

REPUBLIC OF KENYA



Enhancing Accountability



REPORT

OF

THE AUDITOR-GENERAL

ON

**EASTERN AFRICA REGIONAL TRANSPORT,
TRADE AND DEVELOPMENT FACILITATION
PROJECT IDA CREDIT
NO. 5638-KE**

**FOR THE YEAR ENDED
30 JUNE, 2024**

**INFORMATION AND COMMUNICATION
TECHNOLOGY (ICT) AUTHORITY**

DATE: 03 DEC 2024

DAY:

Tuesday

TABLED
BY:

Hon. Kimani Ichunguah
(Leader of the Majority Party)

CLERK-AT
THE TABLE:

Anastacia



OFFICE OF THE AUDITOR GENERAL
P.O. BOX 20084 - 00100, NAIROBI
REGISTRY

28 OCT 2024

RECEIVED

**PROJECT NAME: EASTERN AFRICA REGIONAL TRANSPORT, TRADE AND
DEVELOPMENT FACILITATION PROJECT**

IMPLEMENTING ENTITY: ICT AUTHORITY

PROJECT GRANT/CREDIT NUMBER: IDA CREDIT NO.: 5638-KE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2024

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

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1. Acronyms and Glossary of Terms

CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
NAT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
WB	World Bank
Comparative FY	Financial year preceding the current financial year.
EARTTDFP	Eastern Africa Regional Transport, Trade and Development Facilitation Project
CEO	Chief Executive Officer
WVAT	With-Holding Value Added Tax
WHT	With-Holding Tax
VAT	Value Added Tax

2. Project Information and Overall Performance

2.1 Name and registered office

The project's official name is Eastern Africa Regional Transport, Trade and Development Facilitation Project

Objective

The key objective of the project is:

- (i) Contribute to extend the geographic reach of broadband networks including enhanced international connectivity for both South Sudan and Kenya, and
- (ii) Contribute to improved delivery of public services.

Address

The project is implemented by the ICT Authority whose headquarter offices are in Nairobi, Kenya. The address of its registered office is:

Telposta Towers, 12th Floor
Kenyatta Avenue
P. o Box 27150-00100
Tel: +254-20-2089061
Nairobi, Kenya
Email: communications@ict.go.ke
Website: www.icta.go.ke

The ICT Authority has regional offices in all counties.

Contacts: The following are the contacts of the Authority

P.O Box 27150-00100
Tel: +254-20-2089061
Nairobi, Kenya
Email: communications@ict.go.ke
Website: www.icta.go.ke

Project Information and Overall Performance (Continued)

2.2 Project Information

Project Start Date:	The project start date is 16.11.2015
Project End Date:	The project end date is 29.12.2024
Project Manager:	The project manager is Mr. Thomas Odhiambo
Project Sponsor:	The project sponsor is World Bank

2.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Information Communications & Digital Economy- State Department for ICT & Digital Economy.
Project/ Credit Number:	IDA- P148853 Credit No. 56380- KE
Strategic goals of the project	The strategic goals of the project are as follows: 1- Contribute to extend the geographic reach of broadband networks including enhanced international connectivity for both South Sudan and Kenya, and 2- Contribute to improved delivery of public services.
Summary of Project Strategies for achievement of strategic goals	The project management aims to achieve the goals through the following means: 1- Construction of approximately 600Km of high-capacity fiber optic cable and associated ductwork to be laid alongside the road from Eldoret to Nadapal-Nakodok; 2- Fiber spurs and rings to connect schools, hospitals, other strategic locations including pastoralist road side markets, export processing zones, rest stops, community centers and service centers along the corridor in the project area as part of integrated infrastructure development and smart roads network.
Other important background information of the project	The project: <ul style="list-style-type: none"> ▪ This project is being executed under the South Sudan - East Africa Regional Transport, Trade and Development Facilitation (SS-EARTTDF) Program which is aimed at enhancing regional connectivity of South Sudan with its Eastern

	Africa neighbouring countries and improving access to the Mombasa sea port.
Current situation that the project was formed to intervene	The project was formed to intervene in the following areas: <ul style="list-style-type: none">▪ Support Kenya’s economic development strategy and address the mounting pressures to enhance connectivity of the northern parts of the country and South Sudan to the rest of the Country and more so to the Port of Mombasa.
Project duration	9 years (the project started on November 16, 2015 and is expected to run until December 29, 2024)

Project Information and Overall Performance (Continued)

2.4 Bankers

The following are the bankers for the project:

- (i) Citibank NA
Citibank House, Upper Hill Road'
P.O Box 30711-00100
TEL: +254-20-2711221
NAIROBI, KENYA

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

2.5 Independent Auditor

The project is audited by the Office of the Auditor General

2.6 Roles and Responsibilities

List the different people who are working on the project. This list would include the project manager and all the key stakeholders who will be involved with the project. Also, record their role, their positions, and their contact information.

Names	Title designation	Key qualification	Responsibilities
Stanley Kamanguya, OGW	Chief Executive Officer	Master of Business Administration; Bachelor's Degree in Computer Science	Signatory to subsidiary agreement with The National Treasury, CEO
Thomas Bwaley	Director Programmes & Standards	Master of Business Administration in Strategic Management and Bachelor of Science in Electrical and Electronics Engineering	Director Programs & Standards, Team leader
Thomas Odhiambo	Deputy Director, Programmes & Standards	MSc Information Systems experience in project implementation	Team Leader and Project Manager

Rev. CPA Oliver Pyoko	Deputy Director Finance & Accounts	CPA (K)	Accounting Specialist
Sostanis Okoth	Deputy Director, Supply Chain	BSc, KISM	Procurement Specialist
Elijah Cheruiyot	Engineer Networks	BSc ICT Certifications	Technical Lead
Brian Kariuki	Senior Programmes Officer	BSc Electrical Engineering	Project Team Member
Charles Simiyu	Senior Programmes Officer	BSc Project Management	Project Support

2.7 Funding summary

The Project is for duration of 9 years from 2015 to 2024 with an approved budget of US\$ 25.500 million equivalent to KShs 2.575 billion as highlighted in the table below:

Project information and overall performance (continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment		Amount received to date - (30.06.2024)		Undrawn balance to date - (30.06.2024)	
	<i>Donor currency (USD)</i>	<i>KShs</i>	<i>Donor currency (USD)</i>	<i>KShs</i>	<i>Donor currency (USD)</i>	<i>KShs</i>
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
<i>World Bank (IDA)</i>	25,500,000	2,575,755,000	22,378,527	2,776,943,763	3,121,473	-201,188,763
(ii) Counterpart funds						
Government of Kenya		404,040,000	-	105,000,000	0	299,040,000
Total	25,500,000	2,979,795,000	22,378,527	2,881,943,763	3,121,473	97,851,237

Note: the undrawn balance has a negative figure due to fluctuations in the exchange rates used to calculate the donor commitment at the onset of the project and the rates use when submitting the funds.

Project information and overall performance (continued)

B. Application of Funds

Application of funds	Amount received to date - (30 th June 2024)		Cumulative Amount paid to date - (30 th June 2024)		Unutilized balance to date (30.06.2024)	
	<i>Donor currency \$</i>	<i>KShs</i>	<i>Donor currency\$</i>	<i>KShs</i>	<i>Donor currency</i>	<i>KShs</i>
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
World Bank (IDA)	22,378,527	2,776,943,763	21,382,894	2,769,662,135	995,633	7,281,628
(ii) Counterpart funds						
Government of Kenya	-	105,000,000	-	97,008,020	0	7,991,980
Total	22,378,527	2,881,943,763	21,382,894	2,866,670,155	995,633	15,273,608

Project information and overall performance (continued)

2.8 Summary of Overall Project Performance:

- i) *Budget performance against actual amounts for current year and for cumulative to-date:*

The budget for the 2023/24 FY was KShs 1,605,201,611, total receipt for the year was KShs 1,319,876,092 and actual expenditure was KShs 1,315,178,979 (IDA). The budget for counterpart was KShs 30 million with KShs 30 million receipt and KShs 33 million actual expenditure. The over-expenditure in the counterpart was funded from brought forward funds from 2022/23 FY of KShs 11 million. The below table summarises the current and cumulative to date:

	2023/2024 FY			CUMULATIVE TO DATE	
	BUDGET	INCOME	EXPENDITURE	INCOME	EXPENDITURE
EARTTDFP PROJECT	1,605,201,611	1,319,876,092	1,315,178,979	2,776,943,763	2,769,662,135
EARTTDFP COUNTERPART	30,000,000	30,000,000	33,534,679	105,000,000	97,008,020
TOTALS	1,635,201,611	1,349,876,092	1,348,713,658	2,881,943,763	2,866,670,155

- ii) *Physical progress based on outputs, outcomes, and impacts since project commencement,*
- a) Backbone and spurs installation completed- Eldoret to Nadapal
- Installation of 9 core sites with integrated power solutions (Eldoret CC, Kitale CC, Kapenguria CC, Kainuk, Lokichar, Lodwar, Kakuma, AIC Lokichogio Primary, Nadapal
 - Installation of 14 aggregation sites (Grid, Solar and Wind power)
 - Civil works- Eldoret to Nadapal
 - Blowing of OFC- 730 Km
- b) 200 Subscribers sites installed along the corridor.
- Schools
 - Government institutions
 - Hospitals/dispensaries
 - Public Wi-Fi at selected market places

- c) Nairobi-Eldoret upgrade (Expansion scope)
 - a. The expansion scope covered Nairobi to Nairobi, Westlands-Rironi section, Naivasha, Nakuru, Eldama Ravine, Chepkorio which included civil works, OFC blowing and equipment upgrade.

