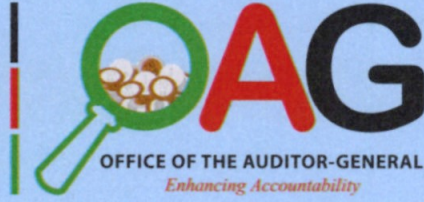


REPUBLIC OF KENYA



REPORT




OF

THE AUDITOR-GENERAL

ON

INFORMATION AND COMMUNICATIONS
TECHNOLOGY AUTHORITY

FOR THE YEAR ENDED
30 JUNE, 2025

| | |
|---|-----------------------------|
|  THE NATIONAL ASSEMBLY PAPERS LAID | |
| DATE: 11 MAR 2026 | DAY: WED |
| TABLED BY: | DEPUTY MKJOATT PARTY WTP |
| CLERK-AT THE-TABLE: | OBIERU |



OFFICE OF THE AUDITOR GENERAL
P.O. Box 30084 - 00100, NAIROBI
RECORDS OFFICE
10 DEC 2025
RECEIVED



THE INFORMATION AND COMMUNICATIONS TECHNOLOGY AUTHORITY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2025

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

The Information and Communications Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2025.

| Table of Contents..... | Page |
|---|---------|
| 1. Acronyms and Definition of Key Terms | iii |
| 2. Key Entity Information and Management | iv |
| 3. The Board of Directors | xiii |
| 4. Key Management Team | xxiv |
| 5. Chairperson’s Statement | xxvii |
| 6. Report of the Chief Executive Officer | xxix |
| 7. Statement of Performance against Predetermined Objectives for FY 2024/2025 | xxxii |
| 8. Corporate Governance Statement | xxxiii |
| 9. Management Discussion and Analysis | xxxviii |
| 10. Environmental and Sustainability Reporting | xlvii |
| 11. Report of the Directors | liii |
| 12. Statement of Directors Responsibilities | liv |
| 13. Report of the Independent Auditor for the Financial Statements of The Information and Communication Technology Authority | lvi |
| 14. Statement of Financial Performance for the year ended 30 June 2025 | 1 |
| 15 Statement of Financial Position as at 30 June 2025 | 2 |
| 16. Statement of Changes in Net Assets for the year ended 30 June 2025 | 3 |
| 17. Statement of Cash Flows for the year ended 30 June 2025 | 4 |
| 18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025 | 8 |
| 19. Notes to the Financial Statements | 8 |
| 20. Appendices | 52 |

1. Acronyms and Definition of Key Terms

A: Acronyms

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

B: Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Entity Information and Management

(a) Background information

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

(b) Principal Activities

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

Our Vision Statement

A digitally empowered society.

Our Mission Statement

To digitally empower the society through provision of quality ICT services, application of best practices and harnessing digital technologies and capabilities to unlock limitless opportunities.

Our Mandate

The mandate of the Authority is contained in Legal Notice No. 183 of 2013 and includes the following:

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

Tagline

Limitless Opportunities

The Information and Communications Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2025.

(c) Key Management

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

| No. | Designation | Name | Name: Outgoing |
|-----|---|--|--|
| 1 | Board of Directors | Hon Lily C. Ng'ok-Chairperson | Hon. Sylvanus Maritim-Chairman upto 11 th June 2025 |
| | | Edna Atisa-Alt PS Treasury | |
| | | Benard Leitich-Alt PS Lands | Clara Ketyenya -Alt PS Lands |
| | | Emmanuel Kata Kimeu-Alt PS MOIC & DE | Washington Okoth, - Alt PS MOIC & DE |
| | | Rahma Jillo | |
| | | Boniface Mbithi | |
| | | Mr. Christopher Naicca | Alfred Ngeno |
| | | Leah Manyarkiy | Njogu Wachira |
| | | Savio Wambugu | Annette Mutuku |
| | | Simon Sudi Ayomo | |
| | | John Karanja- Rep, Inspectorate of State Corporations. | |
| 2 | Chief Executive Officer | Stanley Kamanguya, OGW | Exited the Authority immediately after end of the FY. |
| 3 | Director Digital Infrastructure & Services | Michael Odhiambo | |
| 4 | Director Capacity Development, Innovation & Partnership | Zilpher Owiti, OGW | |
| 5 | Director Corporate Services | CPA Richard Koech | |
| 6 | Director Programs & Standards | Thomas Bwaley | |

Key Entity Information and Management (continued)

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

| No. | Designation | Name |
|-----|---|------------------------|
| 1. | Chief Executive Officer | Stanley Kamanguya, OGW |
| 2. | Director Corporate Services | CPA Richard Koech |
| 3. | Deputy Director Finance & Accounts | Rev. CPA Oliver Pyoko |
| 4. | Deputy Director Supply Chain Management | Sostanis Okoth |

(e) Fiduciary Oversight Arrangements

The high-level oversight of the Authority is provided by the Board of Directors which is organised into board committees as follows:

- i. Audit and Governance
- ii. Corporate Services
- iii. Technical Committee
- iv. Enterprise Development Committee

i. Audit and Governance

Internal Audit and Legal Services/ Corporation Secretary report to this committee. Below is the mandate for the committee:

The Audit Committee is responsible for the following among others:

- To drive the recruitment & selection process of the DIA.
- To drive the assessment of the performance of the DIA.
- To examine internal and external audit reports and recommendations after management response to ensure that action is taken.
- To facilitate adequate disposal of all Parliamentary Public Investment Committee recommendations.
- The Committee is responsible for communicating with the internal and external auditors.

Key Entity Information and Management (continued)

Legal Services

Among the responsibilities of the Committee include:

- Review the relevant regulatory Legal framework for the better implementation of the Authority's mandate.
- Oversee Leases, Contracts, Licensing Frameworks, Service Level Agreements, Memorandum of Understanding, leases and other legal documents to ensure compliance to statutory requirements and the Authority's policies.
- Oversee the engagement of the Authority with law enforcement agencies and stakeholders on all legal matters.
- Ensure that Legal Audit Compliance is carried out to confirm compliance with relevant statutory requirements.
- Oversee the formulation and gazettelement of Rules, Regulations and Directives issued by or on behalf of the Authority.

The governance function of the committee involves overseeing the implementation of Mwongozo, Code of Governance and other Governance instruments at the Authority.

ii. Corporate Services

This Committee is responsible for the Human Resources & Administration; Finance & Accounts; Procurement, Internal/Corporate ICT, and Corporate Social Responsibility.

Some of the responsibilities of Committee in relation to this function include the following.

Finance & Accounts

- Consider all matters of financial strategy and policy and recommend them to the Board for approval.
- Consider the financial forecasts and annual budgets and recommend them for approval by the Board.
- Consider and recommend for approval by the Board the Treasury Management Policy and consider cash flow forecasts to determine liquidity levels in line with key financial indicators.
- Review and recommend for Board approval any significant financing and credit arrangements requiring approval by the Board.
- Receive periodic reports from management concerning policies and practices related to interest rate and currency hedging activities, as deemed necessary by the Committee.
- Consider and advise the Board on the financial implications and any significant financial risks.
- Consider the financial statements and accounting policies and recommend them to the Board for approval.

Human Resources and Administration

- Review and monitor the development of the Authority's human resources management strategy to determine whether human resources plans and initiatives will enable the Authority to achieve its strategic objectives;
- Annually review, monitor and make recommendations to the Board on the human resources strategy and policies that pertain to staffing, compensation, benefits, and related issues of strategic importance that directly affect ability to recruit, develop and retain the highly- qualified staff needed for it to achieve its mandate.
- Participate in the appointment of the chief executive officer and senior managers.
- Review the terms and conditions of employment for Management including Chief Executive Officer and recommend the approval of the same to the Board.
- Review changes to the organizational structure and make recommendations on these changes to the Board.
- Review strategies for Human Capital development,
- Review management's identification and assessment of any significant human resources risks to the Authority and, if necessary, recommend measures to mitigate the risk.
- Review Authority's staffing requirement.
- Review the Authority's office space requirements and advise the Board on adequacy and any proposed changes.
- Review transport management and expenditure on transport and make relevant recommendations to the Board.

Procurement

- Ensure that the Authority's procurement practices are in accordance with the Public Procurement and Asset Disposal Act, 2015 ("PPDA") and the Public Procurement and Disposal Regulations, 2006 ("PPDR") or any amendments therein.
- Monitor procurement and disposal in the Authority and ensure that procurement and disposal practices are in accordance with the law and the Authority's approved budget.
- Ensure that procurement and disposal activities contribute to the delivery of the Authority's strategic objectives.
- Ensure that procurement practices of the Authority meet requirements of the Public Procurement Regulatory Authority in ensuring efficiency and effectiveness
- Review and recommend the Annual Procurement Plan to the Full Board for approval.

Information Communication Technology (ICT) Unit

- To review, as the Committee deems appropriate, the Authority's ICT policies, strategies and governance.
- To provide oversight in the development of the requisite ICT Architecture.
- To receive and interrogate Management proposals on ICT projects and oversee the implementation of the projects.

**The Information and Communications Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2025.**

- Review and recommend to the Board on matters pertaining to major ICT investments.

Corporate Social responsibility

- To review, as the Committee deems appropriate, the Authority's CSR policies, strategies and governance framework.
- To receive and interrogate Management proposals on CSR projects and oversee the implementation of the projects.
- Review and recommend to the Board on matters pertaining to major CSR projects.

iii. Technical Committee

The Applications/E-citizen; Infrastructure; Information Security; NOC; Technical Support Services and Standards report to this committee.

The committee mandate is as follows:

- Review, oversee and advise the Board on the status of the implementation of the Strategic plan and Digital Master Plan pillars under each Department.
- Review and oversee the Project Management Annual and Periodic Work Plans for the Departments.
- To recommend approval-in-principle of projects as required by the Authority's project management policies, for projects relating to the Committee's mandate, including but not limited to those projects not otherwise assigned to other Board committees.
- Oversee the development and implementation of policies relating to the management and utilization of assets and infrastructure under the Departments.
- Oversee design, construction and supervision projects in the concerned departments.
- Recommend to the Board programs and projects on infrastructure development consistent with the development objectives and priorities.

iv. Enterprise Development

Departments that report to this committee include: Communications, Innovation & Incubation, Enterprise Development, Partnerships and Resource mobilization, Planning and strategy, Capacity Building, Programme Management, NOC, and Technical Support Services.

The committee mandate is as follows:

Innovation & incubation

- To advise and guide the Board in fostering and supporting innovation
- To ensure that an environment conducive to enabling innovative activities and incubation of the same is established and maintained.
- To keep under review the support structures for innovation.
- To promote, stimulate and encourage an institutional research and innovation ethos and culture as integral to the Corporate Strategy.
- To promote high quality and high impact innovative research through policy development, strategic guidance of research activity.

Business Development

- Creation and adoption of an investment case; identification of investors and primary stakeholders to partner with ICTA in the delivery of the business case; and the generation and appropriate marketing of the value proposition to an appropriate audience in a timely manner.
- To oversee the design, development and marketing of services.
- To identify and evaluate new marketing and business development opportunities.

Communications & brand visibility

- To provide the Board with expert advice and input on key initiatives/issues related to communication, marketing, business development, branding and customer service.
- To devise and oversee implementation of a marketing and business development plan in support of the strategic plan.

Planning and strategy

- Ensure that the Authority's Performance Contract is aligned to the Strategic plan and goals of the Authority.
- Monitor the Authority's performance and achievement of performance contract targets.
- Ensure that activities undertaken under the Performance Contract contribute to the delivery of the Authority's strategic objectives.
- To review and make suggestions for the medium-to-long-term development strategies of the Authority, and to evaluate and monitor the implementation of such plans.
- To receive reports from Management, as required by the Board, on any new and significant emerging threats which may impact the Authority's operations with a view to ensuring, where possible, that the Authority takes appropriate action to address those threats.

Partnerships and Resource mobilization

- Review and recommend to the Board for Approval the Authority's resource mobilization strategy and plan.
- Review the progress of implementation of the resource mobilization strategy and plan and make recommendations for any changes.
- Identify and recommend to the Board resource mobilization opportunities.
- Identify and recommend to the Board potential partnerships the Authority can enter into to drive its agenda.
- Review existing partnerships to determine their usefulness in the Authority achieving its objectives.

Key Entity Information and Management (continued)

(f) Entity Headquarters

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

(g) Entity Contacts

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

(h) Entity Bankers

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

(i) Independent Auditor

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

(j) Principal Legal Adviser

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

3. The Board of Directors



Hon. Lily Ng'ok (DOB:1/1/1973) was appointed as the Board Chairperson on 16th May, 2025. She holds a Master's Degree (Arts) from the Northwestern University, USA and a Bachelor's Degree of Arts (Education) from Egerton University. She is also pursuing her PhD studies.

She is the immediate Former Chairperson of Kenya Industrial Estates (KIE). She has served as the Deputy Governor and County Executive Committee Member for Education in Kericho County, dean of students and lecturer at the Kisii University and has taught various high schools in Kenya. She has also served in different positions including Board Chair and Board member in schools, community projects and church activities in women ministries.



Eng. John Tanui, MBS (DOB:1973) is the Principal Secretary in the Ministry of Information, Communications and the Digital Economy in charge of the State Department for ICT and the Digital Economy. Prior to joining the Ministry, Eng. Tanui was the Chief Executive Officer of the Konza Technopolis Development Authority (KoTDA) for over 7 years, Deputy Country CEO and Vice President of Huawei Technologies responsible for Kenya, Tanzania, Somalia and Djibouti and the Director of Technical Service Department in the same organization that he served for over of 15 years.

He holds a bachelor's degree of Technology in Electrical and Communication Engineering from Moi University and MBA in International Business from the University of Nairobi where he is currently pursuing PhD in global business management. He is a member of the Institution of Engineers of Kenya (MIEK), a registered engineer and a member of the Academy of International Business. Eng. Tanui is an active ICT professional who was profiled as tenth in the 2012 Top 40 under 40 by the Business Daily (Nation Media Group). He is a Council Member of Jomo Kenyatta University of Science and Technology, a council member of IEK (Institution of Engineers of Kenya) where he chairs industrialization, Environment and quality assurance committee and also serves as committee member for Advocacy, Journal and Publicity. Previously, he served as the University Council Vice Chairman at Technical University of Kenya and also as an Advisory Council Member of the Presidential Digital Talent Program.

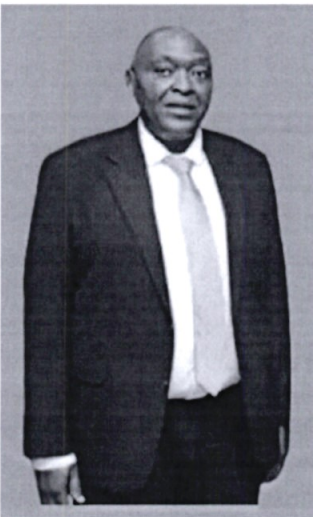
**The Information and Communications Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2025.**



Stanley Kamanguya, OGW (DOB:1980) is the Chief Executive Officer for the Authority. He joined ICTA in August 2022. He holds a Bachelor's Degree in Computer Science from Maseno University. He also holds a Master of Business Administration from the United States International University. He is also a registered Project Management Professional (PMP) with the Project Management Institute.

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

Alternate Members



Mr Emmanuel Kimeu (DOB:25/2/1970) was appointed to the Board of Director as the alternate to the Principal Secretary in the Ministry of Information, Communications and the Digital Economy on 29th May 2025. He holds Master of Computer Applications (MCA) degree from Shivaji University India. He also holds a Bachelor of Arts (BA) degree in Economics, Sociology and Community Development from Agra University, India. He is a Certified Information Systems Auditor (CISA) and has attended several short-term courses on Information Technology (IT) and finance.

He has worked with Professional Technologies Ltd (ProTec), McAfee Inc, ADS-SAS (Now Mindware FZ LLC), Machakos County Government as the Chief Officer and is now a Secretary- ICT - Security and Audit Control at the State Department of ICT and Digital Economy in Ministry of Information.



Ms. Edna Atisa (DOB:6/6/1978) was appointed to the Board of Director as an alternate to the Principal Secretary National Treasury on 30th April 2022.

Ms. Atisa holds a Master's Degree in Economics, a bachelor's of arts in Economics and a post graduate diploma in education from the University of Nairobi. She is an economist with cast experience in economic policy and formulation.



Mr. Benard Leitich (DOB:9/6/1978) was appointed to the Board of Director as an alternate to the Principal Secretary Lands 16th May, 2025. He is a holder of Bachelor of Laws (LLB) from Moi University, a Postgraduate Diploma in Law from the Kenya School of Law. He is a Certified Public Secretary (CPS) finalist and has undergone executive training in Strategic Leadership and Senior Management at Strathmore University and the Kenya School of Government. He is also a Commissioner for Oaths and a Notary Public.

He joined the Ministry of Lands from private legal practice in the year 2006 and has headed several land registry stations including Nairobi, Mombasa, Thika and Kajiado, and currently he is the Deputy Chief Land Registrar at the State Department for Lands and Physical Planning.

Independent Directors



Boniface Mbithi (DOB:7/10/1992) is a Director at the ICT Authority Board effective from 10th March 2023. He chairs the Enterprise committee of the Board.

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

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

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

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



Rahma Jillo (DOB:27/7/1980) is a Director at the ICT Authority Board effective from 10th March 2023. Rahma holds a Bachelor of Law (LLB) and a Masters in Law (LLM) from the University of Nairobi (UoN) with specialization in Banking and Financial Services Law. She is an Advocate of the High Court of Kenya with a cumulative practice experience of over 15 years' in Commercial, Real Estate, Competition, Telecommunication and Not -for - Profit Law.

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

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

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

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



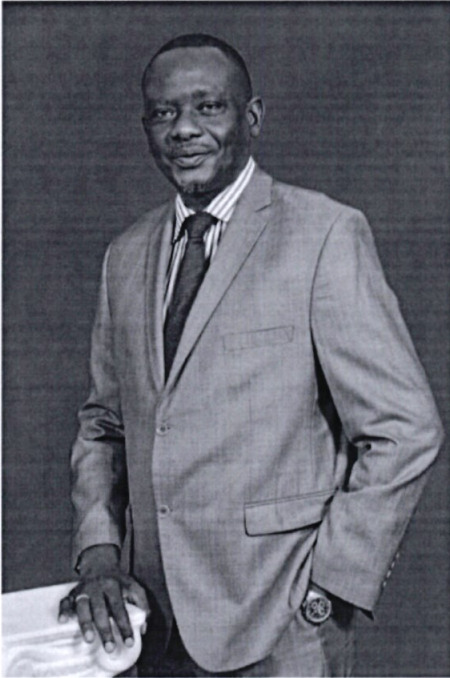
Christopher Naicca (DOB:21/1/1981) is a Director at the ICT Authority Board effective from 16th May 2025. He is an architect, leader and entrepreneur. He is the chair of Technical Committee. He is a registered architect with the Board of Registration of Architects and Quantity Surveyors and a chartered architect with the Royal Institute of British Architects. He is also a member of the Architectural Association of Kenya and the Jomo Kenyatta University of Agriculture & Technology Alumni Association.

He is currently the Chairman of the Nairobi City County Urban Planning Technical Committee, Founder & Chairman of Design Source Architects and Founder & Director of Kiota School. He has also served as the Chairman of the Jomo Kenyatta University of Agriculture and Technology Alumni Association.



Leah Manyarkiy (DOB:1/1/1969) is a Director at the ICT Authority Board effective from 16th May 2025. She is an advocate with over 28 years of experience. She has a Bachelor of Laws (LL.B.) degree from the University of Nairobi and a Postgraduate Diploma in Law from the Kenya School of Law (1996).

She has built a reputation for legal excellence across a broad range of practice areas - civil and commercial litigation, criminal law, constitutional and judicial review, as well as probate, estate management, property, and commercial law. As the Managing Partner at Manyarkiy & Manyarkiy Advocates LLP in Nairobi, she has guided her firm to high standards of legal service and ethics. Under her leadership, the firm has been known for its rigorous litigation strategy and client-centered advocacy. Leah Manyarkiy's legal practice has included involvement in precedent-setting cases that have influenced Kenya's legislative and regulatory landscape, reflecting her deep expertise and commitment to justice.



