reducing all our transportation requirements whether possible and use such facilities as web-ex and conference call facilities. We use vehicles that are regularly serviced and checked with regards to their emission levels and economically use their fuel. We also source and buy our requirements locally to promote the local industries. We have also sensitized staff to ensure that all lights and equipment is switched off when not required and ensuring that water is used efficiently. Other measures include printing in double sided and recycling waste.

iii) Employee welfare

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

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

iv) Market place practices

The organisation should outline its efforts to:

a) Responsible competition practice.

Explain how the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors.

b) Responsible Supply chain and supplier relations

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

v) Corporate Social Responsibility / Community Engagements

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

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

The Authority implemented presidential directive on tree planting so as to improve tree cover in the country. On 19th November 2021 ICT Authority planted a total of 5000 trees at Monges Mau Complex in Bomet County tree planting in Mau and also did a CSR activity at the Connected 2022 Summit by giving food to the needy residents of Kwale as shown in the photos below.





Tree Planted by the Board Chair



Connected 2022 summit CSR activity

10. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2022, which show the state of the ICT Authority affairs.

i) Principal activities

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

ii) Results

The results of the Entity for the year ended June 30, 2022, are set out on page 1 to 6 of these financial statements.

iii) Directors

The members of the Board of Directors who served during the year are shown on page vi.

iv) Surplus remission

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

The Authority did not make any surplus during the year under review (FY 2021 KShs Nil) and hence no remittance to the Consolidated Fund

v) Auditors

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

By Order of the Board



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Pauline Kimotho

Corporate Secretary

11. Statement of Directors Responsibilities

The Public Finance Management Act, 2012 and the State Corporations Act Cap 446, require the Directors to prepare financial statements in respect of the ICT Authority, which give a true and fair view of the state of affairs of the authority for period ended June 30, 2022. The Directors also ensure that the Authority keeps proper accounting records which disclose with reasonable accuracy the financial position of the Authority. The Directors are responsible for safeguarding the assets of the Authority.

The Directors are responsible for the preparation and presentation of the *Authority's* financial statements, which give a true and fair view of the state of affairs of the *Authority* for and as at the end of the financial year ended on June 30, 2022. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Entity; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the *Authority*; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the *Authority's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (the State Corporations Act. The Directors are of the opinion that the *Authority's* financial statements give a true and fair view of the state of *Authority's* transactions during the financial year ended June 30, 2022, and of the *Authority's* financial position as at that date.

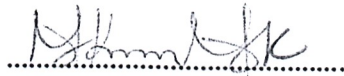
The Directors further confirms the completeness of the accounting records maintained for the *Authority*, which have been relied upon in the preparation of the *Authority's* financial statements as well as the adequacy of the systems of internal financial control.

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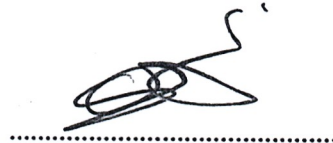
Nothing has come to the attention of the Directors to indicate that the *Authority* will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Authority's financial statements were approved by the Board on September 30,
2022 and signed on its behalf by:



Hon. Sylvanus Maritim
Chairperson of the Board



Stanley Kamanguya, OGW
Chief Executive Officer

REPUBLIC OF KENYA

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HEADQUARTERS
Anniversary Towers
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON INFORMATION AND COMMUNICATION TECHNOLOGY AUTHORITY FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Information and Communication Technology Authority set out on pages 1 to 49, which comprise of the statement of financial position as at 30 June, 2022, statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting

policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Information and Communication Technology Authority as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Legal Notice No.183 of 2013.

Basis for Qualified Opinion

Long Outstanding Pasha Loans

The statement of financial position reflects Pasha Fund balance of Kshs.45,193,389. The balance which has been outstanding since the year 2017, represents loans advanced to entrepreneurs to set up information hubs with a condition of repayment within 9 years. However, during the year under review and in the prior years, no repayment had been received from the borrowers. Although the loans have remained outstanding for a long period and its recovery was doubtful, Management has not made an impairment provision for the loan amount. Further, interest chargeable on the loans was not included in the financial statements.

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

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

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.

Other Matter

1. Budgetary Control Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.3,088,800,000 and Kshs.1,937,549,777 respectively, resulting to an underfunding amount of Kshs 1,151,250,223 or 37% of the

budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis amounts of Kshs 3,088,800,000 and Kshs 1,900,127,168 respectively, resulting to an underperformance amount of Kshs.1,188,672,832 or 38% of the budget.

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

2. Unresolved Prior Year Matters

In the previous year's report, several issues were raised under the Report on Financial Statements. Although, Management has indicated in the progress on follow up of auditor's recommendations section of the financial statements that all the issues have been resolved. However, the issues remained unresolved as the matters were yet to be discussed by the National Assembly's Public Investments Committee.