Impact of the project - Internet connectivity.

With the installation of a new fibre cable from Eldoret to Nadapal high speed internet has been realized with new ISPs providing home and enterprise connectivity at competitive rates and delivering better user experience with faster internet speeds compared to prior to project completion

- The Number of Internet service providers has increased in the corridor and especially Lodwar now prides itself of FFTX presence.
- The service quality has improved as providers have moved from microwave to fibre links
- Stable and reliable internet with significant drop in internet cost
- Greatly Improved communication services (quality of service) on mobile networks, this includes reduced call drop rates and enhanced video streaming capability
- Improved government services delivery after installation of new cable.
- Increasing levels of digital literacy skills in along West Pokot -Turkana Counties.
- Additional providers have taken up capacity from ICTA on the 96-core fibre from Eldoret to Nadapal (Safaricom and Telkom) and additional requests are being processed.
- Improved learning experience to teachers and learners as more information and learning materials can be accessed online.
- Some institutions while providing power to the ICT equipment have been connected Solar power giving them a 24hr availability and fridges for vaccines in health institutions.

iii) *The absorption rate for each year since the commencement of the project is as below:*

FY	Actual Received	Expenditure	Absorption rate
2016/2017	76,595,883	17,477,950	23%
2017/2018	-	40,927,785	100%
2018/2019	125,558,385	124,499,336	99%
2019/2020	123,676,921	131,421,321	106%
2020/2021	398,668,366	349,025,082	87%
2021/2022	432,594,172	370,039,714	86%
2022/2023	299,973,944	421,091,968	140%
2023/2024	1,319,876,092	1,315,178,979	99.64%
Totals	2,776,943,762	2,769,662,134	99.74%

iv) *Implementation challenges and recommended next steps as below:*

Challenges

- i. Delays in issuance of exchequer releases
- ii. Slow rate of reimbursements, typically 3 months, and typical figures less than 100 million. At this rate the Government will require 60 Months to absorb the outstanding balance.
- iii. **Crime and insecurity** - There were some insecurity incidences experienced earlier during this project roll out. The incidents were mainly around the Kainuk area which caused some delays in the project implementation as teams could not access the sites.
- iv. **Extreme weather**- The project area experienced heavy rainfall leading to landslides and flooding. This led to closure of some roads limiting movement of project teams and materials along the corridor.



Recommendations

- i. Budgetary allocation should be sufficient.
- ii. The Government should allow for direct payment to contractors to speed up absorption and cut-out the tedious red tape in fund disbursements.

2.9 Summary of Project Compliance:

- i) All project requirements have been complied with.

3. Statement of Performance against Project's Predetermined Objectives

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of the *Eastern Africa Regional Transport, Trade and Development Facilitation Project* are to:

The EARTTDFP Optic Fibre Cable (OFC) Network Project will contribute towards the extension of the geographic reach of Optic Fibre Cable Network in order to improve service delivery (for both public and private sector services) in the North-Western part of Kenya. The expected outcomes are as follows:

- Increased traffic volume of international (to South Sudan) and national (to North Western Kenya);
- Lower Internet service costs and improve internet speeds along the corridor;
- Availability of Government E-Services (Operational Huduma Centres) along the development corridor (with the installation of Optic Fibre Cable the North Western part of Kenya will have access to better connectivity which will have the ability to provide online services);
- Increased employment and income generation in ICT sector along the development corridor (increase in the number of individuals/business engaged in information technology or technology enabled services);
- Strengthened policy and regulatory framework to support increased competitiveness and realization of an Integrated Infrastructure Development approach leading to decreased ICT costs and improved ICT services

Progress on attainment of strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement.

Below we provide the progress on attaining the stated objectives:

Project	Objective	Outcome	Indicator	Performance
Eastern Africa Regional Transport, Trade and Development Facilitation Project	Rehabilitation of the existing Fibre Optic Cable	Increase internet connectivity and reliability of Uasin Gishu, Trans Nzoia West Pokot and Turkana counties.	100% Eldoret <> Lodwar link is completed. Lodwar <> Nadapal Wireless Link is completed	In FY 19/20 the rehabilitation of 24-core fiber from Eldoret to Lodwar was completed and operationalized. Construction of a wireless link Lodwar to Nadapal/Nakodok was completed and operationalized
`xb	Installation of 144 - core fibre cable from Eldoret to Nadapal /Nakodok Installation of 175 last mile sites along Eldoret to Nadapal-Nakodok	Increase internet connectivity and reliability of Uasin Gishu, Trans Nzoia, West Pokot and Turkana counties	100% Main backbone Eldoret <> Nadapal link completed and operational.	In FY 22 to 24, installation of main back bone - Eldoret to Nadapal-Nakodok was completed. Installation of last mile sites was completed. commissioning will be done before December 2024.

4. Environmental and Sustainability reporting

The key objective of the project is to contribute to extend the geographic reach of broadband networks including enhanced international connectivity for both South Sudan and Kenya, thereby contributing to improved delivery of public services.

1. Sustainability strategy and profile

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

2. Environmental performance

E-waste Kenya Project: towards a sustainable digital green economy and employment creation

The increasing rate of technology advancement has resulted in the proliferation of electronic devices and appliances that have a limited lifespan. As a result, e-waste has become a major environmental concern due to the hazardous materials contained in these devices and the improper disposal of these materials.

In view of the above, The Authority has established an e-waste management facility to support the government manage issues arising out of implementation of the digital economy initiatives across the government as well as the Country. The initiative is expected to Spur economic growth through creation of 1 million indirect and direct employment opportunities through SMEs growth and distribution refurbished devices to citizens centres to assist in training digital skills to the rural communities in markets, villages, wards, and constituencies.

3. Employee welfare

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

The Authority has a training policy and a committee in place that evaluates the training projections from every employee and the budget allocated for trainings in order to ensure that every employee has attended a training not

less than 5 days per financial year. The employees attend trainings that are in line with the jobs to improve on their knowledge and skills. The Authority has a performance appraisal in place whereby the employees sign targets with their supervisors at the beginning of the financial year and evaluation is done at the end of the financial year.

4. Market place practices-

a) Responsible Supply chain and supplier relations-

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.

b) Responsible ethical practices

The project ensures that all parties involved do not engage in any corruption activities; the Authority is neutral in political matters and engages all stakeholders in a politically responsible manner including public participation.

c) Regulatory impact assessment

The Authority while implementing the project ensured to that the citizen and stakeholder's rights were safeguarded by involving, listening and educating and sensitizing them about the project and its benefits and impacts.

5. Community Engagements

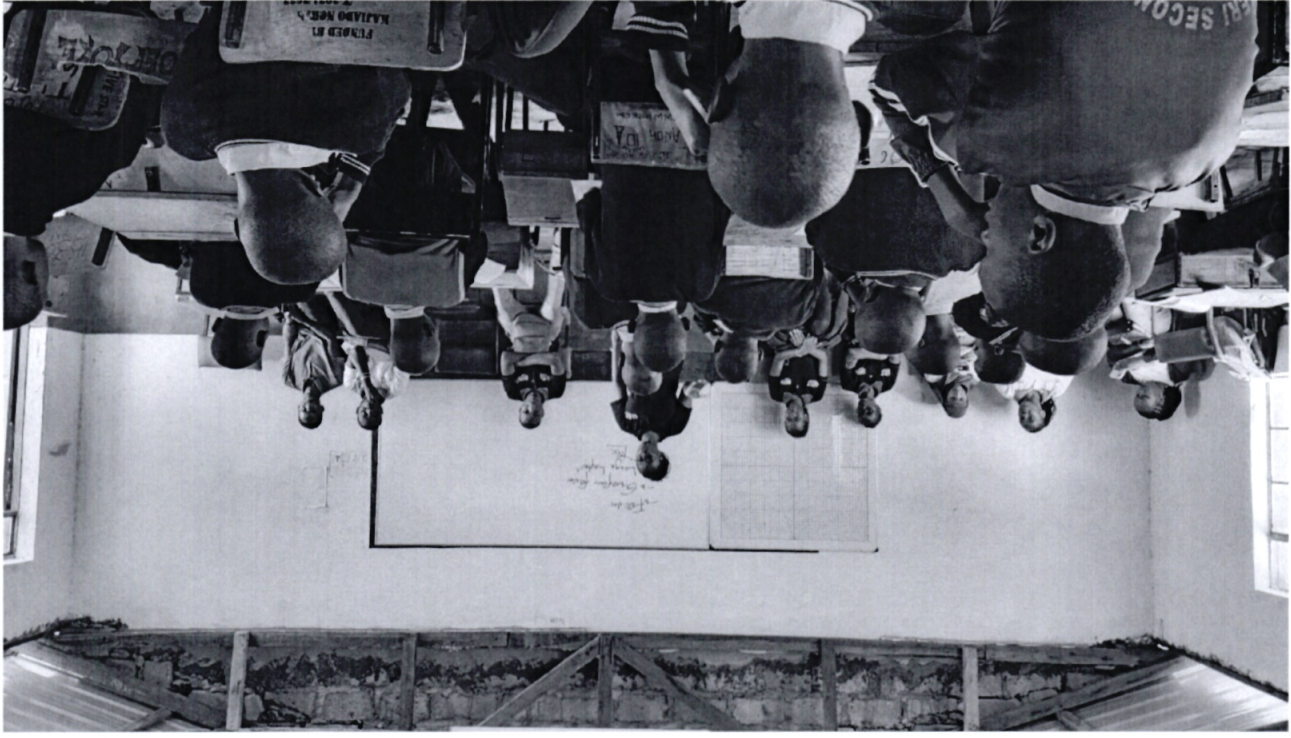
In order to give back to the society and positively contribute towards this issue, Cohort VII Digitalents organized for a pad drive CSR in the month of September 2023. This activity targeted school-going girls who are underprivileged to access of sanitary products. The pad drive CSR took place at Olkeri Mixed Secondary school located in Kajiado County, Kajiado North Constituency on 3rd September 2023. The school has an enrollment of 360 Total Students, 200 male and 160 females. The school had been receiving sanitary towels donations from the government, but since 2019, they had not been receiving any donations and hence deemed fit to benefit from the CSR.