Simon Sudi Ayomo (DOB:1/1/1965) is a Director at the ICT Authority Board effective from 29th November 2024. He chairs the Corporate Services Committee.

He got a BA in Literature and Sociology from the former before proceeding to Moi University for an Executive MBA program.

Sudi then joined Brunel University, Uxbridge where he obtained Masters of Science with MERIT in Human Resources and employment relations in 2010. He is a Doctoral research fellow at Brunel University, UK exploring the quest for restructuring temporary labour in Africa emerging economies along the Western Models.

Sudi has evolved professionally. Started as a high school teacher for a stint of seven years then moved on for further studies. After obtaining his Master's Degree in the UK, joined the Borough of Hounslow, London as a Senior Relocation Officer, a job he diligently discharged until relocating to Kenya in 2013.

Sudi then joined the NGO. He joined Widows and Orphans International as a regional project's coordinator covering South Sudan and Kenya through its Subsidiary, Omega Foundation. Several remarkable milestones achieved during this tenure. Sudi went back to the Academia and joined Jaramogi Oginga Odinga University of science and Technology, Business school, as a lecturer for seven years, Sudi then moved to consultancy where he is an expert in HR related issues and projects Management. He is an astute Businessman.



Savio Wambugu (DOB:7/4/1991) is a Director at the ICT Authority Board effective from 16th May 2025. He is a software engineer with over a decade of experience in driving technological innovation. He Chairs the Audit Committee of the Board. He serves as the President of the Association of Countrywide Innovation Hubs (ACIH), a network of over 156 hubs across Kenya dedicated to fostering innovation. He joined the Board on 15th May 2025.

He is the founder of Mt Kenya Innovation Hub, which promotes emerging technologies, engages in SME investments through Mt Kenya Fund in various sectors, and is the co-founder of Mkulima Bora, a leading agribusiness platform in Africa. In addition, Savio holds the position of Head of Innovations and Research & Development at the Kenya Footballers Welfare Association (the players' union) and acts as a technology consultant with the United Nations Economic Commission for Africa (UNECA).



Zilpher A. Owiti: Ag. Chief Executive Officer

Currently she is the Ag. Chief Executive Officer with effect from 2nd July 2025. Prior to her appointment, she was the Director Partnership, Innovation and Capacity. She has served as Deputy Director ICT, Directorate of eGovernment, Presidency and Cabinet Affairs. Previously, Ms Owiti served as a lecturer at United States International University (USIU) & other public & private Universities, worked at the University of Nairobi and the Kenya National Examination Council.

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

**The Information and Communications Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2025.**

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

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

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



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

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

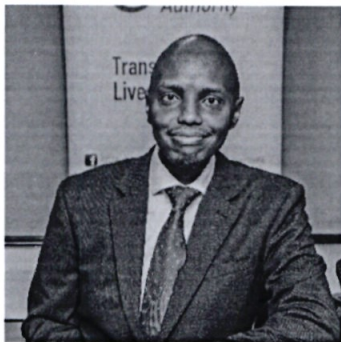
She holds a Master's Degree in Commercial Law from the University of Cape Town South Africa, a Bachelor's degree in Law from the University of Nairobi Kenya and a Diploma in Law from the Kenya School of Law. She is also a Certified Public Accountant and a Certified Public Secretary.

Outgoing-the board members who left during the period under review:



Hon. Sylvanus Maritim was the Chairman up to 15th May 2025. He is a Telecoms Engineer with vast knowledge in ICT and has worked in several African countries. He has extensive experience in both the ICT & Telecommunications sector. He also has vast experience in the corporate sector as well the National Assembly where he was an elected Member of Parliament until 2022 representing Ainamoi Constituency.

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



Alfred Ngeno is a Director at the ICT Authority Board effective from 10th March 2023 to May 16, 2025.

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

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

He is also a board member to Bishop Korir Foundation.



Njogu Wachira was a Director at the ICT Authority Board from 10th March 2023 to 15th May 2025. Njogu is a News Anchor at Kameme FM-Mediamax Network Limited. He is undertaking a Bachelors of arts in Communication (majoring in Developmental Communication) at PAC University. He holds a Diploma in broadcast journalism (ICM) and Diploma in Journalism & Media Studies from Kenya College of Commerce & Hospitality.

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

**The Information and Communications Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2025.**



Clarah Ketyenya was the Alternate to the Principal Secretary, State Department for Lands and Physical Planning in the ICT Authority Board.

She has worked at the State Department of Lands and Physical Planning since 2008 and is currently an Assistant Chief Land Registrar, Ministry of Lands. Before joining the State Department of Lands, Clarah was in private practice. She worked at Oronga Esonga Advocates between 2007 and 2008 and between December 2004 to October 2006 at J.W. Wambua and Company Advocates.

Clarah is an advocate of the High Court of Kenya admitted to the Bar in 2006. She holds a bachelor's degree in law from the University of Nairobi. She is a CPS Finalist, holds a Diploma in Public Relations from Kenya Institute of Management and has trained in Management and Strategic Leadership.



Washington Okoth was the Alternate to The PS Ministry of Information Communication and Digital Economy from November 11, 2024 to May 18, 2025

He holds a Bachelor of Science in Information Systems & Technology from USIU-Africa. He later furthered his education with a Master of Science in Information Systems & Technology from the University of Nairobi, followed by a Master of Arts in Project Planning & Management, also from the University of Nairobi. Currently, he is pursuing PhD in Project Management from JKUAT University.

His commitment to professional development is underscored by his participation in various training programs globally including, focusing on the strategic leadership development Programme at KSG Nairobi, Social Health Insurance Financing - NHIS in Seoul - South Korea, Red Hat Certified Engineer in KOENIG, INDIA, Certified Fibre Optic Technician - AeDI, DAR-ES-SALAM, Cisco Certified Network Associate - Security & Cisco Certified Security Professional both in KOENIG, INDIA, IT Security & Controls in ESAMI, SWAZILAND, ISMS Certified Lead Trainer & Auditor - BSI in NAIROBI, and Budget Management System Administration in ARUSHA, TANZANIA.



Annette Mutuku was a Director at the ICT Authority Board from 10th March 2023 to 15th May 2025. She was the chair to the Audit Committee.

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

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

Director Annette is a Coach, Trainer and Speaker.

4. Key Management Team



Stanley Kamanguya, OGW is the Chief Executive Officer for the Authority. He holds a Bachelor's Degree in Computer Science from Maseno University. He also holds a Master of Business Administration from the United States International University. He is also a registered Project Management Professional (PMP) with the Project Management Institute.

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



Zilpher A. Owiti: Ag. Chief Executive Officer

Currently she is the Ag. Chief Executive Officer with effect from 2nd July 2025. Prior to her appointment, she was the Director Partnership, Innovation and Capacity. She has served as Deputy Director ICT, Directorate of eGovernment, Presidency and Cabinet Affairs. Previously, Ms Owiti served as a lecturer at United States International University (USIU) & other public & private Universities, worked at the University of Nairobi and the Kenya National Examination Council.

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

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

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

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

Michael Odhiambo- Director Digital Infrastructure & Services (Shared Services)



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

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

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

CPA Richard Kigen Koech: Director Corporate Services



CPA Richard Kigen Koech has a vast and rich experience in public finance management spanning over 17 years as an auditor and finance officer. He served for 9 years in the Office of the Auditor General, 6 years as a County Chief Officer for Finance and 2 years as Clerk of County Assembly.

He holds a Master of Business Administration in Finance and Bachelor of Commerce in Accounting conferred by the University of Nairobi. He is a Certified Public Accountant and a member of the Institute of Certified Public Accountants of Kenya. He is a Certified Public Finance Management Accountant. He has completed various competency courses such as Senior Management Course and Strategic Leadership Development Programme



Thomas Bwaley: Director, Programs & Standards

Mr. Bwaley is the Director for Programs & Standards effective January 2024. Until his appointment to this role, Mr. Bwaley managed the International Wholesale business at Safaricom Plc.

Thomas, is an accomplished technology business expert with over 14 years of experience in the private sector. His cumulative experience, expertise and knowledge ranges from telco international business, Carrier relation, Core network support, Data Centre management, roaming engagement, Business Continuity Management System and project delivery.

Director Bwaley brings to the Authority immense experience in strategic Projects delivery, developing guidelines on ICT enterprises and aligning Government Policy to future market trends. This is very significant at a time when the ICT Authority is implementing, on behalf of the people of Kenya, the Digital Super Highway in line with the Digital economy Pillar of the Bottom-Up Economic Agenda.

Director Bwaley holds a Master of Business Administration in Strategic Management and Bachelor of Science in Electrical and Electronics Engineering from The University of Nairobi. He has a wealth of experience in stakeholder engagement, negotiations as well as understanding of the regional and international technology trend with a passion in application of ICT for economic development and inclusion.



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

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

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

5. Chairperson's Statement

It is with great pride that I present the financial statements of the Information and Communication Technology (ICT) Authority for the financial year ended 30 June 2025. As a state corporation under the Ministry of Information Communication and the Digital Economy, the ICT Authority is entrusted with the vital mandate of designing and implementing digital infrastructure, promoting digitalization of government processes and enforcing ICT standards in government. In addition, the Authority is responsible for establishing and maintaining secure ICT infrastructure systems promoting digital literacy, capacity, innovation, and enterprise across Kenya.

The year under review has been one of significant progress and achievement. The Board of Directors has remained steadfast in its commitment to providing strategic oversight and ensuring that the Authority operates with the highest standards of governance, transparency, and accountability. We have diligently guided the organization in aligning its activities with the national agenda, particularly the government's promise on Digital Superhighway under the Bottom-Up Economic Agenda (BETA), which emphasizes the role of ICT in driving inclusive growth.

During the financial year ended 30th June 2025, the Authority made significant progress towards achievement of the government's aspirations under BETA through installation of additional 1,804km of optic fibre cable (OFC) under backbone and last mile connectivity, connecting 541 government offices with internet and conducting successful internship for 400 graduates under the Presidential Digital Talent Program. The roll out of 740 km of OFC between Isiolo and Mandera under the Horn of Africa Gateway Development Project (HoAGDP), is set to begin in the next few months after completion of survey and design of the infrastructure during the financial year under reporting. Additionally, Kenya Digital Economy Acceleration Project (KDEAP), the government's flagship project financed by the World Bank commenced in earnest during FY 2024/25.

The achievements and strides made by the Authority have not been without challenges. First, the Authority was affected by significant budget cuts during the financial year due to constrained fiscal space and national revenues falling below projected targets. Second, the implementation of KDEAP activities were affected by long procurement processes as well as institutional alignments for optimal implementation of the project. Additionally, some projects and key mandates of the Authority have not been allocated funds at all. These include installation of public Wi-Fi hotspots, digital skills, innovation among others.

The Board is particularly pleased with the Authority's financial performance during the year, which reflects our commitment to sound fiscal management and strategic resource allocation. The financial statements provide a true and fair view of the Authority's financial position and performance, demonstrating our dedication to delivering value to the Kenyan people.

As we look to the future, the Board remains focused on ensuring that the ICT Authority continues to play a pivotal role in Kenya's digital transformation. We will

**The Information and Communications Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2025.**

continue to provide strategic direction, foster innovation, and ensure that the Authority remains agile in responding to the rapidly evolving technology landscape. I extend my heartfelt appreciation to my fellow Board members, the management team, and all staff for their unwavering commitment and contributions.



Hon. Lily Ng'ok
Chairperson, Board of Directors

6. Report of the Chief Executive Officer

I am delighted to present the financial statements of the ICT Authority for the financial year ended 30 June 2025. This has been a year of remarkable achievements, driven by our dedicated team and guided by our Strategic Plan 2024-2027. As we continue to execute our mandate of enforcing ICT standards, securing infrastructure, and promoting digital literacy and innovation, we have made significant strides in advancing Kenya's digital transformation.

A major highlight of the year was the ongoing implementation of the Digital Superhighway, a transformative project under the government's Bottom-Up Economic Agenda. This initiative, alongside the expansion of the National Optic Fibre Backbone Infrastructure (NOFBI) and the Digitization of Government services, has brought us closer to our goal of universal digital access. These efforts are not only enhancing connectivity but also creating opportunities for innovation, entrepreneurship, and economic growth across the country.

I am pleased to report the following key achievements and milestones for the Authority during the year ended 30th June 2025.

- a) Installation of 1,804 kilometres of Optic Fibre Cable under the Digital Superhighway Project resulting in internet connection to 541 government offices and a similar number of public Wi-Fi hotspots.
- b) Convened a successful Connected Africa Summit, an annual premium networking event that brought together thought leaders, innovators, and policymakers from across the continent.
- c) Offered internship to 400 ICT graduates under the 9th cohort of the Presidential Digital Talent Program
- d) Registered 86 domains, onboarded 5 MDAs and signed 601 individuals onto the National Public Key Infrastructure (NPKI)
- e) Mobilized and collected at least 14,096 electronic devices through our e-waste initiative.
- f) Delivered digital skills training to 631,344 to the citizens and civil servants.
- g) Collected 100,000 devices from MCDAs

On the financial front, the Authority spent a total of KShs 2,580,940,872 of KShs. 2,978,206,552 income was received from various sources during the year resulting in a surplus of KShs. 397,265,681 before depreciation and taxes. This represents an overall budget performance of 89%. Compared with the budget of KShs.3,400,044, 713, the Authority's revenue expenditure performance is 88% and 78% respectively.

The Authority's performance was adversely affected by various challenges such as adverse revision of budgets, institutional alignments in implementation of KDEAP, lengthy approval and procurement procedures for World Bank funded projects, inter-agency dependency in project implementation as well as cybersecurity threats.

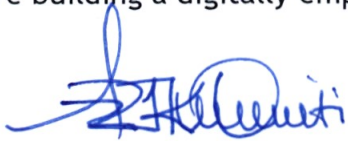
The financial statements for the year reflect our prudent management of resources and our commitment to achieving operational excellence. We have ensured that

**The Information and Communications Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2025.**

every shilling is utilized effectively to support our strategic objectives and deliver tangible benefits to the Kenyan people.

Looking ahead, our vision is clear- to harness the power of ICT to drive inclusive growth and development. In the coming year, we will intensify our efforts to accelerate the digital superhighway implementation to expand digital literacy for ecommerce and job creation, enhance cybersecurity measures, and foster innovation in the digital space. I am confident that with the continued support of the Board, our partners, and our dedicated staff, we will achieve even greater milestones.

I extend my sincere gratitude to the Board of Directors for continued support and guidance, our development partners for financial support, our management team and all employees of the Authority for their hard work and commitment. Together, we are building a digitally empowered Kenya.



**Zilpher Owiti, OGW
Ag. Chief Executive Officer**

**7. Statement of Performance against Predetermined Objectives for FY
 2024/2025**

The Authority has 5 strategic pillars and objectives within the current Strategic Plan for the FY 2024-2027. These strategic pillars are as follows:

Pillar issue 1: Digital inequality

Pillar issue 2: Government and Business Transformation

Pillar issue 3: Digital Culture

Pillar issue 4: Digital Environment

Pillar issue 5: Governance

The Authority develops its annual work plans based on the above 5 Strategic Issues. 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 2024/2025 period for its 5 strategic pillars, as indicated in the table below:

| Strategic Pillar/Theme/Issues | Objective | Key Performance Indicators | Activities | Achievements |
|--|---|----------------------------|--|---|
| Pillar issue 1: Digital inequality | Improve access to affordable, reliable, secure and sustainable digital infrastructure and connectivity. | No. of Kms installed. | 1000 Kms of Fibre Optic Cable installed across the country | Installed 1804 Kms of Optic Fibre across the County through USF Phase I & II. |
| | | No. of hotspots installed. | 300 Public Wi-Fi hotspots installed across the country | Installed 541 Public WIFI hotspots across the country. |
| Pillar issue 2: Government and Business Transformation | Improve processes, products and platforms for delivery of quality digital solutions and services | No. of Domains | 20 new Government Domains registered | 86 domains registered within FY2024-25, 868 active domains in total. |

The Information and Communications Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2025.

| Strategic Pillar/Theme/Issues | Objective | Key Performance Indicators | Activities | Achievements |
|-------------------------------------|---|---|---|--|
| Pillar issue 3: Digital Culture | Optimize digital culture through citizen-driven practices. | No. of Interns recruited, inducted and deployed. | 400 Cohort VIII ICT Presidential Digital Talent Programme (PDTP) Interns recruited, inducted and deployed to MCDA | 400 cohort IX Presidential Digital Talent Programme (PDTP) Interns recruited, inducted and deployed. |
| Pillar issue 4: Digital Environment | Strengthen Policy, Legal & regulatory Framework for resilient business-driven digital ecosystem | No. of innovators trained and deployed to Counties. | 15 innovation champions trained and deployed to Counties | 14 innovation champions trained and deployed to Counties |
| Pillar issue 5: Governance | Strengthen digital data management for sustainable digital transformation | No. of NPKI digital signatures. | 500 digital signatures issued under National Public Key Infrastructure (NPKI). | 1,200 digital signatures issued under National Public Key Infrastructure (NPKI). |

8. Corporate Governance Statement

a. Overview:

The ICT Authority has established systems to uphold high standards of corporate governance across all levels. It remains committed to complying with the Constitution, the State Corporations Act and the Mwongozo Code of Corporate Governance for State Corporations. Additionally, the Authority follows relevant circulars issued periodically on the operations and management of state corporations. The Board of Directors oversees the governance of the Authority, with Directors dedicated to fulfilling their fiduciary duties.

b. The Board of Directors:

i. The role of the Board

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

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

ii. Board Committees

The Board has four Board committees, to which it has delegated certain responsibilities, namely the Corporate Services Committee, Technical Committee, Enterprise Development Committee and the Audit Committee. The roles, membership and activities of these committees are described in more detail later in the Board Committee Charters. Each committee has its own terms of reference which are reviewed periodically and updated as appropriate.

iii. Board size, independence and appointments:

The constitution of the Authority's Board is stipulated by an instrument establishing the Authority, the Legal Notice 183 of 2013. It comprises 11 Directors:

The Board consists of the following members—

- a. a non-executive Chairman appointed by the President.
- b. the Principal Secretary responsible for matters relating to Information Communications and Technology.
- c. the Principal Secretary responsible for matters relating to the National Treasury.
- d. the Principal Secretary responsible for matters relating to Land, Housing and Urban Development.

**The Information and Communications Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2025.**

- e. not more than six persons, not being public officers, appointed by the Cabinet Secretary, by virtue of their specialist knowledge and distinguished service and experience of at least seven years in matters relating to information and communications technologies, eGovernment, e-Commerce, law, finance or human resources management; and
- f. the Chief Executive Officer.

The Board is composed of four (4) women and seven (7) men of whom two are youth. Members are drawn from various professions including education, architecture, legal, economics, ICT and Human Resources.

The Board charter was approved in 2021 and reviewed in 2023.

iv. Roles and functions of the Board.

