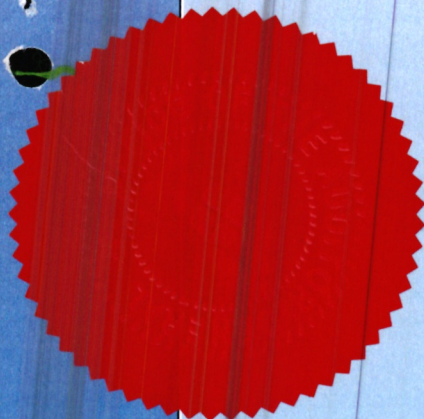


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



Paper laid
By Hon. A. O. Othman, MP (Lan)
on 11.05.2017 (pm)
S/No: 11.05.2017
11 MAY 2017
Sign: [Signature]
PAPER LAID

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REPORT

OF

THE AUDITOR-GENERAL

ON

REVENUE STATEMENT

**FOR THE YEAR ENDED
30 JUNE 2016**

**MINISTRY OF INFORMATION,
COMMUNICATIONS AND TECHNOLOGY**



REVENUE STATEMENT

**FOR THE FINANCIAL YEAR ENDED
30 JUNE 2016**

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

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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The Ministry of Information, Communications and Technology at cabinet level is represented by the Cabinet Secretary for Information, Communications and Technology, who is responsible for the general policy and strategic direction of the Ministry. The receiver of revenue was appointed as a receiver on 28 July 2015.

(b) Principal activities

The receiver of revenue collects revenue from Sale of Licences under the Communications Act, and Revenue collected is remitted to the National Treasury.

(c) Key Management

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

- Cabinet Secretary - Joseph Wakaba Mucheru
- Principal Secretary - Eng. Victor Nzioki Kyalo

- **Senior Management;**
 - Vincent Luke Kirwa - Senior Assistant Accountant General
 - Edith Nkanata - Head Of Accounting Unit
 - Sephone Ombachi - Senior Finance Officer

MINISTRY OF INFORMATION, COMMUNICATIONS AND TECHNOLOGY: REVENUE STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

(d) Ministry Headquarters

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MINISTRY OF INFORMATION, COMMUNICATIONS AND TECHNOLOGY: REVENUE STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

II. STATEMENT OF RECEIVER OF REVENUE'S RESPONSIBILITIES

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

The Principal Secretary in charge of the Ministry of Information, Communications and Technology is responsible for the preparation and presentation of the receiver of revenue statement, which gives a true and fair view of the state of affairs of the Ministry of Information, Communications and Technology for and as at the end of the financial year ended on 30 June 2016. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of Ministry of Information Communications and Technology; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Principal Secretary in charge of the Ministry of Information, Communications and Technology accepts responsibility for the entity's receiver of revenue accounts, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and relevant legal framework of the Government of Kenya. The Principal Secretary is of the opinion that the entity's receiver of revenue account gives a true and fair view of the state of entity's receiver of revenue transactions during the financial year ended 30 June 2016, and of the entity's financial position as at that date. The Principal Secretary charge of the Ministry of

MINISTRY OF INFORMATION, COMMUNICATIONS AND TECHNOLOGY: REVENUE STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Information, Communications and Technology further confirms the completeness of the accounting records maintained for the receiver of revenue, which have been relied upon in the preparation of the receiver of revenue account as well as the adequacy of the systems of internal financial control.

The Principal Secretary in charge of the Ministry of Information, Communications and Technology confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Principal Secretary confirms that the receiver of revenue's accounts have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the Revenue Statements

The Revenue statement was approved and signed by the Principal Secretary on 30 September 2016



ENG. VICTOR NZIOKI KYALO
PRINCIPAL SECRETARY



EDITH KAINDA NKANATA
PRINCIPAL ACCOUNTANT

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OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON REVENUE STATEMENT – MINISTRY OF INFORMATION, COMMUNICATIONS AND TECHNOLOGY FOR THE YEAR ENDED 30 JUNE 2016

REPORT ON FINANCIAL STATEMENTS

I have audited the accompanying revenue statement of the Ministry of Information, Communication and Technology set out on pages 5 to 9, which comprise the statement of revenue and transfers for the year ended 30 June 2016, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution 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.