A group of 27 PDTP Interns accompanied by 5 PDTP Secretariat, volunteered to provide menstrual health and sexual reproductive health rights education to the girls, and subsequently to create awareness on Drug abuse to the boys in the school. The objective of this pad drive CSR was to provide sanitary pads to school-going girls who lack access to menstrual hygiene products.

Specific Objectives:

1. To provide a minimum of 1000 sanitary pads to school-going girls in Olkeri Mixed Secondary School.
2. To increase awareness and education around menstrual hygiene management among the young girls.
3. To promote gender equality and empowerment by breaking the silence and taboo around menstruation.
4. To improve school attendance and productivity for girls who no longer have to miss school due to a lack of menstrual hygiene products.

ICTA also promoted staff training by taking some of its staff for different training during the year under review.





5. Statement of Project Management responsibilities

The Directors of ICT Authority and the Project Coordinator for *EARTTDF project* are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year ended on June 30, 2024.

This responsibility includes (i) Maintaining adequate financial management arrangement 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 project, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the project, (v) Selecting and applying appropriate accounting policies and (vi) Making accounting estimates that are reasonable in the circumstances.

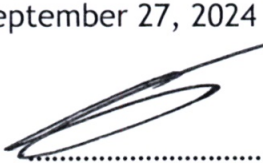
The Directors of ICT Authority and the Project Coordinator for *EARTTDF project* accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Directors of ICT Authority and the Project Coordinator for *EARTTDF project* are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year ended June 30, 2024, and of the Project's financial position as at that date. The Directors of ICT Authority and the Project Coordinator for *EARTTDF project* further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.


The Directors of ICT Authority and the Project Coordinator for *EARTTDF project* confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project Financial Statements

The Project financial statements were approved by the Board for Eastern Africa Regional Transport, Trade and Development Facilitation Project (EARTTDFP) on September 27, 2024 and signed by:


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


.....
Thomas Odhiambo, OGW
Project Coordinator


.....
CPA Oliver Pyoko
Project Accountant
ICPAK M.No: 12558

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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HEADQUARTERS
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Monrovia Street
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON EASTERN AFRICA REGIONAL TRANSPORT, TRADE AND DEVELOPMENT FACILITATION PROJECT IDA CREDIT NO. 5638-KE FOR THE YEAR ENDED 30 JUNE, 2024 - INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) AUTHORITY

PREAMBLE

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

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

A qualified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, is effective in the use of resources, or that its internal control, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Eastern Africa Regional Transport, Trade and Development Facilitation Project IDA Credit No. 5638-KE -

Report of the Auditor-General on Eastern Africa Regional Transport, Trade and Development Facilitation Project IDA Credit No. 5638-KE for the year ended 30 June, 2024 - Information and Communication Technology (ICT) Authority

Information Communication and Technology (ICT) Authority set out on pages 1 to 38, which comprise the Statement of financial assets and liabilities as at 30 June, 2024, the statement of receipts and payment, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Eastern Africa Regional Transport, Trade and Development Facilitation Project IDA Credit No. 5638-KE - Information Communication and Technology (ICT) Authority as at 30 June, 2024, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Financing Agreement, Credit No. 5638 KE dated 20 July, 2015 between International Development Association (IDA) and the Republic of Kenya.

In addition, the special accounts statements present fairly, the special accounts transactions and the closing balance has been reconciled with book balances.

Basis for Qualified Opinion

Unsupported Cash and Cash Equivalents

The statement of financial assets and liabilities reflects cash and cash equivalents balance of Kshs.14,963,210. The balance includes a bank balance of Ksh.7,991,980 as disclosed in Note 10 to the financial statements. The balance of Kshs.7,991,980 was in relation to Government of Kenya (GoK) counterpart funds held in a bank account operated by ICT Authority. However, review of the account's bank statement revealed that the account had a balance of Kshs.231,325,878 as at 30 June, 2024 which included funds from other activities which were not related to the project.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.14,963,210 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Eastern Africa Regional Transport, Trade and Development Facilitation Project IDA Credit No. 5638-KE - Information Communication and Technology (ICT) Authority 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

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.1,635,201,611 and Kshs.1,349,876,092 respectively, resulting to an under-funding of Kshs.285,325,519 or 17 % of the budget. However, the project spent a balance of Kshs.1,348,713,658 against actual receipts of Kshs.1,349,876,092, resulting to an under-utilization of Kshs.1,162,434 of the actual receipts.

Further, the funding summary under project information and overall performance revealed that the donor commitment was USD. 25,500,000 an equivalent of Kshs.2,575,755,000. However, the project received USD. 22,378,527, an equivalent of Kshs.2,776,943,763 resulting to an underfunding of the project by USD.3,121,473 or 12% of the total commitment. Similarly, the Government of Kenya counterpart funding commitment was Kshs.404,040,000 however, the project received Kshs.105,000,000 hence underfunding of Kshs.299,040,000 which is 74% of the total commitment.

Failure to receive funds budgeted for and underutilization of funds received may hinder the project from achieving its objectives. In addition, these anomalies indicate noncompliance with the 2023/2024 approved annual work plan and are contrary to regulation 52(1)(b) of the Public Finance Management (National Governments) Regulations 2015 which states that 'AIE holders shall be made to understand that the limit to which they may spend is that prescribed by the authority and not their expectations, however justified this may seem.

My opinion is not modified in respect of this matter.

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 matter described in the Basis for Qualified Opinion, I have determined that there are no other key audit matters to communicate in my report.

Other Information

Conclusion

Management is responsible for the other information set out on page i to xxv which comprise of project Information and overall performance, Statement of Performance

Against Predetermined Objectives, Environmental and Sustainability Reporting and Statement of Project Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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.

Basis for Conclusion

In connection with my audit on the Eastern Africa Regional Transport, Trade and Development Facilitation Project IDA Credit No. 5638-KE 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 and I am required to report that fact. I have nothing to report in this regard.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and based on the audit procedures performed, except for the matters described in the Basis for Conclusion, 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. Underutilization for Wireless Solution

The statement of receipts and payments reflect Kshs.18,111,594 in respect of purchase of goods and services as disclosed in Note 5 to the financial statements. Included in this amount is Kshs.4,340,504 relating to other operating expenses. The expenses relate to provision of collocation services for wireless solution for the project that was signed on 24 May, 2023 for a duration of one (1) year between the Authority and a service provider. However, audit verification revealed that the contract expired on 23 May, 2024 and had not been renewed or entered into a new contract with the provider and hence the wireless collocation services between Eldoret and Nadapal were not operating. No justification was provided as to why the investment was idle.

In addition, the wireless connection envisaged to provide redundancy when the fiber network is down, had not been configured to connect automatically leading to down times of connections to clients.

In the circumstances, the value for money from the project could not be confirmed.

2. Underutilization of the Aggregation Sites

During the audit, it was noted that the supply, installation, testing, commissioning, training, warranty and maintenance of two (2) optical fiber networks (Backbone and Access) along the Eldoret- Nadapal/Nakodok road had 14 aggregation sites, with each aggregation site having 288 optical data frames and therefore a total of 4,032 optical data Frames to connect the last miles. However, audit verification revealed that only 193 connections had been done representing 4.8% utilization or 95.2% underutilization.

In the circumstances, the value for money from the project could not be confirmed.

