

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

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THE AUDITOR-GENERAL

ON

**NATIONAL TRANSPORT AND SAFETY
AUTHORITY**

**FOR THE YEAR ENDED
30 JUNE, 2020**



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NATIONAL TRANSPORT & SAFETY AUTHORITY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDING

JUNE 30, 2020

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

National Transport and Safety Authority (NTSA)
Annual Reports and Financial Statements
For the year ended June 30, 2020

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KEY AUTHORITY'S INFORMATION AND MANAGEMENT

(a) Background information

The Authority was established after the Government enacted the National Transport & Safety Authority Act, 2012 on 12th October, 2012. At Cabinet level, the Authority is represented by the Cabinet Secretary responsible for Interior and Coordination of National Government who is responsible for the general policy and strategic direction of the Authority. The Authority is domiciled in Kenya and has branches in Kenya including Mombasa, Voi, Meru, Kisumu, Nakuru, Kericho, Kakamega, Nyeri, Embu, Machakos, Garissa and Eldoret among others.

(b) Principal Activities

The Act established the National Transport and Safety Authority (NTSA) whose functions as outlined under Section 4 of the Act are:

- (i) Advise and make recommendations on matters relating to road transport and safety;
- (ii) Implement policies relating to road transport and safety;
- (iii) Plan, manage and regulate the road transport sector in accordance with the provisions of the Act;
- (iv) Ensure the provision of safe, reliable and efficient road transport service; and
- (v) Administer the Act of Parliament set out in the First Schedule and any other written law.

(c) Key Management

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

- Board of Directors
- Director General
- Management

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Director General	George Njao (Dec 2019-June 2020)
2.	Director General	Francis Meja (July to Dec 2019)
2.	Director Corporate Support Services	Christopher Leparan (Until Dec 2019)
3.	Director Road Safety	Badu Katelo
4.	Director Registration & Licensing	Christopher Wanjau
5.	Director Road Safety Audits and Inspection	Eng. Gerald Wangai

(e) Fiduciary Oversight Arrangements

The Board of Directors have constituted the following committees to provide fiduciary oversight

Committee	Members	Function
Audit, Risk & Governance Committee	<ol style="list-style-type: none"> 1. Francis Mwongo- Chairperson 2. George Omino 3. Catherine Waweru 4. Eng. Meshack Kidenda 5. Alex Mbuvi 	Provides oversight on all internal Audit functions of the Authority
Finance Human Resources and Strategy Committee	<ol style="list-style-type: none"> 1. Moses Nderitu-Chairperson 2. Martin Eshiwani 3. Alice Chesire 4. Julius Kitili 5. Wilfred Okemwa 	Provides oversight on all Finance, Human resources and corporate planning and strategy matters
Transport & Technical Committee	<ol style="list-style-type: none"> 1. Eng. Meshack Kidenda-Chairperson 2. Catherine Waweru 3. Wilfred Okemwa 4. Martin Eshiwani 5. Francis Mwongo 6. Alex Mbuvi 7. George Omino 	Provides oversight registration licensing activities as well as motor vehicle inspection activities
Road Safety & Communication Committee	<ol style="list-style-type: none"> 1. Catherine Waweru-Chairperson 2. John Kitili 3. Eng. Meshack Kidenda 4. Alice Chesire 5. Moses Nderitu 6. Francis Mwongo 7. Wilfred Okemwa 	Provides oversight on Road safety and communication activities

KEY AUTHORITY'S INFORMATION AND MANAGEMENT (Continued)

(f) Authority's Headquarters

Hill Park Building
Upper Hill Road
P.O. Box 3602 - 00506
Nairobi, Kenya

(g) Authority's Contacts

Telephone: (254) 02 632300
E-mail: info@ntsa.go.ke
Website: www.ntsa.go.ke

(h) Authority's Bankers

1. Kenya Commercial Bank Ltd
Capital Hill Branch
P.O. Box 4360 - 00100
Nairobi, Kenya

(i) Independent Auditors



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

(j) Principal Legal Adviser



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

THE BOARD OF DIRECTORS


The Authority's Board Members comprise of the following




<p>1</p>	<p>Lt Gen (Rtd) Jackson Ndungu Waweru, CBS, OGW</p> <p>Chairman of the Board</p> 	<p>Lt Gen (Rtd) Jackson Ndungu Waweru, CBS, OGW, was the Board chair of NTSA from 1st October 2016 to 31st October 2019</p> <p>Prior to being appointed the Board Chairman, Lt Gen (Rtd) Waweru served in the Kenya Defence Forces (KDF) for 39 years. He held various positions in KDF among them Base Commander, Deputy Kenya Air Force Commander, Commandant Defence Staff College and Commandant National Defence College.</p> <p>He undertook various training courses among them flying training in India, Flying Supervisors Course in UK, Air Command and Staff training in USA and he is a graduate of National Defence College Kenya. He holds a Masters Degree in International Security Studies from the University of Leicester UK.</p>
<p>2</p>	<p>Mrs Agnes Odhiambo, CBS</p> <p>Chairperson of the Board</p> 	<p>Mrs. Agnes Odhiambo was appointed to the Board of National Transport and Safety Authority on 13th May, 2020</p> <p>Prior to her appointment as the chairperson. Mrs. Odhiambo was the Controller of the Budget. She is an accomplished finance professional with over 30 years' experience having held senior management positions in both the private and public sectors where she has worked as the Director, Finance and Administration at the Kenya Post Office Savings Bank (Postbank). and the Chief Executive Officer of the Constituencies Development Fund Board</p> <p>She is a Fellow of the Institute of Certified Public Accountants of Kenya (ICPAK.) .Mrs Odhiambo holds a Bachelor of Commerce (Accounting Option) degree and a Master of Business Administration (MBA) degree both from the University of Nairobi.</p> <p>She was awarded the Chief of Order of the Burning Spear (CBS) by His Excellency, the President of the Republic of Kenya, Hon. Uhuru Kenyatta, for her role in National Development</p>




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<p>3</p>	<p>Dr. Alice Jepchumba Chesire Member</p> 	<p>Mrs. Alice Chesire was appointed to the Board of National Transport and Safety Authority on 4th February 2019.</p> <p>Mrs Chesire is the Executive Chairman of Hornbill Development Company which specializes in property development and real estate. She has vast experience in corporate governance having served as a Director at Kenya Dairy Board, Horticultural Crops Development Authority and Fresh Produce Exporters Organization of Kenya. She has served in Human Resource, Technical and Audit committees of various Boards and has participated, championed and provided leadership in women empowerment.</p> <p>Dr. Chesire holds a PHD in Leadership (HC), and a degree in Leadership Management from St. Paul University. She also holds a Diploma in Agriculture from Egerton University.</p>
<p>4</p>	<p>Mr. Wilfred Nyamwamu Okemwa Member</p> 	<p>Mr. Wilfred Okemwa was appointed to the Authority's Board on 30th May 2019.</p> <p>He holds a Bachelor's degree in Education (Business studies & Economics) and Diploma in Business Management both from the University of Nairobi. He has over 38 years' experience in public service with speciality in Public Policy, Tax and Road Transport Management having worked with the Kenya Revenue Authority as the Regional Coordinator in income tax for twenty two years and in Road Transport Department for sixteen years. He has attended several courses including Strategic Leadership development at the Kenya School of Government, Corporate Governance training with the Centre of Corporate Governance, Business Strategy for Results, HR for Non-HR Managers/Line Managers, Coaching and Winning, Performance Enhancement, Transformative Leadership, Talent Management, Conducting Meetings and Report Writing, Industrial Relations & Collective bargaining training, Communication & Interpersonal skills, Results Oriented management, Performance Management. He has also led various committees appointed as chairman at his previous work place leading from the front. Beside Government, he has also held leadership roles in various secondary schools in Kisii County and has been an inspiration to the community due to his leadership skills. He has held positions of chairmanship of various professional groups from the Kisii community.</p>




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5	<p>Mr. Francis Kiriinya Mwongo, CBS,OGW,ndc(Kenya) Member</p> 	<p>Mr. Francis Kiriinya Mwongo was appointed to the Board of NTSA on 4th February 2019.</p> <p>He holds a degree in political science from the University of Nairobi and is a graduate of National defence college specializing in intelligence and security management, public administration, diplomacy and international studies. He is also an expert in leadership and strategic planning, public policy formulation and analysis. Having graduated from various institutions such as Strathmore University, Kenya School of Government, Storkholm University among others. He has over ten years' experience as a Director of intelligence and has served in the intelligence community of Kenya for forty years. He has previously held international leadership positions in the UN Security Council and Kenyan missions in Sweden and Tanzania.</p>
6	<p>Mr. Moses Nderitu Member, Private Sector Representative</p> 	<p>Mr. Moses Nderitu was appointed to the Board of NTSA on 4th February 2019. He is serving a second term in the Board having been appointed for the first time on October 2015.</p> <p>Mr. Nderitu is a graduate of the Owner Manager Programmes at Strathmore Business School. He is a successful entrepreneur in diverse industries with vast experience in marketing and media production where he established Level One Productions Ltd. He is currently the CEO & founder of KOTO Housing Kenya Ltd and CEO of Excloosive Ltd.</p>
7	<p>Hon. Catherine Njeri Waweru Member</p> 	<p>Hon. Catherine Waweru was appointed to the Board of National Transport and Safety Authority on 4th February 2019.</p> <p>She holds a Bachelor of Arts Degree in Communication Development from St Pauls University. She is an experienced Social Economic professional and development consultant with vast experience in community service, Governance and Development. She offers strategic leadership in areas of Health and Education in Nakuru County and serves in various community organisations and NGOs. She is a member of the Rift Valley Provincial Hospital Management Committee.</p>




8	<p>Eng. Meshak Kidenda Member</p> 	<p>Eng. Kidenda was appointed to the Board of National Transport and Safety Authority on 4th February 2019.</p> <p>Eng. Kidenda is a registered Consulting Engineer, a Fellow of the Institution of Engineers of Kenya and an Associate Member of the Chartered Institute of Arbitrators. He holds a B Sc. In Civil Engineering from the University of Nairobi and M Sc. in Traffic Engineering from University of Birmingham. He retired from Public Service after 37 years of service, where he served in various stations and capacities including in senior management as Chief Engineer (Roads), Director of Industrial Training and as the first Director General of the Kenya National Highways Authority - KeNHA.</p>
9	<p>Mr. Solomon Kitungu Principal Secretary, State Department for Transport</p> 	<p>Mr. Solomon Kitungu is the Principal Secretary, State Department for Transport.</p> <p>Mr. Kitungu is a graduate of both the University of Nairobi and Manchester University - UK. He has held various senior positions in Central Government and State Corporations as the Executive Director of the Privatization Commission and as an alternate director for the CS National Treasury in the Board of Directors of the Insurance Regulatory Authority, Postbank, Kenyatta University Teaching, Referral & Research Hospital, Agricultural Finance Corporation, Kenya Commercial Bank, National Bank of Kenya, Kenya Electricity Generating Company, Kenya Power, Kenya Petroleum Refineries and Kenya National Assurance (2001).</p> <p>Prior to his appointment to the current position, he was the Investment Director at the National Treasury.</p> <p>The Alternate to the Principal Secretary on the Board of NTSA is Mr. Martin Eshiwani.</p>
10	<p>Dr.(Eng) Karanja Kibicho, CBS, Principal Secretary, State Department for Interior & Co-ordination of National Government</p> 	<p>Dr. (Eng) Karanja Kibicho is the Principal Secretary, State Department for Interior & Co-ordination of National Government</p> <p>Dr.(Eng) Kibicho holds a doctorate in Mechanical Engineering from the University of Cape Town, South Africa, a Master of Science (MSc) in Mechanical Engineering and a Bachelor of Science (BSc) in Mechanical Engineering.</p> <p>Prior to his appointment to the current position, Dr. Kibicho served as the Principal Secretary in the Ministry of Foreign Affairs and International Trade as well as the Ministry of Industrialization and Transport. He has also taught at Jomo Kenyatta University of Science & Technology (JKUAT) where he was the chairman and senior lecturer in the department of Mechanical Engineering. In addition, Dr. (Eng) Kibicho has also served as an external examiner at the University of Dar es Salaam, a visiting lecturer at the Central University of Technology, Free State, South Africa, and a part-time lecturer at the University of Cape Town.</p> <p>The Alternate to the Cabinet Secretary is Mr. Wilson Njega.</p>

11	<p>Hon. Amb. Ukur Yatani Kanacho .Cabinet Secretary, The National Treasury</p> 	<p>Hon. Amb. Ukur Yatani Kanacho is currently the Cabinet Secretary for The National Treasury. Amb. Yatani has over 27-year experience in public administration, politics, diplomacy and governance in public sector since 1992. Prior to his appointment as Ag CS National Treasury, he was the Cabinet Secretary for Labour and Social Protection. He has also served as the member of Parliament for North Horr constituency, as an Assistant minister for Science And Technology & Governor of Marsabit County. He served as Kenya's Ambassador to Austria with Accreditation to Hungary and Slovakia and Permanent Representative to the United Nations in Vienna. He has Master of Arts in Public Administration and Public Policy, University of York, United Kingdom, 2005; and Bachelor of Arts in Economics, Egerton University The Alternate to the Cabinet Secretary is Mr. George Omino.</p>
12	<p>AG. Paul Kihara, The Attorney General</p> 	<p>AG. Paul Kihara is the Attorney General of the Republic of Kenya Prior to his appointment he was the President of the Court of Appeal. He holds a Bachelors of Law Degree (LLB) from the University of Nairobi. He has vast experience as an advocate of the High Court having practiced Law for many years. Hon. Kihara has also served as a judge of the High Court and Court of Appeal of Kenya. He has also served in various judicial committees. The Alternate to the Attorney General is Mr. Alex Mbuvi.</p>
13	<p>Mr. Hillary Nzioki Mutyambai The Inspector General of Police</p> 	<p>Mr. Mutyambai is the Inspector General of the National Police Service He is a trained police officer with a vast experience on security and intelligence matters. He has previously worked as a Superintendent of Police and the Deputy Director in charge of Counter-Terrorism in the National Intelligence Service. Mr. Mutyambai holds a bachelor degree in Information from the University of Nairobi and a Masters of Arts in National Security from Australia International University. The Alternate to the Inspector General is Mr Julius Muthama Kitili.</p>