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, I confirm that, nothing 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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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 control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

15 June, 2023

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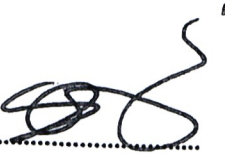
13. Statement of Financial Performance for the year ended 30 June 2022

		2021-2022	2020-2021
Revenue from non-exchange transactions			KShs
Grants income	Note 6	1,410,994,172	1,732,416,845
Public Contributions & Donations	7	76,367,424	2,088,449
Revenue from exchange transactions			
Other income	8	450,188,182	433,995,416
Total revenue		1,937,549,777	2,168,500,711
Expenses			
Employee costs	10	388,817,276	209,458,045
Directors costs	11	12,070,956	10,863,008
Routine maintenance	12	2,333,912	1,471,145
General expenses	13	19,211,126	23,228,889
Finance costs	14	1,035,495	1,067,161
Depreciation & Amortization expense	15	40,038,614	36,608,965
Innovation Expenses	16	351,976	2,326,608
Presidential Digital Talent program	17	132,596,759	102,255,102
Other Expenses			
Special Grant Expenses	18	601,766,356	1,036,124,754
EARTTDF IDA Grants Expenses	19	392,523,795	349,031,568
HOAGDP IDA Grants Expenses	20	14,911,071	149,640
TCIP Expenses	21	126,440	-
EARTTDF Counterpart Expenses	22	23,710,453	-
HOAGDP Counterpart Expenses	23	26,148,000	-
Connected Summit expenses	24	70,012,733	-
Nairobi Expressway Expenses	25	62,632,687	52,305,019
Bad Debts Expense	37	109,031,865	-
Total expenses		1,897,319,515	1,824,889,903
Other Gains (Losses)			
PPE Sales	9	10,111	90,690
Unrealized Exchange Gain/(Loss)	9	95,892,104	(10,626,854)
Surplus/(deficit) before tax		136,132,478	333,074,644
Taxes	26	2,807,698	116,202,205
Surplus/(deficit) for the year		133,324,779	216,872,439


The notes set out on pages 9 to 50 form an integral part of these Financial Statements.

The Information and Communication Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2022.


The Financial Statements set out on pages 1 to 51 were signed on behalf of the Board of Directors by:


.....
Stanley Kamanguya, OGW
Chief Executive Officer

Date


.....
CPA Oliver Pyoko
Head of Finance
ICPAK M.No.12558

Date


.....
Hon. Sylvanus Maritim
Chairman of the Board

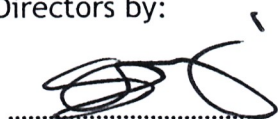
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The Information and Communication Technology Authority
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14 Statement of Financial Position as at 30 June 2022


Assets	Note	2021-2022 KShs	2020-2021 KShs
Current Assets			
Cash and cash equivalents	27	2,251,450,100	2,838,531,761
Receivables from Exchange Transactions	28	434,185,762	340,683,453
Receivables from Non-Exchange Transactions	29	17,379,363	-
Pasha Fund	30	45,193,389	45,193,389
Total Current Assets		2,748,208,614	3,224,408,603
Non-Current Assets			
Property, plant and equipment	31	29,568,311	58,581,704
Intangible Assets	32	17,221,239	27,061,947
Total Non-Current Assets		46,789,550	85,643,651
Total Assets		2,794,998,164	3,310,052,254
Liabilities			
Current liabilities			
Payables from exchange transactions	33	372,457,801	552,622,654
Non-Current Liabilities			
NOFBI II Expansion Deferred Income	34	896,309,916	896,309,916
Total liabilities		1,268,767,717	1,448,932,570
Net assets			
Accumulated (Deficit)/Surplus	35	1,526,230,447	1,861,119,684
Total net assets and liabilities		2,794,998,164	3,310,052,254

The financial statements set out on pages 1 to 51 were signed on behalf of the Board of Directors by:



Stanley Kamanguya, OGW
Chief Executive Officer

Date



CPA Oliver Pyoko
Head of Finance
ICPAK M.No.12558

Date



Hon. Sylvanus Maritim
Chairman of the Board

Date

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15 Statement of Changes in Net Assets for the year ended 30 June 2022

	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Proposed dividends	Capital/Development Grants/Fund	Total
At July 1, 2020	-	-	-	1,643,937,086	-	-	1,643,937,086
Prior year Adjustments				310,159			310,159
Total comprehensive income				216,872,439			216,872,439
At June 30, 2021	-	-	-	1,861,119,684	-	-	1,861,119,684
At July 1, 2021	-	-	-	1,861,119,684	-	-	1,861,119,684
*Prior year Adjustments				(468,214,019)			(468,214,019)
Total comprehensive income				133,324,779			133,324,779
At June 30, 2022	-	-	-	1,526,230,445	-	-	1,526,230,445

Note:

*Prior year adjustment- Note: 35A

The Information and Communication Technology Authority
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16. Statement of Cash Flows for the year ended 30 June 2022

	Note	2021-2022 KShs	2020-2021 KShs
Cash flows from operating activities			
Surplus for the year before tax		133,324,779	216,872,439
Adjusted for:			
Depreciation & Amortization	15	40,038,614	36,608,965
Derecognition of Payables			310,159
Prior year adjustments-Income	35A	-468,214,019	0
		-294,850,625	253,791,562
Working capital adjustments:			
Decrease/ (Increase) in receivables		-110,881,672	-139,367,515
Increase/ (Decrease) in payables		-180,164,851	599,296,312
Net cash flows from operating activities		-585,897,148	713,720,359
Cash flows from investing activities			
Purchase of property, plant and equipment	31	-1,184,513	-2,535,544
Purchase of Intangible Assets		0	-32,802,360
Net cash flows used in investing activities		-1,184,513	-35,337,904
Net increase/(decrease) in cash and cash equivalents		-587,081,661	678,382,455
Cash and cash equivalents at 1 July		2,838,531,760	2,160,149,305
Cash and cash equivalents at 30 June	27	2,251,450,100	2,838,531,760

The financial statements set out on pages 1 to 51 were signed on behalf of the Board of Directors by:



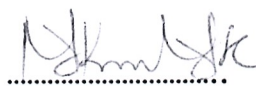
Stanley Kamanguya, OGW
Chief Executive Officer

Date



CPA Oliver Pyoko
Head of Finance
ICPAK M.No.12558

Date



Hon. Sylvanus Maritim
Chairman of the Board

Date

The Information and Communication Technology Authority
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17. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2022

	Original budget		Adjustments		Final budget		Actual on comparable basis		Performance difference		Performance difference %	
	a	KShs	b	KShs	c=(a+b)	KShs	d	KShs	e=(c-d)	KShs	f=d/c *100	%
Revenue												
GOK Recurrent	256,380,000		168,000,000		424,380,000		424,380,000		0			100%
Presidential Digital Talent Programme	132,520,000				132,520,000		132,520,000		0			100%
Government Shared Services Grants	519,000,000				519,000,000		259,500,000		259,500,000			50%
NOFBI I E	104,000,000		-50,000,000		54,000,000		52,000,000		2,000,000			96%
Digital Literacy Programme	70,000,000				70,000,000		35,000,000		35,000,000			50%
EARTTDFP IDA Grants	1,100,000,000		-250,000,000		850,000,000		432,594,172		417,405,828			51%
HOAGDP IDA Grants	575,000,000				575,000,000		0		575,000,000			0%
EARTTDF Counterpart Funds	100,000,000		-50,000,000		50,000,000		50,000,000		0			100%
HOAGDP Counterpart Funds	50,000,000		-25,000,000		25,000,000		25,000,000		0			100%
Connected Summit	75,000,000				75,000,000		76,367,424		-1,367,424			102%
NOFBI Maintenance	300,000,000				300,000,000		419,441,814		-119,441,814			140%
Innovation Fees	3,900,000				3,900,000		1,100,000		2,800,000			28%
Accreditation Fees	5,000,000		5,000,000		10,000,000		11,228,485		-1,228,485			112%
Interest Income							18,417,883		-18,417,883			
Total income	3,290,800,000		-202,000,000		3,088,800,000		1,937,549,777		1,151,250,223			
Expenses												
Employee costs	231,796,338		168,000,000		399,796,338		388,817,276		10,979,062			97%
Directors costs	11,044,000		0		11,044,000		12,070,956		-1,026,956			109%
Routine maintenance	3,000,000		0		3,000,000		2,333,912		666,088			78%
General expenses	14,539,662		5,000,000		19,539,662		19,211,126		328,536			98%
Finance costs	1,000,000		0		1,000,000		1,035,495		-35,495			104%
Depreciation & Amortization expense					0		40,038,614		-40,038,614			0%
Innovation Expenses	3,900,000		0		3,900,000		351,976		3,548,024			9%
Presidential Digital Talent program	132,520,000				132,520,000		132,596,759		-76,759			100%
Other Expenses												

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	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	Performance difference %
	KShs	KShs	KShs	KShs	KShs	%
Government Shared Services Expenses	519,000,000		519,000,000	369,446,808	149,553,192	71%
NOFBI II Expansion	104,000,000	-50,000,000	54,000,000	54,906,079	-906,079	102%
NOFBI Maintenance	300,000,000		300,000,000	96,548,981	203,451,019	32%
Digital Literacy Programme	70,000,000		70,000,000	80,864,487	-10,864,487	116%
EARTTDF IDA Grants Expenses	1,100,000,000	-250,000,000	850,000,000	392,523,795	457,476,205	46%
HOAGDP IDA Grants Expenses	575,000,000		575,000,000	14,911,071	560,088,929	3%
TCIP Expenses	0		0	126,440	-126,440	0%
EARTTDF Counterpart Expenses	100,000,000	-50,000,000	50,000,000	23,710,453	26,289,547	47%
HOAGDP Counterpart Expenses	50,000,000	-25,000,000	25,000,000	26,148,000	-1,148,000	105%
Connected Summit expenses	75,000,000		75,000,000	70,012,733	4,987,267	93%
Nairobi Expressway Expenses			0	62,632,687	-62,632,687	0%
Bad Debts Expense				109,031,865	-109,031,865	
Taxes			0	2,807,698	-2,807,698	0%
Total Expenditure	3,290,800,000	-202,000,000	3,088,800,000	1,900,127,213	1,188,672,787	
Net Surplus	0	0	0	37,422,565	-37,422,565	

Budget notes

1. Provide explanation of differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14

- i. GoK recurrent and Presidential Digital Talent Program received 100% Exchequer.
- ii. Government Shared Services received 50% exchequer.
- iii. Digital Literacy Program received 50% funding.
- iv. EARTTDF project performance difference is 51%. The funds are requested on reimbursement basis.
- v. No funds were received for HOAGD project as the project is in its initial stages, the funds are requested on reimbursement basis.
- vi. Connected Summit-this is a yearly activity held by the Authority. The budget was 75 million but invoiced 76million hence the 102% performance.

The Information and Communication Technology Authority
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- vii. NoFBI maintenance relates to commercialization of the NOFBI network to Telkos. The Budget was 300m, while the sales totalled to 419 million, resulting into 140% performance.
 - viii. 112% performance under Accreditation fees is due to overcollection of the accreditation fees.
 - ix. 109% under Directors Cost is due to more committee meeting being held than budgeted for.
 - x. 104% under the finance cost is due to underbudgeting.
 - xi. 102% under NOFBI II e is due to budget cuts
 - xii. 116% under DLP is due to budget cut and the commissioning of the schools that remained was done during the period under review.
 - xiii. 105% under the HOAGDP Counterpart expenses is due to budget cut as the preliminary works for the project is ongoing.
2. The differences between the approved budget and final budget is due to supplementary budget reviews.