3. Implementation of New Subscribed Sites not on Original Targets

An audit inspection revealed that the implementation of the project specifically the core and aggregated sites were not done as per the original targeted list with some initially target sites being omitted from the list. Further, some of the completed projects were also not in the prior survey and it is not clear how they were included in the implementation.

In the circumstances, the value for money from the project could not be confirmed.

4. Failure to Execute the Project's Objectives

The objectives of the project included supplying, installation, testing, commissioning, training, warranty and maintenance of two (2) optical fiber networks (Backbone and Access) along the Eldoret- Nadapal/ Nakodok road. The project was to be implemented at a contract price of USD.6,791,104.91 (equivalent to Kshs.354,488,351). The contract began on 1 July, 2020 and was to take a period of eighteen (18) months and therefore end on 31 December, 2021. The contract price was adjusted on 7 June, 2021 through contract addendum 1 to USD.6,949,914.85 (equivalent to Kshs.378,117,131). The contract period was extended through contract addendum 2 for a period of forty-two (42) months commencing on 1 July, 2020 to 31 December, 2023. This Contract extension was signed on 14 January, 2022.

The implementation of the project was not on time and another price adjustment was done through contract addendum 3 which was signed on 2 February, 2023 adjusting the contract price to USD8,957,605.87 (equivalent to Kshs.527,458,051). The works was still incomplete, and a further extension was sought which was made via addendum 4 with price adjustment of USD2,898,998.70 (or approximately Kshs.375,652,251.55) and the work was finally certified complete on 28 August, 2024.

An audit inspection of the project in the month of September, 2024 revealed that the fibre connection reached a place called Nadapal as the final destination instead of Nakodok as originally intended leaving a distance of about 11Km not done.

In the circumstances, the objective of commercializing the internet up to the neighboring country of South Sudan has not been realized four years after commencement of the project and several costs variations from the original cost.

The audit was conducted in accordance with ISSAIs 3000 and 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the matter(s) described in the Basis for Conclusion, 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

Contingent Liabilities

Disclosed in the financial statement under Annex 6 is contingent liabilities of Kshs.91,552,170. The ICT Authority on behalf of the project, entered into contracts for consulting services with four consultants whose contracts were signed as follows:-

- I. Contract 1 signed on 2nd April, 2018 for Kshs.13,912,040 and was to run for 36 months up to 2 April, 2021.
- II. Contract 2 signed on 1 July, 2019 for Kshs.20,407,270 and was to run for the same period of 36 months from 1 July, 2019 terminating on 30 June, 2021.
- III. Contract 3 signed on 1 July, 2018 was to run for thirty-six (36) months up to 30 June, 2021. The contractual sum is stated as Kshs.25,446,070.
- IV. Contract 4 signed on 1 July, 2017 It was for the period starting from 1 July, 2017 up to 30 June, 2020. The contractual sum is indicated as Kshs.31,786,790

The source of the dispute was termination of the contracts on 3 September, 2019 by the authority. The authority filed an application to set aside a judgement entered against it on 21 July, 2022 awarding damages for termination of contract to the four (4) consultants. The project is coming to a closure in December, 2024. However, these damages are yet to be paid and the way forward for plans to settle this obligation was not provided for audit review.

In the circumstances, it is not clear how the Project Coordinator will settle the liability in the event the appeal is not ruled in favor of ICT Authority, the implementing agency.

The audit was conducted in accordance with ISSAIs 2315 and 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Eastern Africa Regional Transport, Trade and Development IDA Credit No. 5638-KE I, I report based on my audit that 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 matter described in the Basis for Qualified Opinion, I confirm that:-

- i. 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;
- ii. In my opinion, adequate accounting records have been kept by the Eastern Africa Regional Transport, Trade and Development IDA Credit No. 5638-KE, so far as appears from the examination of those records; and,
- iii. The Project's financial statements agree with the accounting records and returns.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash 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 Project'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.

Those charged with governance are responsible for overseeing the Project'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 INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires 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 IFPP 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 also 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

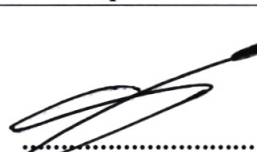
30 October, 2024

7. Statement of Receipts and Payments for the year ended 30th June 2024.

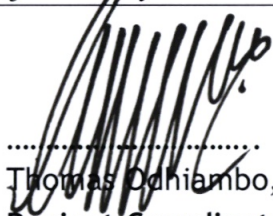
	Note	Receipts and payments controlled by the entity	Payments made by third parties	Total	Receipts and payment controlled by the entity	Payments made by third parties	Total	Cumulative to-date (From inception)
		2023/2024			2022/2023			
		KShs.	KShs.	KShs.	KShs.	KShs.	KShs.	KShs.
Receipts								
Transfer from Government entities	1	30,000,000	0	30,000,000	25,000,000	0	25,000,000	105,000,000
Proceeds from domestic and foreign grants	2	1,319,876,092	0	1,319,876,092	299,973,944	0	299,973,944	2,776,943,763
Total receipts		1,349,876,092	0	1,349,876,092	324,973,944	0	324,973,944	2,881,943,763
Payments								
Consultancy Services	3	40,804,854	0	40,804,854	12,426,472	0	12,426,472	104,880,498
Compensation to employees	4	0	0	0	0	0	0	43,487,737
Purchase of goods and services	5	18,111,594	0	18,111,594	2,473,112	0	2,473,112	103,309,000
Acquisition of non-financial assets	6	-	0	0	-	0	0	12,141,444
Rehabilitation Costs/Main Build	7	1,256,262,531	0	1,256,262,531	406,192,384	0	406,192,384	2,505,843,456
GOK Counterpart Expenses	8	33,534,679	0	33,534,679	39,723,088	0	39,723,088	97,008,020
Other grants and transfers and payments	9	0	0	0	0		0	0
Total payments		1,348,713,658	0	1,348,713,658	460,815,056	0	460,815,056	2,866,670,155
Surplus/ (deficit)		1,162,434	0	1,162,434	-135,841,112	0	-135,841,112	15,273,608

The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements.

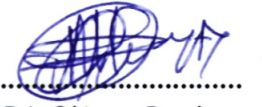
*Eastern Africa Regional Transport, Trade and Development Facilitation Project
Annual Report and Financial Statements for the financial year ended June 30, 2024*



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



.....
Thomas Odhiambo, OGW
Project Coordinator

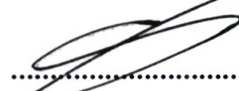



.....
CPA Oliver Pyoko
Project Accountant
ICPAK M.No: 12558


8. Statement of Financial Assets & Liabilities as at 30th June 2024

Description	Note	2023/2024	2022/2023
Financial Assets			
Cash And Cash Equivalents			
Bank Balances	10	14,963,210	14,111,176
Cash Balances			
Cash Equivalents (Short-Term Deposits)			
Total Cash and Cash Equivalents		14,963,210	14,111,176
Imprests and Advances	11	310,400	-
Total Financial Assets		15,273,610	14,111,176
Financial Liabilities			
Deposits and Retention Monies	12	-	-
Net Assets		15,273,610	14,111,176
Represented By			
Fund Balance B/Fwd	13	14,111,176	127,468,006
Prior Year Adjustments	14	-	22,484,280
Surplus/(Deficit) For the Year		1,162,434	-135,841,110
Net Financial Position		15,273,610	14,111,175

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on September 27, 2024 and signed by:


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


.....
Thomas Ochambo, OGW
Project Coordinator



.....
CPA Oliver Pyoko
Project Accountant
ICPAK M. No: 12558

9. Statement of Cashflow for the year ended 30th June 2024


	Note	2023/2024 KShs	2022/2023 KShs
Cashflow from operating activities			
Receipts			
Transfer from Government entities (counterpart Funds)	1	30,000,000	25,000,000
Proceeds from domestic and foreign grants	2	1,319,876,092	299,973,944
Total Receipts		1,349,876,092	324,973,944
Payments			
Consultancy	3	40,804,854	12,426,472
Compensation to employees	4	-	-
Purchase of goods and services	5	18,111,594	2,473,111
Rehabilitation/Main Build Costs	7	1,256,262,531	406,192,384
GOK Counterpart Expenses	8	33,534,679	39,723,088
Total Payments		1,348,713,658	460,815,054
Net receipts/(payments)		1,162,434	-135,841,111
Adjustment during the year			
Prior Year Adjustments		-	22,484,280
Decrease/ (Increase) in Accounts receivables	15	310,400	-92,500
Increase/ (Decrease) in Accounts Payables	16	-	7,829
		-310,400	22,568,951
Net cash flow from operating activities		852,034	-113,272,160
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets-Purchase of Motor Vehicles		-	-
Net cash flows from Investing Activities		-	-
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings		-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		852,034	-113,272,160
Cash and cash equivalent at BEGINNING of the year		14,111,176	127,383,336
Cash and cash equivalent at END of the year		14,963,210	14,111,176

*Eastern Africa Regional Transport, Trade and Development Facilitation Project
Annual Report and Financial Statements for the financial year ended June 30, 2024*