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<p>13</p>	<p>Mr. Francis Meja</p> <p>Director General</p> 	<p>Mr. Meja is the Director General of National Transport & Safety Authority. from October 2016 to December 2019</p> <p>He is responsible for implementing the policies, programs and objectives of the Authority. Prior to his appointment, he was the Registrar of Motor Vehicles. Mr. Meja commands a wealth of knowledge and expertise on road transport and transport logistics. He is a holder of a Master's Degree in Business Administration (Strategic Management) from the University of Nairobi and a BA in Economics and Public Administration from the University of Marathwada in India.</p>
<p>14</p>	<p>Mr. George Njao</p> <p>Director General</p> 	<p>Mr. Njao is the Director General of National Transport & Safety Authority. from January, 2020</p> <p>Mr. Njao is the Director General and he is responsible for the implementation of the policies, programmes and objectives of the Authority. Mr. Njao has over 15 years' experience in the transport sector specifically in safety management which presents a great opportunity for the Authority. He holds a Master's degree and a Bachelor of Science degree from Central Missouri State University, USA.</p>
<p>16</p>	<p>Mr. Lawrence Kibet</p> <p>Corporate Secretary</p> 	<p>Mr Lawrence Kibet is the corporate secretary representing Image Registrars Limited; the body corporate contracted for secretarial services. Mr. Kibet is a member of of ICPSK</p>

MANAGEMENT TEAM

	NAME	POSITION
1	<p>Mr. Francis Meja Director General</p> 	<p>Mr. Meja is the Director General of National Transport & Safety Authority. from October 2016 to December 2019</p> <p>He is responsible for implementing the policies, programs and objectives of the Authority. Prior to his appointment, he was the Registrar of Motor Vehicles. Mr. Meja commands a wealth of knowledge and expertise on road transport and transport logistics. He is a holder of a Master's Degree in Business Administration (Strategic Management) from the University of Nairobi and a BA in Economics and Public Administration from the University of Marathwada in India.</p>
2	<p>Mr. George Njao Director General</p> 	<p>Mr. Njao is the Director General of National Transport & Safety Authority. from January 2020</p> <p>Mr. Njao is the Director General and is responsible for the implementation of the policies, programmes and objectives of the Authority. Mr. Njao has over 15 years' experience in the transport sector specifically in safety management which presents a great opportunity for the Authority. He holds a Master's degree and a Bachelor of Science degree from Central Missouri State University, USA.</p>
3	<p>Mr Christopher Kinyua Wanjau Director, Registration and Licensing</p> 	<p>Mr Wanjau is the Director Registration and Licensing thus responsible for registration and licensing of motor vehicles, regulation of public service vehicles, and oversight of training, testing and licensing of drivers in the country.</p> <p>Mr Wanjau holds two Masters in Public Administration (Moi University) and Business Administration Strategic Management (Catholic University). He also holds a BA degree in Political Science from UON and Public Administration coupledom Wanjau is currently a Phd candidate in strategic management at Karatina University. He has done several professional, management and leadership courses and trainings including Public Administration and also Information Management System, IMIS (UK) and is a member of Institute of Management Information Systems (UK)</p>

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<p>4</p>	<p>Eng. Gerald Wangai</p> <p>Director Motor Vehicle Inspection & Safety Audits</p> 	<p>He is Director Technical Services and holds a Bachelor of Science Degree (Mechanical Engineering) from the University of Nairobi He has vast experience spanning 28 years in the Public Service.</p>
<p>5</p>	<p>Mr. Badu Sora Katelo</p> <p>Director Road Safety</p> 	<p>Mr Katelo is the Director, Road Safety and is in charge of developing and implementing road safety strategies, facilitating the education of members of the public on road safety and conducting research and audits of road safety.</p> <p>He holds a Master of Arts degree from Fletcher school of Law and Diplomacy, Tufts University from the United States of America (USA) and a Bachelor of Education (Honors) in Economics and Accounting from the University of Nairobi.</p> <p>Mr. Katelo is a seasoned public servant with extensive experience in the Public Service and has previously worked with different ministries, which include Interior, Mining, East African Community, Agriculture and National Gender and Equality Commission in various capacities. He is a full member of the Kenya Association for Public Administration and Management (KAPAM).</p>

OTHER KEY MANAGEMENT STAFF

1	Mr. Wycliffe Wasike	Deputy Director, Finance
2	Mr. Robert Ngugi	Deputy Director, Legal Services
3	Mr. Fernando Wangila	Deputy Director, Information Communication Technology
4	Mr. Cosmas Ngeso	Deputy Director, Enforcements & Accident Investigations
5	Ms. Margaret Kabochi	Deputy Director, & Admin & Human Resource Management
6	Mr. Shem Shalakra	Deputy Director, Supply Chain Management
7	Mr. Duncan Kibogong	Deputy Director, Road Safety Strategies
8	Mr. Hared Hassan	Deputy Director, Licensing
9	Mr. Wilson Tuigong	Deputy Director, Registration
10	Ms. Dido Guyatu	Deputy Director, Corporate Affairs & Communications
11	Ms. Miriam Njoroge	Deputy Director, Internal Audit
12	Ms. Beatrice Olwa	Deputy Director, Corporate Strategy and Planning

CHAIRPERSON'S STATEMENT

It is my pleasure to present to you the seventh Financial Statements and Annual Report of National Transport & Safety Authority (NTSA) for the year ended 30th June, 2020. The Authority is mandated by the NTSA Act No.33 of 2012 to plan, advise, implement and make policy recommendations on matters relating to road transport and safety. The mandate is implemented through the five-year Strategic Plans.

During the financial year ended 30th June, 2020, the Authority maintained focus on its overall goal of reducing injuries and fatalities on the road, alongside its strategic initiatives for improved customer service delivery as outlined in the current Strategic Plan. Despite the many challenges, which included the worldwide Covid-19 pandemic that affected operations in the last two quarters of the financial year, the Authority leveraged on technology through automation of services to improve on effectiveness, timeliness and cost efficiency for customers. The NTSA specifically, made a notable progress on processing customer applications as we endeavoured to achieve the same-day-service-delivery for core services.

During the year, the Authority succeeded in anchoring all core functions in the Transport Integrated Management System (TIMS) to facilitate online service delivery. These services include; motor vehicle registration, motor vehicle ownership transfer, online booking for motor vehicle inspection and applications for smart driving licenses. The remaining services such as application and payment for Passenger Service Vehicle (PSV) license, application for badges for drivers and for Road Service Licenses are being implemented and it is envisaged that they will be fully automated in the 2020/2021 Financial Year. The Authority also continued to collaborate with other Government Agencies such as the National Police Service (NPS) to ensure adherence to the prevailing laws and regulations. Collaborations through joint operations with the NPS, especially during the festive seasons, and engagement with road agencies on road safety audits largely contributed to the reduction in fatalities by 6% during the period under review.

To address County specific road safety challenges, the Authority spearheaded the establishment and operationalization of twenty-one County Transport Safety Committees (CTSCs). Considering the road safety is a shared responsibility, the Authority liaised with the Ministry of Public Service through the Performance Management Office to introduce mainstreaming of road safety through government performance contracting. NTSA also organized various stakeholder engagements and partnership with potential development partners including the World Bank.

Studies that have been conducted on road safety indicate that behavioural aspects is the main cause of road injuries and fatalities. It was against this backdrop that the Authority, in liaison with the parent Ministry of Interior and Coordination of National Government, undertook a revalidation exercise for 627 driving schools. The exercise was aimed at ascertaining the level of compliance and quality of the driver training facilities as per the Driving School Regulations and Rules on improving driving skills and licensing system. The Authority also engaged with the Technical and Vocational Training Schools and the National Youth Service to improve training for drivers and riders countrywide.

I wish to affirm the Authority's commitment to our dream of efficient, reliable and safe road transport in Kenya through continual improvement. We endeavour to continue working with various stakeholders in formulating policies and implementing strategies that enhance road transport and safety.

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In conclusion, I wish to remind all road users that road safety is a shared responsibility. Necessary precautions are ideal for us to achieve safety for all and a collective realization of the Kenya's Vision 2030.


FCPA Agnes Odhiambo, CBS
CHAIRPERSON

REPORT OF THE DIRECTOR GENERAL

This report was prepared pursuant to Section 81 of the Public Financial Management Act of 2012 (PFM Act) and in compliance with International Public Sector Accounting Standards (IPSAS) as pronounced by the Public Sector Accounting Standards Board.

The National Transport and Safety Authority (NTSA) was established vide the NTSA Act of 2012 and mandated by the Act to (i) Advise and make recommendations on matters relating to road transport and safety; (ii) Implement policies relating to road transport and safety; (iii) Plan, manage and regulate the road transport sector in accordance with the provisions of the Act; (iv) Ensure the provision of safe, reliable and efficient road transport service; and (v) Administer the act of parliament set out in the first schedule and any other written law. The Authority's mandate has been prioritized in the strategic plan, and the responsibilities are carried out through annual work planning and performance contracting, as guided by the Medium Term Expenditure Framework and approved annual budget. This documentation is a record of the fifth Annual Report and Financial Statement for the period ended 30th June 2020.

Strategic focus

The Authority revised its strategic plan 2016-2020 to align it with the Vision 2030 for Kenya, the third Medium Term Plan, and Sector Development Standards. The Strategic Plan is anchored on four key result areas of Road Safety, Efficient Operations, Employee Value Proposition and Financial Stability. These areas collectively determine the strategic direction for realization of safety on road transport environment. Key initiatives include automation, implementation the five-year National Road Safety Action Plan, quality management systems, legislation and compliance with Traffic Regulations, improved operations, road safety audits, motor vehicle inspection services and resource mobilization.

Financial

The Authority relies of government support through the Exchequer/ grants appropriated by Parliament through the parent Ministry as Appropriations in Aid to carry out its operations. During the year under review, additional revenue was sources externally from development partners with support from the National Treasury in accordance with the Constitution of Kenya (2010). The main internal sources of revenue for NTSA are fees from the inspection of motor vehicles, sale of road service licenses, sale of number plates, driving test application fees, foreign motor vehicle permit and sale of PSV badges. Authority also generates revenue directly to the Exchequer through motor vehicle registration and licensing services.

During the year under review, the Authority raised Kshs. 1.5 Billion as revenue from its internal sources. NTSA also received Kshs 821.4Million as development and recurrent grant from the State Department of Interior and Coordination of National Government, additional Kshs. 31.3Million as grants from the European Union and project support from the World Bank. Relative to the Authority's internal revenue during the previous year, the amount raised from internal sources declined by 18%, this was mainly due to the ongoing pandemic which paralyzed operations of the Authority mostly during the last half of the year.

The Authority's main expenditure are related to road safety interventions; technical operations; maintenance of assets; procurement of specialized supplies for registration; licensing and inspection of vehicles; staff costs and other administrative operational costs. The overall cost of NTSA operations for the year under review was Kshs 2.3 Billion.

Summary of Achievements during the year

During the year under review, the Authority managed 97% absorption of GOK grants and internally generated funds in compliance with the approved budget. The expenditures supported the delivery of the following, among others:

- i. Registration of 295,075 motor vehicles
- ii. Transfer of 321,337 motor vehicles
- iii. Issuance of 218,264 new generation smart Driving Licenses
- iv. Inspection of 432,800 motor vehicles including 32,230 accident vehicles
- v. 90% progress on projects completion for disaster recovery site and refurbishment of NTSA Miritini Offices, in Mombasa
- vi. Carried out research on safety of motorcycle taxis in Nairobi metropolis
- vii. NTSA Anchored all key services on the Transport Integrated Management System (TIMS) to enhance efficiency in service delivery
- viii. Inspection and validation of driving schools of which 564 schools were inspected, and 37 riding schools licensed
- ix. Mobilization of funds from external sources- currently under negotiation between the World Bank and the National Treasury
- x. Initiation of road safety mainstreaming mechanism through government's performance contracting tool for performance management
- xi. Implementation of various road safety activities including joint enforcement, media campaigns, public education and awareness, collation and analysis of road injuries and fatalities data/information.

Overall, the Authority achieved six percent reduction in fatalities by realizing fatalities index of 11.4. However, injuries index increased from 35.92 to 38.7; this was mainly due to reduction of impact on accidents through various initiatives undertaken by NTSA. Notably the implementation of Kenya Standards for bus bodies, public education, road safety audits, media campaigns, and intensive motor vehicle inspections.

The above achievements were not devoid of challenges. As previously mentioned, the Authority was equally challenged by the worldwide Covid 19 pandemic which necessitated reduction in operations and focus on essential services only as was directed by the Ministry of Health. The directive also affected the enactment of legislations that were proposed by NTSA, planned stakeholder engagements, and reallocation of funds to take care of emergent expenditures. Nevertheless, we are looking forward to better performance in the following year.

I take this opportunity to express my gratitude to the development partners especially the World Bank and the European Union for their continued support. Special appreciation to the National Treasury, our parent Ministry of Interior and Coordination of National Government, the NTSA Board of Directors, the Management team and all staff for their collaboration, and team spirit that enabled the recorded achievements during the year under review. With the completion of the disaster recovery site, we are looking forward to be the most efficient government Agency in service delivery as we continuously focus on ensuring efficient reliable and safe transport system for Kenya.



George Njao
DIRECTOR GENERAL

REVIEW OF NATIONAL TRANSPORT & SAFETY AUTHORITY'S PERFORMANCE FOR FY 2019/2020

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the National Government Authority's performance against predetermined objectives.

National Transport & Safety Authority has 4 strategic pillars and objectives within its Strategic Plan for the FY 2019/2020- 2022/2023. These strategic pillars are as follows:

- Pillar 1: Service reorientation
- Pillar 2: Internal Business Processes
- Pillar 3: People
- Pillar 4: Financial Sustainability

The Authority develops its annual work plans based on the above 4 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 2019/2020 period for its four strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key performance Indicators	Main Activities/ Initiatives	Achievements
Pillar 1: Service reorientation (Road Safety)	To reduce annual fatalities and injuries arising from road crashes by 6% and 4%, respectively	Fatalities and Injuries Indices	<ul style="list-style-type: none"> • Reduce fatalities and injuries • Develop/Review policies and Legislation • Enhance Compliance with legislation • Implement Road Safety programme • Improve operations: (Motor Vehicle Inspections, safety Audits, Registration and licensing) • Conduct research and Innovation 	<ul style="list-style-type: none"> • 4% reduction in fatalities from 11.98 to 11.4 per 10,000 vehicles • Draft motor vehicle Inspection Regulations drafted and submitted to the Senate • Commercial Service Vehicle Regulations, Traffic Breathalyzer Rules, Traffic Driving School and Instructor Rules were developed and submitted to the Ministry • Draft Traffic Motor Vehicle Registration and Dealers' Rules were developed • Carried out joint quarterly compliance with the National Police Service (NPS) • Carried out road safety awareness and safety education to PSVs, and school children.