The roles and functions of the Board are laid out in the State corporation's Act Mwongozo and the Board Charter. These include among others:

- a. Determine the Authority's mission, vision, purpose and core values.
- b. Review, evaluate and approve, on a regular basis, long-term plans for the Authority.
- c. Review, evaluate and approve the Authority's budget and financial forecasts.
- d. Review, evaluate and approve major resource allocations and capital investments.
- e. Ensure that the procurement process is cost-effective and delivers value for money.
- f. Review and approve the operating and financial results of the Authority.
- g. Ensure effective, accurate, timely and transparent disclosure of pertinent information on the Authority's operations and performance.
- h. Ensure that effective processes and systems of risk management and internal controls are in place.
- i. Review, evaluate and approve the overall Authority structure, the assignment of senior management responsibilities and plans for senior management development and succession.
- j. Review, evaluate and approve the remuneration structure of the Authority.
- k. Adopt, implement and monitor compliance with the Authority's Code of
- l. Conduct and Ethics.
- m. Review on a quarterly basis the attainment of targets and objectives set out in the agreed performance measurement framework with the Government of Kenya.
- n. Review periodically the Authority's strategic objectives and policies relating to sustainability and social responsibility/investment.
- o. Protect the rights of shareholders and optimize shareholder value.
- p. Enhance the Authority's public image and ensure engagement with stakeholders through effective communication.
- q. Monitor compliance with the Constitution, all applicable laws, regulations and standards; and

The Information and Communications Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2025.

r. Review, monitor and ensure that the Authority is effectively and consistently delivering on its mandate.

v. **Induction training and development:**

Board members are inducted on appointment and provided with an overview of the Authority's operations upon joining the Board. In the year under review three board members appointed within the year underwent a board induction course conducted by SCAC. The Board was also trained on Audit and Enterprise Risk Management.

vi. **Board members performance evaluation:**

In the year under review the Board evaluation exercise was conducted by SCAC on 3rd July 2024. The Board corporate score was 84.77.

vii. **Board Meetings and attendance:**

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

| Board Committee | Dates Held | | | |
|------------------------------------|------------------------------|---------------------------------|-------------------------------|-----------------------------|
| Board Technical Committee | 7 th August 2024 | 14 th October 2024 | 29 th January 2025 | 24 th April 2025 |
| | 6 members attended | 5 members attended | 4 members attended | 4 members attended |
| Board Corporate Services Committee | 25 th July 2024 | 29 th October 2024 | 23 rd January 2025 | 14 th April 2025 |
| | 5 members attended | 6 members attended | 5 members attended | 3 members attended |
| Enterprise Development Committee | 6 th August 2024 | 15 th October 2024 | 22 nd January 2025 | 22 nd April 2025 |
| | 5 members attended | 5 members attended | 5 members attended | 4 members attended |
| Audit Board Committee | 2 nd August 2024 | 27 th September 2024 | 24 th October 2024 | 23 rd April 2025 |
| | 5 members attended | 5 members attended | 4 members attended | 4 members attended |
| Full Board Meetings | 22 nd August 2024 | 7 th November 2024 | 6 th March 2025 | 8 th May 2025 |
| | 10 members attended | 11 members attended | 9 members attended | 8 members attended |
| Special Board Committee Meetings | 4 th March 2025 | | | |

**The Information and Communications Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2025.**

| | | | | |
|------------------------------------|-----------------------------|---------------------------|----------------------------|--|
| | 3 members attended | | | |
| Special Full Board Meetings | 24 th April 2025 | 23 rd May 2025 | 03 rd June 2025 | |
| | 10 members attended | 11 members attended | 11 members attended | |

viii. Management of conflicts of interest:

The Directors are required to promptly inform the Board of any actual or potential conflicts of interest, whether they are directly or indirectly involved. Throughout the financial year under review, the Board has adhered to its legal duty to avoid situations where Directors' interests could conflict with those of the Authority.

All business dealings with any parties, including directors or their related entities, are conducted at arm's length. The declaration of interest is a routine item on the agenda, addressed at the beginning of each Board and committee meeting. No conflicts were reported by Directors during the year under review.

ix. Governance, legal and compliance audits:

The Authority conducted a Governance audit. The legal and compliance audit was not undertaken in the year under review.

x. Board Charter:

The Board Charter offers guidance on matters including but not limited to the following:

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

The Board Charter is periodically reviewed to ensure it remains current and relevant. The Board Charter is attached. (Annex 1).

xi. Terms of reference of Board Committees:

The Board has four committees, Audit and Governance, Corporate services, Enterprise development and technical committee. The terms of reference of each committee are contained in its charter.

xii. Communication policy:

The Authority has in place a Communications policy that set outs the procedures and guidelines for communication within and without the Authority. The Authority uses both conventional media and social media to communicate.

xiii. Ethics and Conduct:

The Authority's Board is guided by the Public Officers Ethics Act. The Authority also has a code of conduct and ethics in place to guide board and staff.

xiv. Board remuneration:

In the year under review the Board was remunerated in line with The SRC guidelines.

xv. Succession plan

A succession plan ensures continuity of leadership and smooth transitions within a state corporation. It outlines critical positions, identifies potential successors, and provides training and mentorship to prepare them. The plan includes both emergency and planned succession procedures. The Board oversees the process to ensure it aligns with organizational strategy and complies with Mwongozo, PSC guidelines, and HR policies. Its purpose is to maintain stability, retain institutional knowledge, and support merit-based leadership development.

xvi Policy on related party transaction

A Related Party Transaction (RPT) policy ensures transparency and prevents conflicts of interest in dealings involving board members, senior managers, their close family members, or entities they influence. It requires full disclosure of relationships, board approval of all RPTs, and adherence to arm's-length terms. The policy mandates proper documentation, reporting to the Board, and financial statement disclosure. Non-compliance attracts disciplinary or legal consequences. Its goal is to safeguard public resources and uphold ethical corporate governance in line with Mwongozo and relevant laws.

9. Management Discussion and Analysis

A. National Economic Outlook

Over the past year (roughly mid-2024 to mid-2025), Kenya's economy has shown mixed performance, with GDP growth slowing in late 2024 but projected to rebound. Key trends include favourable weather boosting agriculture, a reduction in inflation from high levels and significant fiscal challenges including high domestic borrowing and efforts to reduce deficit. While a new IMF program is anticipated to support debt repayment and investor confidence, risks remain from fiscal difficulties, potential external shocks, and the need for more efficient public spending.

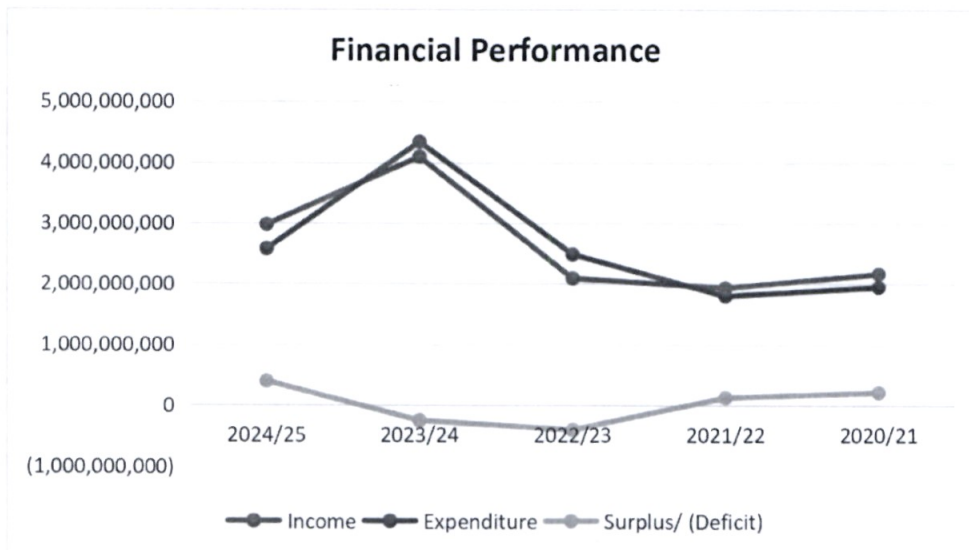
B. Financial Performance

For the year ending 30 June 2025, the total revenue was KShs 2,978,206,552 which comprised of grants of KShs 1,991,587,344 from the Parent Ministry (MoIC&DE); KRA-KShs 22,343,200, Public donations and contributions KShs 59,444,509, interest and other income-KShs 53,510,392 and income from rendering of services of KShs 851,321,107 of which NOFBI Commercialization -KShs.661,302,740, Internet connectivity to public offices-KShs 4,361,133, accreditation fees- KShs 30,383,001, and E-Citizen-KShs 155,274,233. Other gains and losses include KShs. 19,438,696 unrealized exchange gain and sale of PPE. The total revenue for the previous year was KShs 4,095,173,283 which is 27% decrease in income.

Total expenditure for the year ending 30 June 2025 was KShs. 2,580,940,872 compared to the previous year which was KShs 4,339,795,104. This was a decrease of 39% from the previous year's total expenditure. This can be attributed to the reduction in the development activities undertaken during the period due to budget cuts. The reduced exchequer for development led to delays in signing of contracts and undertaking the relevant activities for the period under review.

The summary of financial performance in the last five years is as below:

| FY | Income | Expenditure | Surplus/ (Deficit) |
|---------|---------------|---------------|-----------------------|
| 2024/25 | 2,978,206,552 | 2,580,940,872 | 397,265,681 |
| 2023/24 | 4,095,173,283 | 4,339,795,104 | -244,621,821 |
| 2022/23 | 2,094,339,676 | 2,490,347,755 | -396,008,079 |
| 2021/22 | 1,937,549,777 | 1,804,224,998 | 133,324,779 |
| 2020/21 | 2,168,500,711 | 1,951,628,272 | 216,872,439 |



C. Operational Performance

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

Looking ahead, the ICT industry is poised for further transformation driven by emerging technologies and supportive policy frameworks.

Projected developments:

- **Artificial Intelligence (AI)** and automation adoption will accelerate across sectors.
- **Regulatory reforms** to support data governance, e-commerce, and digital taxation.
- Expansion of **data centers** and **cloud infrastructure** to support scalable digital services.
- **Green ICT** initiatives will emerge, focusing on energy-efficient technologies and e-waste management.
- Increased **Public-Private Partnerships (PPPs)** for infrastructure development.

Opportunities

- Digital transformation of SMEs and the informal sector.
- Growth in e-health, edtech, and agritech platforms.
- Regional integration under the **African Continental Free Trade Area (AfCFTA)** will promote cross-border digital trade.
- Manufacturing of devices and software solutions

**The Information and Communications Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2025.**

D. Programmes, Projects and Key Activities

During the year under reporting, the Authority implemented various Programmes, Sub-Programmes and Projects resulting in significant progress in the attainment of its mandate as well as contributing towards the aspirations of the government as contained in the Digital Master Plan (2022-2032), the Vision 2030 and the Bottom-Up Transformation Agenda (BETA), i.e., the Digital Superhighway.

The following table presents a highlight of the Authority’s achievements on various programmes and projects.

| Programme/Sub-Programme | Project/Activity | Key Information | Achievements during the Year under reporting |
|--|---|--|---|
| Infrastructure Development and Maintenance | East Africa Regional Transport, Trade Development Facilitation Project (EARTTDFP) | This is a World Bank funded project which resulted in OFC installation between Eldoret and Nadopal in Turkana County. The project was completed in the first quarter of FY 2024/25. | Resulted in additional OFC of at least 1,800km onto the One Government Network and connection to more than 500 government institutions. |
| | Digital Superhighway (DSH) | This project is financed by the Communications Authority (CA) under the Universal Service Fund. CA has funded the project to the tune of Ksh. 10Bn in two phases of similar amounts. | |
| | Horn of Africa Gateway Development Project (HoAGDP) | This is a World Bank funded project intended to install OFC along Isiolo-Mandera road and provide connectivity to government institutions and digital hubs through backbone and last | Survey and design has been completed. Review of tender documents is currently underway |

| | | | |
|--|--|--|--|
| | | mile connectivity. | |
| | Kenya Digital Economy Acceleration Project (KDEAP) | This is a flagship project financed by the World Bank to the tune of USD 390m whose implementation commenced in February 2024 and is expected to be completed in October 2028. | Procurement of various consultancy services, supply of laptops and printers has been completed. Procurement of the main components of the project have commenced with expectation of speedy roll out in FY 2025/25 |
| | Maintenance of One Government Network (OGN) | This involves maintenance of at least 13,000km of NOFBI and other components of Kenya's digital network | Resulted in sustained availability of internet for MDAs and ISPs of more than 85% during the year. |

E. Key projects

The key Projects that are currently being implementing includes:

- i. East Africa Regional Transport, Trade and Development Facilitation Project (EARTTDFP), which ended on 30th June 2025.
- ii. KDEAP - Kenya Digital Economy Acceleration Project
- iii. DSH- Digital Superhighway Project
- iv. HOAGDP- Horn of Africa Gateway Development Project
- v. Presidential Digital Talent Programme (PDTP).

i) KDEAP - Kenya Digital Economy Acceleration Project

Project Objective

To expand access to high-speed internet, improve the quality and delivery of education and selected Government services, and build skills for the regional digital economy.

- The project is financed by the World Bank Group (IDA credit)
- Project financing - USD 570M
- Multiphase Programmatic Approach (MPA)
 - Phase 1 - 2023-2028, US\$390m (of which US\$40m from regional funds)
 - Phase 2 - 2026-2030, US\$180m (of which US\$30m from regional funds)

The project components include:

| Project Component | Objective |
|--------------------------------------|--|
| 1. Digital Infrastructure and Access | Expanding broadband coverage and access and enhancing the enabling environment for the digital economy |
| 2. Digital Government and Services | Increasing efficiency and security in government operations |
| 3. Digital Skills and Markets | Enhancing digital skills, device affordability and eCommerce to support the digital economy |
| 4. Project Management | project operations and administration |

ii) Digital Superhighway Project

The purpose of Digital Super Highway is to increase the fibre network coverage across the country, reduce cost of internet connectivity and enhance the delivery of e-government services, health services, agricultural services and financial services.

The Digital Superhighway Programme involves the following components:

1. Laying out of 100,000 Km of fibre cable across the country;
2. Installation of 25,000 public Wi-Fi hotspots;
3. Establishment of 1,450 Digital Village Smart Hubs and Studios (one per ward);
4. Establishment of three (3) Data Centres; and
5. Data Protection & Cyber security management

iii) HOAGDP-Horn of Africa Gateway Development Project.

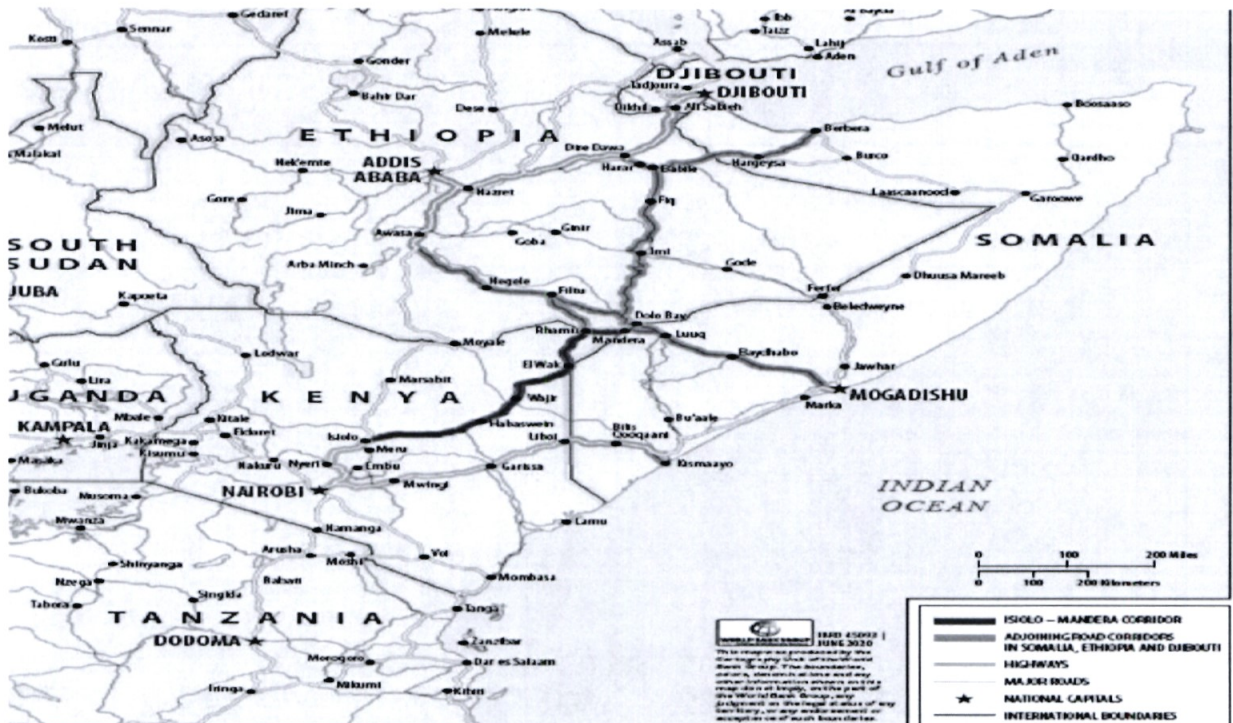
- This project component covers the Isiolo-Mandera road corridor ~740KM
- Timeframe- To be implemented over a period of 4 years for the Civil works and Fiber network build
- The project area geographically traverses 5 counties Isiolo, Meru, Garissa, Wajir, and Mandera
- The project will follow the Integrated Infrastructure Development model where KENHA is responsible for the civil works for the new OFC cable, ICTA for the entire Fiber network build (OSP +ISP)
- Project funding is US\$24.10 million, US\$19.97 million IDA, US\$4.13 million GOK Counterpart

The Information and Communications Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2025.

Scope:

- Design of the new Fiber Optic Cable along Isiolo- Manderla road corridor 740km and 200 Km fiber spurs
- Installation of a new Fiber Optic Cable along Isiolo- Manderla road corridor 740km and 200 Km fiber spurs
- Connection of key Government institutions along the corridor and in the major towns
- Connection of community information centres along the corridor and in the major towns
- Design of the relocation solution of the existing OFC cable

Road Corridor and Fiber route



Progress (Status):

- Phase 1 Survey and design of Isiolo - Mandera 741.75Km backbone, 260.5Km Spurs and Metros along the OFC corridor completed.
- Design of the Community Centres also completed
- Preparation of the Bid documents for OFC and Community Canters completed
- Market sounding initiated.
- Social Safeguards, EHS and ESIA under implementation.

iv) **One Government OGN (NoFBI)**

The ICT Authority manages the Government communication network that comprises of over 13,000kms of fibre across the Country providing internet and connectivity services to Government offices as well as supporting private sector Telecommunications sector. The network described above is referred to as the One Government Network (OGN).

The OGN is a nationwide ICT infrastructure managed by the ICT Authority (ICTA) to provide the services mentioned above. It provides a secure, resilient, and cost-effective platform for delivering government digital services as well as supporting private sector telecommunication networks.

To ensure uptime and service quality, OGN fiber optic maintenance has been structured through framework contracts across 8 national regions.

The Authority does lease services from the OGN to the private sector and Government alike. The strategy is to have a wholesale approach so that we sell to resellers who in turn use our services to resell to the retail market. The services offered are as shown below:

- Layer 2 & Layer 3 (IP/MPLS) transport
- Government internet access
- IP telephony and unified communications
- Public Wi-Fi backhaul
- Dark fiber, duct, and colocation leasing
- Cloud services and inter-MDA data exchange

Operational Challenges

The following are some of the key operational challenges being experienced by the Authority in the operations of the maintenance of the OGN:

a. **Absence of Active Equipment Maintenance Contracts**

While fiber links are under routine maintenance, the active components (e.g., switches, routers) remain unsupported due to lack of adequate budget to support this. We however are working on strategies to accommodate the same under a framework contract as well as having our field officers provided with spares to alleviate some of the dire situations. Some challenges arising due to not having this in place includes:

- Service outages at sites due to faulty equipment
- Delays in restoring services despite fiber integrity
- Increased NOC workload and escalations

b. **The need to have one center of maintenance and operations is critical for the success of the availability of the OGN. It is however noted that the**

Ministry of ICT is managing the NOFBIZE segment of the network as well as the CCP project. The above two carry active traffic for Government and the Authority has no visibility on the maintenance and operations of the same. Whenever there is a failure in any of these links, the Authority has to escalate the matter to the Ministry of action and cannot enforce any Service Level Agreement penalties because of delays in resolution of faults in the network. This compromises network availability and, in some cases, denying Government potential or active revenue as a result of the leasing of these links by the Private sector.

c. **Absence of Active Equipment Maintenance Contracts**

While fiber links are under routine maintenance, the active components (e.g., switches,

Way Forward

- There is a need to increase budget allocation to the Authority for the NOFBI Maintenance FY 2025/26 so as to cover the additional first charges for the previous FY24/25. The additional amount required is KES 268M to cover the full year plus two quarters from the previous year.
- There is need to ring-fence the OGN maintenance budget in upcoming planning cycles to ensure continuity and sustainability of the operations of the same.