Management's Responsibility for the Financial Statements

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

The management is also responsible for the submission of the revenue statement to the Auditor-General in accordance with the Provisions of Section 47 of the Public Audit Act, 2015.

Auditor-General's Responsibility

My responsibility is to express an opinion on this revenue statement based on the audit and report 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. The audit was conducted in accordance with International Standards of Supreme Audit Institutions. Those Standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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

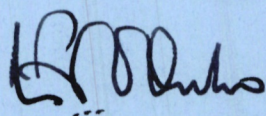
Report of the Auditor-General on the Revenue Statement for Ministry of Information, Communications and Technology for the year ended 30 June 2016

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

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

Opinion

In my opinion, the revenue statement presents fairly, in all material respects, the revenue operations of the Ministry of Information, Communications and Technology for the year ended 30 June 2016, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.



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

Nairobi


06 March 2017

MINISTRY OF INFORMATION, COMMUNICATIONS AND TECHNOLOGY: REVENUE STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

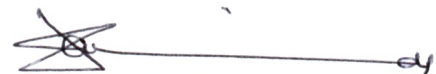
III. STATEMENT OF REVENUES AND TRANSFERS

	Note	2015/2016 Kshs	2014/2015 Kshs
NON TAX REVENUES			
Receipts from Sale of Non-Financial Assets	2	Nil	3,673,366
TOTAL NON TAX RECEIPTS		Nil	3,673,366
TOTAL REVENUE COLLECTED		Nil	3,673,366
TRANSFERS TO EXCHEQUER ACCOUNT	3	(1,388,586)	(2,499,775)
BALANCE BROUGHT FORWARD		1,388,586	214,995
BALANCE CARRIED FORWARD		Nil	1,388,586

The accounting policies and explanatory notes to these revenue statements form an integral part of the Revenue Statements. These revenue statements were approved on 30 September 2016 and signed by:



ENG. VICTOR NZIOKI KYALO
PRINCIPAL SECRETARY



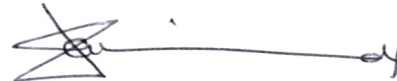
EDITH KAINDA NKANATA
PRINCIPAL ACCOUNTANT

IV. STATEMENT OF ARREARS AS AT 30 JUNE 2016

Classification of Revenue	Accumulated amount in arrears from prior periods to June 2015	Amount in arrears for the immediate previous year to 30 June 2016	Amount in arrears for the current year to June 30, 2016	Total arrears as at 30 June 2016	Measures taken to recover the arrears	Assessment to the recoverability of arrears
Non Tax Revenues						
Receipts from sale of non financial assets	NIL	NIL	NIL	NIL	N/A	N/A
Total arrears	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>		



ENG. VICTOR NZIOKI KYALO
PRINCIPAL SECRETARY



EDITH KAINDA NKANATA
PRINCIPAL ACCOUNTANT

V. NOTES TO THE REVENUE STATEMENT

1. SIGNIFICANT ACCOUNTING POLICIES

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

i. Statement of Compliance and Basis of Preparation

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

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

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

ii. Recognition of Revenue

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

MINISTRY OF INFORMATION, COMMUNICATIONS AND TECHNOLOGY: REVENUE STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

iii. Budget

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

iv. 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.

v. Revenue in Arrears

This relates to revenue earned and is yet to be received or collected by the receiver of revenue.

vi. Comparative Figures

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

vii. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the revenue statements for the year ended 30 June 2016.

MINISTRY OF INFORMATION, COMMUNICATIONS AND TECHNOLOGY: REVENUE STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

2. CLASSIFIED REVENUE

	Original Estimates 2015/2016	Revised Estimates	Actual 2015/2016 Kshs	Actual 2014/2015 Kshs	% Realised
Sale of Goods and Fees for Services			-	3,673,366	
Licence Fees	NIL	NIL	NIL	-	
Total Revenue	574,458	574,458	NIL	3,673,366	

Despite the fact that we received a letter of designation and responsibility as a receiver of revenue (ref. AG1/021 VOL.II/III dated 28 July 2015), the financial estimates for the year 2015/2016 did not provide an item for revenue. We are therefore not able to provide estimates for the revenue.

3. BALANCES BROUGHT FORWARD

Balance brought forward subsequently transferred	
Amount	Date Transferred
1. 1,388,586/=	14 September 2015 FT15257F1P24