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on September 27, 2024 and signed by:


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


.....
Thomas Odhiambo, OGW
Project Coordinator

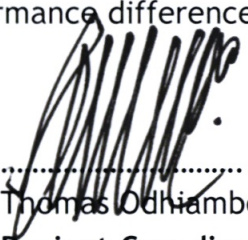

.....
CPA Oliver Pyoko
Project Accountant
ICPAK M. No: 12558


10. Statement of Comparison of Budget and Actual amounts for year ended 30th June 2024

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts						
Transfer from Government entities	100,000,000	-70,000,000	30,000,000	30,000,000	-	100%
Proceeds from domestic and foreign grants	873,000,000	732,201,611	1,605,201,611	1,319,876,092	285,325,519	82%
Total Receipts	973,000,000	662,201,611	1,635,201,611	1,349,876,092	285,325,519	
Payments						
Consultancy Services	45,000,000	-	45,000,000	40,804,854	4,195,146	91%
Purchase of goods and services	5,000,000	19,128,910	24,128,910	18,111,594	6,017,316	75%
Rehabilitation Costs/Main Build	815,000,000	713,072,701	1,528,072,701	1,256,262,531	271,810,170	82%
wireless Licenses	8,000,000	-	8,000,000	-	8,000,000	0%
GOK Counterpart Expenses	100,000,000	-70,000,000	30,000,000	33,534,679	-3,534,679	112%
Total Payments	973,000,000	662,201,611	1,635,201,611	1,348,713,658	286,487,953	
Surplus or Deficit	-	-	-	1,162,434	-1,162,434	

Note: The significant budget utilisation/performance differences in the last column are explained in Annex 2 to these financial statements.

.....
Stanley Kamunguya, OGW
Chief Executive Officer


.....
Thomas Odhiambo, OGW
Project Coordinator


.....
CPA Oliver Pyoko
Project Accountant
ICPAK M. No: 12558

11. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

a) Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of accounting, as prescribed by the PSASB and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include Imprests and salary advances and b) payables that include deposits and retentions. The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

The accounting policies adopted have been consistently applied to all the years presented.

b) Reporting entity

The financial statements are for Eastern Africa Regional Transport, Trade and Development Facilitation Project (EARTTDFP) under the State Department of ICT & Digital Economy. The financial statements are for the reporting entity as required by Section 81 of the PFM Act, 2012.

c) Reporting currency

The financial statements are presented in Kenya Shillings (KShs), which is the functional and reporting currency of the Project and all values are rounded to the nearest Kenya Shilling.

d) Recognition of receipts

EARTTDFP recognises all receipts from the various sources when the event occurs, and the related cash has been received.

Significant Accounting Policies (continued)

i) Transfers from the Exchequer

Transfer from Exchequer is recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

ii) External Assistance

External assistance is monies received through grants and loans from multilateral and bilateral development partners.

iii) Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements at the time associated cash is received.

iv) Donations and grants

Grants and donations shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/donation in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice.

v) Proceeds from borrowing.

Borrowing includes external loans acquired by the Project or any other debt the Project may take and will be treated on cash basis and recognized as a receipt during the year they were received.

Significant Accounting Policies (continued)

vi) Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for the Project currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. An analysis of the Project's undrawn external assistance is shown in the funding summary.

e) Recognition of payments

The Project recognises all payments when the event occurs, and the related cash has been paid out by the Project.

i) Compensation to employees

Salaries and Wages, Allowances, Statutory Contribution for employees are recognized in the period when the compensation is paid.

ii) Use of goods and services

Goods and services are recognized as payments in the period when the goods/services are consumed and paid for. If not paid for during the period where goods/services are consumed, they shall be disclosed as pending bills.

iii) Interest on borrowing

Borrowing costs that include interest are recognized as payment in the period in which they incur and paid for.

iv) Repayment of borrowing (principal amount)

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made. The stock of debt is disclosed as an annexure to the consolidated financial statements.

Significant Accounting Policies (continued)

v) Acquisition of fixed assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment. A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

f) In-kind donations

In-kind contributions are donations that are made to the Project in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Project includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

g) Cash and cash equivalents

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

Significant Accounting Policies (Continued)

h) Restriction on cash

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third part deposits.

i) Imprests and Advances

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

j) Contingent Liabilities

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
 - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - ii) The amount of the obligation cannot be measured with sufficient reliability.

Significant Accounting Policies (Continued)

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships, 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. **Annex 6** of this financial statement is a register of the contingent liabilities in the year.

k) 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.

l) Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made. The pending bills are included in Annex 4a.

Significant Accounting Policies (Continued)

m) Budget

The budget is developed on a comparable accounting basis (cash basis), the same accounts classification basis (except for accounts receivable - outstanding imprest and clearance accounts and accounts payable - deposits, which are accounted for on an accrual basis), and for the same period as the financial statements. The Project's budget was approved as required by Law and National Treasury Regulations, as well as by the participating development partners, as detailed in the Government of Kenya Budget Printed Estimates for the year. The Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-entity transfers and are eliminated upon consolidation. A high-level assessment of the Project's actual performance against the comparable budget for the financial year/period under review has been *included in an annex to these financial statements*.

n) Third party payments

Included in the receipts and payments, are payments made on its behalf by to third parties in form of loans and grants. These payments do not constitute cash receipts and payments, and are disclosed in the payment to third parties' column in the statement of receipts and payments.

o) Exchange rate differences

The accounting records are maintained in the functional currency of the primary economic environment in which the Project operates (Kenya Shillings). Transactions in foreign currencies during the year/period are converted into the functional currency using the exchange rates prevailing at the dates of the transactions. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of receipts and payments.

Significant Accounting Policies (Continued)

p) Comparative figures

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

q) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

r) Prior period adjustments

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s). There were no prior period adjustments to the financial statements.

12. Notes to the Financial Statements

1. Transfers from Government entities

These represent counterpart funding and other receipts from government as follows:

Description	2023/2024	2022/2023	Cumulative to-date (from inception)
	KShs	KShs	KShs
Counterpart funding through Ministry of Information, Communications & The Digital Economy-State Department for ICT & Digital Economy			
Counterpart funds Quarter 1	-	25,000,000	50,000,000
Counterpart funds Quarter 2	25,000,000	-	50,000,000
Counterpart funds Quarter 3	5,000,000	-	5,000,000
Total	30,000,000	25,000,000	105,000,000

The funds relate to counterpart grants.

Notes to the Financial Statements (Continued)

2. Proceeds From Domestic and Foreign Grants

During the financial period to 30 June 2024, we received grants from donors as detailed in the table below:

Name of Donor	Date received	FY 2023/2024					FY 2022/2023	Cumulative to date
		Amount received in donor currency	Grants received in cash	Grants received as direct payment*	Grants received in kind	Total amount in KShs	Total amount in KShs	
		USD	KShs	KShs	KShs	KShs	KShs	KShs
Grants Received from Bilateral Donors (Foreign Governments)		-	-	-	-	-	-	-
Grants Received from Multilateral Donors (International Organizations')		-	-	-	-	-	-	-
The World Bank	26/09/2023	1,514,686	221,537,951	-	-	221,537,951	159,895,786	221,537,951
The World Bank	22/12/2023	2,742,427	417,479,626	-	-	417,479,626	140,078,158	417,479,626
The World Bank	27/12/2023	1,125,764	172,444,494	-	-	172,444,494	-	1,629,512,165
The World Bank	27/05/2024	422,647	55,131,552	-	-	55,131,552	-	55,131,552
The World Bank*	30/06/2024	2,898,999	375,652,252	-	-	375,652,252	-	375,652,252
The World Bank*	30/06/2024	597,156	77,630,218	-	-	77,630,218	-	77,630,218
Sub -Total		9,301,677	1,319,876,092	-	-	1,319,876,092	299,973,944	2,776,943,763
Grants Received from Local Individuals and organisations		-	-	-	-	-	-	-
Total		9,301,677	1,319,876,092	-	-	1,319,876,092	299,973,944	2,776,943,763

(The direct payment grants represent payments for goods and services done directly by the World Bank on behalf of the project from The National Treasury.)*

Notes to the Financial Statements (Continued)

3. Consultancy Services

Description	2023/2024			2022/2023	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	KShs	KShs	KShs	KShs	KShs
Project Consultant Fees	40,804,854	-	40,804,854	12,426,472	104,880,498
Total	40,804,854	-	40,804,854	12,426,472	104,880,498

4. Compensation to Employees

Description	2023/2024			2022/2023	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	KShs	KShs	KShs	KShs	
Compensation to Employees	-	-	-	-	43,487,737
Total	-	-	-	-	43,487,737

Notes to the Financial Statements (Continued)