Presidential Digital Talent Programme (PDTP)

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

It admits ICT graduates who have completed the university in the last 2 years in the fields of ICT and Engineering with 1st class or 2nd Class Upper Division. Initiated in 2015, the programme is in its ninth (9) year of implementation, having recruited 3300 interns with recruitment of COHORT IX in progress. The program is implemented by ICT Authority on behalf of the Ministry of ICT and The Digital Economy.

- 1) Through this programme, the government hope to fulfil its promise on:
- 2) **Making the public service efficient** and effective in service delivering to its citizens
- 3) **Increase youth employability**- Enhancing skills for job creation through Public and private sector on the job experience, training and Certification
- 4) Development of high-end innovative leaders for the digital and knowledge economy-
- 5) **Accelerated economic impact through ICT effectiveness**- Develop a pipeline of next generation of globally competitive ICT leadership and technology expert talent that will transform Kenya through world-class service delivery.
- 6) Program has recruited 3300 interns, with over 2100 employed or in business.

Digital Skills and Innovation

The Citizen Digital Skills aims to train 20 million citizens across various target groups and proficiency levels for a duration of 10 years. The program focuses on equipping citizens with literacy and competency skills that will contribute to ready employment, digital trade & business, increase efficiency, digital communication, access and innovation. The overall outcomes are a digitally inclusive Kenya society for improved quality of life.

The program is implemented through collaboration with partners and Multi-stakeholder Committees in a phased approach to ensure respective targets and stakeholder take charge of the full program components. Coordinated through the ICT Authority and delivered by a Consortium of partners that are certified training organizations.

10. Environmental and Sustainability Reporting

i) *Sustainability strategy and profile*

Global political shifts, economic volatility, and climate change are influencing sustainability priorities in the ICT sector. Guided by international frameworks such as the UN Sustainable Development Goals (SDGs), the entity focuses on energy-efficient operations, digital inclusion, and ethical technology governance. Our policy framework promotes innovation, carbon footprint reduction, and socio-economic impact in alignment with global best practices.

ii) *Environmental performance*

As part of our commitment to sustainable development, the ICT Authority continues to uphold and implement its Environmental sustainability practices, by emphasizing responsible e-waste management, conservation of biodiversity, pollution prevention, and alignment with national climate change priorities. The strategies commit the organization to environmental stewardship through systematic reduction of its carbon footprint, adoption of climate-smart technologies, and active stakeholder engagement.

In line with this policy, the institution has successfully launched and operationalized an E-Waste Collection Program targeting obsolete ICT equipment across government institutions. This initiative ensures

safe disposal and recycling through certified vendors, reducing landfill waste and potential soil contamination. The Authority has collected over 21,000 obsolete ICT equipment and undertaken awareness creation across 17 counties on the program. To further reinforce biodiversity conservation and contribute to Kenya's climate goals, the institution has planted over 56,000 indigenous trees in various forests across the country, with survival monitoring frameworks in place.



The Authority is embarking on the introduction of **paperless office systems** through digitization of records and systems which will lead to a reduction in paper usage by over 60%. Additionally, our vehicle fleet undergoes regular maintenance to reduce carbon emissions. In implementation of donor funded projects such as HOAGDP, the Authority has onboarded a ESG Consultant to ensure that the project is sustainable and environmentally friendly.

We recognize shortcomings, particularly the limited uptake of e-waste collection in remote counties and inconsistent maintenance of planted trees due to resource constraints. To address this, we have partnered with local youth groups and county environment officers for grassroots outreach and tree care follow-ups.

Through these integrated actions, the Authority remains dedicated to continuous environmental improvement, promoting innovation while ensuring sustainability remains at the core of our operations.

iii) *Employee welfare*

The Authority remains committed to non-discrimination and ensuring to encourage diversity, disability and equity in the Workplace, as guided by the Human Resource Policy Manual. Additionally, our advertisements encourage people with disability to

apply, with emphasis being on disability, women or marginalized communities. We also adhere to all requirements for registered staff with disabilities.

In improving skills and managing careers, appraisal and reward systems, in line with the Career Development policies of ICT Authority, we seek to enhance both the capacity and capability of our staff to bring the best out of them. To this end in the FY 2024/2025 the Authority has spent USD 200,000 in various learning and development initiatives. This is strengthened by an ongoing training needs analysis plan in place this financial year. The Authority conducted a staff engagement survey in December 2024 guiding on the key areas staff wanted focus on, which included compensation and benefits, work life balance and career progression. The Authority will, in FY 2025/2026 be supported in bringing on board the Balanced Scorecard, a comprehensive tool to enhance performance management.

Policy on safety and compliance with Occupational Safety and Health Act of 2007
ICT Authority remains committed in compliance measures along the OSHA Act of 2007. As part of an ongoing plan, we are conducting health and safety Audits in all regions. In June 2025, ICT Authority invited the Department of Occupational Health and Safety to conduct a training for an OSHA Committee. The focus is on addressing gaps and ensuring full compliance along the OSHA Act. Notably, we have not had any workplace accidents or incidents.

iv) *Market place practices-*

a) *Responsible competition practice.*

ICTA ensures fair competition practices in procurement of goods and services. The Authority will also ensure that we deal responsibly, openly and fairly with suppliers by ensuring that we use local suppliers as much as possible and that we will endeavour to pay them on time. The Authority will continue to forge public private partnership when undertaking the activities in order to ensure we make a significant positive difference in the society.

The procurement process is designed to ensure open and fair competition. Procurement notices are publicly advertised, and all suppliers are given equal opportunity to participate. Evaluation and selection of suppliers are based on pre-determined, objective criteria as outlined in the bidding documents, ensuring transparency and accountability

b) *Responsible Supply chain and supplier relations*

The Authority, through its Supply Chain Department, upholds responsible supply chain practices and ensures ethical, transparent, and accountable management of procurement contracts and supplier relationships. This is achieved through the following measures:

1. Compliance with Procurement Laws and Donor Guidelines

All procurement are conducted in strict compliance with the Public Procurement and Asset Disposal Act (PPADA), 2015, and the World Bank Procurement Regulations for IPF Borrowers (Fifth Edition, September 2023). This ensures integrity, fairness, and consistency in the procurement process.

2. Competitive and Transparent Sourcing

The procurement process is designed to ensure open and fair competition. Procurement notices are publicly advertised, and all suppliers are given equal opportunity to participate. Evaluation and selection of suppliers are based on pre-determined, objective criteria as outlined in the bidding documents, ensuring transparency and accountability.

3. Ethical Contract Management

The Authority enters into formal contracts with suppliers, clearly stipulating scope of work, timelines, deliverables, and payment terms. These contracts are professionally managed throughout the implementation period to ensure obligations on both sides are met in a fair and timely manner.

4. Honouring Contracts and Timely Payments

The Authority is committed to honouring all contractual obligations. Payments are processed promptly upon verification of satisfactory performance and submission of valid invoices and required documentation, in line with the contract terms and financial controls.

5. Professional Supplier Engagement

Suppliers are treated with fairness, respect, and professionalism. Any grievances or concerns raised by suppliers are addressed promptly through a transparent and structured mechanism. The Procurement Department also ensures clear communication at all stages of the procurement cycle.

6. Sustainability and Capacity Building

Where applicable, the organization supports the participation of local suppliers and promotes sustainable procurement practices, including the use of environmentally and socially responsible sourcing.

Through these practices, the Authority ensures that all procurement are implemented in a manner that promotes value for money, supplier trust, and responsible stewardship of public and donor resources.

c) Responsible marketing and advertisement or Responsible engagement with the citizens.

The ICT Authority is committed to responsible citizen engagement and ethical outreach in all its communication and service delivery. Our marketing and public sensitization efforts are guided by integrity, transparency, and inclusivity. We ensure that all messaging—whether through the media, website, or public forums—is accurate, respectful, and avoids any form of exaggeration or misinformation. Regular updates are shared through local dailies, our website, and official social media channels to ensure equal access to information for all stakeholders.

To deepen public participation and uphold transparency, the organization recently conducted nationwide consultations on the draft ICT Authority Bill, inviting public input from diverse citizen groups. This process reaffirmed our commitment to co-creating policies that serve the public interest.

We practice product stewardship by providing clear and adequate information about our services and initiatives. All open tenders are advertised publicly, ensuring fair competition and accountability. The planned Customer Relations Module at our reception will offer real-time feedback collection, improving how we address citizen needs and concerns. In addition, a dedicated customer service email is available for complaints, and a 24-hour Network Operations Centre (NOC) ensures continuous monitoring and prompt resolution of internet service disruptions across the country. Our internal teams are trained on consumer protection standards, and we are working towards aligning all digital platforms with best practices in data governance

and user consent. Through these efforts, the Authority continues to foster trust, uphold transparency, and ensure meaningful engagement with all Kenyans.

d) *Product stewardship or Awareness creation*

The Authority upholds the highest standards in protecting consumer and citizen rights. We ensure products and services meet health and safety requirements, provide clear and accurate information to support informed choices, and maintain transparent mechanisms for dispute resolution and redress. Robust data protection and privacy safeguards are embedded in all operations, in full compliance with applicable laws. Through ICT platforms, we facilitate access to essential public services, support lawful representation and participation, and uphold whistle-blower protections, aligning our practices with national legal frameworks and international best standards.

v) *Corporate Social Responsibility / Community Engagements*

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

11. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the Authority's affairs.

i) Principal activities

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

ii) Results

The results of the Authority's for the year ended June 30, 2025, are set out on page 1 to 81 of these financial statements

iii) Directors

The members of the Board of Directors who served during the year are shown on page xiii to xxiii. During the year the chairperson and 4 directors were replaced and a chair and four directors retired/ appointed with effect from May 16, 2025.

iv) Surplus remission

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The Authority does not fall under category 3 thus no *remittance to the Consolidated Fund*.

v) 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 for the period ended June 30, 2025.

By Order of the Board



.....

Pauline Kimotho
Corporation Secretary

12. Statement of Directors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, require the Directors to prepare financial statements in respect of the 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 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's for and as at the end of the financial year ended on June 30, 2025. 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's; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the Authority; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Authority's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the State Corporations Act. The Directors are of the opinion that the Authority's financial statements give a true and fair view of the state of Authority's transactions during the financial year ended June 30, 2025, and of the Authority's financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for the Entity, 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.

In preparing the financial statements, the Directors have assessed the Authority's ability to continue as a going concern. 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 August 26, 2025 and signed on its behalf by:



H.E Hon. Lily Ng'ok
Chairperson of the Board



Zilpher Owiti, OGW
Ag. Chief Executive Officer

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON INFORMATION AND COMMUNICATIONS TECHNOLOGY AUTHORITY (ICTA) FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Information and Communications Technology Authority (ICTA) set out on pages 1 to 69, which comprise of the statement of financial position as at 30 June, 2025, 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

Report of the Auditor-General on Information and Communications Technology Authority (ICTA) for the year ended 30 June, 2025

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 Information and Communications Technology Authority (ICTA) at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis and comply with the Public Finance Management Act, 2012 and the Legal Notice No.183 of 2013.

Basis for Qualified Opinion

1. Long Outstanding Receivables

The statement of financial position reflects receivables from exchange transactions balance of Kshs.262,883,163 (net of provision for bad debts). Included in that figure is an amount of Kshs.593,602,168 relating to National Optic Fibre Backbone Infrastructure (NOFBI) Commercialization and as disclosed in Note 21 to the financial statements. Further and as previously reported, included in the NOFBI balance is an amount of Kshs.340,747,578 due from Telkom Kenya and which had been outstanding for long.

Management reported that initiatives to settle this matter through consultations was unsuccessful due to liquidity challenges currently faced by the Telkom Kenya.

Further, the receivable from exchange transactions balance includes an amount of Kshs.45,193,389 in respect of digital villages revolving fund (Pasha). As previously reported, the latter balance, which has been outstanding since the year 2017, represents loans advanced to entrepreneurs to set up information hubs with a condition of repayment within nine (9) years but, no repayment was received from the borrowers. However, the loans have remained outstanding for a long period of time and their recovery were doubtful.

Further, interest chargeable on the loans was not included in the financial statements.

In the circumstances, the accuracy and completeness of receivables from exchange transactions balance of Kshs.262,883,163 could not be confirmed.

2. Non-Capitalization of Infrastructure Assets

The statement of financial position and as disclosed in Note 23, reflects property, plant and equipment balance of Kshs.1,090,397,583, out of which is infrastructure balance of Kshs.966,648,765 relating to the assets of the completed Eastern Africa Regional Transport, Trade and Development Facilitation Project (EARTTDFP). However, review of records and physical inspection revealed that there were various infrastructure assets which have not been recognized as infrastructure assets in the financial statements as per Paragraph 34 of IPSAS 45 requirements which classifies communication networks as part of property, plant and equipment and thus requires capitalization.

According to Note 14 to the financial statements on use of goods and services, the Authority during the year incurred expenditure totalling Kshs.583,992,113 on NOFBI Maintenance and Kshs.949,468 on EARTTDF Project. These projects have been ongoing for several years.

In addition, Government digitization platform (E-Citizen) incurred Kshs.253,269,122 as disclosed under Note 16 to the financial statement during the year under review. However, Management reported that they were waiting for official handover of projects totalling Kshs.2,777,836,721 before capitalization.

Further, excluded from the assets register and financial statements were the National Optic Fibre Backbone Infrastructure Phase I (NOFBI I) inventories transferred from Telkom Kenya to the ICT Authority but had not been subjected to valuation or network audit as at the time of the audit in June, 2025.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.1,090,397,583, could not be confirmed.

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

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final annual budgeted receipts and actual on comparable basis of Kshs.3,739,945,910 and Kshs.2,978,206,552 respectively, resulting in an underfunding of Kshs.761,739,358 or 20% of the budget. Similarly, the Authority spent an amount of Kshs.2,548,559,830 against actual receipts of Kshs.2,978,206,552 resulting to an underutilization of Kshs.429,646,722 or 14% of the receipts.

The under-funding and under-utilization affected the planned activities and may have impacted negatively on services delivery to the public.

2. Long-Outstanding Payables

The statement of financial position reflects payables from exchange transaction balance of Kshs.497,028,094 as disclosed in Note 25 to the financial statements. The balance includes an amount of Kshs.278,648,580 or 74% of the total balance that has been outstanding for more than two (2) years.

Management attributes this delay in settlement of bills to insufficient funding for the planned programmes and activities. In addition, Management is awaiting a report from

the National Pending Bills Verification Committee regarding several suppliers to determine their eligibility.

My opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Issues

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the Authority in 2024/2025 revealed that the following thirteen (13) issues remained unresolved;

| No. | Financial Year | Audit Issue |
|------------|-----------------------|---|
| 1 | 2023/2024 | Long Outstanding Receivables |
| 2 | 2023/2024 | Long Outstanding Pasha Loans |
| 3 | 2023/2024 | Failure to Include Infrastructure Assets in the Property, Plant and Equipment |
| 4 | 2023/2024 | Long-Outstanding Payables |
| 5 | 2023/2024 | Operations of E-Citizen Platform |
| 6 | 2023/2024 | Single Sourced E-Citizen Maintenance Contract |
| 7 | 2023/2024 | Unsupported Convenience Fees |
| 8 | 2023/2024 | Ongoing Special Audit on E-Citizen Government Digital Platform |
| 9 | 2023/2024 | Payment for Email Services without a valid contract |
| 10 | 2023/2024 | Non-adherence to 30% AGPO Procurement guideline |
| 11 | 2023/2024 | Sustainability on the use Public Wi-Fi |
| 12 | 2023/2024 | Lack of Climate Change Action Plan |
| 13 | 2023/2024 | Lack of IT Strategic and Steering Committees |

Other Information

Management is responsible for the Other Information set out on page iv to lv which comprise of Key Entity Information and Management, The Board of Directors, Key Management Team, Chairperson's Statement, Report of the Chief Executive Officer, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability

Reporting, Report of the Directors and Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Authority's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Irregular Payment for E-Mail License Services without a Valid Contract

During the financial year, the Authority utilized Google Application Collaboration e-mail services. The contract was signed on the 23 March, 2015 for two hundred (200) users, at a cost of Kshs.986,000. Review of records revealed that the last renewal of services by the Authority was on 26 August, 2016 which has since expired and, therefore, the services have been running without a valid contract.

Further, as previously reported, an outstanding payment of Kshs.7,918,260 was made to the service provider, covering the period from the year 2020 to 2024. However, there was no duly signed contract between the Authority and the service provider and itemized costs for the billing were not provided for audit review. The Management explained that the Authority could not enter into a contractual agreement with the service provider due to budgetary constraints, and since the service provider continued to provide the services, Management issued Local Service Orders (LSOs) to validate the utilization of the email license services.

In the circumstances, the validity of the payment of Kshs.7,918,260 could not be confirmed.

2. Sustainability on the Use of Public Wi-Fi

As previously reported, the Authority installed Public Wi-Fi in different locations within the country. Physical verification conducted in July, 2025 on sampled installations in Eastern,

Coast, South Rift, Nyanza, Central and North Rift Regions, revealed that many of these Wi-Fi's were non-operational and were experiencing challenges such as non-functional access points, frequent power failure caused mostly by cables vandalism, failure in Internet Protocol (IP) address, malfunctioning Uninterrupted Power Supply (UPS), lack of connectivity, un-serviced parts and low public awareness amongst others.

Further, review of the maintenance and operational protocols revealed a gap in role definition and accountability between the contractor responsible for installation and the contractor assigned with the maintenance part which could have led to delays or omissions in addressing site operational issues.

In the circumstances, the objective of the programme was not achieved and the value for money for the investment could not be confirmed.

3. Lack of Climate Change Action Plan

The Authority's Management did not have an integrated climate change action plan in line with Article 69(f) of the Constitution of Kenya which requires establishment of systems of environmental impact assessment, environmental audit and monitoring of the environment. Further, the Authority did not ensure integration of climate change considerations into the development planning and budgeting for the year ended 30 June, 2025.

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

4. Non-Compliance with Staffing Requirement for Persons with Disabilities

Review of records revealed that only two (2) staff members were registered as Persons with Disabilities (PWD), which constitutes less than 1% of the total workforce. This was contrary to Section B.23 (1) of Human Resource Policies and Procedures Manual for the Public Service, 2016 and Section 4(f) of the Persons with Disabilities Act, 2025 which requires every national government entity to promote the inclusion and integration of persons with disability in the public service and put in place measures to ensure that at least five per centum (5%) of the employment positions are filled by persons with disabilities;

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

5. Non-Compliance with the One-Third of Basic Salary Rule

Review of payroll records for May, 2025 revealed that fifteen (15) employees received less than one-third (1/3) of their basic salaries. This is contrary to Section 19(3) of the Employment Act, 2007 which provides that the total amount of all deductions that may be made by an employer from the wages of his employee at any one time shall not exceed two-thirds (2/3) of such wages of his additional or other amount as may be prescribed by the Minister either generally or in relation to a specified employer or employee or class of employer or employees or any trade or industry.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Information and Communications Technology Strategic and Steering Committees

The audit revealed that the Authority did not have an established ICT Steering Committee in place. This is contrary to Section 6.2 of the IT Governance Standard by the ICT Authority on ICT Governance direct that all Ministries, Counties, Departments and Agencies shall establish two ICT Governance Committees namely; an IT Strategy Committee to provide strategic advice on ICT initiatives and investments to the management and an IT Steering Committee to define the IT mission and goals aligned with the strategic direction of the organization, to authorize and direct the development of the services and operation plans.

Lack of an ICT Steering Committee exposes the Authority to the risk of unclear direction regarding the maintenance of information security and safeguard of ICT Assets.

2. Incomplete Fixed Assets Register

The Authority owns property, plant and equipment throughout the country. However, a review of the fixed assets register provided for audit revealed that twenty (20) motor vehicles with a total original cost of Kshs.89,488,898 that had been fully depreciated as at 30 June, 2024. However, Management had not valued the motor vehicles in the year under review despite the vehicles being in good condition. Further, the two (2) motor vehicles did not have logbooks. In addition, the assets register did not indicate tag numbers for furniture, fittings and ICT equipments.