18. Notes to the Financial Statements

1. General Information

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

2. Statement of Compliance and Basis of Preparation

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

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

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

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2022.*

IPSASB deferred the application date of standards from 1st January 2022 owing to Covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.*

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>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.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • 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. <p><i>The standard has no impact in the Authority.</i></p>

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Standard	Effective date and impact:
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (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. <p><i>The amendments has no impact to the Authority</i></p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> 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. <p>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.</p> <p><i>The standard has no impact to the Authority</i></p>
<p>Other improvements to IPSAS</p>	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i>

The Information and Communication Technology Authority
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Standard	Effective date and impact:
	<p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p> <p><i>The amendments has no impact to the Authority</i></p>
IPSAS 43	<p>Applicable 1st January 2025</p> <p>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.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>The amendments has no impact to the Authority</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>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:</p> <p>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.</p> <p><i>The amendments has no impact to the Authority</i></p>

iii. **Early adoption of standards**

The Entity did not early - adopt any new or amended standards in year 2021/2022.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

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

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Sale of goods

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

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for FY 2021-2022 was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Entity recorded additional appropriations of 168,000,000 on the 2021-2022 budget following the governing body's approval.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Budget information (continued)

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

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

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

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the 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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable Entity and the same taxation authority.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Sales tax

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

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

d) Investment property

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

e) Property, plant and equipment

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

f) Leases

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

g) Intangible assets

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

The useful life of the intangible assets is assessed as either finite or indefinite.

h) Research and development costs

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

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

i) Financial instruments

a) Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity.

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an Entity of financial assets is impaired. A financial asset or an Entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the Entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

- i) The debtors or an Entity of debtors are experiencing significant financial difficulty.
- ii) Default or delinquency in interest or principal payments
- iii) The probability that debtors will enter bankruptcy or other financial reorganization.
- iv) Observable data indicates a measurable decrease in estimated future cash flows (e.g., changes in arrears or economic conditions that correlate with defaults)

b) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition., All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

j) Inventories

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

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

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

k) Provisions

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

l) Contingent liabilities

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

m) Contingent assets

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

n) Nature and purpose of reserves

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

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

q) 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.

r) Borrowing costs

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

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

s) Related parties

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

t) Service concession arrangements

The *Entity* analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the *Entity* recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price.

In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise - any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the *Entity* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

u) Cash and cash equivalents

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

v) Comparative figures

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

w) 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, 2022.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

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

Useful lives and residual value

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

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

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Notes to the Financial Statements (Continued)

Significant Judgments and Sources of Estimation Uncertainty (Continued)

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 28.

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. In the period under review, provisions were made for long outstanding debts.

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Notes to the Financial Statements (Continued)

6. Transfers from Other Government entities

Description	2021-2022	2020-2021
	KShs	KShs
Unconditional Grants		
GoK Recurrent Funds	424,380,000	243,900,000
Presidential Digital Talent Programme	132,520,000	128,000,000
Shared Services	259,500,000	300,000,000
GoK NOFBI	52,000,000	52,000,000
Digital Literacy Programme	35,000,000	335,000,000
EARTTDF Counterpart Funds	50,000,000	
HOAGDP Counterpart Funds	25,000,000	
TCIP		7,100,000
EARTTDF IDA Grants	432,594,172	398,668,366
HOAGDP IDA Grants		88,748,479
Nairobi Express Way		179,000,000
Total Government Grants and Subsidies	1,410,994,172	1,732,416,845

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

b) Transfers from Ministries, Departments and Agencies (MDAs)

Name Of The Entity Sending The Grant	Amount recognized to Statement of Financial performance KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund. KShs	Total transfers 2021-22 KShs	Prior year 2020-2021 KShs
State Department of ICT & Innovation	1,410,994,172	-	-	1,410,994,172	1,553,416,845
KeNHA	-	-	-	-	179,000,000
Total	1,410,994,172	-	-	1,410,994,172	1,732,416,845

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Notes to the Financial Statements (Continued)

7. Public Contributions and Donations

Description	2021/2022	2020/2021
	KShs	KShs
Huawei Technologies		2,000,000
Connected Summit Contributions	76,367,424	88,449
	76,367,424	2,088,449
Reconciliation of public contributions and donations		
Balance unspent at beginning of quarter		
Current year receipts	76,367,424	2,088,449
Conditions met - transferred to revenue		
Conditions to be met - remain liabilities	76,367,424	2,088,449

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

8. Other Income

Description	2021/2022	2020/2021
	KShs	KShs
Revenue from Exchange Transactions	420,541,814	413,349,646
Fees & Penalties	11,228,485	9,175,600
Interest Income (Banks)	18,417,883	11,470,170
Total other income	450,188,182	433,995,416

Revenue from exchange transactions relates to NOFBI commercialization, Shared Services internet connectivity and Innovations and accreditation fees.