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				<ul style="list-style-type: none"> • Conducted 11 road safety audits • 564 driving schools inspected and licensed • 37 riding schools inspected and licensed • 136,456 smart driving licenses were issued • 224,974 E-Stickers were issued to Motor vehicles • 431,800 vehicles including 32,230 accident vehicles • Carried out A research study on Safety of Public Motorcycle Taxi (Boda boda) Transport in Nairobi Metropolis
Pillar 2: Internal Business Processes (Efficient Operations)	To realize 100% operational efficiency level	Level of Efficiency	<ul style="list-style-type: none"> • Develop and implement Standards • Leverage on Technology/Automation • Advance customer experience/care • Strategic planning • Focus on Preventive Audit • Supply chain management • Evaluate and Manage Risks 	<ul style="list-style-type: none"> • 14 bus body builders were vetted and licensed • KS 372-2019 has been implemented, 1281 buses built complied with KS 372-2019 Standards • Continued to provide automated services through Transport Integrated Management System • Developed disaster recovery centre, 90% complete with electric works, civil works, and the backup generator • Installed hazard warnings in collaboration with road agencies along roads under construction • Customized service delivery charter in Audio and sign language versions and posted on website • All complaints resolved within timelines • Revised strategic plan and sensitized senior management and

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				<p>regional managers on the same</p> <ul style="list-style-type: none"> Carried out internal audit for head office works, and regional Office operations and expenditure. Total procurement for local goods for the year was Ksh.1,371,069,633.09 A total of Kes.115,023,754.06 was awarded to special group, and Kes. 8,169,174.04 was awarded to the PWDs Risk management policy and framework was developed and approved
Pillar 3: People (EVP)	To realize 80% value proposition for employees	Level of EVP	<ul style="list-style-type: none"> Improve work environment Enhance staff capacity Corporate change management 	<ul style="list-style-type: none"> Refurbished Miritini Inspection centre, 90% progress Engaged 37 youth on attachment Staff were provided with CPD courses Seven management staff including the Director General were recruited Staff were adequately sensitized on prevention of HIV/Aids Improved internal communication and staff deployment
Pillar 4: Financial Sustainability	To enhance growth in Appropriation in Aid by 20% annually	Growth in A-in-A	<ul style="list-style-type: none"> Enhance A-in-A from internal revenue streams Mobilize resources externally: Ensure cost effectiveness 	<ul style="list-style-type: none"> Collected KSh 1.504B from internal revenue streams Mobilized 600Million from the World Bank and European Union Achieved 97% absorption of budgeted funds.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors considers corporate governance as a key function in the management of the Authority and for its accountability to all members. It has inculcated a value system in the corporate culture, and use of established best practice guidelines to achieve highest standards of compliance with the law, while ensuring the Authority is managed in a manner to satisfy the interests of stakeholders. One of our core values is integrity. This dictates the ethical code and decision-making processes of the Directors to provide effective leadership. NTSA has a functional organization structure that allows for greater operational efficiency which arises from employee functional specialization. The Authority has developed a risk and governance framework which will provide guidance on risk management initiatives and ensure a consistent approach is taken during identification, categorizing and dealing with the various risks encountered. A charter of the Board and its Committees has also been developed to define the Board's roles and responsibilities as well as functions and structures in a way that supports the members in carrying out their strategic oversight function.

Appointment and Vacation of Office

The Chairman and the members of the Board are appointed in accordance to the NTSA Act Section 6 (f) and (g). This shall be by notice in the *Gazette*. Section 10 of the NTSA Act sets out the process of vacation of office of the Chairman and members of the Board of the Authority

Remuneration of the Board

Members of the Board are paid remuneration, fees and allowances as determined by the Cabinet secretary in consultation with the Salaries and remuneration Commission.

Board Responsibilities

Due care is taken by the Directors in managing affairs of the Authority. In recognition of their ultimate responsibility, the Directors focal point to guide their decisions and actions is based on a foundation of good governance and on our core values which are integrity, accountability, courteous service, professionalism, stewardship and efficiency.

The Board Charter and the Mwongozo Code sets out the Directors' roles and responsibilities as summarized below:

- a) Formulation and approval of the Authority's vision, mission and core values and formulation & approval of the Corporate Strategy, business plan and principles of technical operations.
- b) Approval of annual budget and the financial statements.
- c) Performance and approval of risk management strategy.
- d) Approval of major restructuring.
- e) Settlement of major litigation/claims.
- f) Approval of banking/authority levels, policies, procedures and manuals.
- g) Periodic formulation and review of ICT policies, procedures, strategies and work plans.

Section 12 of the NTSA Act, 2012 stipulates that the Board shall establish such committees as it may consider necessary for the performance of its functions and the exercise of its powers under the Act. To this end, The Board has established four committees that meet regularly under well-defined terms of reference set by the Board:

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They include;

- I. Finance, Human Resource & Strategy Committee,
- II. Transport & Technical Committee,
- III. Road Safety & Communication Committee and
- IV. Audit, Risk & Governance Committee.

The following is a summary of Board membership and average attendance in each committee during the financial year ended 30th June 2020.

No.	Name of the Committee	No of Members	No of Meetings	Average Attendance
1	Full Board	11	7	10
	Special Full Board	11	9	10
	Interviews	11	4	11
	Board Retreat	11	3	11
2	Finance, HR & Strategy	5	7	4
	Special FHS	4	7	4
	Interviews	5	6	5
3	Transport & Technical	7	6	6
	TTC retreat	7	5	7
	Special TTC	7	2	7
4	Road Safety & Communication	7	5	6
	Audit, Risk and Governance	5	5	5
5	Special Audit	5	3	5
6	Ad hoc Committee of the Board	4	2	4

MANAGEMENT DISCUSSION AND ANALYSIS

A) The Authority's Operational and Financial Performance

During the financial year 2019/20, the Authority in making effort to achieve its mandate, realized a number of milestones under its technical core functions of Road safety, Registration, Licensing and Motor vehicle inspection as detailed below;

1. Road Safety Management

1.1. Road Crash Fatalities and Injuries

During FY 2019/2020, the Authority targeted to reduce the number of road traffic fatalities and injuries by 6% per registered number of vehicles as shown in the table below

Particulars	Actual 2018/2019	Target 2019/20(Reduction of FY2018-19 by 6%)
Number of Vehicles	2,835,430	2,665,304
Number of Fatalities	3,337	3,137
Fatalities per 10,000 Vehicles	11.98	11.50
Injuries	10,610	9973
Injuries per 10,000 vehicles	37.4	35.92

Table 1.1 Comparison of absolute number of fatalities FY 2019/20 and FY 2018/19

Class of Victims	F/Y 2018/2019	F/Y 2019/2020	Var	%Var
Fatalities	3,337	3,567	230	6.9
Seriously Injured	5,687	7,158	1471	25.9
Slightly Injured	4,923	4,955	32	0.7
TOTAL	13,947	15,680	1733	12.4

In the FY 2018/2019 and FY 2019/2020, fatalities increased for all road user groups except the passengers, drivers and pedal cyclists as shown in the table below:

Table 1.2 Comparison of the Number of fatalities per category of victims FY 2019/20 and FY 2018/19

Categories of Victims	F/Y 2018/2019	F/Y 2019/2020	Var	%Var
Pedestrians	1250	1376	126	10.1
Passengers	786	565	-221	-28.1
Motor Cyclist	633	875	242	38.2
Drivers	310	309	-1	-0.3
Pillion Passengers	280	373	93	33.2
Pedal Cyclist	78	69	-9	-11.5
Total	3,337	3,567	230	6.9

Fatalities and injuries increased by 6.9% in FY 2019/2020

The motor cycle related fatalities are attributed to:

- Careless driving, unsafe changing of lanes, failing to wear safety helmets, Untrained and Inexperienced riders

1.2. Road Safety Initiatives

1.2.1 Road Safety Management and Coordination;

The Authority undertook to enhance road safety management and coordination at County level through operationalization of County Transport and Safety Committees (CTSCs). The committees' oversee management of transport management systems' at the county level and advise the authority on matters relating to road safety within the county. During the yearend review, a total of 21 CTSCs have been gazetted with the remaining 25 expected to be gazetted in the next financial year. The Authority plans to procure computer and office equipment's for 6 CTSCs with support from EU Grant., to support in capacity building of the CTSCs.

1.2.2 Stakeholder Collaboration and Partnership;

Road safety is a shared responsibility and can be achieved through stakeholder collaboration and partnership. During the financial year 2019/20, several stakeholder meetings were held with PSV operators, Boda Boda rider, and Government and Non- Governmental road safety actors. The Authority continued to collaborate with the road Authorities, Kenya Institute of Curriculum Development County governments, National police service as well as Matatu Organizations and SACCOs on matters relating to road safety.

1.2.3 Boda Boda Safety ;

The Authority embarked on implementation of the Boda boda task force on Boda boda sub sector reforms report recommendations and developed an action plan for implementation in collaboration with stakeholders. This was however greatly affected by the COVID-19 pandemic which occasioned cessation of movements and restriction on public gatherings.

1.2.4 Enhanced collaboration with Road Agencies;

The Authority collaborated with Road Agencies to undertake Road Safety Audits progressively to ensure safety of all road users.

1.2.5 Quarterly compliance exercises with National Police Service through Joint Enforcement Operations

In collaboration with the National Police Service (NPS), the Authority carried out quarterly traffic laws enforcement programs aimed at changing behaviour of drivers and other road users. Blackspot signages erected along the major highways

1.2.6 Increase Road Safety awareness and public education among road users with an aim of changing road user behaviour;

The Authority aimed at improving road user behaviour through comprehensive, evidenced-based, effective public awareness programmes combined with sustained;

- i. Training of PSV SACCOS/Companies on Internal road safety policies for PSV operators with a total of 100 PSV Sacco's management trained.
- ii. Sensitization of drivers and Conductors on road safety with a total of 51 meetings done.
- iii. Sensitization meetings for bodaboda riders on road safety carried out.
- iv. 20 Sensitization meetings for School Children on road safety carried out.

- v. Driver retraining and Retesting for errant drivers for 15 drivers done.
- vi. Pedestrian sensitization in Collaboration with NPS on Nairobi high risk roads done.
- vii. Media campaigns targeting all road users undertaken through radio (Hot 96 FM, Inooro FM, Musyi FM, Kass FM) and TV shows (K24, Citizen, KTN) and caravans.
- viii. World day of Remembrance for Road traffic victims aimed at creating awareness on road safety issues and impact of crashes marked.
- ix. The Authority also enhanced road safety awareness interventions by leveraging on technology-media, social media platforms.

1.2.7 Road Safety, Children and Education;

The objective is to ensure that children move safely on the roads and become safe road users and drivers of tomorrow and agents of change in the society. Road safety is now mainstreamed in the new schools curriculum. NTSA is working with KICD to develop learners and teaching materials for grade 1-7.

1.2.8 Road Safety Mainstreaming framework and action plan;

The Directorate aim is to have Road Safety mainstreamed in all MDAs. This is a multi-sectorial approach to road safety that will ensure road safety becomes an integral part of Government Projects and programmes and will reduce the burden of road crashes if well implemented. Road safety mainstreaming framework and action plan was developed and is being implemented.

1.3 Driver Training and Testing-;

The Authority embarked on Improving driving skills, attitudes, driver training, testing and licensing system. During the year under review, the Authority planned to take over all 13 driver testing centres, Licence all qualified TVETs Institutions including NYS to conduct driver training; Vet and license riding schools to conduct training for motorcycle riders; Conduct inspections of driving schools to ensure that the schools adhere to set standards and driver training curriculum, and establish a database for licensed driving schools; Conduct quarterly information, education and awareness raising for targeted stakeholders: driving schools, operators, instructors, and institutions offering driver training. The following was achieved;

- 1) Six driver test centers were taken over with the remaining seven to be taken over during first quarter of FY2020/2021 this was occasioned by capacity challenges and the effects of Covid-19. The Authority will deploy and train test examiners in first quarter of FY 2020/21.
- 2) A total of 42 TVETS institutions were inspected out of which 23 were compliant and hence approved for licensing.
- 3) A total of 37 riding schools were inspected and licensed.
- 4) A total of 559 driving schools were inspected and licensed.
- 5) A total of 17 trainings, sensitization and meetings with the driving school proprietors and stakeholders was done.

1.4 Research and Development;

The Authority collaborated with existing learning institutions Namely Strathmore University, University of Nairobi and Kenya school of Government to carry our research on road safety. Two researches were carried out during the year under review.

1.5 Review of existing Legislations and related Acts/Regulations;

The Authority engaged relevant stakeholders to Update and enact traffic legislation to improve road safety standards and to support effective enforcement and penalization of traffic law offenders to bring compliance in the road sector resulting in review of the School children safety, Traffic Act, HCV Regulations, Driving Schools regulations and PSV Regulations.