In the circumstances, the effectiveness of internal controls surrounding management the Authority's assets could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance

were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Board of Directors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards Accrual Basis and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.



FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

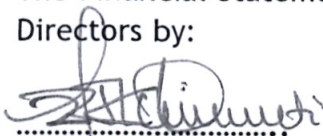
16 December, 2025

The Information and Communications Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2025.

14. Statement of Financial Performance for the year ended 30 June 2025

| | Notes | FY 2024-2025 KShs | FY 2023-2024 KShs |
|---|-------------|----------------------|----------------------|
| Revenue from non-exchange transactions | Note | | |
| Transfers from Other Government entities | 6 | 2,013,930,544 | 2,412,911,630 |
| Public Contributions & Donations | 7 | 59,444,509 | 169,836,574 |
| | | 2,073,375,053 | 2,582,748,203 |
| Revenue from exchange transactions | | | |
| Other income | 8 | 53,510,392 | 43,970,970 |
| Rendering of services | 9 | 851,321,107 | 1,468,454,110 |
| | | 904,831,499 | 1,512,425,080 |
| Total revenue | | 2,978,206,552 | 4,095,173,283 |
| Expenses | | | |
| Employee costs | 11 | 504,419,783 | 481,426,256 |
| Board Expenses | 12 | 13,795,393 | 16,089,383 |
| Repairs and maintenance | 13 | 7,300,483 | 1,139,496 |
| Use of Goods & Services | 14 | 1,437,797,581 | 2,857,942,254 |
| Depreciation & Amortization expense | 15 | 26,246,487 | 30,011,323 |
| Government Digitization Platform | 16 | 253,269,122 | 710,126,694 |
| Presidential Digital Talent program | 17 | 144,748,503 | 126,722,828 |
| Provision for Bad Debts | 18 | 160,982,475 | - |
| Total expenses | | 2,548,559,830 | 4,223,458,233 |
| Other Gains(Losses) | | | |
| PPE Sales | 10 | 0 | -30,940 |
| Unrealized Exchange Gain/(Loss) | 10 | 19,437,696 | 108,020,334 |
| Surplus/(deficit) before tax | | 410,209,027 | -236,274,344 |
| Taxes | 19 | 12,943,346 | 8,347,478 |
| Surplus/(deficit) for the year | | 397,265,681 | -244,621,821 |

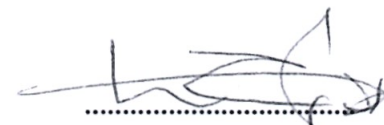
The notes set out on pages 8 to 51 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 7 were signed on behalf of the Board of Directors by:



Zilpher Owiti, OGW
Chief Executive Officer



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



H.E Hon. Lily Ng'ok
Chairman of the Board

Date 8/12/25

Date 08/12/25

Date 8/12/25


*Comparative year means prior year

The Information and Communications Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2025.

15 Statement of Financial Position as at 30 June 2025

| Assets | Note | FY 2024-2025 KShs | FY 2023-2024 KShs |
|--|------|----------------------|----------------------|
| Current Assets | | | |
| Cash and cash equivalents | 20 | 2,355,804,508 | 2,084,537,647 |
| Receivables from Exchange Transactions | 21 | 262,883,163 | 527,848,512 |
| Receivables from Non-Exchange Transactions | 22 | 97,947,835 | 77,075,433 |
| Total Current Assets | | 2,716,635,507 | 2,689,461,592 |
| Non-Current Assets | | | |
| Property, plant and equipment | 23 | 1,090,397,583 | 58,320,806 |
| Intangible Assets | 24 | - | - |
| Total Non-Current Assets | | 1,090,397,583 | 58,320,806 |
| Total Assets | | 3,807,033,090 | 2,747,782,397 |
| Liabilities | | | |
| Current liabilities | | | |
| Payables from exchange transactions | 25 | 497,028,094 | 932,785,599 |
| Non-Current Liabilities | | | |
| NOFBI II Expansion Deferred Income | 26 | 896,309,916 | 896,309,916 |
| Total liabilities | | 1,393,338,011 | 1,829,095,516 |
| Net assets | | | |
| Accumulated (Deficit)/Surplus | 27 | 2,413,695,080 | 918,686,882 |
| Total net assets and liabilities | | 3,807,033,090 | 2,747,782,397 |

The financial statements set out on pages 1 to 7 were signed on behalf of the Board of Directors by:



Zilpher Owiti, OGW
Chief Executive Officer


Date 8/12/25



CPA Oliver Pyoko
Head of Finance

ICPAK M/No: 12558

Date 08/12/25



H.E Hon. Lily Ng'ok
Chairman of the Board

Date 8/12/25

The Information and Communications Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2025.

16. Statement of Changes in Net Assets for the year ended 30 June 2025

| | Ordinary share capital | Revaluatio n reserve | Fair value adjustmen t reserve | Retained earnings | Proposed dividends | Capital/ Developm ent Grants/Fu nd | Total |
|----------------------------|------------------------------|-------------------------|--------------------------------------|-------------------|-----------------------|--|---------------|
| | KShs | KShs | KShs | KShs | KShs | KShs | KShs |
| At July 1, 2023 | - | - | - | 1,131,098,911 | - | - | 1,131,098,911 |
| Prior year Adjustments | | | | 32,209,791 | | | 32,209,791 |
| Total comprehensive income | | | | (244,621,821) | | | (244,621,821) |
| At June 30, 2024 | - | - | - | 918,686,881 | - | - | 918,686,881 |
| At July 1, 2024 | - | - | - | 918,686,881 | | | 918,686,881 |
| Prior year Adjustments | | | | 1,097,742,517 | | | 1,097,742,517 |
| Total comprehensive income | | | | 397,265,681 | | | 397,265,681 |
| At June 30, 2025 | - | - | - | 2,413,695,079 | | | 2,413,695,079 |

Note:

1. Prior year adjustment-This relates to adjustments done to payables and income after reconciliations.

17. Statement of Cash Flows for the year ended 30 June 2025

| | Notes | FY 2024-2025 KShs | FY 2023-2024 KShs |
|--|-------|----------------------|----------------------|
| Cash flows from operating activities | | | |
| Receipts | | | |
| Transfers from other governments entities | | 2,013,930,544 | 2,412,911,630 |
| Public contributions and donations | | 59,444,509 | 169,836,574 |
| Other income | | 53,510,392 | 43,970,970 |
| Rendering of services | | 851,321,107 | 1,468,454,110 |
| Total receipts | | 2,978,206,552 | 4,095,173,283 |
| Payments | | | |
| Employee costs | | 504,419,783 | 481,426,256 |
| Board Expenses | | 13,795,393 | 16,089,383 |
| Repairs and maintenance | | 7,300,483 | 1,139,496 |
| Government Digitization Platform (E-Citizen) | | 253,269,122 | 710,126,694 |
| Presidential Digital Talent program | | 144,748,503 | 126,722,828 |
| Use of goods and services | | 1,691,731,905 | 2,948,142,750 |
| Total payments | | 2,615,265,191 | 4,283,647,406 |
| Net cash flows from/(used in) operating activities | 32 | 362,941,361 | -188,474,123 |
| Cash flows from investing activities | | | |
| Purchase of PPE and Intangible assets | | (91,674,500) | -52,711,595 |
| Proceeds from sale of PPE | | 0 | - |
| Net cash flows from/(used in) investing activities | | (91,674,500) | -52,711,595 |
| Cash flows from financing activities | | | |
| Proceeds from borrowings | | - | - |
| Repayment of borrowings | | - | - |
| Net cash flows from financing Activities | | - | - |
| Net increase/(decrease) in cash &Cash equivalents | | 271,266,861 | -241,185,718 |
| Cash and cash equivalents at 1 July 2024 | 20 | 2,084,537,647 | 2,325,723,364 |
| Cash and cash equivalents at 30 June 2025 | 20 | 2,355,804,508 | 2,084,537,647 |

18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025

| | Original annual Budget | Adjustments | Final Annual Budget | Actual on comparable basis | Performance difference | % of Utilization |
|--|---------------------------|------------------------|------------------------|----------------------------------|---------------------------|---------------------|
| | KShs | KShs | KShs | KShs | KShs | |
| | a | b | c=a+b | d | e=(c-d) | f=d/c*% |
| Budget carryovers from the previous year* | 0 | 17,281,707 | 17,281,707 | 0 | 17,281,707 | 0% |
| Revenue | | | | | | |
| GOK Recurrent | 512,000,000 | 0 | 512,000,000 | 512,000,000 | 0 | 100% |
| Accreditation Fees | 10,000,000 | 0 | 10,000,000 | 30,383,001 | (20,383,001) | 304% |
| Presidential Digital Talent Programme | 138,483,100 | 0 | 138,483,100 | 115,999,999 | 22,483,101 | 84% |
| Government Shared Services Grants | 328,000,000 | (150,000,000) | 178,000,000 | 178,000,000 | 0 | 100% |
| HOAGDP IDA Grants | 450,000,000 | 0 | 450,000,000 | 448,327,288 | 1,672,712 | 100% |
| KDEAP IDA Grants | 2,800,000,000 | (2,150,000,000) | 650,000,000 | 412,240,057 | 237,759,943 | 63% |
| EARTTDF Counterpart Funds | 7,000,000 | 991,980 | 7,991,980 | 7,991,980 | 0 | 0% |
| HOAGDP Counterpart Funds | 41,000,000 | 0 | 41,000,000 | 41,000,000 | 0 | 100% |
| KDEAP Counterpart Funds | 284,020,000 | 0 | 284,020,000 | 284,020,000 | 0 | 100% |
| E-Citizen | 253,269,123 | 0 | 253,269,123 | 155,274,233 | 97,994,890 | 61% |
| NOFBI Maintenance | 330,000,000 | 420,000,000 | 750,000,000 | 661,302,740 | 88,697,260 | 88% |
| Shared Services Income | 15,000,000 | 0 | 15,000,000 | 4,361,133 | 10,638,867 | 29% |
| Connected Summit | 400,000,000 | 0 | 400,000,000 | 59,444,509 | 340,555,491 | 15% |
| UNICEF GIGA Project | 4,000,000 | 0 | 4,000,000 | 4,000,000 | 0 | 0% |
| Interest /other income | - | 0 | - | 53,510,392 | (53,510,392) | |
| KRA PDTP Alumina | | 0 | | 22,343,200 | (22,343,200) | |
| E-Waste | 28,900,000 | 0 | 28,900,000 | - | 28,900,000 | 0% |
| Total income | 5,601,672,223 | (1,861,726,313) | 3,739,945,910 | 2,978,206,552 | 761,739,357 | 80% |
| Expenses | | | | | | |
| Employee costs | 490,730,781 | 3,450,000 | 494,180,781 | 504,419,783 | (10,239,002) | 102% |
| Directors' costs | 17,128,000 | 0 | 17,128,000 | 13,795,393 | 3,332,607 | 81% |
| Repairs and maintenance | 2,141,219 | 1,031,707 | 3,172,926 | 7,300,483 | (4,127,557) | 230% |
| General Admin/Accreditation | 11,000,000 | 13,300,000 | 24,300,000 | 18,461,547 | 5,838,453 | 76% |

The Information and Communications Technology Authority
Annual Report and Financial Statements
for the year ended June 30, 2025.

| | | | | | | |
|---|----------------------|------------------------|----------------------|----------------------|----------------------|------------|
| Finance costs | 1,000,000 | (500,000) | 500,000 | 608,388 | (108,388) | 122% |
| E-Citizen | 253,269,123 | 0 | 253,269,123 | 253,269,122 | 0 | 100% |
| Depreciation & Amortization expense | - | 0 | - | 26,246,487 | (26,246,487) | |
| Presidential Digital Talent program | 138,483,100 | 0 | 138,483,100 | 144,748,503 | (6,265,403) | 105% |
| Other Expenses | | | | | | |
| Government Shared Services Expenses | 343,000,000 | (150,000,000) | 193,000,000 | 245,002,779 | (52,002,779) | 127% |
| NOFBI Maintenance EARTTDF IDA Grants Expenses | 330,000,000 | 420,000,000 | 750,000,000 | 583,992,113 | 166,007,887 | 78% |
| HOAGDP IDA Grants Expenses | 450,000,000 | 0 | 450,000,000 | 59,926,142 | 390,073,858 | 13% |
| KDEAP IDA Grants EARTTDF Counterpart Expenses | 2,800,000,000 | (2,150,000,000) | 650,000,000 | 288,339,835 | 361,660,165 | 44% |
| HOAGDP Counterpart Expenses | 7,000,000 | 991,980 | 7,991,980 | 6,267,820 | 1,724,160 | 78% |
| KDEAP Counterpart Funds | 41,000,000 | 0 | 41,000,000 | 43,110,160 | (2,110,160) | 105% |
| Connected Summit expenses | 284,020,000 | 0 | 284,020,000 | 101,066,149 | 182,953,851 | 36% |
| UNICEF GIGA Project Expenses | 400,000,000 | 0 | 400,000,000 | 68,691,299 | 331,308,701 | 17% |
| E-Waste Expenses | 4,000,000 | 0 | 4,000,000 | 1,745,200 | 2,254,800 | 44% |
| Bad Debts Expense | 28,900,000 | 0 | 28,900,000 | 19,636,682 | 9,263,318 | 68% |
| Total expenses | 5,601,672,223 | (1,861,726,313) | 3,739,945,910 | 2,548,559,830 | 1,191,386,080 | 68% |
| Other Gains(Losses) | | | | | | |
| Unrealized Exchange Gain/(Loss) | | | | 19,437,696 | (19,437,696) | |
| Surplus/(deficit) before tax | - | 0 | - | 410,209,027 | (449,084,419) | |
| Taxes | | | | 12,943,346 | (12,943,346) | |
| Surplus/(deficit) for the year | - | 0 | - | 397,265,681 | (436,141,073) | |

Budget notes

1. *Provide a commentary on significant under-utilization (below 90% of utilization) and any over-utilization (IPSAS 24.14)*
 - i. Accreditation receipts surpassed the budget.
 - ii. KDEAP- Amount received is the only disbursement made. The budget was revised downwards to KShs. 650m in Supplementary II estimates. This is due funds are received on reimbursement basis.
 - iii. The E-citizen budget was reduced to zero as it was transferred to the Ministry of Interior.
 - iv. NOFBI maintenance reduced due to clients taking lower capacity than previous years.
 - v. Connected Summit-under-budgeting delegates and presummit training.
 - vi. Government shared services-over utilization due to budget cuts. Initial budget was KShs 328 million.
 - vii. E-Citizen-the overutilization resulted by utilizing the brought forward funds to clear pending obligations. The vote was taken to the ministry on interior.
 - viii. KDEAP Counterpart-the low utilization is due to the project being in its implementation stage.

2. *IPSAS 24.29*-the differences between the original budget and final budget was due to supplementary budget revisions.

19. Notes to the Financial Statements

1. General Information

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

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Authority. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

- i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2025.*

There were no new and amended standards issued in the financial year.

- ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.*

| Standard | Effective date and impact: |
|--|---|
| IPSAS 43: Leases | Applicable 1st January 2025 The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. The standard has no impact in the Authority |
| IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations | Applicable 1st January 2025 The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. The standard has no impact in the Authority |
| IPSAS 45: Property Plant and Equipment | Applicable 1st January 2025 The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, |

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

| | |
|-----------------------------------|---|
| | <p>implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>The standard has no impact in the Authority</i></p> |
| IPSAS 46: Measurement | <p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>The standard has no impact in the Authority</i></p> |
| IPSAS 47: Revenue | <p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>The standard has no impact in the Authority</i></p> |
| IPSAS 48: Transfer Expenses | <p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>The standard has no impact in the Authority</i></p> |
| IPSAS 49: | <p><i>Applicable 1st January 2026</i></p> |

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

| | |
|---|--|
| Retirement Benefit Plans | <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>The standard has no impact in the Authority</i></p> |
| IPSAS 50: Exploration For & Evaluation of Mineral Resources | <p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>The standard has no impact in the Authority</i></p> |

iii. Early adoption of standards

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

Notes to the financial statements (continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Taxes, Levies and fines

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

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

The Authority recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

**The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.**

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Sale of goods

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

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for the Current FY was approved by the National Assembly on 28th June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Entity recorded a decreased appropriations of 3,070,000,000 in May 2025 supplementary budget following the governing body's approval.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Budget information (continued)

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 cash flows has been presented under section xxx of these financial statements.

c) Taxes

Current income tax

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

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Deferred tax

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable *Entity* and the same taxation authority.

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Sales tax

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

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

d) Investment property

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

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the 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.

f) Leases

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

g) Intangible assets

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

h) Biological Assets

The entity recognizes biological assets when it controls the assets due to past events, it is probable that future economic benefits associated with the asset will flow to the entity, and when the fair value or cost of the asset can be measured reliably. Biological assets are initially and subsequently measured at fair value less costs to sell, except where fair value cannot be reliably determined. In such cases, the asset is measured at its cost less accumulated depreciation and any accumulated impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur.

i) Research and Development costs

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

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

j) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The Authority does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

a) Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Subsequent measurement

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

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost.

A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

**The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.**

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL). There were no impairment provisions made in the year under in review.

b) Financial liabilities

Classification

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

k) Inventories

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

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

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

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

l) 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.

m) Social Benefits

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

n) Contingent liabilities

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

o) 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 Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.**

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

p) Nature and purpose of reserves

The Authority creates and maintains reserves in terms of specific requirements. The Authority has no reserves maintained in the financial period under review.

q) Changes in accounting policies and estimates

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

r) Employee benefits

Retirement benefit plans

The Authority provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

s) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

t) Borrowing costs

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

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

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

u) 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.

v) Service concession arrangements

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

w) 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.

x) Comparative figures

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

y) 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, 2025.

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual value

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

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

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 21 ©. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material. The provisions applicable in the organisation include provision for bad debts.

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

6. Transfers from Other Government entities

| Description | 2024-2025 | 2023-2024 |
|--|----------------------|----------------------|
| | KShs | KShs |
| Unconditional Grants | | |
| GoK Recurrent Funds | 512,000,000 | 472,000,001 |
| Presidential Digital Talent Programme | 115,999,999 | 115,999,997 |
| Shared Services | 178,000,000 | 354,000,000 |
| GoK NOFBI | - | 61,999,999 |
| EARTTDF Counterpart Funds | - | 30,000,000 |
| HOAGDP Counterpart Funds | 41,000,000 | 30,000,000 |
| KDEAP Counterpart Funds | 284,020,000 | - |
| EARTTDF IDA Grants | - | 1,319,876,092 |
| HOAGDP IDA Grants | 448,327,288 | 29,035,541 |
| KDEAP IDA Grants | 412,240,057 | - |
| Other Organizational Grants (KRA) | 22,343,200 | - |
| Total Government Grants and Subsidies | 2,013,930,544 | 2,412,911,630 |

The funds are for recurrent and development expenses for the Authority

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

| Name Of the Entity Sending the Grant | Amount recognized to Statement of Financial performance | Amount deferred under deferred income | Amount recognized in capital fund. | Total transfers 2024-2025 | Total transfers 2023-2024 |
|---|---|---------------------------------------|------------------------------------|---------------------------|---------------------------|
| | KShs | KShs | KShs | KShs | |
| State Department of ICT & Digital Economy | 1,991,587,344 | - | - | 1,991,587,344 | 2,412,911,630 |
| Kenya Revenue Authority | 22,343,200 | - | - | 22,343,200 | - |
| Total | 2,013,930,544 | - | - | 2,013,930,544 | 2,412,911,630 |

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

7. Public Contributions and Donations

| Description | FY 2024-2025 KShs | FY 2023-2024 KShs |
|---|----------------------|----------------------|
| UNICEF | - | 3,114,996 |
| Connected Summit Contributions | 59,444,509 | 165,421,578 |
| Others-ICTA @10 | - | 1,300,000 |
| | 59,444,509 | 169,836,574 |
| Reconciliation of public contributions and donations | | |
| Balance unspent at beginning of quarter | | |
| Current year receipts | 59,444,509 | 169,836,574 |
| Conditions met - transferred to revenue | - | - |
| Conditions to be met - remain liabilities | 59,444,509 | 169,836,574 |

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

8. Other Income

| Description | FY 2024-2025 KShs | FY 2023-2024 KShs |
|---------------------------------------|----------------------|----------------------|
| Interest Income (Banks) | 51,295,496 | 43,970,970 |
| Tender Fees & Penalties | 4,000 | - |
| NOFBI Infrastructure Fees & Penalties | 2,210,896 | - |
| Total other income | 53,510,392 | 43,970,970 |

- Other income relates to Interest income earned through the bank accounts the Authority has with the local Bankers.
- NOFBI Infrastructure Fees & Penalties-this relates to companies that have cut/destroyed fiber while doing work for other organizations.