5. Purchase of Goods and Services

Description	2023/2024			2022/2023	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments-Restated	
	KShs	KShs	KShs	KShs	KShs
Domestic travel and subsistence	-	-	-	882,411	11,242,862
Foreign travel and subsistence	-	-	-	-	14,405,081
Capacity Building & Institutional strengthening	13,771,090	-	13,771,090	-	49,656,294
Hospitality supplies and services	-	-	-	-	5,355,667
Other operating expenses	4,340,504	-	4,340,504	12,291	6,059,308
Monitoring & Evaluation	-	-	-	631,000	1,593,100
Routine maintenance-vehicle and other transport	-	-	-	947,410	12,109,183
Project Communications	-	-	-	-	2,893,791
Exchange rate losses/gains (net)	-	-	-	-	-6,287
Total	18,111,594	-	18,111,594	2,473,112	103,309,000

6. Acquisition of Non-Financial Assets

Description	2023/2024			2022/2023	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	KShs	KShs	KShs	KShs	KShs
Purchase of Motor Vehicles	-	-	-	-	12,141,444
Total	-	-	-	-	12,141,444

Notes to the Financial Statements (Continued)

7. Rehabilitation/Main Build Costs

Description	2023/2024			2022/2023	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	KShs	KShs	KShs	KShs	KShs
Rehabilitation Costs	42,343,876	-	42,343,876	30,000,000	485,305,191
Main Build	1,213,918,655	-	1,213,918,655	376,192,384	2,020,538,265
Total	1,256,262,531	-	1,256,262,531	406,192,384	2,505,843,456

8. Gok Counterpart Expenses

Description	2023/2024			2022/2023	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	KShs	KShs	KShs	KShs	KShs
GOK Counterpart Expenses	33,534,679	-	33,534,679	39,723,088	97,008,020
Total	33,534,679	-	33,534,679	39,723,088	97,008,020

Notes to the Financial Statements (Continued)

9. Transfers to other Government Entities

During the financial period that ended 30 June 2024, the Authority did not transfer funds to government entities as shown below:

Description	2023/2024			2022/2023	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	KShs	KShs	KShs	KShs	KShs
Transfers to National Government entities	-	-	-	-	-
Transfers to County Governments	-	-	-	-	-
Total	-	-	-	-	-

Notes to the Financial Statements (Continued)

10. Cash And Cash equivalents

	2023/2024	2022/2023
Description	KShs	KShs
Bank Accounts (Note 10.1)	14,963,210	14,111,176
Cash in Hand	-	-
Cash Equivalents (Short-Term Deposits)	-	-
Total bank account balances	14,963,210	14,111,176

EARTTDFP has one dedicated project account and one for counterpart funds spread within the project implementation area and one foreign currency designated accounts managed by the National Treasury as listed below:

10. A Bank Accounts

Project Bank Accounts

Description	2023/2024	2022/2023
	KShs	KShs
Local Currency Accounts		
Citibank [A/c No 0300085035]	-	2,423,747
Citibank [A/c No 0300085016]	-	11,526,659
KCB [A/C No. 1322542651]	1,529,949	-
KCB [A/C No. 1312872519]	7,991,980	-
Total local currency balances	9,521,929	13,950,406
Others		
<i>Cash in transit-Ineligible payment</i>	-	160,770
<i>Cash in transit-Double taxes paid</i>	5,441,281	-
Total Project bank	14,963,210	14,111,176

Notes to the Financial Statements (Continued)

Special Deposit Accounts

The balances in the Project's Special Deposit Account as at 30th June 2024 are not included in the Statement of Financial Assets since they are below the line items and are yet to be drawn into the Exchequer Account as a voted provision.

Below is the Special Deposit Account (SDA) movement schedule which shows the flow of funds that were voted in the year. These funds have been reported as loans/grants received in the year under the Statement of Receipts and Payments.

Special Deposit Accounts Movement Schedule

Description	2023/2024	2022/2023
	USD	USD
A/C Name: ICTA A/C 'D' [A/c No. 1000243791]		
Opening balance	1,514,686	41,381
Total amount deposited in the account	4,290,837	3,870,885
Total amount withdrawn (as per Statement of Receipts & Payments)	-5,805,522	-2,397,581
Closing balance (as per SDA bank account reconciliation attached)	-	1,514,686

(The Special Deposit Account reconciliation statement has been attached as Annex 7 to support this closing balance.)

11. Imprests and Advances

Description	2023/2024	2022/2023
	KShs	KShs
Imprests	310,400.00	-
Total Imprests and Advances	310,400.00	-

11A: Breakdown of Imprests and Advances

Name of Officer	Amount Taken	Due Date of Surrender	Amount Surrendered	Balance	Balance
				2023/2024	2022/2023
	KShs		KShs		KShs
JOSHUA OPONDO OMUKUIYA	310,400		-	310,400	-
Total	310,400		-	310,400	-

Notes to the Financial Statements (Continued)

12. Deposits and Retention Monies

Description	2023/2024	2022/2023
	KShs	KShs
Deposits	-	-
Retention Monies	-	-
Total Accounts Payables	-	-

Total retention (pending Bills) for the project is KShs 32,842,422. and USD 9,764. The retention monies (pending bills) are not included in the financial statements. The amounts will be recognized at the point of payment. The breakdown of the retention/pending bills is summarized below:

Contractor	Description	Amount (KES)
ATC KENYA OPERATIONS LIMITED	Order PO1913-Collocation Service for Q4 - (March - May 2024)	18,712
CAMUSAT KENYA LTD	WVAT-Camusat Invoice INV4682-	520,004
CAMUSAT KENYA LTD	WVAT paid in July 2024	222,872
Soliton Telmec	WVAT/WHT paid in July 2024	283,942
JUAN CARLOS ESCOBAR G.	WHT/WVAT NOT PAID	91,211
JUAN CARLOS ESCOBAR G.	WHT/WVAT NOT PAID	55,567
JUAN CARLOS ESCOBAR G.	WHT/WVAT NOT PAID	73,764
JUAN CARLOS ESCOBAR G.	WHT/WVAT NOT PAID	51,639
Total Retention		1,317,711

13. Fund Balance Brought Forward

Description	2023/2024	2022/2023
	KShs	KShs
Bank accounts (Note 10)	14,111,176	14,111,176
Outstanding Imprests and advances	-	-
Total	14,111,176	14,111,176

Notes to the Financial Statements (Continued)

14. Prior Year adjustment

The prior year adjustments relate to errors noted in prior year, changes in estimates or accounting policy. There were no prior year adjustments to the financial statements.

15. Changes in Imprests and Advances

	2023/2024	2022/2023
	KShs	KShs
Opening Receivables as at 1st July 2023	-	92,500
Closing account receivables as at 30th June 2024	310,400	-
Change in Imprests and Advances	310,400	-92,500

16. Changes in Accounts Deposits and Retention

Description	2023/2024	2022/2023
	KShs	KShs
Deposit and Retentions as at 1st July 2023	-	7,829
Closing account payables as at 30th June 2024	-	-
Changes in Deposit and Retentions	-	7,829

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Other Important Disclosures

1. Pending Accounts Payable (See Annex 4a)

SUPPLIER/CONTRACTOR	Balance b/f from Comparative FY	Additions for the year	Paid during the year	Balance c/f
ATC KENYA OPERATIONS LIMITED	-	1,085,273	1,066,561	18,712
CAMUSAT KENYA LTD	30,160,202	-	29,640,198	520,004
CAMUSAT KENYA LTD	12,926,549.32	-	12,703,677	222,872
Soliton Telmec	-	6,619,554	6,335,612	283,942
JUAN CARLOS ESCOBAR G.	-	5,596,040.67	5,504,830	91,211
JUAN CARLOS ESCOBAR G.	-	2,627,494.11	2,571,927	55,567
JUAN CARLOS ESCOBAR G.	-	2,531,223.68	2,457,460	73,764
JUAN CARLOS ESCOBAR G.	-	2,120,909.84	2,069,271	51,639
Total Retention	43,086,752	20,580,495	62,349,536	1,317,711

Ageing analysis: Deposits and Retention Monies	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	797,707	61%	-	0%
1-2 years	520,004	39%	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total	1,317,711	100%	-	-

Other Important Disclosures (Continued)

2. Related Party Disclosures

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS. The comprise of related parties to the Project

- i) Key management personnel including the program director/manager
- ii) The implementing entity/ministry/ department
- iii) Other Ministries and Departments.
- iv) The National Treasury

There were no Related Party transactions.