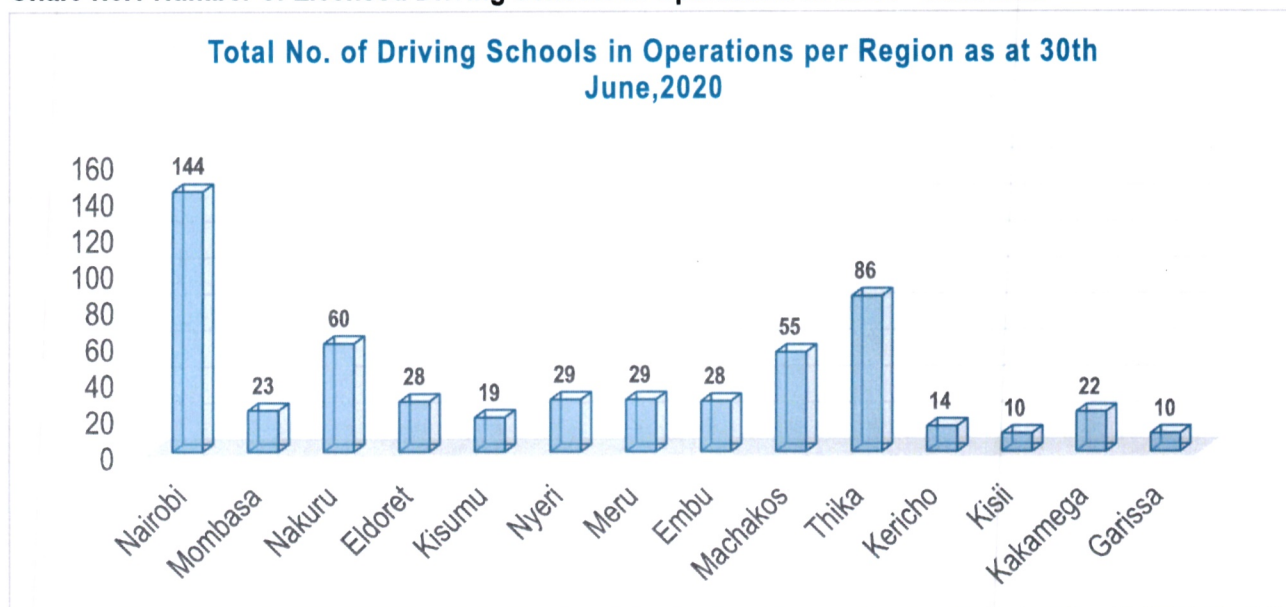
1.6 Driving Schools Management;

The Authority undertook revalidation of all the driving schools in Kenya undertaken during the year under review. The exercise was conducted in collaboration with the National Police Service (NPS). The objective of this revalidation process was to ascertain the level of compliance and quality of the driver training facilities as per the Driving School Regulations of 1971. A total of 627 schools were evaluated out of which 302 (48%) schools qualified, while 325 (52%) did not qualify. All non-compliant driving schools deregistered and those that qualified to be licensed afresh. Below is a summary of licensed driving schools per region as at 30th June 2020.

1.6.1 Number of Licensed Driving Schools in Operations as at 30th June 2020

The number of Driving Schools in operations as at 30th June, 2020 were as below:

Chart 1.6.1 Number of Licensed Driving Schools in Operations as at 30th June 2020

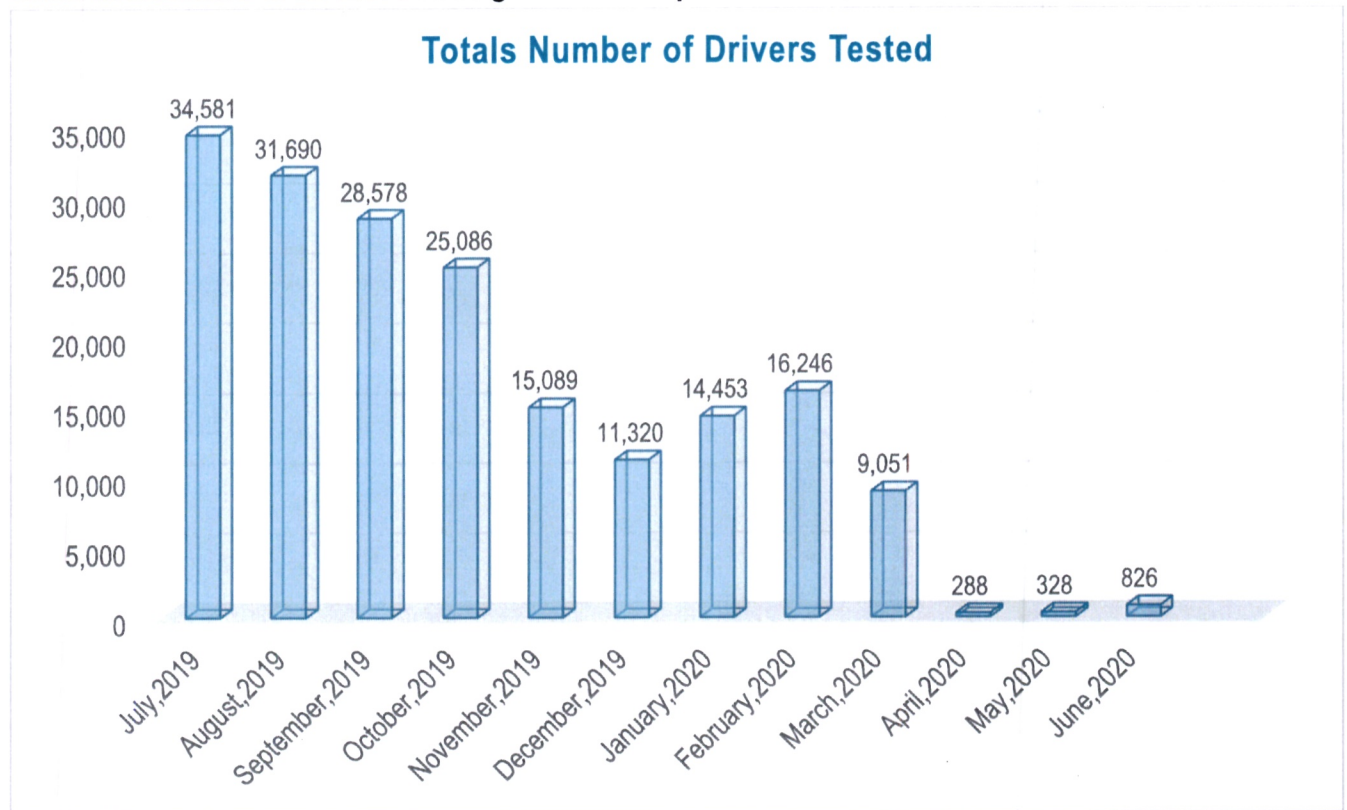


During the financial year ended 30th June 2020, the Authority registered 12 No. new driving schools.

1.6.2 Number of Drivers Tested during the FY 2019/20

The number of Driving Schools in operations as at 30th June, 2020 were as below:

Chart 1.6.2 Number of Licensed Driving Schools in Operations as at 30th June 2020



2.Registration and Licensing

2.1. Registration of Motor Vehicles

During the current Financial Year, 2019/20, the Authority was expected to deliver on its mandate to register motor vehicles as prescribed in the NTSA Act, 2012. The tables below summarize the FY2019/2020 total performance under the registration activities carried out during the financial year.

Table 2.1. Summary performance for Registration related services

Service Rendered	Motor Vehicles	Trailers	Motor Cycles	Total
New Registration	97,563	1,711	195,801	295,075
Transfers	185,430	2,421	133,486	321,337
De-registration	4	-	3	7
Re-registration	12	-	3	15
Duplicate Log Books	5,085	124	257	5,466
Discharges	35,503	1,002	234	36,739
Reflective No. Plates	2,131	56	371	2,558
Change of Particulars	10,226	94	50	9,107
Asset Finance	23,219	464	59	23,742
Total	359,173	5,872	330,264	694,046

Pie Chart 2.1 Composition of Registration Services Rendered during the FY 2019/20

Composition Registration Services Rendered in the Financial Year 2019-2020

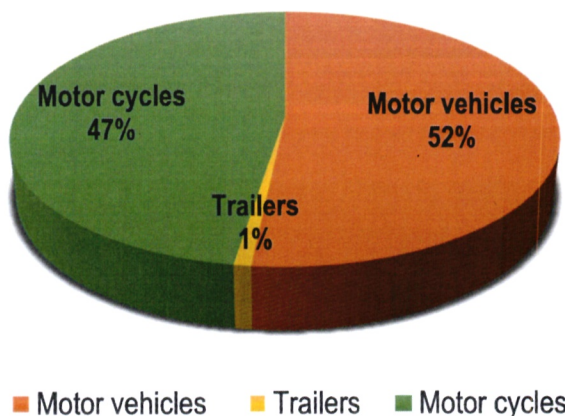
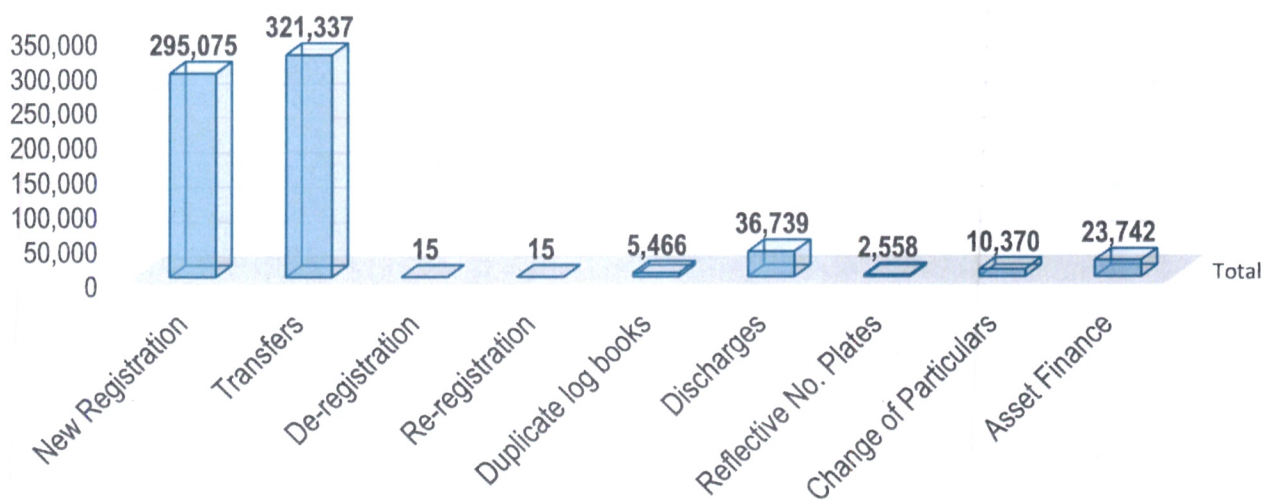


Chart 2.2 Summary of Registration Services Rendered during the FY 2019/20

Summary of Registration Services Rendered During the Financial Year 2019-2020



2.2 Licensing

During the Financial Year 2019/20, the Authority issued various licenses as summarized in the table below;

Table 2.2 Revenue Generated from Licenses issued during the FY 2019/20

	Performance Target	Actual FY2019/2020
1.	Road Service Licenses to PSV vehicles	Kshs.200,947,750
2.	PSV Badges	Kshs.95,885,800
3.	Third License Sticker (e-Sticker)	Kshs 138,563,600
4.	Smart Driving License to drivers	Kshs.654,792,000
5.	Foreign Motor Vehicle Permits	Kshs.70,705,660
6.	Conversion of Foreign License	Kshs.662,800
7.	Provisional Driving Licenses	Kshs.132,168,000
8.	New Motor Vehicle Dealers License	Kshs.508,800

The Authority is mandated to issue PSV badges and register SACCOS as per the Traffic Act. During the year under review, the number of PSV SACCOS operating in the country per region were as below;

Table 2.2 Number of PSV SACCOS during the FY 2019/20

	Region of Operation	No of SACCOS in Operation	Total No of Vehicles Operated by Sacco
1.	Nairobi	276	20,356
2.	Mombasa	44	5,114
3.	Nakuru	77	4,587
4.	Eldoret	74	5,332
5.	Kisumu	19	1,293
6.	Nyeri	25	2,633
7.	Meru	17	1,191
8.	Embu	12	1,194
9.	Kakamega	19	1,456
10.	Kericho	11	1,020
11.	Thika	48	3,766
12.	Machakos	15	1,152
	TOTAL	637	49,094