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

9. Rendering Of Services

| Description | FY 2024-2025 | FY 2023-2024 |
|--|--------------------|----------------------|
| | KShs | KShs |
| NOFBI Commercialization | 661,302,740 | 717,348,669 |
| Shared Services & ICT Income | 4,361,133 | 10,531,511 |
| Accreditation & Digital Skills Fees | 30,383,001 | 26,452,126 |
| Government Digitization Platform (E-citizen) | 155,274,233 | 714,121,804 |
| Total other income | 851,321,107 | 1,468,454,110 |

- Revenue from NOFBI Commercialization relates to the sale/lease of NOFBI cable to the Telcos
- Revenue from Shared services- Internet connectivity to MDAs
- E-citizen-convenience fees collected for offering services through digitization platform.
- Accreditation Fees and Penalties funds collected *for accreditations of IT suppliers.*

10. Other Gains (Losses)

| Description | FY 2024-2025 | FY 2023-2024 |
|---------------------------|-------------------|--------------------|
| | KShs | KShs |
| PPE Sales | - | -30,940 |
| Exchange Gain/(Loss) | 19,437,696 | 108,020,334 |
| Total other income | 19,437,696 | 107,989,394 |

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

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

11. Employee Cost

| Description | FY 2024-2025 | FY 2023-2024 |
|--|--------------------|--------------------|
| | KShs | KShs |
| Basic Salaries and wages | 136,302,320 | 132,268,995 |
| Housing benefits and allowances | 82,535,605 | 81,425,997 |
| Other Staff Costs | 9,104,229 | 4,832,091 |
| Contract Staff Salaries | 184,325,461 | 181,013,384 |
| Contributions to Pensions, NSSF and Gratuity | 34,580,283 | 30,522,103 |
| NHDF- Employer Contribution | 5,337,118 | 4,758,731 |
| NITA LEVY | 140,100 | 130,200 |
| Medical Expenses | 49,477,278 | 41,127,640 |
| Group life insurance/WIBA | - | 4,220,305 |
| Staff Welfare Expenses | 2,617,390 | 1,126,810 |
| Total Employee costs | 504,419,783 | 481,426,256 |

12. Board Expenses

| Description | FY 2024-2025 | FY 2023-2024 |
|-----------------------------|-------------------|-------------------|
| | KShs | KShs |
| Chairman's Honoraria | 987,363 | 984,194 |
| Sitting Allowances | 6,257,003 | 7,371,000 |
| Other allowances | 6,551,027 | 7,734,189 |
| Total Board Expenses | 13,795,393 | 16,089,383 |

The variance between prior year and current year of KShs 2.3 million is due to Training not undertaken as planned due to changes in the Board .

13. Repairs & Maintenance

| Description | FY 2024-2025 | FY 2023-2024 |
|--------------------------------------|------------------|------------------|
| | KShs | KShs |
| Motor Vehicles | 5,700,664 | 287,596 |
| Furniture and fittings | 183,500 | 210,000 |
| Computers', Networks & Accessories | 1,416,319 | 641,900 |
| Total repairs and maintenance | 7,300,483 | 1,139,496 |

The variance between prior year and current year of KShs 6.1 million is due to Major repairs and services done on vehicles and computers.

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

14. Use of Goods and Services

| Description | FY 2024-2025 | FY 2023-2024 |
|--|----------------------|----------------------|
| | KShs | KShs |
| Travel, motor car, accommodation, subsistence and other allowances | - | 5,103,588 |
| Advertising, Printing and Supplies | - | 701,164 |
| Membership fees, dues and subscriptions | 305,700 | 576,026 |
| Office and General Supplies | 1,357,546 | 3,118,851 |
| Hospitality supplies and Services | 1,826,052 | 2,832,791 |
| Training & Capacity Building | 1,614,818 | 6,080,107 |
| Contracted and Utilities Supplies | 3,466,652 | 1,683,284 |
| Audit fees | 1,600,000 | 1,600,000 |
| Legal expenses | 498,800 | - |
| Recruitment | 207,700 | 1,150,575 |
| Rent & Parking | - | 48,694,545 |
| Accreditation Expenses | 7,584,279 | 4,470,460 |
| CEO, HR & Administration Dept | - | 119,700 |
| Finance Costs | 608,388 | 764,549 |
| Connected Summit Expenses | 68,691,299 | 203,637,451 |
| Innovation Expenses | - | 1,650 |
| Government Shared Services & A.I.A | 245,002,779 | 377,455,856 |
| NOFBI II E Expenses | - | 65,340,410 |
| NOFBI Maintenance | 583,992,113 | 686,039,192 |
| EARTTDF Project Expenses | 949,468 | 1,315,178,981 |
| EARTTDF Counterpart Expenses | 6,267,820 | 33,534,679 |
| KDEAP Expenses | 288,339,835 | 5,080,356 |
| KDEAP Counterpart Expenses | 101,066,149 | - |
| HOAGD Project Expenses | 59,926,142 | 39,319,564 |
| HOAGDP Counterpart Expenses | 43,110,160 | 10,565,398 |
| UNICEF GIGA Project | 1,745,200 | 10,357,657 |
| E-Waste Expenses | 19,636,682 | 34,535,421 |
| Total Use of Goods and Services | 1,437,797,581 | 2,857,942,254 |

KDEAP was audited for 13 months while under ICTA its 12 months as the one month was included in the FY 2023/24, thus the difference of KShs 5,080,356.. Under KDEAP the depreciation for its assets has been included in Note 15.

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

15. Depreciation and Amortization Expense

| Description | FY 2024-2025 | FY 2023-2024 |
|--|-------------------|-------------------|
| | KShs | KShs |
| Property, Plant and Equipment | 26,246,487 | 22,630,792 |
| Intangible assets Amortization | | 7,380,531 |
| Investment property carried at cost | | |
| Total depreciation and amortization | 26,246,487 | 30,011,323 |

16. Government Digitization Platform (E-Citizen)

| Description | FY 2024-2025 | FY 2023-2024 |
|---|--------------------|--------------------|
| | KShs | KShs |
| Support, Maintenance and Gateway Services | 253,019,029 | 501,513,648 |
| On boarding of new services | - | 52,902,396 |
| General Operations | 250,093 | 155,710,651 |
| Total Government Digitization Platform (E-Citizen) | 253,269,122 | 710,126,694 |

17. Presidential Digital Talent Program (PDTP)

| Description | FY 2024-2025 | FY 2023-2024 |
|----------------------------|--------------------|--------------------|
| | KShs | KShs |
| PDTP - Interns | 110,085,378 | 113,015,824 |
| KRA PDTPs Alumina | 18,185,625 | - |
| PDTP - Operations | 16,477,500 | 13,707,004 |
| Total PDTP Expenses | 144,748,503 | 126,722,828 |

18. Provision for Bad Debts

| Description | FY 2024-2025 | FY 2023-2024 |
|-------------------------------------|--------------------|--------------|
| | KShs | KShs |
| Bad Debts during the year (Note18A) | 160,982,475 | - |
| Total Bad Debts Provision | 160,982,475 | - |

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

18.A. Detailed Analysis of Debtors

| Debtor | Aging | Amount | Required % provision | Accumulated Bad Debts Provision | Provision required | Additional Provision |
|--|--------------|--------------------|----------------------|---------------------------------|--------------------|----------------------|
| Pasha Fund | Over 2 years | 45,193,389 | 100% | 45,193,389 | 45,193,389 | - |
| Telkom Kenya | Over 2 years | 340,747,578 | 100% | 186,049,159 | 340,747,578 | 154,698,419 |
| Bandwidth and Cloud Services Group Ltd | Over 1 year | 12,568,112 | 50% | - | 6,284,056 | 6,284,056 |
| Totals | | 398,509,079 | | 231,242,548 | 392,225,023 | 160,982,476 |

19. Taxes

| Description | FY 2024-2025 KShs | FY 2023-2024 KShs |
|-------------------------|----------------------|----------------------|
| With Holding Taxes Paid | 7,694,328 | 6,595,646 |
| Income Tax for the year | 5,249,018 | 1,751,832 |
| Total Taxes | 12,943,346 | 8,347,478 |

20. Cash and Cash Equivalents

| Description | FY 2024-2025 KShs | FY 2023-2024 KShs |
|--|----------------------|----------------------|
| Current account | 784,427,730 | 785,406,511 |
| Escrow Account | 1,571,376,778 | 1,299,131,135 |
| Cash at Hand/cash in transit | - | - |
| Total cash and cash equivalents | 2,355,804,508 | 2,084,537,647 |

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

20.A. Detailed Analysis of the Cash and Cash Equivalents

| Description | | FY 2024-2025 | FY 2023-2024 |
|----------------------------------|----------------|----------------------|----------------------|
| Financial institution | Account number | KShs | KShs |
| a) Current account | | | |
| Citi Bank GOK Account | 0300085016 | - | -5 |
| Citi Bank GOK Account (USD) | 0300085043 | - | 10 |
| Kenya Commercial bank (KShs) | 1219615692 | 93,557,309 | 305,468,516 |
| KCB Connected Summit Account | 1303722755 | 13,938,264 | -22,425,119 |
| ICTA Government Digitization KES | 1310084726 | 494,752 | 89,149,642 |
| ICTA Government Digitization USD | 1310084858 | 32,610 | 103,078,799 |
| KCB-ICTA GOK FUNDS | 1312872519 | 25,128,808 | 229,496,386 |
| KCB-ICTA PDTP ACCOUNT | 1312872640 | 5,593,645 | 44,947,315 |
| KCB ICT AUTHORITY EARTTDFP | 1322542651 | - | 1,529,949 |
| KCB ICT AUTHORITY HOAGDP | 1322543372 | 434,285,069 | 34,161,017 |
| KCB ICTA KDEAP ACCOUNT | 1322463891 | 48,588,855 | - |
| KCB ICTA HOAGDP-COUNTERPART | 1329049918 | 18,709,657 | - |
| KCB ICTA KDEAP- COUNTERPART | 1329050886 | 144,098,760 | - |
| | | 784,427,730 | 785,406,511 |
| b) Escrow Account | | | |
| Kenya Commercial bank (USD) | 1219130680 | 1,571,376,778 | 1,299,131,135 |
| | | 1,571,376,778 | 1,299,131,135 |
| c) Others(specify) | | | |
| Cash In Transit | | | |
| Cash in hand | | | |
| Grand total | | 2,355,804,508 | 2,084,537,647 |

*Exchange rate @June 30,2025: 129.2343 against the dollar.

**The amount is kept in an Escrow Account as per the EXIM Bank agreement

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

21. Receivables from Exchange Transactions

(a) Receivables from Exchange Transactions (Current)

| Description | FY 2024-2025 | FY 2023-2024 |
|---|--------------------|--------------------|
| | KShs | KShs |
| NOFBI Commercialization | 593,602,168 | 704,994,989 |
| Accreditation Fees | 0 | - |
| Innovation | 0 | - |
| PDTP Receivables | 4,730,648 | |
| Shared Services | 11,581,981 | 8,902,682 |
| Digital Villages Revolving Fund (Pasha) | 45,193,389 | 45,193,389 |
| Less: Provision for Bad Debts | (392,225,023) | (231,242,548) |
| Total current receivables | 262,883,163 | 527,848,512 |

- *Receivables relate to commercialization of the NOFBI cable, and connecting internet to MDAs.*

(b) Ageing analysis for Receivables from exchange transactions

| Description | FY 2024/2025 | | FY 2023/2024 | |
|--------------------|--------------------|----------------|--------------------|----------------|
| | KShs | | KShs | |
| | Current FY | % of the total | Comparative FY | % of the total |
| Less than 1 year | 249,946,858 | 38% | 364,247,411 | 48% |
| Between 1- 2 years | 16,827,599 | 3% | 8,902,682 | 1% |
| Between 2-3 years | 93,250,391 | 14% | - | 0% |
| Over 3 years | 295,083,339 | 45% | 385,940,967 | 51% |
| Total (a+b) | 655,108,186 | | 759,091,060 | |

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

| Impairment allowance/ Provision | FY 2024-2025 | FY 2023-2024 |
|---------------------------------------|--------------------|--------------------|
| | KShs | KShs |
| At the beginning of the year | 231,242,547 | 231,242,547 |
| Additional provisions during the year | 160,982,475 | - |
| Recovered during the year | - | - |
| Written off during the year | - | - |
| At the end of the year | 392,225,023 | 231,242,547 |

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

22. Receivables from Non-Exchange Transactions

| Description | FY 2024-2025 | FY 2023-2024 |
|----------------------------------|-------------------|-------------------|
| | KShs | KShs |
| Current receivables | | |
| Accounts Receivable | 52,360,693 | - |
| Connected Summit Receivable | 32,917,788 | 63,060,427 |
| Staff Advances | 1,052,715 | 1,061,086 |
| Unsurrendered Imprests | 12,814,765 | 6,972,658 |
| Prepayments | (1,319,276) | 5,981,262 |
| Deposits Receivables | 121,150 | |
| Grants/Revenue Receivable | | - |
| Less: impairment allowance | | - |
| Total current receivables | 97,947,835 | 77,075,433 |

22.A Ageing Analysis- Receivables from Non-Exchange Transactions

| Description | FY 2024-2025 | | FY 2023-2024 | |
|--------------------|-------------------|----------------|-------------------|----------------|
| | KShs | | KShs | |
| | Amount | % of the total | Amount | % of the total |
| Less than 1 year | 82,834,547 | 85% | 76,954,283 | 100% |
| Between 1- 2 years | 9,555,925 | 10% | | % |
| Between 2-3 years | - | 0% | 121,150 | - |
| Over 3 years | 5,557,363 | 6% | - | % |
| Total (a+b) | 97,947,835 | | 77,075,433 | |

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

23. Property, Plant and Equipment

| | Motor Vehicles | Computers and Other IT Equipment | Furniture and Fittings | Infrastructure | Total |
|------------------------|----------------|--|---------------------------|----------------|---------------|
| | KShs | KShs | KShs | KShs | KShs |
| Cost | | | | | |
| At 1st July 2023 | 89,488,897 | 73,223,239 | 97,550,536 | - | 260,262,672 |
| Additions | | 42,064,449 | 10,647,146 | - | 52,711,595 |
| At 30th June 2024 | 89,488,897 | 115,287,688 | 108,197,682 | - | 312,974,267 |
| Additions | | 91,674,500 | | 966,648,765 | 1,058,323,265 |
| At 30th June 2025 | 89,488,897 | 206,962,188 | 108,197,682 | 966,648,765 | 1,371,297,532 |
| Depreciation | | | | | |
| At 1st July 2023 | 84,884,674 | 56,688,977 | 90,449,019 | | 232,022,670 |
| Depreciation | 4,604,224 | 15,388,742 | 2,637,826 | | 22,630,792 |
| Disposals | | | | | |
| Impairment | - | - | - | | - |
| At 30th June 2024 | 89,488,897 | 72,077,719 | 93,086,846 | | 254,653,462 |
| Depreciation | - | 23,382,212 | 2,864,275 | | 26,246,487 |
| Disposals | | | | | - |
| Impairment | - | - | - | | - |
| At 30th June 2025 | 89,488,897 | 95,459,931 | 95,951,121 | - | 280,899,949 |
| Net book values | | | | | |
| At 30th June 2025 | - | 111,502,257 | 12,246,561 | 966,648,765 | 1,090,397,583 |
| At 30th June 2024 | - | 43,209,969 | 15,110,836 | - | 58,320,805 |

The infrastructure of KShs 966,648,765 was recognized as assets after the completion of the EARTDDF project.

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

Valuation

Property, Plant and Equipment were not valued during the year under review. In line with the National Assets and Liabilities Management Policy and Guidelines (issued 30th June 2020), the authority will in the FY 2025/26 engage professional valuers to value the assets of the Authority.

23 (b) Property, Plant and Equipment at Cost

If the PPE were stated on the historical cost basis, the amounts would be as follows:

| Description | Cost | Accumulated Depreciation | NBV |
|---------------------------------|----------------------|--------------------------|----------------------|
| | KShs | KShs | KShs |
| Motor Vehicles | 89,488,897 | 89,488,897 | 0 |
| Computers And Related Equipment | 206,962,188 | 95,459,931 | 111,502,257 |
| Furniture and Fittings | 810,197,682 | 95,951,121 | 12,246,560 |
| Infrastructure | 966,648,765 | - | 966,648,765 |
| Total | 1,371,297,532 | 280,899,949 | 1,090,397,583 |

Property plant and Equipment includes the following assets that are fully depreciated:

| Description | Cost or valuation | Normal annual depreciation charge |
|--|--------------------|-----------------------------------|
| Motor Vehicles including Motorcycles | 89,488,898 | 19,692,425 |
| Computers and Related Equipment | 52,835,567 | 34,568,644 |
| Office Equipment, Furniture and Fittings | 85,283,491 | 13,524,710 |
| Total | 227,607,956 | 67,785,779 |

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

24. Intangible Assets

| Description | FY 2024-2025 | FY 2023-2024 |
|------------------------------------|--------------|--------------|
| ERP System | KShs | KShs |
| Cost | | |
| At beginning of the year | 32,802,360 | 32,802,360 |
| Additions | - | - |
| At end of the year | 32,802,360 | 32,802,360 |
| Additions-internal development | - | - |
| At end of the year | 32,802,360 | 32,802,360 |
| Amortization and impairment | | |
| At beginning of the year | 32,802,360 | 25,421,829 |
| Amortization | - | 7,380,531 |
| At end of the year | 32,802,360 | 32,802,360 |
| Impairment loss | - | - |
| At end of the year | 32,802,360 | 32,802,360 |
| NBV | | |
| | - | - |

25. Trade and Other Payables from Exchange Transactions

| Description | FY 2024-2025 | FY 2023-2024 |
|---------------------------------------|--------------------|--------------------|
| | KShs | KShs |
| Audit Fees Payable | 1,600,000 | 1,600,000 |
| Staff Gratuity | 72,515,195 | 35,846,156 |
| Trade payables | 430,047,482 | 896,307,066 |
| Tax Payable | (7,134,582) | -967,624 |
| DLP Devices Replacement Payables | | - |
| NOFBI Infrastructure Fees & Penalties | | - |
| Total trade and other payables | 497,028,094 | 932,785,598 |

25.B. Ageing analysis: (Trade and other payables)

| | Current FY | % of the Total | Comparative FY | % of the Total |
|-----------------------------------|--------------------|----------------|--------------------|----------------|
| Under one year | 175,939,837 | 24% | 695,914,728 | 75% |
| 1-2 years | 42,439,677 | 2% | 35,846,156 | 4% |
| 2-3 years | 108,526,294 | 28% | 120,546,656 | 13% |
| Over 3 years | 170,122,286 | 46% | 80,478,059 | 9% |
| Total (tie to above total) | 497,028,094 | | 932,785,599 | |

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

26. NOFBI II Expansion Deferred Income

| Description | FY 2024-2025 | FY 2023-2024 |
|------------------------------------|--------------|--------------|
| | KShs | KShs |
| NOFBI II Expansion Deferred Income | 896,309,916 | 896,309,916 |
| Total trade and other payables | 896,309,916 | 896,309,916 |

26.A The deferred income movement is as follows:

| | FY 2024-2025 | FY 2023-2024 |
|-------------------------------|--------------|--------------|
| | KShs | KShs |
| Balance Brought Forward | 896,309,916 | 896,309,916 |
| Additions | | - |
| Transfers To Capital Fund | | - |
| Transfers To Income Statement | | - |
| Balance Carried Forward | 896,309,916 | 896,309,916 |

27. Accumulated Surplus/(Deficit)

| Description | FY 2024-2025 | FY 2023-2024 |
|------------------------------------|---------------|---------------|
| | KShs | KShs |
| Accumulated Surplus/ (Deficit) b/d | 918,686,881 | 1,131,098,911 |
| Prior Year Adjustments | 1,097,742,518 | 32,209,791 |
| (Deficit)/Surplus for the year | 397,265,681 | (244,621,821) |
| Accumulated (Deficit)/Surplus c/d | 2,413,695,080 | 918,686,881 |

27.A Prior year Adjustments

| Description | FY 2024-2025 | FY 2023-2024 |
|----------------------------|----------------|--------------|
| | KShs | KShs |
| Trade Payables | 86,248,919 | 8,120,695 |
| Accrued Gratuity | 176,994 | 5,818,234 |
| Tax Payable | - | 18,270,863 |
| Income Adjustments/Refund | 44,667,838 | - |
| Infrastructure Recognition | 966,648,765.28 | - |
| Total Adjustments | 1,097,742,517 | 32,209,791 |

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

28. Employee Benefit Obligations

| Description | Defined benefit plan | Post-employment medical benefits | Other Benefits | 2024-2025 | 2023-2024 |
|---|----------------------|----------------------------------|----------------|-------------------|-------------------|
| | KShs | KShs | KShs | KShs | KShs |
| Current Benefit Obligation | 24,930,749 | - | - | 24,930,749 | 21,730,442 |
| Non-Current Benefit Obligation | - | - | - | - | - |
| Total Employee Benefits Obligation | 24,930,749 | - | - | 24,930,749 | 21,730,442 |

Relates to Pension and NSSF employer contributions

Retirement benefit Asset/ Liability

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

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

29. Surplus Remission (for category 3 entities)

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The Authority is not under category 3 entities.