9. Other Gains/ (Losses)

Description	2021/2022	2020/2021
	KShs	KShs
PPE Sales	10,111	90,690
Unrealized Exchange Gain/(Loss)	95,892,104	(10,626,854)
Total other income	95,902,215	(10,536,164)

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

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Notes to the Financial Statements (Continued)

10. Employee Costs

Description	2021/2022	2020/2021
	KShs	KShs
Basic Salaries and wages	101,305,748	108,478,374
Housing benefits and allowances	59,142,654	59,760,400
Other Staff Costs	837,433	582,368
DLP Staff Salaries	184,984,433	
Employee related costs - contributions to pensions, NSSF and Gratuity	22,289,462	23,788,465
Medical Expenses	17,679,139	13,824,024
Group life insurance/WIBA	1,397,293	1,667,986
Staff Welfare Expenses	36,600	474,500
Recruitment	1,144,514	881,928
Employee costs	388,817,276	209,458,045

11. Board Expenses

Description	2021/2022	2020/2021
	KShs	KShs
Chairman's Honoraria	698,667	667,269
Sitting Allowances	6,352,000	4,532,000
Other allowances	5,020,289	5,663,739
Total Director Costs	12,070,956	10,863,008

12. Routine Maintenance

Description	2021/2022	2020/2021
	KShs	KShs
Motor Vehicles	1,266,970	1,132,942
Furniture and fittings	497,482	215,792
Computers, Networks & Accessories	569,460	122,411
Total repairs and maintenance	2,333,912	1,471,145

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Notes to the Financial Statements (Continued)

13. General Expenses

Description	2021/2022	2020/2021
	KShs	KShs
Travel, motor car, accommodation, subsistence and other allowances	717,320	2,559,865
Advertising, Printing and Supplies	2,787,415	1,182,027
Membership fees, dues and subscriptions	234,616	296,804
Audit fees	2,504,000	1,600,000
Hospitality supplies and Services	1,936,300	1,391,881
Contracted and Utilities Supplies	2,437,552	3,518,548
Office and General Supplies	1,643,157	1,789,144
Fuel and oil	681,940	865,199
Legal expenses	-	1,463,000
Training & Capacity Building	3,251,452	1,348,599
Motor Vehicle Insurance	38,238	37,568
Toners & Cartridges	-	996,502
Accreditation Expenses	2,979,138	6,179,752
Total general expenses	19,211,126	23,228,889

14. Finance Cost

Description	2021/2022	2020/2021
	KShs	KShs
Bank Charges	1,035,495	1,067,093
Reconciliation discrepancies		68
Total finance costs	1,035,495	1,067,093

15. Depreciation and Amortization Expense

Description	2021/2022	2020/2021
	KShs	KShs
Property, plant and equipment	30,197,906	30,868,552
Intangible assets Amortization	9,840,708	5,740,413
Investment property carried at cost		
Total depreciation and amortization	40,038,614	36,608,965

16. Innovation Expenses

Description	2021/2022	2020/2021
	KShs	KShs
Innovation Expenses	351,976	2,326,608
Total Innovation Expenses	351,976	2,326,608

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Notes to the Financial Statements (Continued)

17. Presidential Digital Talent Program

Description	2021/2022	2020/2021
	KShs	KShs
Presidential Digital Talent Program - Interns	109,291,209	85,814,649
Presidential Digital Talent Program - Operations	23,305,550	16,440,453
Total PDTP Expenses	132,596,759	102,255,102

18. Special Grants Expenses

Description	2021/2022	2020/2021
	KShs	KShs
Shared Services (Government Internet Connectivity)	369,446,809	364,924,705
NOFBI II E Expenses	54,906,079	106,830,820
NOFBI Maintenance	96,548,981	
Digital Literacy Program - Devices	38,410,138	194,963,421
Digital Literacy Program - Operations	42,454,349	369,405,808
Total Special Grants Expenses	601,766,356	1,036,124,754

19. EARTTDF Project Expenses

Description	2021/2022	2020/2021
	KShs	KShs
EARTTDF Project Expenses	392,523,795	349,031,568
Total EARTTDF Project Expenses	392,523,795	349,031,568

20. HOAGD Project Expense

Description	2021/2022	2020/2021
	KShs	KShs
HOAGD Project Expenses	14,911,071	149,640
Total HOAGD Project Expenses	14,911,071	149,640

21. TCIP Expense

Description	2020/2021	2019/2020
	KShs	KShs
Category 7 (Operating)	126,440	
Total TCIP Expenses	126,440	-

22. EARTTDFP Counterpart Expenses

Description	2021/2022	2020/2021
	KShs	KShs
EARTTDF Counterpart Expenses	23,710,453	-
Total EARTTDF Counterpart Expenses	23,710,453	-

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Notes to the Financial Statements (Continued).

23. HOAGDP Counterpart Expenses

Description	2021/2022	2020/2021
	KShs	KShs
HOAGDP Counterpart Expenses	26,148,000	-
Total HOAGDP Counterpart Expenses	26,148,000	-

24. Connected Summit Expenses

Description	2021/2022	2020/2021
	KShs	KShs
Connected Summit Expenses	70,012,733	-
Total Connected Summit	70,012,733	-

25. Nairobi Expressway Expenses

Description	2021/2022	2020/2021
	KShs	KShs
Nairobi Expressway Expenses	62,632,687	2,305,019
Total Nairobi Expressway Expenses	62,632,687	52,305,019

26. Taxation

Description	2021/2022	2020/2021
	KShs	KShs
With Holding Taxes Paid	2,807,698	1,720,525
Income Tax for the year		114,481,680
Total Taxes	2,807,698	116,202,205

27. Cash and Cash Equivalents

Description	2021/2022	2020/2021
	KShs	KShs
Current account	1,095,034,534	1,791,478,341
Escrow Account	1,156,415,566	1,047,053,419
Cash at Hand/cash in transit	-	-
Total cash and cash equivalents	2,251,450,100	2,838,531,761

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Notes to the Financial Statements (Continued).