Chart 2.2 Number of PSV SACCOS during the FY 2019/20

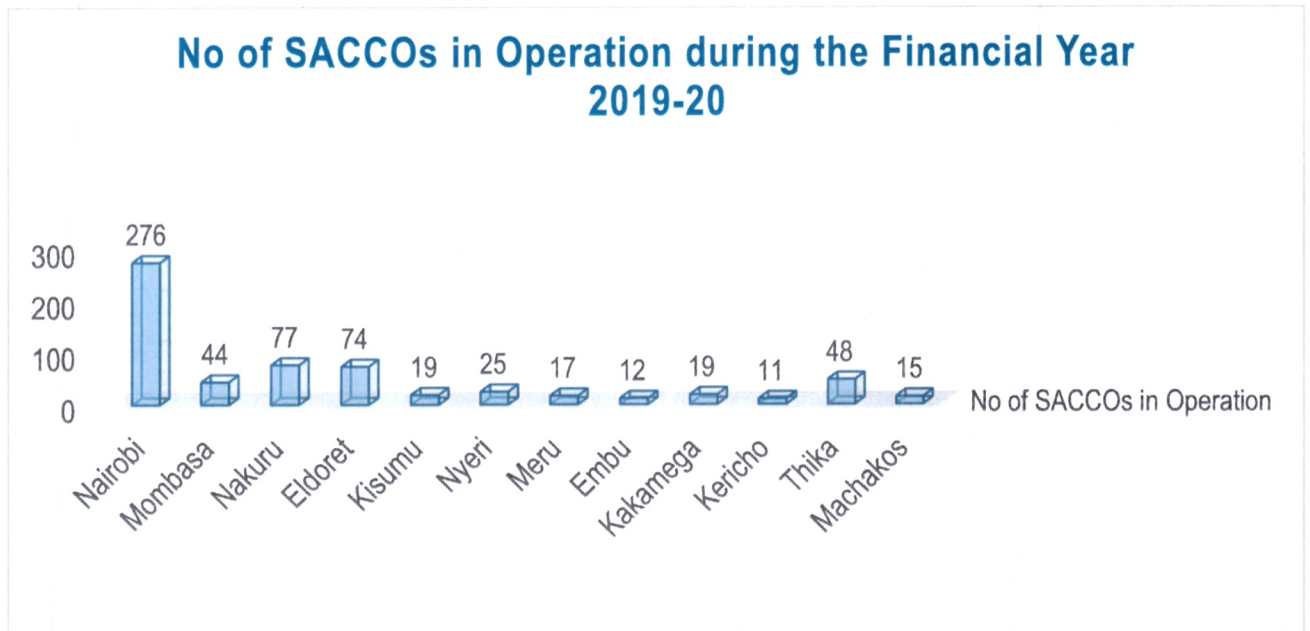
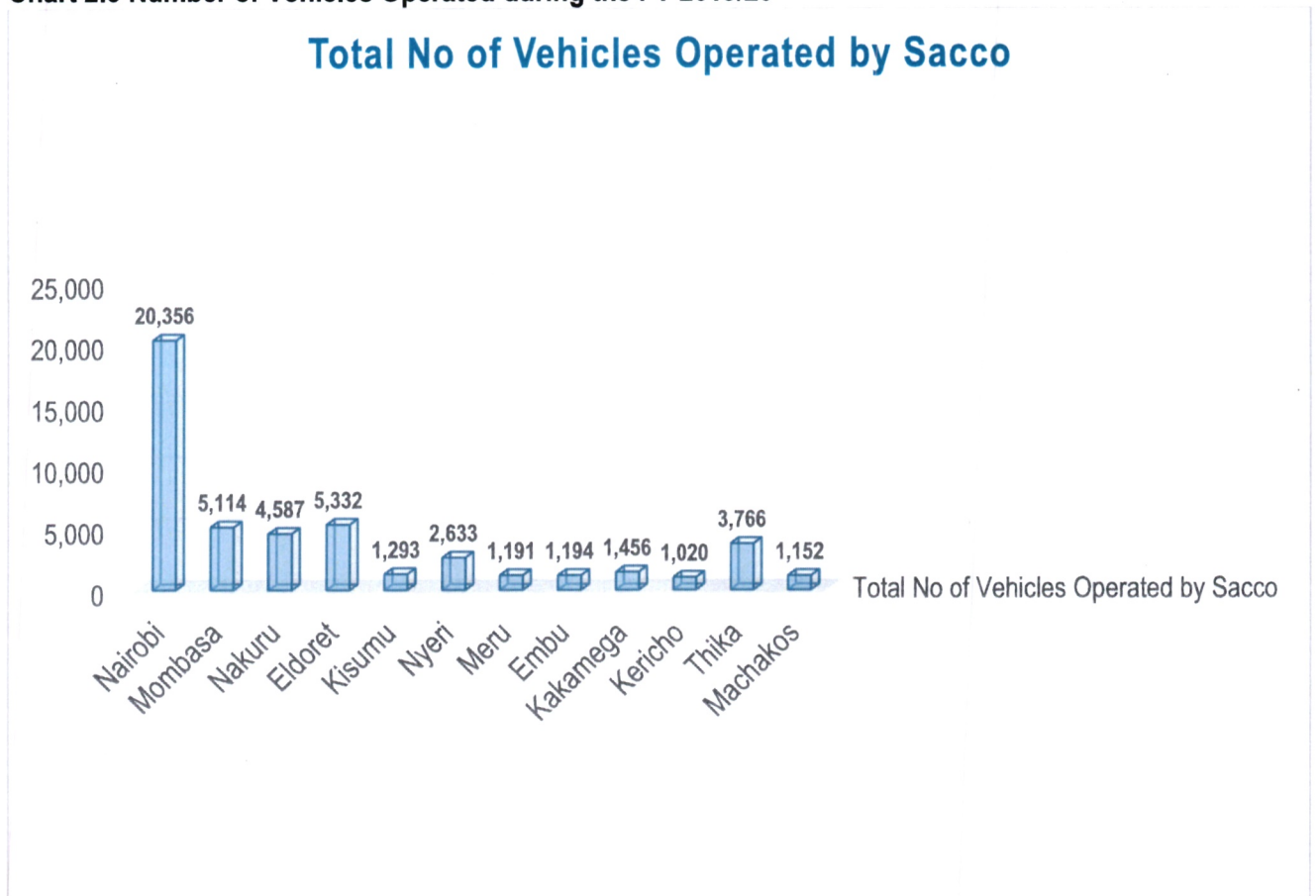


Chart 2.3 Number of Vehicles Operated during the FY 2019/20



3. Motor Vehicle Inspection and Safety Audit

3.1 Motor Vehicle Inspection

Motor vehicle inspection is one of the core mandate functions that The Authority undertakes to ensure the public service vehicles and commercial vehicles on the roads are road worthy. In an effort to enhance efficiency, the Authority automated the application process and partially commenced automated inspection with the support of the World Bank. To this end, the test lanes in Likoni and Miritini, in Mombasa inspection centre were automated.

During the year under review, the Authority inspected a total of 397,582 vehicles resulting in revenue collected from Motor Vehicle Inspection services of Kshs. **397.5M** against a target of **Kshs. 461M**. The number of Estickers issued during inspection however declined in the year under review from 130,415 stickers to 17,977 stickers. This was mainly because the E-stickers have a life span of 10 years and therefore most vehicles booked for inspection during the year already had a sticker.

The Authority's services were disrupted in the months of March to May 2020 by the COVID-19 pandemic which resulted in cessation of movement in and out of major towns of Nairobi and Mombasa. However, Motor vehicle inspection in the year surpassed the inspections in the previous FY 2018/19 as summarised in the table below.

COMPARATIVE MOTOR VEHICLES INSPECTED FOR THE FY2018/2019 AND FY2019/2020				
MONTH	Motor Vehicles Inspected		MVI E-Sticker Issued	
	FY2018/2019	FY2019/2020	FY2018/2019	FY2019/2020
July	34,115	39,847	28,3444	2,371
August	31,800	35,461	24,903	2,152
September	33,018	36,007	23,763	1,873
October	32,344	34,968	13,896	1,590
November	39,978	36,826	13,145	1,610
December	27,189	32,894	6,418	1,290
January	33,107	41,949	5,951	1,684
February	28,412	34,141	3,299	1,431
March	31,360	28,730	3,167	1,049
April	31,140	17,427	2,678	665
May	36,854	24,374	2,855	914
June	32,315	34,959	1,996	1,348
TOTAL	391,632	397,583	130,415	17,977

It is worth noting that the Authority undertakes motor vehicle inspection for vehicles involved in accidents free of charge. This implies that there is no revenue generated for the service.

3.2 Implementation of KS 372: 2019 Standard

Implementation of construction of buses under KS372:2019 standard started in July 2019. Below is a summary of the numbers of vehicle per class built to KS372:2019 Standard during the year ended 30th June 2020.

	CLASS I	CLASS II	CLASS III	CLASS IV	TOTALS
Jul-19	19	16	53	17	105
Aug-19	6	38	37	30	111
Sep-19	12	46	37	12	107
Oct-19	8	49	37	14	108
Nov-19	12	60	56	33	161
Dec-19	16	36	37	30	119
Jan-20	19	14	12	6	51
Feb-20	15	51	33	10	109
Mar-20	12	61	44	27	144
Apr-20	9	37	40	11	97
May-20	2	36	31	6	75
Jun-20	6	31	48	9	94
TOTAL	136	475	465	205	1281

3.3 Road Safety Audits.

During the financial year 2019/20, the Authority carried out road safety audits on the following road Projects in around the country.

Road Project	Project Status	County	Type of Audit
Outering Road Improvement Project	Post Construction	Nairobi	Pedestrian Safety compliance Audit
Kibwezi-Kitui Road	Post construction	Machakos	Road Safety Audit
Nakuru –Sigor B4	Existing road	Nakuru	Road Safety Audit
Kabarnet-Marigat B16	Existing Road	Baringo	Road Safety Audit
Kapsabet –Nandi hills C37	Existing Road	Nandi	Road Safety Audit
Kabrnet-Eldoret C51	Existing road	Baringo/Uasin-Gishu	Road Safety Audit

Kangudo Road –Njiru section	Existing road	Nairobi	Road safety Audit
Chania River & Muringato Bridges	Existing Bridge	Kiambu/Nyeri	Road Safety Audit
Red hill Waiyaki way Link Rd	On-going construction	Kimabu/Nairobi	Road safety Audit
Ngong Rd Phase I,ii,iii	Stage 4 and 5	Nairobi	Road safety Audit
Eastern Bypass Junction with Access to KAF premises	Existing road	Nairobi	Road safety Audit

All the above Audits were as a result of frequent fatal accident occurrences on the said roads except for Kibwezi-Kitui road which was requested by the Senate.

Implementation of Road Safety Audit Recommendations was a challenge. The authority will be proposing policy that makes undertaking Road Safety Audits for different types of road projects from planning to construction mandatory with time frames for implementation of recommendations. Emphasis on Road Safety Audits at Design stage.

3.4 Upgrading of motor vehicle inspection centres.

During the year the authority undertook rehabilitation of Miritini vehicle inspection centre. As at 30th June 2020, the project was 95% complete with the 5% completion delay caused by restriction of travel from April to June 2020 arising from of COVID-19 pandemic. Project completion dates was hence extended to 21st August 2020.

B) Compliance with statutory requirements

During the period under review there was no major non-compliance that may expose the Authority to potential contingent liabilities.

C) Key Projects/Investment Decisions the Authority is Implementing

Smart Driving License Project

During the Financial Year under review, the Authority continued the migration to the smart driving license. The DL has a biometric system that will facilitate capturing of driver details with the aim of profiling them. This data will help the Authority and any other key stakeholders profile drivers based on their behavior and driving history. Through its demerit point system, the Smart DL will go a long way in improving road safety by profiling drivers to keep good history. In addition, the DL has a payment wallet that will be used to pay for traffic fines.

The Authority issued **218,264** smart driving licenses during the year ended 30th June 2020. This number is significantly below the targeted number of 450,000 driver's licenses. The delay has been occasioned by disruption of services occasioned by the Covid -19 pandemic.

D) Major Risks Facing the Authority

The Authority is prone to risk because of the nature of its activities. These risks include credit and liquidity risk. Risk management is carried out by the management under policies approved by the board of directors. Management identifies, evaluates and where appropriate, hedges financial risks.

1. Credit Risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Authority.

The credit risk on bank balances and short-term deposits is limited because the counterparties are banks with high credit ratings assigned by the banking regulatory authority.

The Authority was not exposed to any credit risks during the year ended 30th June 2020.

2. Liquidity Risk

Liquidity risk is the risk that the Authority will encounter difficulty in meeting obligations associated with financial liabilities. The board has developed a risk management framework for the management of the Authority's short, medium and long-term liquidity requirements thereby ensuring that all financial liabilities are settled as they fall due. During the year under review, the Authority was exposed to liquidity risk arising from inadequate cash flow to meeting operational expenses' in the 4th quarter. This was as a result of declining AIA revenue collection occasioned by the disruption of service delivery due to the COVID-19 pandemic.

E) Material Arrears in Statutory/Financial Obligations

The Authority has no material arrears in statutory/financial obligations such as loan default, tax default, outstanding staff and pension obligations/actuarial deficit on pension schemes, non-payment of dividends and loan redemption to the National Exchequer.

F) The Authority's Financial Probity and Serious Governance Issues

There was no major financial improbity that has been reported by internal audit/Board audit committee, external auditors. There are also no other serious governance issues among the Board or member of the Board and top management.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

National Transport and Safety Authority exists to continuously improve on road safety for all users through planning, managing and regulating the road transport system transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to delivery our strategy, which is founded on four strategic pillars: Service orientation, internal business processes. People focus and financial sustainability. Below is a brief highlight of our commitment in each pillar.

1. Environmental Performance

NTSA as an employer has a primary duty under Occupational Health, & Safety Act-OSHA 2007 and Environmental Management and Coordination Act (EMCA 1999) to "take every precaution reasonable in the circumstances for the protection of a worker and the natural environment". In order to fulfil these regulatory requirements; NTSA has developed a Safety, Health and Environment policy document which outlines the policy framework under which Safety, Health and Environment is managed. The policy has the following objectives;

- a) Zero injuries, fatalities and Occupational illnesses.
- b) Minimizing negative impact to the environment
- c) Zero damage to property and/or equipment

2. Market Place Practices

- a) Responsible competition practice; The Authority has automated all the services on the Transport Integrated Management Systems (TIMS) an online self-service portal where clients create and manage their own individual accounts by using their personal information. As outlined in the Authorities Service Charter, the services offered indicate the costs and timelines for acquiring the services thereby managing customer expectations regarding the delivery of services, standards of quality and conflict resolution. The Authority undertakes all its activities in an ethical manner and in line with the requirement of relevant laws and regulations.
- b) Responsible supply chain and supplier relations; The Authority is guided by the Public Procurement Regulatory Act 2015 when undertaking our procurement processes. We respect our suppliers and give equal opportunity to all without discrimination (gender or disability). Our procurement processes are transparent and our suppliers are paid within the stipulated timelines.
- c) Responsible marketing and advertisement; All Authority's the content and messages are designed to meet the needs of the stakeholder. In it design all copy rights laws are respected. In media buying, the Authority is guided by the Government Advertising Agency (GAA)

3. Community Engagements

During the FY 2019/2020, the Authority participated in various community engagements activities such as the Standard Chartered Marathon, community clean up exercise in Upper hill, partnership with Emergency plus medical services for first aid training during the WDR pre event activities as well as partnership with UN Habitat, KURA, Matatu welfare association among others on the launch of the public transport vehicles spreading COVID-19 messages.

REPORT OF THE DIRECTORS

The Board of Directors are pleased to submit the Authority's annual report together with the financial statements for the year ended 30 June, 2020 which shows the state of the Authority's affairs

AUTHORITY'S The principal activities of the Authority include:

- i. Register and license motor vehicles.
- ii. Conduct motor vehicle inspection and certification.
- iii. Regulate public service vehicles.
- iv. Advise the Government on national policy with regard to road transport sector.
- v. Develop and implement road safety strategies.
- vi. Facilitate the education of members of the public on road safety.
- vii. Conduct research and audits on road safety.
- viii. Compile inspection reports relating to traffic accidents.
- ix. Establish systems and procedures for, and oversee the training, testing and licensing of drivers; and
- x. Formulate and review the curriculum of driving schools.

Results

The results of the Authority for the year ended 30 June, 2020 are set out on pages 1-31

Directors

The members of the Board of Directors who served during the year are listed on pages (v) to (ix).

Dividends/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 (FY19/2020) and hence no remittance to the Consolidated Fund.