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

30. Taxation

| | FY 2024-2025 | FY 2023-2024 |
|--|-------------------|------------------|
| | KShs | KShs |
| At beginning of the year | - | - |
| Income tax charge for the year | - | - |
| Under/(over) provision in prior year/s | - | - |
| Income tax paid during the year | 12,943,346 | 8,347,478 |
| At end of the year | 12,943,346 | 8,347,478 |

The tax paid was withholding tax from interest income earned.

31. Deferred Tax Liability

Deferred tax is calculated on all temporary differences under the liability method using the enacted tax rate, currently 30%. The Authority did not have any Deferred Tax Liability.

32. Cash Generated from Operations

| | FY 2024-2025 | FY 2023-2024 |
|--|--------------------|----------------------|
| | KShs | KShs |
| Surplus for the year before tax | 397,265,681 | (244,621,821) |
| Adjusted for: | | |
| Depreciation/amortization | 26,246,487 | 30,011,323 |
| Non-cash grants received | | |
| Prior Year Adjustments | 131,093,752 | 32,209,791 |
| Working capital adjustments | 554,605,919 | (182,400,707) |
| Increase in receivables | 244,092,946 | (260,436,527) |
| Increase in deferred income | 0 | |
| Increase in payables | (435,757,505) | 254,363,111 |
| Increase in payments received in advance | | |
| Net cash flow from operating activities | 362,941,361 | (188,474,123) |
| | 362,941,361 | (188,474,123) |

Prior year adjustment does not include the Infrastructure of KShs 966,648,765, which were recognized under fixed assets.

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

33. Financial Risk Management

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

i) Credit risk

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

Financial Risk Management

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

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

| | Total amount | Fully performing | Past due | Impaired |
|--|----------------------|----------------------|--------------------|--------------------|
| | KShs | KShs | KShs | KShs |
| As at 30 June 2025 | | | | |
| Receivables from exchange transactions | 655,108,186 | 262,883,164 | 392,225,023 | 392,225,023 |
| Receivables from non-exchange transactions | 97,947,835 | 97,947,835 | - | - |
| Bank balances | 2,355,804,508 | 2,355,804,508 | - | - |
| Total | 3,108,860,530 | 2,716,635,508 | 392,225,023 | 392,225,023 |
| As at 30 June 2024 | | | | |
| Receivables from exchange transactions | 527,848,512 | 527,848,512 | | |
| Receivables from non-exchange transactions | 77,075,433 | 77,075,433 | | |
| Bank balances | 2,084,537,647 | 2,084,537,647 | | |
| Total | 2,689,461,592 | 2,689,461,592 | - | - |

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

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Authority's directors, who have built an appropriate liquidity risk management framework for the management of the Authority's short, medium and long-term funding and liquidity management requirements. The Authority manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Authority under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

| | Less than 1 month | Between 1-3 months | Over 5 months | Total |
|-------------------------------|----------------------|-----------------------|----------------------|----------------------|
| | KShs | KShs | KShs | KShs |
| As at 30 June 2025 | | | | |
| Trade payables | 48,245,899 | 123,895,690 | 324,886,505 | 497,028,094 |
| Current portion of borrowings | - | - | - | - |
| Provisions | - | - | - | - |
| Deferred income | - | - | 896,309,916 | 896,309,916 |
| Employee benefit obligation | | | | - |
| Total | 48,245,899 | 123,895,690 | 1,221,196,422 | 1,393,338,011 |
| As at 30 June 2024 | | | | |
| Trade payables | 1,600,000 | | 931,185,598 | 932,785,598 |
| Current portion of borrowings | | | | - |
| Provisions | | | | - |
| Deferred income | | | 896,309,916 | 896,309,916 |
| Employee benefit obligation | | | | - |
| Total | 1,600,000 | - | 1,827,495,514 | 1,829,095,514 |

iii) Market risk

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

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

Financial Risk Management

a) Foreign currency risk

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

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

Foreign currency risk(continued)

Current FY

| Description | In KShs | Other currencies | Total |
|---|---------|----------------------|----------------------|
| | KShs | KShs | KShs |
| As at 30 th June 2025 | | | |
| Financial Assets | | | |
| Cash | - | 1,571,409,388 | 1,571,409,388 |
| Debtors | - | - | - |
| Total Financial Assets | - | 1,571,409,388 | 1,571,409,388 |
| Financial Liabilities | | | |
| Trade And Other Payables | - | 896,309,916 | 896,309,916 |
| Borrowings | - | - | - |
| Total Financial Liabilities | - | 896,309,916 | 896,309,916 |
| Net Foreign Currency Asset/(Liability) | - | 675,099,472 | 675,099,472 |

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

Financial Risk Management

Foreign currency sensitivity analysis

Current FY

| Description | In KShs | Other currencies | Total |
|---|---------|----------------------|----------------------|
| | KShs | KShs | KShs |
| As at 30th June 2025 | | | |
| Financial Assets | | | |
| Cash | | 1,571,409,388 | 1,571,409,388 |
| Debtors | | - | - |
| Total Financial Assets | - | 1,571,409,388 | 1,571,409,388 |
| Financial Liabilities | | | |
| Trade and other Payables | - | 18,609,739 | 18,609,739 |
| Borrowings | - | - | - |
| Total Financial Liabilities | - | 18,609,739 | 18,609,739 |
| Net Foreign Currency Asset/(Liability) | - | 1,552,799,649 | 1,552,799,649 |

The Authority had one supplier pending in foreign currency equivalent to KShs 18,609,739.

Financial Risk Management

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

| Description | Change in currency rate | Effect on Profit before tax | Effect on Equity/Net assets |
|--------------------|-------------------------|-----------------------------|-----------------------------|
| | KShs | KShs | KShs |
| Current FY | | | |
| USD | 10% | 67,509,947 | 67,509,947 |
| Previous FY | | | |
| USD | 10% | 50,590,002 | 50,590,002 |

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

Financial Risk Management

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Authority analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs 4,102,090 (FY2023/24: KShs 2,446,218). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs 20,510,451 (FY 2023/24 - KShs 12,231,091).

| FY | Change in currency rate | Surplus/(deficit) before tax | Effect on Profit before tax |
|--------------|-------------------------|------------------------------|-----------------------------|
| | KShs | | KShs |
| FY 2024-2025 | 1% | 410,209,027 | 4,102,090 |
| | 5% | 410,209,027 | 20,510,451 |
| FY 2023-2024 | 1% | (236,274,344) | (2,362,743) |
| | 5% | (236,274,344) | (11,813,717) |

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The Authority considers relevant and observable market prices in its valuations where possible. The Authority has no financial instruments.

iv) Capital Risk Management

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

| | FY 2024-2025 | FY 2023-2024 |
|---|----------------------|------------------------|
| | KShs | KShs |
| Revaluation reserve | - | - |
| Retained earnings | 2,413,695,079 | 918,686,881 |
| Capital reserve | - | - |
| Total funds | 2,413,695,079 | 918,686,881 |
| Total borrowings | - | - |
| Less: cash and bank balances | (2,355,804,508) | (2,084,537,647) |
| Net debt/ (excess cash and cash equivalents) | 57,890,571 | (1,165,850,766) |
| Gearing | 2% | -127% |

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

34. Related Party Disclosures

Nature of related party relationships

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

Government of Kenya

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

Other related parties include:

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

| | FY 2024-2025 | FY 2023-2024 |
|--|----------------------|----------------------|
| | KShs | KShs |
| Transactions with related parties | | |
| a) Grants from the Government | | |
| Grants from National Government | 2,013,930,544 | 2,412,911,630 |
| Donations in kind | - | - |
| Total | 2,013,930,544 | 2,412,911,630 |
| b) Key management compensation | | |
| Directors' emoluments | 13,795,393 | 16,089,383 |
| Compensation to the CEO | 8,086,560 | 8,086,560 |
| Compensation to key management staff | 29,226,384 | 18,529,173 |
| Total | 51,108,337 | 42,705,116 |

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

35. Contingent Assets and Contingent Liabilities

Contingent Assets

The Authority did not have any contingent asset as at the close of the 2024/2025 financial year.

Contingent Liabilities

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

The below are the cases that the Authority has pending

| No. | Case | Claim | Status |
|-----|---|--|---|
| 1 | HCCC E002 of 2020 - Professional Marketing Services Limited vs ICTA | KShs.35,790,748 (unpaid PR & event management invoices) | Hearing postponed on 9th Oct 2024; next hearing set for 16th Oct 2025 |
| 2 | Civil Suit No. 1281 2020 - Leisure Lodge Limited and Another Vs Information and Communication Technology Authority | KShs.5,391,566 (unpaid Connected Conference 2017 services) | Status undefined; no progress reported |
| 3 | Petition No 233 Of 2022 - Legal Advice Centre (Kituo Cha Sheria) &Anor Vs Ag& 54(1e) Others | A constitutional petition seeking to have internet access declared as essential to enjoyment of basic human rights | Unable to track the case |
| 4 | E511 of 2021 - Magdalene Mjomba VS ICTA | KShs.91,552,170 (damages for wrongful contract termination) | Judgment delivered; case closed at High Court; appeal pending |
| 5 | ELC (civil suit) No 51 of 2019(Migori)Naftali Bondo Oyugi Versus Information and Communication Technology Authority and Safaricom Ltd | KShs.50,000 + general damages (trespass claim) | File transferred; no update since 2021 |

**The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.**

Notes to the Financial Statements (Continued)

36. Capital Commitments

There were no capital commitments outstanding.

37. Events after the Reporting Period

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

38. Ultimate and Holding Entity

The Authority is a State Corporation under the Ministry of Information, Communication & Digital Economy. Its ultimate parent is the Government of Kenya.

39. Currency

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

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

20. Appendices

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

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

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|---|-----------------------------------|--|
| Basis for qualified Opinion | | | | |
| 1.0 Long Outstanding Receivables | As previously reported, the statement of financial position reflects receivables from exchange transactions balance of KShs 527,848,512 which includes KShs 304,042,368 due from Telkom Kenya which has been outstanding for long. However, management did not provide explanations on why the Authority continued to advance services to Telkom Kenya while still bearing risk of the amounts being defaulted. In circumstances, the accuracy, | The management discontinued offering services to Telkom Kenya due to non-payment of the invoices advanced to them. The management has a committee in place which is discussing on how to recover the amounts from them. With the establishment of a Nation Pending Bills & Verification Committee, we expect that the matter will be resolved conclusively. | Not Resolved | December 2025 |

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|--|--------------------------------------|---|
| | completeness and recoverability of receivables from exchange transactions balance of KShs 304,042,368 could not be confirmed. | | | |
| 2.0 Long outstanding Pasha Loans | The Statement of Financial Position reflects Receivables from Exchange transaction balance of KShs 527,848,512, which, as disclosed in Note 21 to the financial statement, includes an amount of Kshs 45,193,389 in respect to Digital Villages Revolving Fund (Pasha). As previously reported, the latter balance, which has been outstanding since the year 2017, represents loans advanced to entrepreneurs to set up information hubs with a condition of repayment within nine(9) years. However, during the year under review and in the prior years, no repayment was received from the borrowers. | Management has made an impairment provision for the total loan amount. Family bank could not recover as they were deemed unrecoverable hence bad debts. The matter was presented to the PIC committee and ICTA is awaiting the response from the committees on way forward | Not Resolved | December 2025 |

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|---|-----------------------------------|--|
| | <p>Although the loans have remained outstanding for a long period of time and their recovery were doubtful, management has not made an impairment provision for the loan amount. Further, interest chargeable on the loans was not included in the financial statements.</p> <p>In the circumstances, the accuracy and completeness of the Digital Village Revolving Fund (Pasha) balance of KShs 45,193,389 could not be confirmed</p> | | | |
| <p>3.0 Failure to include Infrastructure Assets in the Property Plant and Equipment</p> | <p>The statement of financial position reflects Property Plant and Equipment balance of KShs. 58,320,805 as disclosed in note 23 to the financial statement. The balance includes Computers and Other IT Equipment balance of KShs. 43,209,969 and furniture and fittings balance of KShs. 15,110,836.</p> | <p>1.The NOFBI II assets- The Authority will consult the Ministry of IT & DE on where the Assets should be included in the Fixed Assets Register. 2.under ecitizen, the Authority were paying for services of maintenance, no</p> | <p>Not Resolved</p> | <p>December 2025</p> |

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|--------------------------|--------------------------------------|---|
| | <p>However, review of the Authority's financial records and audit inspection during the year under review, revealed that there were various infrastructure assets under various projects which have not been recognized as infrastructures assets as per the IPSAS requirements as detailed below:</p> <p>i. Note 14 to the financial statements on use of goods and services reflects expenditure incurred by the Authority on NOFBI II E Expenses, NOFBI Maintenance and East Africa Regional Transport and Development Facilitation Project (EARTTDFP) of KShs 65,340,410, KShs 686,039,192 and KShs 1,315,178,981</p> | <p>assets purchased.</p> | | |

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|--|-----------------------------------|--|
| | <p>ii. respectively. Government Digitization Platform (E-Citizen) incurred KShs 710,126,695 as disclosed under note 16 to the financial statement during the year under review. However, all of the above costs were written off instead of being capitalized as infrastructure assets and subjected to depreciation and amortization. In the circumstances, the accuracy and completeness of the property, plant and equipment balance of KShs. 58,320,805 could not be confirmed.</p> | | | |
| <p>Emphasis of Matter Budgetary Control and Performance</p> | <p>The statement of comparison of budget and actual amounts reflects total receipts budget and actual on a comparable basis of Kshs.6,217,969,785 and Kshs.4,095,173,283 respectively,</p> | <p>The shortfall resulted from the supplementary budget which was released on June 12th 2024, this necessitated the late revision of budgets. The</p> | <p>Not Resolved</p> | <p>December 2025</p> |

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|---|-----------------------------------|--|
| | <p>resulting to an underfunding of Kshs.2,122,796,502 or approximately 34% of the approved budget. However, the Information and Communication Technology Authority spent an amount of Kshs.4,223,458,233 against the actual receipts of Kshs.4,095,173,283 resulting to an over absorption of KShs 128,284,950 or 3%of the actual receipts.</p> <p>The shortfall in budgeted receipts affected the planned activities and may have impacted negatively on service delivery to the public.</p> | <p>supplementary II printed estimate has been availed for your review</p> | | |
| <p>Other matter Unresolved prior year matters</p> | <p>Review of progress on follow-up of the Auditor General's recommendations revealed that several audit findings raised in the previous years' audit reports were indicated as not resolved, these findings include long outstanding receivables, long outstanding pasha</p> | <p>It's true that that several audit findings raised in the previous years' audit reports were indicated as not resolved, these findings include long outstanding receivables, long outstanding pasha loans, budgetary controls</p> | <p>Not resolved</p> | <p>December 2025</p> |

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|--|--|-----------------------------------|--|
| | loans, budgetary controls performance and non-settlement of trade payables. Although the management provided comments on the issues, no time frame or the date of when the issues are expected to be resolved was provided. | performance and non-settlement of trade payables. The management has provided comments on the issues, and indicated the time frame of when the issues are expected to be resolved as the Authority awaits Parliamentary Investment Committee to set a date to discuss the matters. | | |
| Basis for Conclusion: | | | | |
| 1. Long outstanding payables | The statement of financial position reflects Payables from exchange transaction balance of KShs. 932,785,599 as disclosed in Note 25 to the financial statement. The balance Includes an amount of Kshs.241,775,164 owed to various entities which has remained outstanding for a long time. The | It is true that Included in the Trade and other Payable's balance of KShs. 932,785,599 is an amount of KShs. 241,775,164.89 that represents payments to various vendors that remains long outstanding. The payables will be paid as | Not resolved | December 2025 |

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|---|---|--|--------------------------------------|---|
| | <p>Authority stated that the issue arose due to insufficient funding for the planned activities. The Authority did not charge the long outstanding payable as first charge as per the Public Finance Management Act, 2012.</p> <p>In circumstances, management is in breach of law.</p> | <p>and when the funds are available. Payments made so far have been availed for your review.</p> | | |
| <p>2. E-Citizen Platform 2.1 Operations of the platform</p> | <p>The statement of financial performance and as disclosed under note 9 to the financial statements reflects income from rendering of services of kshs.1,468,454,110. Included is Kshs.714,121,804 on services rendered through the Government Digitization platform (E-citizen). However, the following observations were noted:</p> <p>2.1.1 single sourcing of the Maintenance Contract</p> <p>Review of the maintenance contract</p> | <p>2.1.1 - The Authority sought the approval from the National Treasury for specially permitted procurement process, to which they indicated in their reply dated 19th January, 2023 ref: TNT/PPD/CONF/5/5/007(57) that it does not meet the threshold, but the Authority may use direct procurement method as attached.</p> <p>Based on the above, the Authority justified the need to</p> | <p>Not Resolved</p> | <p>December 2025</p> |

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|--|--------------------------------------|---|
| | <p>for the E-Citizen platform revealed that the contract was single sourced to a local contractor. Although the Authority stated that the approval for single sourcing was given by the National Treasury, the Authority to single source was not provided for audit review.</p> <p>2.1.2 Unsupported Convenience Fees</p> <p>The system charges KShs 50 per transaction. However, no supporting documents were provided to support how the amount was arrived at. Further the gazette notice No.17422 dated 22 December 2023, indicated that the nominal administrative fees per transaction shall be prorated starting from a fee of KShs 5 from transactions below KShs 200 and KShs 50 for transactions over KShs 1,000. However, these prorated charges</p> | <p>single source and was then approved by the accounting officer in the professional opinion signed on the 31st January, 2023 as is required by the PPADA 2015 section 103 as attached.</p> <p>2.1.2 - The KES50 convenience fee was gazetted by the National Treasury on the 3rd February 2023 Gazette Notice No 1350. gazette notice No 9290.</p> <p>A re-gazettement was done on the 30th December, 2023 where the same proposed prorating of the convenience fees.</p> <p>It is also to be noted that the responsibility of changes to the amounts to be collected by the system as handled by the Government Digital Payments (GDP) department under the</p> | | |

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|---|--------------------------------------|---|
| | <p>have not been implemented and the system was charging a fixed charge of KShs 50 per transaction irrespective of the value of transaction, during the year under review.</p> <p>In circumstances, the regularity of the convenience fee charged and the maintenance contract could not be confirmed.</p> | <p>National Treasury.</p> <p>With respect to the pro-rated fees, it is advised by the GDP that the implementation of the fees will take time as they need to be undertaken per MDA, and there are over 20,000 services. The ICT Authority however wrote to the vendor to ensure implementation of the same as shared in the attached document but the operations of the eCitizen platform was transferred to the State Department of Immigration and Citizen Services</p> | | |
| 2.2 Special Audit on E-citizen | <p>My office is currently undertaking a special audit on government digital payment platform (E-citizen). This special audit is informed by the current strategic importance of E-citizen in the financial management of Government. The special audit is expected to provide highlights on the credibility and reliability of the E-</p> | <p>The special audit had not been concluded.</p> | Not resolved | December 2025 |

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|--|---|-----------------------------------|--|
| | <p>citizen system including assurance on whether data processed through the system is accurate and complete. Further, the special audit will interrogate both IT and physical security governance arrangements and the adequately controls in place. As at the time of this audit report, the special audit had not been concluded.</p> | | | |
| <p>3. Payment for email services without a valid contract</p> | <p>During the financial year, the authority utilized google application collaboration email services. The contract was first signed on the 23 March, 2015 for two hundred (200) users, at a cost of KShs. 986,000. Review of the documents provided for audit revealed that the last known renewal of the services by the authority was done in august 2016 and has since expired and the services have been running without a valid contract. During the year under review an</p> | <p>In the earlier years the following were paid using the LPO that was issued to the vendor.</p> <ul style="list-style-type: none"> • Contract/LSO No.1112911 amounting to KShs 1,912,260.00 for the period between March 2022 to March 2023 processed via Procurement • Contract /LSO No. 2110891 amounting to KShs 478,065.00 for Three months extension (March 2023-June 2023) processed via Procurement | <p>Not Resolves</p> | <p>December 2025</p> |

The Information and Communications Technology Authority
 Annual Reports and Financial Statements
 for the year ended June 30, 2025.