27A. Detailed Analysis of the Cash and Cash Equivalents

Description		2021/2022	2020/2021
Financial institution	Account number	KShs	KShs
a) Current account			
Citi Bank GOK Account	0300085016	782,439,479	1,564,779,179
Citi Bank PDTP Account	0300085024	93,239,353	54,950,452
Citi Bank EARTTDFP Account	0300085035	100,704,321	59,932,824
Citi Bank HOAGDP Account	0300085415	73,274,027	86,286,039
Citi Bank DLP Account (USD)	0300085043	3,247,732	305,033
Kenya Commercial bank (KShs)	1219615692	42,129,622	25,224,814
		1,095,034,534	1,791,478,341
b) Escrow Account			
Kenya Commercial bank (USD)	1219130680	1,156,415,566	1,047,053,419
c) Others(specify)			
Grand total		2,251,450,100	2,838,531,761

28. Receivables from Exchange Transactions

Description	2021-2022	2020-2021
	KShs	KShs
NOFBI Commercialization	540,493,837	251,947,073
Accreditation Fees	74,000	-
Innovation	1,353,700	936,100
Shared Services	1,296,091	-
Less: Provision for Bad Debts	-109,031,865	-
Total current receivables	434,185,762	252,883,173

29 Receivables from Non-Exchange Transactions

Description	2021/2022	2020/2021
	KShs	KShs
Current receivables		
Staff Advances	722,574	1,081,280
Deposits Receivables	1,711,850	1,712,500
Connected Summit Receivable	7,190,438	
Grants/Revenue Receivable	-	78,725,000
Un-surrendered Imprests	7,754,501	6,281,500
Less: impairment allowance		
Total current receivables	17,379,363	87,800,280

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Notes to the Financial Statements (Continued).

30 Pasha Fund

Description	2021/2022	2020/2021
	KShs	KShs
Digital Villages Revolving Fund	45,193,389	45,193,389
Total Pasha Fund	45,193,389	45,193,389

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Notes to the Financial Statements (Continued)

31 Property, Plant and Equipment

	Motor Vehicles	Computers and Other IT Equipment	Furniture and Fittings	Total
	KShs	KShs	KShs	KShs
Cost				
At 1st July 2020	89,812,000	52,223,567	153,896	238,189,463
Additions	(323,103)	2,858,647	-	2,535,544
Disposals				-
Transfer/adjustments				-
At 30th June 2021	89,488,897	55,082,214	96,153,896	240,725,007
Additions		2,034,520	1,396,640	3,431,160
Disposals				-
Transfer/adjustments		(2,246,647)		(2,246,647)
At 30th June 2022	89,488,897	54,870,087	97,550,536	241,909,520
Depreciation				
At 1st July 2020	36,781,700	28,531,815	85,961,236	151,274,751
Depreciation	19,692,425	9,624,169	1,551,958	30,868,551
Disposals	-	-	-	-
Impairment	-	-	-	-
Transfer/adjustment	-	-	-	-
At 30th June 2021	56,474,125	38,155,985	87,513,193	182,143,303
Depreciation	19,692,424	9,103,036	1,402,446	30,197,906
Disposals	-	-	-	-
Impairment	-	-	-	-
Transfer/adjustment	-	-	-	-
At 30th June 2022	76,166,549	47,259,021	88,915,639	212,341,209
Net book values				
At 30th June 2021	13,322,348	7,611,066	8,634,897	29,568,311
At 30th June 2022	33,014,772	16,926,229	8,640,703	58,581,704

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Notes to the Financial Statements (Continued)

Valuation

Motor vehicles were valued by in line with the National Assets and Liabilities Management Policy and Guidelines (Issued 30th June 2020).

32 Intangible Assets

Description	2021-2022	2020-2021
ERP System	KShs	KShs
Cost		
At beginning of the year	32,802,360	32,802,360
Additions	-	-
At end of the year	32,802,360	32,802,360
Additions-internal development	-	-
At end of the year	32,802,360	32,802,360
Amortization and impairment		
At beginning of the year	5,740,413	-
Amortization	9,840,708	5,740,413
At end of the year	15,581,121	5,740,413
Impairment loss	-	-
At end of the year	15,581,121	5,740,413
NBV	17,221,239	27,061,947

33 Trade and Other Payables

Description	2021/2022	2020/2021
	KShs	KShs
Trade payables	324,827,639	403,737,297
Audit Fees Payable	3,200,000	3,456,000
Tax Payable	165,391	108,621,297
Staff Gratuity	46,860,264	31,118,860
Payroll Payable	(2,595,493)	5,689,200
Total trade and other payables	372,457,801	552,622,654

34 NOFBI II Expansion Deferred Income

Description	2021/2022	2020/2021
	KShs	KShs
NOFBI II Expansion Deferred Income	896,309,916	896,309,916
Total trade and other payables	896,309,916	896,309,916

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The deferred income movement is as follows:

	National government	Total
	KShs	KShs
Balance Brought Forward	896,309,916	96,309,916
Additions	-	-
Transfers to Capital Fund	-	-
Transfers to Income Statement	-	-
Balance Carried Forward	896,309,916	896,309,916