3. Contingent Liabilities

Contingent liabilities	2023/2024	2022/2023
	KShs.	KShs.
E511 of 2021 Magdalene Mjomba VS ICTA	91,552,170	91,552,170
Total	91,552,170	91,552,170

(ANNEX 6 - Contingent liabilities register)

13. Annexes

Annex 1: Prior Year Auditor-General’s Recommendations

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	<p>1.Misstatement of Government of Kenya (GoK) Counterpart Expenses</p> <p>The statement of receipts and payments reflects GOK Counterpart expenses of KShs 39,723,088, while the supporting payment documents show a corresponding amount of KShs 29,549,949, resulting in an unreconciled variance of KShs 10,173,139.</p> <p>In the circumstances, the accuracy and completeness of GOK Counterpart expenses pf KShs. 39,723,088 could not be confirmed.</p>	<p>It is true that at the time of the audit there was an unreconciled variance of Kshs.10,173,139 which is attributed to inaccurate classification of expenses in the financial statements of the Authority.</p> <p>We have provided a complete list of payments amounting to Ksh.39,723,088 (Annex 4) which comprise the total expenditure of GoK counterpart expenses. These payments represent properly authorized expenditures that were incurred in line with the</p>	Not Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		approved annual work plan and also supported by payment vouchers, travel authorization memos, receipts, and other relevant documents required for payments to be made		
	<p>2.Unsupported Cash and Cash Equivalents Balance</p> <p>The statement of financial assets reflects cash and cash equivalents balance of KShs 14,111,176 which as disclosed in Note 9.1 to the financial statements includes KShs 11,526,659 in respect of GoK counterpart funds held in an account at Citibank. However, the correctness of the latter balance could not be verified since Information Communication Technology (ICT) Authority did not open and maintain a separate program operating accounts as required. Instead, two (2) bank</p>	It is true that we did not maintain a separate program operating account. This is because all the GOK development funding for the Authority, including the project counterpart funds were paid into the Citibank Account. However, we have ensured project funds are fully accounted for despite using one bank account for project funds and	Not Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>accounts maintained at Citibank and Kenya Commercial Bank (KCB) respectively, which were not dedicated project accounts, were used for receipt and payment of counterpart funds. Further, the account at Citibank had closing cash book and bank balances of KShs 18,438,683 and KShs 67,896,121 while the account at KCB had a corresponding balance of KShs 243,222,551 and KShs 68,236,104 respectively. In addition, a separate cash book for counterpart funds was not maintained.</p> <p>In the circumstances, the accuracy and completeness of the GOK counterpart balance of KShs 11,526,659 could not be confirmed.</p>	<p>other purposes.</p> <p>Following the recommendations by the Auditor-General, we obtained approval from the National Treasury and subsequently opened the project account at KCB.</p> <p>It is true that the Citibank Account had closing cash book and bank balances of Kshs.18,438,683 and Kshs.67,896,121 respectively. The funds related to the project was Kshs. 11,526,659.</p> <p>We have provided a</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		detailed analysis of the receipts and payments in relation to the counterpart funds for the EARTTDFP project and reconciled this to the bank balance of KShs. 11,526,659.		
Budgetary Control and Performance	The statement of comparison of budget and actual amounts reflects final budget and actual on comparable basis of KShs 727,000,000 and KShs 324,973,944 respectively, resulting in underfunding of KShs 403,026,056 or 55% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of KShs 727,000,000 and KShs 460,815,056 respectively, resulting in an under-expenditure of KShs 266,184,944 or 37% of budget.	It is true that the budget and actual amounts reflect the final receipts budget and actual on a comparable basis of Kshs.727,000,000 and Kshs.324,973,944 respectively, resulting in an underfunding of Kshs.403,026,056 or 55% of the budget. The project funding is on a reimbursement basis	Not resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>The underfunding and under-expenditure affected the Project's planned activities and may have impacted negatively on service delivery to the public</p>	<p>and during the financial year we only received funds equivalent to what we had spent.</p> <p>The project is implemented through a re-imbusement model in which the Authority seeks re-imbusement on the basis of actual expenditure. During the year, we had sufficient cash to cover all expenditure for the scope of the project implemented.</p> <p>It is true that the final expenditure budget and actual on a comparable basis of Kshs.727,000,000 and Kshs.460,815,056 respectively, resulting</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>in an under-expenditure of Kshs.266,184,944 or 37% of the budget.</p> <p>The project is being implemented by many government agencies including KENHA whose project component was civil works while ICTA was responsible for installation of fiber and equipment. KENHA experienced delays by one of the contractors carrying out civil works between Lokichar and Nadapal and for this reason, we could not carry out the fibre installations hence the slow absorption of funds. Aide memoire detailing the delays has</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		been provided (Annex 6).		
Report on Lawfulness and Effectiveness in use of Public Resources.	<p>1. Irregular Variation of Contract The statement of receipts and payments reflects a balance of Kshs.406,232,384 in respect of rehabilitation costs/maintenance of buildings. Out of the balance, an amount of Kshs.376,203,680 was in respect of a contract for the supply, installation, testing commissioning, training, warranty, and maintenance of two (2) optical fibre networks(backbone access)along the Eldoret, Nadapal, Nakodok Road. A review of financial records revealed that the contract was awarded on 3 June 2020 at a contract sum of USD.6,797,104 (approximately Kshs.354,488,355). According to the contract addendum No.3 of 2 February 2023, the contract sum was varied by an amount of USD.2,160,500.90(approximately Kshs.172,969,700), resulting in an amended contract sum of USD.8,957,605.87 (approximately</p>	<p>MS SOLITON It is true that the contract sum of the project for Ms. Soliton was varied by 49% in Kenya shillings and 32% in US Dollar arising from the restructuring of the project (scope, time, and funding). Original Contract addendum agreement documents are provided (Annex 7). The implementation complied with the provisions Of the Financing Agreement and World Bank procurement</p>	Not resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Kshs.527,458,051) which was a variation of 49% of the original contract sum. However, this contract variation exceeded 25%, contrary to section 139(4)(e) of the Public Procurement and Asset Disposal Act,2015, which provides that any variation of a contract shall only be considered if the cumulative value of all contracts variations do not results in an increment of the total contract price by more than 25% of the original contract price. Further, Section 139(6) of the act stipulates that where the variation results in an increment of the contract price by more than twenty-five percent, such variations shall be tendered separately.</p> <p>In addition, the performance security in the form of a bank guarantee was not adjusted after the variation, contrary to the requirement of the contract agreement that a 10% performance security of the contract price should be provided by the supplier in the form of a Bank guarantee.</p> <p>In the circumstances, Management was</p>	<p>guidelines as detailed below (Annex 7):</p> <p>1) The opinion of the Attorney General vide letter Ref: AGICONF/21/55/8 VOL.I dated 24th October 2019 advised that World Bank procedures apply.</p> <p>2) The procurement was carried out through International Competitive Bidding (ICB) procedures specified in the World Bank's Guidelines: Procurement under IBRD Loans and IDA Credits, edition of IDA Credits: May 2004 (revised</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	in breach of the law.	<p>October 2006)</p> <p>3) As per World Bank Guidelines on Procurement, this contract was categorized as Post-Review contract. Post-review contracts do not require No Objection from the World Bank for execution.</p> <p>4) The funding of the variations was catered for by the additional funding received from World Bank of USD 2.5 Million catering for Subscriber connectivity and the reduction of maintenance scope from three years to one year.</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		5) The performance security in form of Bank guarantee was adjusted accordingly to reflect the new contract sum on 20 th February 2023.		
	<p>2. Irregular Payment of Retention Monies The Statement of receipts and payments reflects rehabilitation costs/maintenance of buildings balance of Kshs.406,232,384 which, as disclosed in Note 7 to the financial statements, includes rehabilitation costs of Kshs.30,000,000 paid to a company as retention monies upon completion of rehabilitation of Eldoret-Nadapal Optic Fibre cable. However, Management did not maintain a separate retention monies account as required by financial regulations and contract terms and also did not provide the</p>	It is true that we paid KShs. 30 million as retention money to a contractor for who carried out rehabilitation of the Eldoret-Nadapal OFC. It is also true that the Authority did not maintain a separate bank account for retention money.	Not resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>project contract file for audit to support the payment. In the circumstances, the accuracy and completeness of the rehabilitation costs balance of Kshs.30,000,000 and the regularity of the amount as a retention monies payment to the contractor could not be confirmed.</p>	<p>However, retention monies for the project were kept in the Project bank account and accounted for by use of a separate retention ledger account for each contract from which analysis of the receipts and payments are made</p>		



 Stanley Kamanguya, OGW
 Chief Executive Officer



 Thomas Odhiambo, OGW
 Project Coordinator

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Annex 2: Variance explanations - Comparative Budget and Actual amounts for FY 2023/2024

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
	a	b	c=a-b	d=b/a %	
Receipts					
Transfer from Government entities	30,000,000	30,000,000	-	100%	
Proceeds from domestic and foreign grants	1,605,201,611	1,319,876,092	285,325,519	82%	The funds are requested on reimbursement basis. The Exchequer requested was still pending at the end of the financial year
Total Receipts	1,635,201,611	1,349,876,092	285,325,519		
Payments					
Consultancy Services	45,000,000	40,804,854	4,195,146	91%	The works are ongoing, project finalized, there was delay in receipt of funds
Purchase of goods and services	24,128,910	18,111,594	6,017,316	75%	
Rehabilitation Costs/Main Build	1,528,072,701	1,256,262,531	271,810,170	82%	
wireless Licenses	8,000,000	-	8,000,000	0%	
GOK Counterpart Expenses	30,000,000	33,534,679	-3,534,679	112%	the b/f funds were used to fund the extra expensed of KShs 6 million.
Total payments	1,635,201,611	1,348,713,658	286,487,953		

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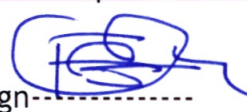
Annex 3: Reconciliation of inter-entity transfers