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|--|--|--------------------------------------|---|
| | <p>outstanding payment of kshs.7,918,260 was made to the service provider covering the years from 2020 to 2024. However, the duly signed contract between the Authority and the service provider for the period between 2020 to 2024 was not provided for audit review.</p> <p>In the circumstances, the validity of the payment could not be confirmed.</p> | <p>It is however to be noted that the Authority did not have budget to renew the contract at the time, it was also a challenge to immediately cease the services as they were in use by the Ministry including the CS and PS offices and thus did not terminate at the time due to the criticality of the service. The Authority had been urging the ministry to migrate to Zimbra Government email platform so as to manage costs but this was yet to be done by the Ministry.</p> <p>The Authority however officially transferred of the service to the Ministry of Information, Communication and Digital Economy as they are the ones utilizing the services. users of the service as per letter dated 12th November, 2024 ref:</p> | | |

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|---|-----------------------------------|--|
| | | ICTA/SS/16/VOL.1(53)_2024 and the same is no longer the responsibility of the Authority. | | |
| 4. non-Adherence to 30% Access to Government Procurement Opportunities Procurement guideline | During the year under review, it was observed that the Authority had a total of KShs. 321,541,885 which represents 30% of Kshs.1,071,806,286 for non-infrastructure budgets reserved for the special groups (Youth, Women and PWDs). However, the Authority awarded the special group a total of Kshs.163,361,755 worth of supply of goods and services, which represents only 15% of the reserved amount. This is contrary to the Section 53(6) of the Public Procurement and Asset Disposal Act, 2015 which states that all procurement and asset disposal planning shall reserve a minimum of thirty percent of budgetary allocations for enterprises owned by | In the Financial year 2023-2024 the Authority allocated a total of Kes 170,688,300.00 of the procurement budgets for goods, works and services as provided in the annual procurement plan to Youth, Women and PWDs. (Less Donor Funded Procurements and Infrastructure Items and licenses.) A total of Kes 163,864,115.00 has been awarded to the Disadvantage groups. This is 96.00% of the total amount allocated to the group. The Authority has embarked on sensitizing these groups on how they can partner among themselves to increase their financial muscle and also offer | Not resolved | December 2025 |

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|--|--|--------------------------------------|---|
| | <p>women, youth and persons with disabilities and other disadvantaged groups. In circumstances, the Authority was in breach of law.</p> | <p>guidance on proper pricing of bids through by conducting proper market surveys to make their bids more competitive, moreover, we continue to encourage more and more PWD suppliers to register with us and hope that these endeavours will yield positive results</p> | | |
| <p>5. Sustainability on the use of Public Wi-Fi</p> | <p>Note 14 on use of goods and services, reflect expenditure amount of kshs.377,433,456 on government shared services. Included this amount is kshs.77,554,457 for the installation of public WIFI in different parts of the country during the year under review .The audit sampled a total of nineteen(19) installations for verification .From the sample of (19) locations ,it was observed that only seven(7) were working . The others had challenges including access points not working, frequent power</p> | <p>It is true that some of these sites were down at the time of the audit, it is however to be noted that some sites were down due to power disconnection by Kenya Power effected on the host where we host our public WiFi, while for others, vandalism was as a result of spontaneous actions in the areas where they were</p> | <p>Not resolved</p> | <p>December 2025</p> |

The Information and Communications Technology Authority
 Annual Reports and Financial Statements
 for the year ended June 30, 2025.

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|--|-----------------------------------|--|
| | <p>failure especially western Kenya, vandalism, issues with IP address, malfunctioning ups and lack of connectivity.</p> <p>Further, a review of maintenance and operational protocols revealed an apparent gap in role definition and accountability between the contractor responsible for installation and the contractor assigned maintenance work. This ambiguity appears to have led to delays or omissions in addressing site operational issues .</p> <p>In the circumstances, value for money for the investment could not be confirmed.</p> | <p>installed and thus equipment affected./</p> <p>we have since commenced the piloting of solar powered public wifi and have done so for 16 locations across the country as an initial phase of the project and believe this will address most of the issues relating to downtime due to power. All IP address, malfunction issues have been addressed, and the replacement of faulty UPS ongoing albeit at. Slow rate due to budgetary challenges in the acquisition of the same.</p> <p>It is to be noted that the roll out of Public WIFI was undertaken as a new</p> | | |

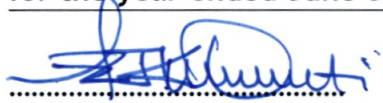
The Information and Communications Technology Authority
 Annual Reports and Financial Statements
 for the year ended June 30, 2025.

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|--|-----------------------------------|--|
| | | initiative, and the Authority had initially issued for installations to be done by the contractor and that they would maintain their works as part of warranty for works done to ensure each installation had the contractor responsible for the same for one year. It is also to be noted that the Authority did not have enough funds to procure a maintenance contract for public wifi active equipment thus a challenge to have maintenance contractor assigned to the same exclusively. | | |
| 6. Lack of Climate Change Action Plan | The Information and communications Technology Authority did not have an integrated climate change action plan | Its true that the Authority did not have an integrated climate change action plan in | Not Resolved | December 2025 |

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|---|--|---|-----------------------------------|--|
| | <p>in line with Article 69(f) of the Constitution of Kenya which requires establishment of systems of environmental impact assessment, environmental audit and monitoring of the environment. Further, the Authority did not ensure integration of climate change considerations into the development planning and budgeting for the year ended 30 June 2024.</p> <p>In circumstances, management did not comply with the law.</p> | <p>line with Article 69(f) of the Constitution of Kenya which requires establishment of systems of environmental impact assessment, environmental audit and monitoring of the environment. Going forward, The Authority will ensure integration of climate change considerations into the development planning and budgeting.</p> | | |
| <p>Lack IT Strategic and Steering Committees</p> | <p>The Audit review revealed that the Authority did not have an established IT Strategic and Steering Committees. In circumstances, The Authority did not benefit from the oversight provided by these committees.</p> | <p>The management will table the request to the CEO to constitute IT Strategic and Steering Committees.</p> | <p>Not resolved</p> | <p>December 2025</p> |

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.



Ag. Chief Executive Officer

Date: 8/12/25

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Appendix II: Projects implemented by The ICT Authority

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

| Project title | Project Number | Donor | Period/ duration | Donor commitmen t | Separate donor reporting required as per the donor agreemen t (Yes/No) | Consolidate d in these financial statements |
|---|----------------------------|------------|---------------------|-------------------------|---|--|
| 1. East Africa Regional Transport, Trade and Development Facilitation Project (EARTTDF) | IDA Credit No.: 5638-KE | World Bank | 8 years | yes | Yes | Yes |
| 2. Horn of Africa Gateway Development Project | IDA Credit No.: 6768-KE | World Bank | 7 Years | yes | Yes | Yes |
| 3. Kenya Digital Economy Acceleration Project (KDEAP) | Credit No.7289- Ke | World Bank | 5 years | yes | yes | yes |

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Appendix III: Status of Projects completion

| SN | Project | Total project Cost | Total expended to date | Completion % to date | Budget | Actual | Sources of funds |
|----|--|-----------------------------------|------------------------|----------------------|-------------|-------------|------------------|
| 1 | East Africa Regional Transport, Trade and Development Facilitation Project (EARTTDF) | 2,950 million | 2,866,679,155 | 100% | - | - | IDA/GoK |
| 2 | Horn of Africa Gateway Development Project | 2,757 million | 152,970,485 | 5% | 450,000,000 | 448,327,288 | IDA/GoK |
| 3 | Kenya Digital Economy Acceleration Project (KDEAP) | 46,736 million (Euro 311,000,000) | 381,097,193 | 1% | 650,000,000 | 412,240,057 | IDA/Gok |

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Appendix IV: 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 |
|---|-----------------------|---|--------------------|------------------------------------|--------------|-----------------|-------------|---------------------------|-----------------|
| | As per bank statement | | | Statement of Financial Performance | Capital Fund | Deferred Income | Receivables | Others - must be specific | |
| Ministry of Information Communication and Digital Economy | 8/19/2024 | Recurrent | 9,666,667 | 9,666,667 | - | - | - | - | 9,666,667 |
| Ministry of Information Communication and Digital Economy | 9/6/2024 | Recurrent | 9,666,667 | 9,666,667 | - | - | - | - | 9,666,667 |
| Ministry of Information Communication and Digital Economy | 9/18/2024 | Donor Fund | 225,000,000 | 225,000,000 | - | - | - | - | 225,000,000 |
| Ministry of Information Communication and Digital Economy | 9/18/2024 | Donor Fund | 412,240,057 | 412,240,057 | - | - | - | - | 412,240,057 |
| Ministry of Information Communication and Digital Economy | 9/24/2024 | Development | 71,005,000 | 71,005,000 | - | - | - | - | 71,005,000 |

**The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.**

| | | | | | | | | | |
|---|------------|-------------|-------------|-------------|--|--|--|--|-------------|
| Ministry of Information Communication and Digital Economy | 10/9/2024 | Recurrent | 9,666,666 | 9,666,666 | | | | | 9,666,666 |
| Ministry of Information Communication and Digital Economy | 11/6/2024 | Recurrent | 9,666,666 | 9,666,666 | | | | | 9,666,666 |
| Ministry of Information Communication and Digital Economy | 11/15/2024 | Development | 82,000,000 | 82,000,000 | | | | | 82,000,000 |
| Ministry of Information Communication and Digital Economy | 11/15/2024 | Development | 20,500,000 | 20,500,000 | | | | | 20,500,000 |
| Ministry of Information Communication and Digital Economy | 12/6/2024 | Recurrent | 9,666,666 | 9,666,666 | | | | | 9,666,666 |
| Ministry of Information Communication and Digital Economy | 12/4/2024 | Donor Fund | 223,327,288 | 223,327,288 | | | | | 223,327,288 |
| Ministry of Information Communication and Digital Economy | 1/3/2025 | Recurrent | 9,666,667 | 9,666,667 | | | | | 9,666,667 |

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

| | | | | | | | | | |
|---|------------|-------------|-------------|-------------|--|--|--|--|-------------|
| Ministry of Information Communication and Digital Economy | 2/7/2025 | Recurrent | 9,666,667 | 9,666,667 | | | | | 9,666,667 |
| Ministry of Information Communication and Digital Economy | 3/14/2025 | Recurrent | 9,666,667 | 9,666,667 | | | | | 9,666,667 |
| Ministry of Information Communication and Digital Economy | 3/12/2025 | Recurrent | 256,000,000 | 256,000,000 | | | | | 256,000,000 |
| Ministry of Information Communication and Digital Economy | 1/27/2025 | Development | 82,000,000 | 82,000,000 | | | | | 82,000,000 |
| Ministry of Information Communication and Digital Economy | 1/28/2025 | Development | 71,005,000 | 71,005,000 | | | | | 71,005,000 |
| Ministry of Information Communication and Digital Economy | 04.04.2025 | Recurrent | 128,000,000 | 128,000,000 | | | | | 128,000,000 |
| Ministry of Information Communication and Digital Economy | 04.04.2025 | Recurrent | 9,666,667 | 9,666,667 | | | | | 9,666,667 |

**The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.**

| | | | | | | | | | |
|---|------------|-------------|------------|------------|--|--|--|--|------------|
| Ministry of Information Communication and Digital Economy | 08.05.2025 | Recurrent | 9,666,666 | 9,666,666 | | | | | 9,666,666 |
| Ministry of Information Communication and Digital Economy | 08.05.2025 | Recurrent | 42,666,667 | 42,666,667 | | | | | 42,666,667 |
| Ministry of Information Communication and Digital Economy | 11.06.2025 | Recurrent | 42,666,667 | 42,666,667 | | | | | 42,666,667 |
| Ministry of Information Communication and Digital Economy | 11.06.2025 | Recurrent | 9,666,667 | 9,666,667 | | | | | 9,666,667 |
| Ministry of Information Communication and Digital Economy | 18.06.2025 | Development | 14,000,000 | 14,000,000 | | | | | 14,000,000 |
| Ministry of Information Communication and Digital Economy | 01.07.2025 | Recurrent | 42,666,667 | 42,666,667 | | | | | 42,666,667 |
| Ministry of Information Communication and Digital Economy | 01.07.2025 | Recurrent | 9,666,667 | 9,666,667 | | | | | 9,666,667 |

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

| | | | | | | | | | |
|---|------------|-------------|----------------------|----------------------|---|---|---|---|----------------------|
| Ministry of Information Communication and Digital Economy | 08.05.2025 | Development | 10,250,000 | 10,250,000 | | | | | 10,250,000 |
| Ministry of Information Communication and Digital Economy | 09.05.2025 | Development | 10,250,000 | 10,250,000 | | | | | 10,250,000 |
| Ministry of Information Communication and Digital Economy | 08.05.2025 | Development | 71,005,000 | 71,005,000 | | | | | 71,005,000 |
| Ministry of Information Communication and Digital Economy | 09.05.2025 | Development | 71,005,000 | 71,005,000 | | | | | 71,005,000 |
| Total | | | 1,991,587,344 | 1,991,587,344 | - | - | - | - | 1,991,587,344 |

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

Appendix V- Inter-Entity Confirmation Letter

Name of Transferring entity: State Department of ICT and Digital Economy

Name of Beneficiary entity: ICT Authority

| Confirmation of amounts received by ICT Authority as at 30 th June 2025 | | | | | |
|--|----------------|---------------|-----------------|-----------------|---------|
| Reference Number | Date Disbursed | Recurrent (A) | Development (B) | Total (C)=(A+B) | Remarks |
| FT24232NV90S | 19.08.2024 | 9,666,667 | | 9,666,667 | |
| FT24250Q87FL | 06.09.2024 | 9,666,666 | | 9,666,666 | |
| FT24262F3YS1 | 18.09.2024 | | 225,000,000 | 225,000,000 | |
| FT24262750V9 | 18.09.2024 | | 412,240,057 | 412,240,057 | |
| FT24268RSY9P | 24.09.2024 | | 71,005,000 | 71,005,000 | |
| FT24283XYZR1 | 09.10.2024 | 9,666,667 | | 9,666,667 | |
| FT24311L7SP1 | 06.11.2024 | 9,666,666 | | 9,666,666 | |
| FT24320F5R3V | 15.11.2024 | | 82,000,000 | 82,000,000 | |
| FT24320YBL8L | 15.11.2024 | | 20,500,000 | 20,500,000 | |
| FT24341NDFTD | 06.12.2024 | | | | |

The Information and Communications Technology Authority
Annual Reports and Financial Statements
for the year ended June 30, 2025.

| | | | | | |
|--------------|------------|-------------|-------------|-------------|--|
| | | 9,666,666 | | 9,666,666 | |
| FT24339N4Y37 | 04.12.2024 | | 223,327,288 | 223,327,288 | |
| FT25003DCNNS | 03.01.2025 | 9,666,667 | | 9,666,667 | |
| FT25027R842M | 27.01.2025 | | 82,000,000 | 82,000,000 | |
| FT250275NNW7 | 27.01.2025 | | 71,005,000 | 71,005,000 | |
| FT25038MHVKW | 07.02.2025 | 128,000,000 | | 128,000,000 | |
| FT242679BFXD | 07.02.2025 | 9,666,667 | | 9,666,667 | |
| FT250738JV8P | 14.03.2025 | 9,666,667 | | 9,666,667 | |
| FT25071GBS4N | 12.03.2025 | 128,000,000 | | 128,000,000 | |
| FT25094HTSN2 | 04.04.2025 | 128,000,000 | | 128,000,000 | |
| FT25094NXXZP | 04.04.2025 | 9,666,667 | | 9,666,667 | |
| FT2512863SJH | 08.05.2025 | 9,666,666 | | 9,666,666 | |
| FT25128PF9YN | 08.05.2025 | 42,666,667 | | 42,666,667 | |
| FT25128V6F50 | 08.05.2025 | | 10,250,000 | 10,250,000 | |
| FT25129XWG8X | 09.05.2025 | | 10,250,000 | 10,250,000 | |
| FT25128BHG9D | 08.05.2025 | | 71,005,000 | 71,005,000 | |
| FT251298Y8C0 | 09.05.2025 | | | | |

The Information and Communications Technology Authority
 Annual Reports and Financial Statements
 for the year ended June 30, 2025.

| | | | | | |
|--------------|------------|-------------|---------------|---------------|--|
| | | | 71,005,000 | 71,005,000 | |
| FT251623V3KW | 11.06.2025 | 42,666,667 | | 42,666,667 | |
| FT25162X0GL5 | 11.06.2025 | 9,666,667 | | 9,666,667 | |
| FT251695KDYZ | 18.06.2025 | | 14,000,000 | 14,000,000 | |
| FT25182YJNDG | 01.07.2025 | 42,666,667 | | 42,666,667 | |
| FT25182S3N59 | 01.07.2025 | 9,666,667 | | 9,666,667 | |
| Total | | 628,000,001 | 1,363,587,345 | 1,991,587,346 | |

I confirm that the amounts shown above are correct as of the date indicated.

Head of Accounts Department - Disbursing Entity:

Name H.N. MABEET Sign [Signature] Date 9/12/2025

Head of Accounts Department - Beneficiary Entity:

Name [Signature] Sign [Signature] Date 08/12/25

The Information and Communications Technology Authority
 Annual Reports and Financial Statements
 for the year ended June 30, 2025.

Appendix VI: Reporting of Climate Relevant Expenditures

| Project Name | Project Description | Project Objectives | Project Activities | Quarter | | | | Source of Funds | Implementing Partners |
|--------------|---------------------|--------------------|--------------------|---------|----|----|----|-----------------|-----------------------|
| | | | | Q1 | Q2 | Q3 | Q4 | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

The Information and Communications Technology Authority
 Annual Reports and Financial Statements
 for the year ended June 30, 2025.

Appendix VII: Reporting on Disaster Management Expenditure

| Column I | Column II | Column III | Column IV | Column V | Column VI | Column VII |
|----------------|---------------|---------------|--|------------------|----------------|------------|
| Programme | Sub-programme | Disaster Type | Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness) | Expenditure item | Amount (KShs.) | Comments |
| Not applicable | - | - | - | - | - | - |
| | | | | | | |