Auditors

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

By Order of the Board



Lawrence Kibet
Corporate Secretary
Nairobi

Date: 07/04/2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 51 of the National Transport and Safety Act, 2012 require the Directors to prepare financial statements in respect of that Authority, which give a true and fair view of the state of affairs of the Authority at the end of the financial year and the operating results of the Authority for that year. The Directors are also required to ensure that the Authority keeps proper accounting records which disclose with reasonable accuracy the financial position of the National Transport and Safety Authority. The Directors are also responsible for safeguarding the assets of the Authority.

The Directors are responsible for the preparation and presentation of the Authority's financial statements, which give a true and fair view of the state of affairs of the Authority for and as at the end of the financial year ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Authority; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Authority; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the National Transport and Safety 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 NTSA Act 2012). The Directors are of the opinion that the Authority's financial statements give a true and fair view of the state of National Transport and Safety Authority transactions during the financial year ended June 30, 2020, and of the Authority's financial position as at that date. The Directors further confirm 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.

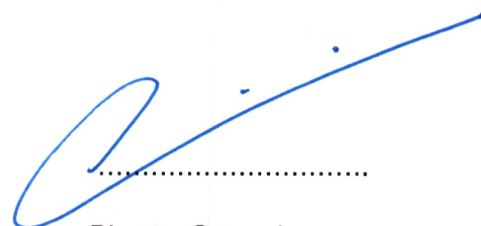
Nothing has come to the attention of the Directors to indicate that the Authority will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Authority's financial statements were approved by the Board on _____ 2020 and signed on its behalf by:

.....

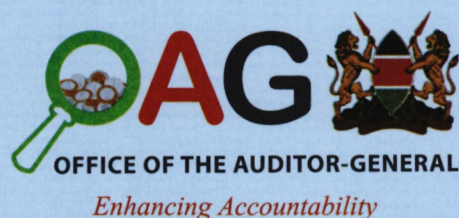

Chairperson of the Board

.....


Director General

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL TRANSPORT AND SAFETY AUTHORITY FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Transport and Safety Authority set out on pages 1 to 35, which comprise the statement of financial position as at 30 June, 2020, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Transport and Safety Authority as at 30 June, 2020 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 National Transport and Safety Authority Act, 2012.

Basis for Qualified Opinion

1. Revenue from Rendering of Services

The statement of financial performance reflects revenue from exchange transactions on rendering of services totalling Kshs.1,503,860,348 for the year ended 30 June, 2020. As disclosed in Note 8 (i) to the financial statements, the amount includes revenue from rendering of services collected by the Kenya Revenue Authority (KRA) of Kshs.415,278,318 and transfers from E-citizen of Kshs.1,083,391,775, all totalling Kshs.1,498,670,093. Although the National Transport and Safety Authority received revenue collected by third party entities, namely E-Citizen and KRA, contracts or service agreements signed between the service providers (third parties) and the Authority were not provided for audit review.

Consequently, the accuracy, completeness and validity of receipts totalling Kshs.1,498,670,093 relating to revenue from rendering of services for the year ended 30 June, 2020 could not be ascertained.

2. Unsupported Revenue from Foreign Motor Vehicle Travel Permits Fees

The revenue earned from rendering services of Kshs.1,503,860,348 includes an amount of Kshs.70,705,660 relating to foreign motor vehicle travel permit fees. The fee payable by the applicants for the permits was dependent on the duration of the applicants' stay within the country and the engine capacity of the vehicles used. However, supporting documents including form C32 or Carnet used for applications and renewal of the permits as well as reconciliations of the permits applied for, permits issued and the revenue received were not provided for audit verification.

Consequently, the completeness and accuracy of the revenue amount of Kshs.70,705,660 in respect of foreign motor vehicle travel permits fees could not be confirmed.

3. Long Outstanding Receivables

The statement of financial position reflects an amount of Kshs.92,605,875 under receivables from exchange transactions which, as disclosed in Note 16 to the financial statements, includes an amount of Kshs.37,835,028 relating to revenue collections through e-Citizen. The latter balance includes an amount of Kshs.32,469,685 which has been outstanding since March, 2015. No satisfactory explanation was provided for failure to collect the long outstanding amount.

Consequently, the recoverability of the long outstanding receivable of Kshs.32,469,685 is, therefore, doubtful.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Transport and Safety 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 are no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matters

Various prior year audit issues remained unresolved as at 30 June, 2020. Management has not provided reasons for the delay in resolving the prior year audit issues. Further, the unresolved prior year issues are not disclosed under the progress on follow up of auditor's recommendations section of the financial statements as required by the Public Sector Accounting Standards Board.

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 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 those Charged with Governance

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 sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the 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.

Those charged with governance are responsible for overseeing the Authority's financial reporting process, reviewing the effectiveness of how the entity 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 review of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 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 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 sustaining 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 the 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.


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

09 November, 2021

Report of the Auditor-General on National Transport and Safety Authority for the year ended 30 June, 2020

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2019-2020 Kshs	2018-2019 Kshs
Revenue from Non-Exchange Transactions			
Transfers from Ministry - Grants and other Authorities	7	421,000,000	421,400,000
EU Grant Transferred through the State Dept. of Interior & Coordination of National Government	7(ii)	31,248,308	-
		452,248,308	421,400,000
Revenue from Exchange Transactions			
Rendering of Services	8 (i)	1,503,860,348	1,873,420,733
		1,503,860,348	1,873,420,733
TOTAL REVENUE		1,956,108,656	2,294,820,733
Expenses			
Use of Goods & Services	9	73,581,367	69,627,236
Employee Costs	10(ii)	1,095,054,691	1,050,725,415
Depreciation & Amortization expense	11	245,409,569	75,653,727
Repairs & Maintenance	12	4,331,656	6,215,967
General Expenses (Operating Expense)	13(i)	845,171,773	1,054,376,096
Remuneration of Directors (Board Expenses)	14	31,300,204	23,409,878
TOTAL EXPENSES		2,294,849,261	2,280,008,319
Surplus/(deficit) for the period		(338,740,605)	14,812,414
Balance as at 1st July 2019		(119,819,695)	(134,632,109)
Balance as at 30th June 2020		(458,560,300)	(119,819,695)

The notes set out on pages 7 to 32 form an integral part of these Financial Statements

National Transport and Safety Authority (NTSA)
Annual Reports and Financial Statements
For the year ended June 30, 2020

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

ASSETS	Note	2019-2020	2018-2019
Current Assets		KShs	KShs
Cash and Cash Equivalents	15	144,351,739	212,936,095
Receivables from Exchange Transactions	16	92,605,875	218,849,859
Rental Lease Deposit	17	26,174,315	26,174,315
Retention Fee	18	30,855,884	5,023,070
Prepayments	19	34,003,218	202,902,171
Inventory	20	682,022,616	271,554,918
Staff Debtors	21	1,619,200	2,871,050
		1,011,632,847	940,311,478
Non Current Assets			
Property, Plant and equipment	22	1,014,042,158	614,075,159
Intangible Assets	23	287,539,342	431,309,012
		1,301,581,500	1,045,384,171
TOTAL ASSETS		2,313,214,348	1,985,695,650
LIABILITIES			
Current Liabilities			
Staff Gratuity	24(i)	7,265,033	32,030,354
Retention Payable	18	30,855,884	5,023,070
Creditors	24(ii)	143,477,281	218,875,070
Cash Bail Deposits Payable	25	112,724	-
Provision for Contingent Liabilities-Legal	26	67,509,043	69,616,443
TOTAL LIABILITIES		249,219,965	325,544,937
NET ASSETS			
Capital Reserves	27	789,624,533	447,040,258
Government Reserve	28	1,661,811,903	1,261,811,903
Revaluation Reserve	29	71,118,247	71,118,247
Accumulated Surplus		(458,560,300)	(119,819,695)
		2,063,994,383	1,660,150,713
TOTAL NET ASSETS AND LIABILITIES		2,313,214,348	1,985,695,650

The Financial Statements set out on pages 1 to 32 were signed on behalf of the Board of Directors by:

Director General

Name:

Date:

George Njoro
7/4/2021

Head of Finance

Name *ELIZABETH MBATI*
 ICPAK Member Number: *13095*

Date:

7/4/21

Chairman of the Board

Name:

Date:

Agnes Odhiambo
AGNES ODHIAMBO
7/4/2021

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2020

	Capital Reserves Kshs	Government Reserves Kshs	Revaluation Reserves	Accumulated Surplus Kshs	TOTAL Kshs
Balance as at 1st July, 2018	532,013,180	961,811,903	71,118,247	(134,632,109)	1,430,311,2
ADD					
Revaluation of Motor Vehicles		-	-		
Donations	(84,972,922)				(84,972,9
Transfer of Development Funds from Ministry-State Dept. of Interior & Coordination of National Govt.		300,000,000			300,000,0
Surplus/(deficit) for the period				14,812,414	14,812,4
Balance as at 30th June 2019	447,040,258	1,261,811,903	71,118,247	(119,819,695)	1,660,150,7
Balance as at 1st July, 2019	447,040,258	1,261,811,903	71,118,247	(119,819,695)	1,660,150,7
ADD					
Donations	342,584,275				342,584,2
Transfer of Development Funds from Ministry-State Dept of Interior & Coordination of National Government		400,000,000			400,000,0
Surplus/(deficit) for the period	-	-	-	(338,740,605)	(338,740,6
Balance as at 30th June 2020	789,624,533	1,661,811,903	71,118,247	(458,560,300)	2,063,994,3

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2019-2020 Kshs	2018-2019 Kshs
Cash flows from Operating Activities			
Receipts			
Government Grants and Subsidies	7	421,000,000	421,400,000
Transfer of Development funds from Ministry-State Dept. of Dept. of Interior & Coordination of National Govt.	7	400,000,000	300,000,000
Receipts for EU Project	7(ii)	31,248,308	-
Transfer from The National Treasury for Payment of NUTRIP Project Suppliers	7	-	36,000,000
Cash Bail Deposits Payable	25	112,724	-
Revenues through Direct Deposit, KRA & e-Citizen	8(iii)	1,514,563,648	1,809,441,786
		2,366,924,679	2,566,841,786
Payments			
Use of Goods	9	71,594,921	73,777,412
Compensation of Employees	10(ii)	1,025,447,589	968,564,857
General Expenses	13(ii)	747,812,522	918,304,484
Board Expenses	14	31,300,204	23,409,878
Prepayments	19	-	-
Staff Debtors	21	1,619,200	2,871,050
Other Expenses	30	416,419,104	335,167,818
		2,297,652,753	2,322,095,500
Net Cash flows from Operating Activities		69,271,926	244,746,287
Cash flows from Investing Activities			
Purchase of Property, Plant & Equipment	31	137,856,282	110,888,694
Net Cash flows used in Investing Activities		137,856,282	110,888,694
Net Increase/(decrease) in Cash and Cash Equivalents		(68,584,356)	133,857,593
Cash and Cash equivalents as at 1 July 2019		212,936,095	79,078,502
Cash and Cash Equivalents as at 30 June 2020		144,351,739	212,936,095

***National Transport and Safety Authority (NTSA)
Annual Reports and Financial Statements
For the year ended June 30, 2020***

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2020

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Variance
	2019-20	2019-20	2019-20	2019-20	2019-20	2019-20
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Revenue						
Government Grants and subsidies	821,000,000	-	821,000,000	821,000,000	-	-
Rendering of services	1,639,000,000	219,196,617	1,858,196,617	1,503,860,348	(354,336,269)	19
Other Revenue	600,000,000	(80,032,678)	519,967,322	399,358,711	(120,608,611)	23
Total income	3,060,000,000	139,163,939	3,199,163,939	2,724,219,059	(474,944,880)	15
Expenses						
Compensation of employees	1,004,900,000	-	1,004,900,000	1,013,829,150	(8,929,150)	(1)
Goods and Services	934,300,000	52,196,617	986,496,617	1,035,610,543	(49,113,926)	(5)
Other payments	1,120,800,000	86,967,322	1,207,767,322	863,401,430	344,365,892	29
Total Expenditure	3,060,000,000	139,163,939	3,199,163,939	2,912,841,122	286,322,817	9
Surplus for the period	-	-	0	(188,622,063)	(188,622,063)	

RECONCILIATION STATEMENT ON COMPARISON OF BUDGET AND ACTUAL AMOUNTS

RECONCILIATION STATEMENT	
Particulars	Total (Kshs)
Reported Surplus as per Statement of Budget as at 30 June 2020	(188,622,063)
Add Back	
Capital Expenditure in Statement of Budget	863,401,430
Adjusted Surplus	674,779,366
Less: Non-Cash Transactions in the Statement of Performance	
Depreciation charge & Amortization expense	245,409,569
Total Non-Cash Transactions	245,409,569
Adjust for Development Grant	
Development Partner funding	368,110,403
Grant from State Dept. of Dept. of Interior & Coordination of National Govt.	400,000,000
Total Development Grant	768,110,403
Sub-Total Non-Cash and Total Development Grant	1,013,519,972
Surplus for the period as per Statement of Performance as at 30 June 2020	(338,740,605)

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

National Transport and Safety Authority is established by and derives its authority and accountability from National Transport & Safety Authority Act of 2012. The Authority is wholly owned by the Government of Kenya and is domiciled in Kenya. The Authority's principal activity is to advise and make recommendations on matters relating to road transport and safety; implement policies relating to road transport and safety; plan, manage and regulate the road transport sector in accordance with the provisions of the act; ensure the provision of safe, reliable and efficient road transport service; and administer the Act of Parliament set out in the First Schedule and any other written law

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. 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.

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2020

Standard	Impact
IPSAS 40: Public Sector Combinations	<p>Applicable: 1st January 2019</p> <p>The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations.</p> <p>The Authority evaluated the impact of this new standard and noted that it had no impact on the Authority's financial statements.</p>

***National Transport and Safety Authority (NTSA)
Annual Reports and Financial Statements
For the year ended June 30, 2020***

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 ADOPTION OF NEW AND REVISED STANDARDS (Continued)

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2022: 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 Authority's future cash flows. 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 Authority's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p>The Authority evaluated the impact of this new standard and noted that it had no impact on the Authority's financial statements.</p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2022 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Authority 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 Authority; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Authority's financial performance, financial position and cash flows.