35 Accumulated Surplus/(Deficit)

Description	2021/2022	2020/2021
	KShs	KShs
Accumulated Surplus/ (Deficit) b/f	1,861,119,684	1,643,937,086
Prior Year Adjustments	(468,214,019)	310,159
(Deficit)/Surplus for the year	133,324,779	216,872,439
Accumulated (Deficit)/Surplus c/f	1,526,230,445	1,861,119,684

35A Prior Year Adjustments

Description	2021/2022	2020/2021
	KShs	KShs
Trade Payables	263,932,999	81,493
Accrued Gratuity	1,022,406	228,666
DLP Funds returned to treasury	(733,169,423)	
Total Adjustments	(468,214,019)	310,159

36 Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Benefits	2021-2022	2020-2021
	KShs	KShs	KShs	KShs	KShs
Current Benefit Obligation	16,620,401	-	-	16,620,401	17,919,087
Non-Current Benefit Obligation	-	-	-	-	-
Total Employee Benefits Obligation	16,620,401	-	-	16,620,401	17,919,087

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Retirement benefit Asset/ Liability

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

The Authority also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs.200 per employee per month.

37 Bad Debts Expense

	2021/2022	2020/2021
Description	KShs	KShs
Bad Debts Expense	109,031,865	
Total Bad Debts	109,031,865	

37 A. Bad Debt Expense breakdown

Debtor	Aging	Amount	Required % provision	Amount
Telkom Kenya	Over 1 year	79,654,339.11	50	39,827,169.56
Telkom Kenya	Over 1 year	117,717,247.69	50	58,858,623.85
Telkom Kenya	Over 8 months	41,384,288.17	25	10,346,072.04
Totals		159,101,535.86		109,031,865.45

38 Cash Generated from Operations

	2021-2022	2020-2021
	KShs	KShs
Surplus for the year before tax	133,324,779	216,872,439
Adjusted for:		
Depreciation/amortization	40,038,614	36,608,965
Prior Year Adjustments	-468,214,019	0
Working capital adjustments	-294,850,625	253,481,403
Increase in receivables	-110,881,672	-139,367,515
Increase in deferred income	0	0
Increase in payables	-180,164,851	599,296,312
Increase in payments received in advance	0	0
Net cash flow from operating activities	-585,897,148	713,410,200

Notes to the Financial Statements (Continued)

39 Financial Risk Management

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

i) Credit risk

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

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Notes to the Financial Statements (Continued)

Financial Risk Management

Credit Risk

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

	Total amount	Fully performing	Past due	Impaired
	KShs	KShs	KShs	KShs
As at 30 June 2022				
Receivables from exchange transactions	434,185,762	434,185,762	0	0
Receivables from non-exchange transactions	17,379,363	17,379,363	0	0
Bank balances	2,251,465,217	2,251,465,217	0	0
Total	2,703,030,343	2,703,030,343	-	-
As at 30 June 2021				
Receivables from exchange transactions	252,883,173	252,883,173	0	0
Receivables from non-exchange transactions	87,800,280	87,800,280	0	0
Bank balances	2,838,531,761	2,838,531,761	0	0
Total	3,179,215,214	3,179,215,214	-	-

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Authority has no significant concentration of credit risk on amounts due. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

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Notes to the Financial Statements (Continued)

ii) Liquidity risk management

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

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

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	KShs	KShs	KShs	KShs
As at 30 June 2022				
Trade payables	22,522,962	-	349,949,911	372,472,873
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	896,309,916	896,309,916
Employee benefit obligation	-	-	-	-
Total	22,522,962	-	1,246,259,828	1,268,782,790
At 30 June 2021				
Trade payables	208,845,322	-	351,111,874	559,957,196
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	896,309,916	896,309,916
Employee benefit obligation	-	-	-	-
Total	208,845,322	-	1,247,421,790	1,456,267,112

Notes to the Financial Statements (Continued)

Financial Risk Management

iii) Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Authority's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Authority's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Authority's exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

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

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Notes to the Financial Statements (Continued)

Financial Risk Management

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

FY 2022

	In KShs	Other currencies	Total
	KShs	KShs	KShs
As At 30 June 2022			
Financial Assets			
Cash		1,159,663,298	1,159,663,298
Total Financial Assets	-	1,159,663,298	1,159,663,298
Financial Liabilities			
Trade and Other Payables		896,309,916	896,309,916
Borrowings	-	-	-
Total Financial Liabilities		896,309,916	896,309,916
Net Foreign Currency Asset/(Liability)	-	263,353,381	263,353,381

Foreign currency sensitivity analysis

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

	Change in	Effect on Profit	Effect on
	currency rate	before tax	Equity/Net assets
	KShs	KShs	KShs
2022			
USD	10%	115,966,329.76	115,966,329.76
2021			
USD	10%	8,628,604	8,628,604

b) Interest rate risk

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

Notes to the Financial Statements (Continued)

Financial Risk Management

Management of interest rate risk

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

Sensitivity analysis

The Authority analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs 2,422,706 (2021: KShs 2,168,724). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs 242,270,592 (2021 - KShs 216,872,439).

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

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Notes to the Financial Statements (Continued)

Financial Risk Management

Fair value of financial assets and liabilities

- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The Authority considers relevant and observable market prices in its valuations where possible.

The Authority does not have any financial instrument in place.

iv) Capital Risk Management

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

	2021/2022	2020/2021
	KShs	KShs
Revaluation reserve	-	-
Retained earnings	1,526,230,492	1,861,119,684
Capital reserve	-	-
Total funds	1,526,230,492	1,861,119,684
Total borrowings	-	-
Less: cash and bank balances	-2,251,465,217	-2,838,531,761
Net debt/ (excess cash and cash equivalents)	-725,234,725	-977,412,077
Gearing	-48%	-53%

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Notes to the Financial Statements (Continued)

40 Related Party Disclosures

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of the Authority, holding 100% of the Authority's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Entity, both domestic and external.