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Standard	Effective date and impact:
	<p>The Authority evaluated the impact of this new standard and noted that it had no impact on the Authority's financial statements.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2022:</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>The Authority evaluated the impact of this new standard and noted that it had no impact on the Authority's financial statements.</p>
<p>Other Improvements to IPSAS</p>	<p>Applicable: 1st January 2021:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets. d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard

iii. Early Adoption of Standards

The Authority did not early – adopt any new or amended standards in year 2020.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue Recognition

i) Revenue from Non-Exchange Transactions

Fees, taxes and fines

The Authority 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 Authority 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 Authority 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 Authority recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. In this context. NTSA revenues consist of the following government approved Appropriation in Aid (AIA) revenue streams including actual receipts during the financial year 2019/2020 as below:

NTSA AIA REVENUE FOR THE FINANCIAL YEAR 2019/2020

NO.	REVENUE STREAM	TOTAL RECEIPTS (KSHS)
1.	Road Service License	200,947,750
2.	Sale of Number Plates	456,891,968
3.	Driver Test Booking	140,925,250
4.	Motor Vehicle Inspection	397,582,500
5.	Foreign Motor Travel Permits	70,705,660
6.	Sale of PSV Badges.	95,885,800
7.	e-Sticker (RFID)	138,549,600
8.	Other Revenues	2,371,820
9.	Receipts for European Union Project	31,248,308
	TOTAL REVENUE	1,535,108,656

These are generated by rendering the services of motor vehicle inspection, sale of Road Service Licenses, sale of number plates, test booking of prospective drivers & instructors, sale of PSV badges, e-Stickers, new curriculum and charges for foreign travel permits.

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

Sale of Goods

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

b) Budget information

The original budget for FY 2019-2020 was approved by the National Assembly on 28th June, 2019. 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 Authority upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Authority recorded additional appropriations of Kshs. 139,163,939 on the 2019-2020 budget following the governing body's approval.

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented in page 6 of these financial statements.

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i) EXPLANATORY STATEMENT ON BUDGET CHANGES

	Original Budget	Adjustments	Final Budget	Remarks
Rendering of Service	1,639,000,000	219,196,617	1,858,196,617	The 2019/20 Printed Estimates provided for AIA that was below the actual collection of the previous FY 2018/19 hence the need to adjust the budget to reflect a prudent collection target.
Other Revenue	600,000,000	(80,032,678)	519,967,322	The reduction was in line with projected revenue from Development Partners.

ii) EXPLANATORY NOTES ON DIFFERENCES BETWEEN ACTUAL AND BUDGETED AMOUNTS (OVER/UNDER 10%)

	Final Budget	Actual on Comparable Basis	Performance Variance	Remarks
Other payments	1,207,767,322	863,401,430	344,365,892	The under absorption was occasioned by delayed certification of on-going projects during the FY due to Covid -19 restrictions. These includes the Data Recovery Site (Donor Funded) and the Smart Driving License projects (GOK Funded). This was a result of inadequate funding for the projects.

c) 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 Authority 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.

d) Leases

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

e) 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.

f) 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.

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 Authority.

g) Provisions

Provisions are recognized when the Authority 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 Authority 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.

Contingent liabilities

The Authority 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)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The contingent liabilities recognised in the books relate to legal services rendered as disclosed in Note 30.

Contingent assets

The Authority 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 Authority 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.

The Authority discloses that it is currently undertaking motor vehicle inspection in seventeen (17) centers across the country which were handed over to NTSA in December 2013. Despite initiating the process of acquisition, titles for these parcels have not been received to confirm ownership

h) Nature and purpose of reserves

The Authority creates and maintains reserves in terms of specific requirements. The Authority maintains the following reserves:

- a) Capital Reserves
- b) Government Reserves
- c) Revaluation Reserves and
- d) Accumulated Surplus

i) Changes in accounting policies and estimates

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

j) Employee Benefits

Retirement benefit plans

The Authority provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Authority pays fixed contributions into a separate Authority (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.

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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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

k) 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.

l) Related parties

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

m) 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.

The NTSA bank accounts in existence are shown below:

Ref	Account Name	Account No.	Opening Date	Bank
1	National Transport & Safety Authority	1141386534	12 th July, 2013	KCB
2	National Transport & Safety Authority	1180379527	7 th April, 2016	KCB
3	National Transport & Safety Authority	1206870842	6 th March, 2017	KCB
4	National Transport & Safety Authority- USD A/C	1216217998	5 th September, 2017	KCB
5	National Transport & Safety Authority-EU Project A/C	1266570756	1 st November, 2019	KCB
6	National Transport & Safety Authority	01060202394100	30 th October 2017	NBK
7	National Transport & Safety Authority	01060202394300	30 th October 2017	NBK

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Comparative figures

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

o) 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, 2020.

5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and Assumptions

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

Useful lives and Residual Values

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

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

5 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 13.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

6 FINANCIAL RISK MANAGEMENT

The Authority's activities expose it to a variety of financial risks including credit and liquidity. Risk management is carried out by the management under policies approved by the board of directors. Management identifies, evaluates and where appropriate, hedges financial risks.

i) Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Authority.

The credit risk on bank balances and short term deposits is limited because the counterparties are banks with high credit ratings assigned by the banking regulatory authority. The carrying amount of financial assets recorded in the financial statements that represents the Authority's maximum exposure to credit risk obtained is as follows:

	Fully performing	Past due	Impaired	Total
	Kshs	Kshs	Kshs	Kshs
At 30th June 2020				
Trade receivables	92,605,875	Nil	Nil	92,605,875
Bank balances	175,272,723	Nil	Nil	175,272,723
At 30th June 2019				
Trade receivables	218,849,859	Nil	Nil	218,849,859
Bank balances	212,936,095	Nil	Nil	212,936,095

ii) Liquidity Risk

Liquidity risk is the risk that the Authority will encounter difficulty in meeting obligations associated with financial liabilities. The board through the Audit Committee has developed a risk management framework for the management of the Authority's short, medium and long-term liquidity requirements thereby ensuring that all financial liabilities are settled as they fall due. The Authority manages liquidity risk by continuously reviewing forecasts and actual cash flows.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

The table below represents financial liabilities payable by the Authority under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 Month	Between 1-3 Months	Between 4-12 Months	Over 12 Months	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
At 30th June 2020					
Trade Payables	80,606,441	0	19,226,638	17,326,995	117,160,074
Payroll deductions	26,317,207	0	0	0	26,317,207
Retention	0	0	30,855,884	0	30,855,884
Gratuity payable	0	0	0	7,265,033	7,265,033
Total	106,923,648	0	50,082,522	24,592,028	181,598,198
At 30th June 2019					
Trade Payables	147,078,959	13,811,424	0	40,780,333	201,670,716
Payroll deductions	17,204,354	0	0	0	17,204,354
Retention	0	0	0	5,023,070	5,023,070
Gratuity payable	619,002	1,238,001	5,571,009	24,602,342	32,030,354
Total	164,902,315	15,049,425	5,571,009	70,405,745	255,928,494

With the exception of staff gratuity which is paid at the end of the contract and an ongoing project account transaction, the Authority paid all outstanding creditors in full within the first Quarter of the FY2020-21

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

		2019/20	2018/2019
		Kshs	Kshs
7	Transfers Ministries, Department & Agencies		
	Operational Grant- Ministry/State Department of Interior	421,000,000	421,400,000
	Development Grant from Ministry/State Dept. of Interior	400,000,000	300,000,000
(ii)	Receipts for EU Project	31,248,308	-
	Total Government Grants	852,248,308	721,400,000
8	Rendering of Service		
(i)	Revenue collected through KRA:	415,278,318	468,600,400
	Direct Deposits	5,190,255	7,654,939
	Transfers from E- Citizen	1,083,391,775	1,361,165,395
		1,503,860,348	1,837,420,733
(ii)	Other Income		
	Receipts for NUTRIP Project		36,000,000
	Total Other Income	-	36,000,000
	Total Revenue	1,503,860,348	1,873,420,733
	Rendering of Service-Cash Flow		
(iii)	Revenue collected through KRA:	415,278,318	468,600,400
	Direct Credits	5,190,255	7,654,939
	Revenue collected through E-Citizen:	1,083,391,775	1,361,153,620
	Less: Accrued Revenue Receivable	(60,098,390)	(70,839,490)
	Add:2018/19 Revenue Received	70,839,490	42,872,318
	Cash inflow	1,514,563,648	1,809,441,786
9(i)	USE OF GOODS & SERVICES		
	Electricity & Water-Utilities supplies & services	14,745,208	12,358,693
	Contracted Guards & Cleaning Services	43,173,764	42,322,024
	Contracted Professional Services	12,908,921	13,429,285
	Membership Fees & Subscription	2,753,474	1,517,234
	Total Use of Goods & Services Expense	73,581,367	69,627,236
	Total Use of Goods & Services Expense	73,581,367	69,627,236
	Less: Accrued Costs	(3,331,046)	(1,344,600)
	Add:2018/19 FY Creditors settled	1,344,600	5,494,776
(ii)	Total Cash Expense on Use of Goods & Services	71,594,921	73,777,412

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		Kshs	Kshs
10	EMPLOYEE COSTS		
	Salaries and Wages(Cash)	926,158,063	882,638,880
	Employee related costs - Contribution to pension costs	82,085,172	85,925,977
	Gratuity accrued to contracted staff	5,841,546	7,428,012
		1,014,084,781	975,992,869
	Accrued - Staff Costs	26,317,207	17,204,354
	Total Staff Costs	1,040,401,988	993,197,223
	Travel, Accommodation, Subsistence and Other Allowances	54,652,703	57,528,192
(i)	Total Employee Costs	1,095,054,692	1,050,725,415
	Total Staff Costs	1,040,401,989	993,197,223
	Less: Accrued Costs & Gratuity	(32,158,753)	(24,632,366)
	Add:2018/19 FY Creditors settled	17,204,354	-
(ii)	Total Cash Employee Costs	1,025,447,589	968,564,857
11	DEPRECIATION & AMORTIZATION EXPENSE		
	Description		
	Property, Plant & Equipment	101,639,898	75,653,727
	Intangible Assets	143,769,671	0
	Total Repairs & Maintenance	245,409,569	75,653,727
12	Repairs and Maintenance		
	Vehicles	4,274,056	5,845,087
	Office Furniture & Equipment, maintenance of Computer, software & networks	57,600	370,880
	Total Repairs & Maintenance	4,331,656	6,215,967
	Less: Accrued Vehicles	-	-
	Accrued Office Furniture & Equipment, maintenance of Computer, software & networks expenses	-	-
	Total Repairs & Maintenance	4,331,656	6,215,967

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

13(i)	General Expenses	2019/20 Kshs	2018/2019 Kshs
	a.) Technical Operational Costs		
	Smart-Card Driving License Expense	58,145,342	34,200,655
	Printing of Number Plates	286,073,400	313,699,728
	Printing of Third License Stickers	73,730,000	105,222,540
	Specialised Materials & Supplies	24,734,972	28,476,544
	b.) Administrative Costs		
	Rents & Rates (Non-Residential)	126,699,501	132,725,672
	Medical Insurance & Group Life	123,420,586	128,084,888
	Hire of Transport, Equipment & Space		-
	Refined Fuels and Lubricants	6,999,394	8,618,692
	Motor Vehicle Insurance & Other Assets Insurance	6,430,863	3,625,868
	Internet, Telephone & Postal Services	30,881,045	32,512,809
	c.) Other Operational Costs		
	Conference, Hospitality, Suppliers & Services	13,195,977	17,596,479
	County Committees & Safety Strategies Expenses	1,177,400	3,440,449
	Training & Membership Fee	35,751,570	20,914,610
	Bank Service and Commission Charges	1,551,522	1,556,191
	Publicity, Printing, Advertising & Information Supply Services	19,861,784	29,940,852
	Legal Fees	5,789,011	6,997,239
	General Office Supplies (Operations)	27,625,480	28,972,767
	Remission to National Treasury	-	52,241,724
	Provision for Legal Services	-	69,616,443
	20% Counter party NUTRIP Project Expense	-	35,931,947
	Write off of spoilt RFID Stickers & PSV Badges	3,103,926	-
	Foreign Exchange Loss	-	-
	Total General Expenses	845,171,773	1,054,376,096
(ii)	Total Cash Flow Movement		
	Total General Expenses	845,171,773	1,054,376,096
	Less: Creditors & Stores Movement	(278,243,760)	(318,072,780)
	Add:2018/19 FY Creditors settled	184,343,721	182,001,169
	Cash Payments	751,271,734	918,304,484

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14	BOARD EXPENSES	2019/20	2018/2019
(i)	REMUNERATION OF DIRECTORS	Kshs	Kshs
	Chairman's Honoraria & related expenses	960,000	960,000
	Directors Emoluments	22,857,503	13,863,364
	Other Allowances (Travel & Subsistence)	2,271,708	2,031,023
	Total Directors Emoluments	26,089,212	16,854,387
(ii)	OTHER DIRECTORS COSTS		
	Training expenses	2,585,766	4,415,455
	Conferences & seminars	2,625,227	2,140,036
	Total	5,210,993	6,555,492
	Total Board Expenses	31,300,204	23,409,878
15	Cash and Cash equivalents		
	KCB Operations	12,501,816	28,463,482
	KCB Capital A/C	99,429,027	180,512,571
	KCB Revenue A/C	212,149	12,934
	KCB Dollar A/C	666,395	3,814,166
	KCB EU A/C	31,348,308	
	NBK-Traffic Fines Revenue A/C		-
	NBK-Cash Bails Deposit A/C	112,724	112,724
	Cash-on-hand	81,320	20,219
	Total Cash and Cash Equivalents	144,351,739	212,936,095
16	Receivable from Exchange Transactions		
	May and June, 2020 revenue collections due from KRA	46,693,538	41,654,562
	Receivable from Non- Exchange Transactions		107,500,000
	Revenue collection through e citizen	37,872,828	61,655,788
	Garsu Pasaulis-Refund of Taxes & Port Charges	8,039,509	8,039,509
		92,605,875	218,849,859