Other related parties include:

- i) The National Government
- ii) The Ministry of Information Communication and Technology
- iii) Key management
- iv) Board of directors

	2021/2022	2020/2021
	KShs	KShs
Transactions with related parties		
a) Grants from the Government		
Grants from National Gov't	1,410,994,172	1,732,416,845
Donations in kind		
Total	1,410,994,172	1,732,416,845
b) Key management compensation		
Directors' emoluments	12,070,956	5,199,269
Compensation to the CEO	4,693,560	9,387,120
Compensation to key management staff	21,690,720	17,203,052
Total	31,789,441	31,789,441

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Notes to the Financial Statements (Continued)

41 Surplus Remission

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The Authority did not make any surplus during the year FY 2022 and hence no remittance to the Consolidated Fund.

42 Events after the Reporting Period

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

43 Ultimate and Holding Entity

The Authority is a State Corporation under the Ministry of Information Communication and Technology, Innovation & Youth Affairs. Its ultimate parent is the. Its ultimate parent is the Government of Kenya.

44 Currency

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

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19. Appendix

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
			(Resolved / Not Resolved)	(Put a date when you expect the issue to be resolved)
Basis for Qualified Opinion	1. Unsupported Special Grants Expenses	The Signed Performance Contract FY 2020/2021 signed between the State Department of ICT and Innovation and the ICT Authority outlines the responsibility of the Authority during the period and the associated board approved budget	This has been done. The PIC has not discussed it yet.	
	2. Long Outstanding Pasha Loans	The Management is in the process of formulating a Policy to write off the debt. Once the policy has been approved, the fund will be written off.	ongoing	Dec-22
Other Matters	1. Budgetary control and performance	The underfunding and underperformance affected the planned activities of the Authority. The management is in talks with the National Treasury through the Ministry of ICT, Innovation & Youth Affairs to increase funding and submit all the exchequers as per the approved budget.	ongoing	
	2. Unresolved Prior year audit Matters	Matters yet to be discussed by the National Assembly's Public Investment Committee.	Not resolved	



Stanley Kamanguya, OGW

Chief Executive Officer

Date

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Appendix II: Projects implemented by ICT Authority

Projects implemented by the Authority Funded by development partners and/ 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
1. East Africa Regional Transport, Trade and Development Facilitation Project (EARTTDF)	IDA Credit No.: 5638-KE	World Bank	8 years		Yes	Yes
2. Horn of Africa Gateway Development Project	IDA Credit No.: 6768-KE	World Bank	7 Years		Yes	Yes

Status of Projects completion

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
East Africa Regional Transport, Trade and Development Facilitation Project (EARTTDF)	2,950 Million	1,055,881,953	36%	850,000,000	432,594,172	World Bank
Horn of Africa Gateway Development Project (HOAGDP)	2,757 Million	15,060,711	1%	575,000,000	0	World Bank

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Appendix IV: 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	Where Recorded/recognized					Total Transfers
				Statement of Financial Performance	Capital Fund	Deferred Income	Receiv ables	Others - must be specific	
Ministry of ICT, Innovation & Youth Affairs	07/09/2021	Recurrent	64,816,667	64,816,667	-	-	-	-	64,816,667
Ministry of ICT, Innovation & Youth Affairs	14/10/2021	Donor Funds	82,218,919	82,218,919					82,218,919
Ministry of ICT, Innovation & Youth Affairs	01/11/2021	Recurrent	32,408,333	32,408,333					32,408,333
Ministry of ICT, Innovation & Youth Affairs	01/11/2021	Development Funds	173,250,000	173,250,000					173,250,000
Ministry of ICT, Innovation & Youth Affairs	01/11/2021	Counterpart Funds	37,500,000	37,500,000					37,500,000
Ministry of ICT, Innovation & Youth Affairs	06/01/2022	Recurrent	32,408,333	32,408,333					32,408,333
Ministry of ICT, Innovation & Youth Affairs	25/01/2022	Counterpart Funds	37,500,000	37,500,000					37,500,000
Ministry of ICT, Innovation & Youth Affairs	27/01/2022	Donor Funds	350,375,253	350,375,253					350,375,253
Ministry of ICT, Innovation & Youth Affairs	04/04/2022	Development Funds	173,250,000	173,250,000					173,250,000
Ministry of ICT, Innovation & Youth Affairs	18/05/2022	Recurrent	97,225,000	97,225,000					97,225,000
Ministry of ICT, Innovation & Youth Affairs	18/05/2022	Recurrent	168,000,000	168,000,000					168,000,000
Ministry of ICT, Innovation & Youth Affairs	20/05/2022	Recurrent	64,816,667	64,816,667					64,816,667
Ministry of ICT, Innovation & Youth Affairs	31/05/2022	Recurrent	32,408,333	32,408,333					32,408,333

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Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/ Development/ Others	Total Amount - KES	Where Recorded/recognized					Total Transfers
				Statement of Financial Performance	Capital Fund	Deferred Income	Receiv ables	Others - must be specific	
Ministry of ICT, Innovation & Youth Affairs	28/06/2022	Recurrent	64,816,667	64,816,667					64,816,667
Total			1,410,994,171	1,410,994,171	-	-	-	-	1,410,994,171