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17	Rental Lease Deposit Deposit for operational lease relates to deposit on Leasehold property of Hill Park Building, Hifadhi and Kenstrel in Mombasa	26,174,315	26,174,315
18	Retention Fee Balance as at 1/7/2019	5,023,070	
	Nelliwa Builders & Civil Engineers Ltd	(2,913,090)	5,023,070
	National Bank of Kenya	23,503,208	
	Mymac	263,030	
	Daya	4,979,665	
	Total	30,855,884	5,023,070
19	PREPAYMENTS	2019-20	2018-2019
		Kshs	Kshs
	Balance as at 1/7/2019	202,902,171	442,367,012
	Recovered from interim certificates - Nelliwa		(5,980,100)
	Total - Nelliwa	202,902,171	436,386,912
	Daya	3,310,473	
	National Oil	1,600,000	
	Liason Group (I.B) Limited	689,268	
	Consolidated Insurance Brokers Limited	144,477	
	Pelican Insurance Brokers (K) Ltd	3,646,615	
	National Bank of Kenya- (65% Advance Recovered)	(152,089,773)	(282,452,436)
	Medical Insurance (HP Group Life)	(4,894,916)	4,894,916
	Medical Insurance (Britam)	(1,620,148)	24,387,831
	Assets Insurance (Pelican)	(3,625,869)	3,625,869
	Rent (Bawan)	(16,059,079)	16,059,079
	Sub-Total	(168,898,953)	(233,484,741)
	Total Prepayments	34,003,218	202,902,171

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20	INVENTORY	Kshs	Kshs
	Number Plates	25,818,120	4,678,512
	Specialised Materials & General Office	656,204,496	266,876,406
		682,022,616	271,554,918
21	STAFF DEBTORS		
	Outstanding Imprest	1,619,200	2,871,050
	Total Staff Debtors	1,619,200	2,871,050

NOTES TO THE FINANCIAL STATEMENTS (Continued)

22. PROPERTY, PLANT AND EQUIPMENT

	BUILDINGS	M/ VEHICLES	M/ CYCLES	COMPUTER EQUIP.	INTANGIBLE ASSET	OTHER EQUIP.	FURNITURE & FIXTURES	WORK IN PROGRESS	TOTAL
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
COST OR VALUATION									
At 1 July 2018	-	243,940,721.38	30,046,680.00	331,206,900.05	-	177,947,822.58	171,272,983.88	253,866,725.79	1,208,281,833.68
Additions		-		53,545,491.72	431,309,013.00	828,799.86	37,677,857.46	18,836,544.90	542,197,706.94
Revaluation									-
Disposals			(30,046,680.00)	(39,750,000.00)		(72,328,000.00)			(142,124,680.00)
Transfers/Adjustments									-
At 30 June 2019	-	243,940,721.38	-	345,002,391.77	431,309,013.00	106,448,622.44	208,950,841.34	272,703,270.69	1,608,354,860.62
Additions	193,127,678.17	14,500,000.00		38,499,838.43	-	843,900.00	65,901,103.89	422,784,622.66	735,657,143.15
Revaluation									-
Disposals									-
Transfers/Adjustments								(234,050,247.40)	(234,050,247.40)
Balance as at 30/06/20	193,127,678.17	258,440,721.38	-	383,502,230.20	431,309,013.00	107,292,522.44	274,851,945.23	461,437,645.95	2,109,961,756.37

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Depreciation and impairment									
As at 1.7. 2018	-	147,345,928.09	7,511,670.00	326,016,367.46	-	25,507,518.45	38,720,804.00	-	<u>545,102,288.00</u>
Charge for the year		24,662,500.41		14,422,398.66		13,232,794.49	23,336,032.49	-	<u>75,653,726.05</u>
Disposal Transfers/Adjustments			(7,511,670.00)	(39,750,000.00)		(10,523,656.53)		-	<u>(57,785,326.53)</u>
As at 1.7. 2019	-	172,008,428.50	-	300,688,766.12	-	28,216,656.40	62,056,836.49	-	562,970,687.52
Charge for the year	4,828,191.95	25,870,833.74		25,425,125.85	143,769,671.00	13,385,155.68	32,130,590.32		245,409,568.55
Disposal Transfers/Adjustments								-	-
Balance as at 30/06/20	4,828,191.95	197,879,262.25	-	326,113,891.97	143,769,671.00	41,601,812.08	94,187,426.82	-	808,380,256.07
<u>NET BOOK VALUE</u>									
At 30th June 2020	188,299,486.21	60,561,459.14	-	57,388,338.23	287,539,342.00	65,690,710.36	180,664,518.41	461,437,645.95	1,301,581,500.30
At 30th June 2019	-	71,932,292.88	-	44,313,625.65	431,309,013.00	78,231,966.04	146,894,004.85	272,703,270.69	1,045,384,173.11

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

		2019-20 Kshs	2018-2019 Kshs
23	INTANGIBLE ASSETS		
	Balance b/d from previous years		
	Smart-Card Driving License-Components	287,539,342	431,309,012
	Total	287,539,342	431,309,012
24	TRADE & OTHER PAYABLES FROM EXCHANGE TRANSACTIONS		
(i)	Gratuity Accrued to Staff on Contract		
	Balance b/d from previous years	32,030,354	24,602,342
	Accrued for the year	5,841,546	7,428,012
	Gratuity paid	(30,606,866)	
	Total	7,265,033	32,030,354
(ii)	Other Current Liabilities		
	Accrued Salaries	26,317,207	17,204,354
	Creditors	117,160,074	201,670,716
	Total	143,477,281	218,875,070
25	Cash Bail Deposits Payable		
	Cash Bail Deposits in NBK Cash Bail Deposit Account	112,724	-
	Total	112,724	-
26	Provision for Contingent Liabilities-Legal		
	Provision for Contingent Liabilities-Legal	67,509,043	69,616,443
	Total	67,509,043	69,616,443
27	CAPITAL RESERVES		
	The Authority received no asset in kind during the year.		
	DONATIONS IN KIND		
	Balance b/d	447,040,258	532,013,180
	Motor Cycles		(22,535,010)
	Other Equipment		(62,437,912)
	Computer equipment (DRS)	368,110,403	
	Computer equipment (ERP)	(25,526,128)	
	Total	789,624,533	447,040,258

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		2019-2020	2018-2019
		Kshs	Kshs
28	GOVERNMENT RESERVE		
	Balance b/f	1,261,811,903	961,811,903
	Restatement of Opening Balance		-
	Transfer of Development funds from Ministry-State Dept. of Interior & Co-ordination of National Govt.	400,000,000	300,000,000
	TOTAL	1,661,811,903	1,261,811,903
29	REVALUATION RESERVE		
	Revaluation of Motor Vehicle	71,118,247	71,118,247
	Total Revaluation Reserve	71,118,247	71,118,247
30	COMPUTATION OF CASH EXPENDITURE FROM OTHER EXPENSES		
	Other Expenses		
	Travel & Subsistence Costs (Note 10)	54,652,703	57,528,192
	Repairs & Maintenance of Vehicles & Equipment (Note 11)	4,331,656	6,215,967
	Purchase of Smart-Card DL	357,434,745	150,000,000
	Purchase of e-Stickers	-	121,423,659
	TOTAL	416,419,104	335,167,818
31	CASH FLOW ON ACQUIRED NON-CURRENT ASSETS		
	Total Additions During the Year		
	Work In Progress(WIP)	54,674,220	18,836,545
	Other Equipment	843,900	828,800
	Furniture & Fittings	29,338,324	37,677,858
		84,856,444	57,343,203
	Motor Vehicles	14,500,000	-
	Computer & Other Equip.	38,499,838	53,545,491
	Cash purchases(Cash flow)	137,856,282	110,888,694

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32 RELATED PARTY BALANCES

Nature of Related Party Relationships

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

Government of Kenya

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

- i) The National Government;
- ii) The Parent Ministry
- iii) Key Management
- iv) Board of Directors

b) Related Party Transactions

Particulars	2019-2020 Kshs	2018-2019 Kshs
Transfers from related parties	821,000,000	721,400,000
Transfer from State Department of Transport	-	36,000,000
European Union Project Funds Transferred through the State Department of Interior & Co-ordination of National Government	31,248,308	-
Total	852,248,308	757,400,000

d) Key Management Compensation

The total remuneration paid during the FY 2019/2020 to the four key management personnel namely the Director General, Director Corporate Support Services, Director Technical Services, Director Road Safety and Director Registration & Licensing was as shown below:

	Position	No.	2019-2020 Kshs	2018-2019 Kshs
1	Director General	1	8,820,000	9,542,624
2	Directors	4	20,985,560	21,748,384
	Total		29,805,560	31,291,008

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33 Contingent Assets and Contingent Liabilities

S/No	Contingent liabilities	2019-2020 Kshs
1	Nairobi High Court Constitutional Petition No. 389 (A) of 2014	890,000
2	Mombasa High Court Constitutional Petition No. 15 of 2014 Lucy Nyokabi Nyambura & 12 others Vs. NTSA	16,000,000
3	Nairobi High Court Judicial Review Case number 419 of 2014 Embassava Sacco vs NTSA	358,000
4	Kakamega High Court JR No 31 of 2015 Kabras Line Sacco Ltd vs NTSA	398,600
5	Nakuru High Court JR No 29 of 2014 Montezuma Monalisa Funeral Home vs NTSA & 5 Others.	362,000
6	Eldoret Chief Magistrate Court Civil Case No 551 of 2014 Peter Rutto vs NTSA	340,000
7	Public Procurement Appeal No. 56 of 2015- 9. Symphony Technologies Ltd & Anor (JR No 507 of 2015 (Symphony Technologies Ltd –vs- NTSA & Petition No. 255 of 2016 Okiya Omtatah Okoiti & Others	39,830,000
8	High Court JR No 568 of 2014 Sokwe Deluxe vs NTSA	362,000
9	Public procurement Administrative Review Application no. 41 of 2015 – J. Knieriem BV –vs- NTSA and another	3,580,000
10	High Court JR No. 466 of 2014 Republic –vs- NTSA ex-parte James Kanyingi Wahome	362,000
11	Judicial Case No. 452 of 2014 Republic –vs- NTSA & 4 Others ex-parte Nazigi Sacco	362,000
12	CMCC No. 67 of 2016 Peter Kiriimi Vs NTSA	541,000
13	CMCC NO. 69 of 2016 Kericho Aloice Ochieng Olal –vs NTSA	865,883
14	ERC. No 160 of 2017 Enock James Odongo Vs NTSA	470,000
15	ELR No. 830 of 2016 Sylvester Okumu Vs NTSA	406,000
16	HCCC NO. 49 of 2014 Dr. Apollo Bwonya Orodho –vs- NTSA & Another	675,360
17	ELRC No. 505 of 2018 Joel Lesale Vs NTSA	290,000
18	Judicial Review No. 10 of 2019 Peter Kwemoi Chepkorom	550,000
19	Arbitration matter between Alfatech Contractors Ltd Vs NTSA	566,200
20	Mombasa CMCC No. 1902 of 2018 Jannat Motors –vs- NTSA and Seventeen Others	300,000
	TOTAL	67,509,043

The Authority made a provision for the entire contingent liability

NOTES TO THE FINANCIAL STATEMENTS (Continued)

34 Capital Commitments

Capital Commitments	2019-2020	2018-2019
	Kshs	Kshs
Authorised for Processing	10,807,822	157,745,236
Total	10,807,822	157,745,236

These relates to already contracted capital projects which are on-going.

35 Dividends/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 incurred a deficit in the year under review.

36 Ultimate and Holding Authority

The Authority is a Semi- Autonomous Government Agency under the Ministry of Interior & National Co-ordination. Its ultimate parent is the Government of Kenya.

37 Currency

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

APPENDIX I: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The final report on the audit of the Financial Year 2018/19 had not yet been issued as at the time of reporting.

APPENDIX II: PROJECTS IMPLEMENTED BY THE AUTHORITY

Projects

Projects implemented by the Authority Funded by development partners

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
EASTERN AFRICA REGIONAL TRANSPORT, TRADE AND DEVELOPMENT FACILITATION PROJECT (EAETTFDP) – DATA RECOVERY SITE/ENHANCED INFORMATION SECURITY SOLUTIONS	CR.56380 –KE	World Bank	3 Years	USD 4,377,269	Yes	Yes
SUPPORT TO KENYA ENERGY AND TRANSPORT PROJECT/USALAMA BARABARANI	FED/2019/406-074	European Union	3.5 Years	EUR 5,375,000	Yes	Yes

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	EASTERN AFRICA REGIONAL TRANSPORT, TRADE AND DEVELOPMENT FACILITATION PROJECT (EAETTFDP) – DATA RECOVERY SITE/ENHANCED INFORMATION SECURITY SOLUTIONS	USD 4,377,269	USD 3,594,003	90%	USD 4,377,269	USD 3,594,003	World Bank
2	SUPPORT TO KENYA ENERGY AND TRANSPORT PROJECT/USALAMA BARABARANI	EUR 5,375,000	0	0%	EUR 557,579	EUR 249,986	European Union

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APPENDIX III: INTER-ENTITY TRANSFERS

ENTITY NAME:		NATIONAL TRANSPORT & SAFETY AUTHORITY		
Break down of Transfers from the State Department of Interior and Co-ordination of National Government and State Department of Transport				
FY 2019/2020				
a.	Recurrent Grants	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		04.07.2019	107,500,000	2018/19
		30.07.2019	105,250,000	2019/20
		29.11.2019	105,250,000	2019/20
		31.01.2020	105,250,000	2019/20
		22.05.2020	105,250,000	2019/20
		Total	528,500,000	
b.	Development Grants	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		02.03.2020	400,000,000	2019/20
		Total	400,000,000	
d.	Donor Receipts – EU Project	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		26.06.2020	31,248,308	2019/20
		Total	31,248,308	

The above amounts have been communicated to and reconciled with the parent Ministry

Deputy Director Finance

Head of Accounting Unit

National Transport & Safety Authority

State Dept. of Dept. of Interior & Co-ordination of National Govt.

Sign -----

Sign-----

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APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized					Total Transfers during the Year
	as per bank statement			Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific	
Ministry of Interior and Co-ordination of National Government	30.07.2019	Recurrent	105,250,000	105,250,000	0	0	0	0	105,250,000
	29.11.2019	Recurrent	105,250,000	105,250,000	0	0	0	0	105,250,000
	31.01.2020	Recurrent	105,250,000	105,250,000	0	0	0	0	105,250,000
	22.05.2020	Recurrent	105,250,000	105,250,000	0	0	0	0	105,250,000
European Union	02.03.2020	Development	400,000,000	0	400,000,000	0	0	0	400,000,000
	26.06.2020	Donor Fund	31,248,308	31,248,308	0	0	0	0	31,248,308
Total			852,248,308	452,248,308	400,000,000	0	0	0	852,248,308

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