Project Name:		EARTTDFP		
Breakdown of transfers from the State Department of Information Communication & Digital Economy				
a.	Government Counterpart funding			
		Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
		24/11/2023	25,000,000	2023/2024 FY
		28/02/2024	5,000,000	2023/2024 FY
		Total	30,000,000	
B.	Direct payments			
		Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
		09/07/2024	375,652,252 (\$ 2,898,998.7) @ 129.58	2023/2024 FY
		09/07/2024	77,630,218	2023/2024 FY
		Total	453,282,470	
C.	Others-IDA			
		Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
		26/09/2023	221,537,951	2023/2024 FY
		22/12/2023	417,479,626	2023/2024 FY
		27/12/2023	172,444,494	2023/2024 FY
		27/05/2024	55,131,552	2023/2024 FY
		Total	866,593,623	
		Total (A+B+C)	1,349,876,092	

*Eastern Africa Regional Transport, Trade and Development Facilitation Project
Annual Report and Financial Statements for the financial year ended June 30, 2024*

The above amounts have been communicated to and reconciled with the State Department of ICT & Digital Economy

Sign 
Project Coordinator
ICT Authority

Sign 
Head of Accounting Unit
State Department of ICT & Digital Economy

*Eastern Africa Regional Transport, Trade and Development Facilitation Project
Annual Report and Financial Statements for the financial year ended June 30, 2024*

Annex 4a: Analysis of Pending Bills

	Date Contracted/ Invoiced	Original Amount	Amount Paid to date	Outstanding Balance current Fy	Outstanding Balance previos Fy	Comments
Supplier of Goods/Services		a	b	c=a-b		
ATC KENYA OPERATIONS LTD		1,085,273	1,066,561	18,712	-	paid in July 2024
CAMUSAT KENYA LTD	2021	30,160,202	29,640,198	520,004	30,160,202	CLEARING IN BANK
CAMUSAT KENYA LTD	2021	12,926,549	12,703,677	222,872	12,926,549	WHT & WVAT paid in 2024/25 FY
Soliton Telmec	May 2024	6,619,554	6,335,612	283,942	-	WHT & WVAT paid in 2024/25 FY
JUAN CARLOS ESCOBAR G.	May 2024	5,596,040.67	5,504,830	91,211	-	WHT & WVAT paid in 2024/25 FY
JUAN CARLOS ESCOBAR G.	May 2024	2,627,494.11	2,571,927	55,567	-	WHT & WVAT paid in 2024/25 FY
JUAN CARLOS ESCOBAR G.	May 2024	2,531,223.68	2,457,460	73,764	-	WHT & WVAT paid in 2024/25 FY
JUAN CARLOS ESCOBAR G.	May 2024	2,120,909.84	2,069,271	51,639	-	WHT & WVAT paid in 2024/25 FY
Total Pending bills		63,667,246	62,349,536	1,317,711	43,086,752	

Annex 5: Summary of Fixed Assets Register

Asset class	Opening Cost	*Purchases/Additions in the Year	**Disposals in the Year	Transfers in/(out)	Closing Cost
	KShs	KShs	KShs	KShs	KShs
	2023/2024	2023/2024	2023/2024	2023/2024	2023/2024
	(a)	(b)	(c)	(d)	(e)= (a)+ (b)- (c)+(-)d
Motor Vehicles	12,141,444	-	-	-	12,141,444
Total	12,141,444	-	-	-	12,141,444

Annex 6: Contingent Liabilities Register

	Nature of contingent liability	Remarks
1	E511 of 2021 Magdalene Mjomba VS ICTA	<p>ICTA filed an application to set aside a judgement entered against it on 21st July 2022 awarding damages for termination of contract to 4 Consultants engaged under the TCIP Program.</p> <p>Magdalene Mjomba- KShs 13,912,040 less amounts already paid and taxes.</p> <p>Kwame Shiroya- KShs 20,407,270</p> <p>Zablon Ringera- KShs 25,446,070</p> <p>Anthony Mugambi- KShs 31,786,790</p>

Annex 7: Other Support Documents

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations statement as at 30th June 2024
- iii. Board of Survey Report
- iv. Special Deposit Account reconciliation statement

ICT Authority
Telposta Towers 12th Floor, Kenyatta Ave
PO Box 27150 - 00100 Nairobi Kenya
Tel: +254 20 2089061/ 2211960 Fax: +254 20 2211960
www.icta.go.ke
info@ict.go.ke



Trial Balance
EARTTDF Project
[July 2023-June 2024]

Description	Debit	Credit
Cash at bank	14,963,210	
Project Grants		1,349,876,092
Capacity Building & Inst. Stren	13,771,090	
Consultancy	40,804,854	
Domestic travel and subsistence		
Foreign travel and subsistence		
Hospitality supplies and services		
Insurance costs		
Other operating expenses	4,340,504	
Project Communications		
Monitoring & Evaluation		
Compensation to employees		
Rehabilitation Costs	42,343,876	
Main Build	1,213,918,655	
Routine maintenance		
Liabilities		
Imprests & Advances	310,400	
Counterpart Expenses	33,534,679	
exchange gain/loss		
Surplus/(Deficit) b/f		14,111,175
Totals	1,363,987,268	1,363,987,268

PREPARED BY:
Macline Onyiego
Ag. Asst. Finance Director

SIGNATURE&DATE: for Macline

REVIEWED BY:
Oliver Pyoko
Deputy Director Finance & Accounts

SIGNATURE&DATE: Oliver Pyoko



*Amara
Gweny*

REPUBLIC OF KENYA
MINISTRY OF INFORMATION, COMMUNICATIONS AND THE DIGITAL ECONOMY
STATE DEPARTMENT FOR ICT AND DIGITAL ECONOMY

Telephone: +254-020-4920000
If calling or telephoning as

Telposta Towers
P. O. Box 30025-00100
Nairobi-KENYA

When replying please quote
Ref. No MICTDE/SDICTDE/ACCT/ICTA/06-23/24

29 JUL 2024

29th July 2024

Chief Executive Officer
ICT Authority
Telposta Towers 12th Floor
P.O Box 27150-00100
NAIROBI

RE: CONFIRMATION OF FUNDS DISBURSED TO SAGAS FOR FINANCIAL YEAR 2023-2024

The State Department for ICT and Digital Economy wishes to confirm the amounts disbursed to you as at 30th June, 2024 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table and sign and stamp the request in the space provided and return it to this office on or before 5th August, 2024

Reference Number	Date Disbursed	Recurrent (Kshs) (A)	Development (Kshs) (B)	Inter-Ministerial (Kshs) (C)	Total (Kshs) D=(A+B+C)	Amount Received by ICT Authority as at 30 June, 2024 (Kshs) E	Differences (Kshs) F=D-E
FT23229T5N67	17-Aug-23	56,500,000.00			56,500,000.00	56,500,000.00	
FT23247LDBPD	04-Sep-23	56,500,000.00			56,500,000.00	56,500,000.00	
FT232692LXYO	26-Sep-23		221,537,950.95		221,537,950.95	221,537,950.95	
FT23290ZJLJ2	17-Oct-23	56,500,000.00			56,500,000.00	56,500,000.00	
FT233186TD9W	14-Nov-23	56,500,000.00			56,500,000.00	56,500,000.00	
FT23328Y1CBX	24-Nov-23		37,500,000.00		37,500,000.00	37,500,000.00	
FT23328NQNV4	24-Nov-23		156,500,000.00		156,500,000.00	156,500,000.00	
FT23340TJNWX	06-Dec-23	56,500,000.00			56,500,000.00	56,500,000.00	
FT23356SJZYL	22-Dec-23		29,035,540.50		29,035,540.50	29,035,540.50	

FT23356V83 F6	22-Dec- 23		417,479,625.6 5		417,479,625.6 5	417,479,625.65
FT23361RM 7NF	27-Dec- 23		172,444,494.2 5		172,444,494.2 5	172,444,494.25
FT23363NPT PN	29-Dec- 23	56,500,000.00			56,500,000.00	56,500,000.00
FT24058D5N K4	27-Feb- 24	26,500,000.00			26,500,000.00	26,500,000.00
FT24058PR2 PR	27-Feb- 24		91,500,000.00		91,500,000.00	91,500,000.00
FT240588TN 6F	27-Feb- 24		156,500,000.0 0		156,500,000.0 0	156,500,000.00
FT240591B2 PX	28-Feb- 24		17,500,000.00		17,500,000.00	17,500,000.00
FT240660Q7 BX	06-Mar- 24	26,500,000.00			26,500,000.00	26,500,000.00
FT24108CBO NL	17-Apr- 24	26,500,000.00			26,500,000.00	26,500,000.00
FT24134DZ H9D	13-May- 24	56,499,998.00			56,499,998.00	56,499,998.00
FT241454M BDN	24-May- 24		5,000,000.00		5,000,000.00	5,000,000.00
FT24145KIT ML	24-May- 24		21,499,998.00		21,499,998.00	21,499,998.00
FT2414868Q F3	27-May- 24		55,131,551.85		55,131,551.85	55,131,551.85
FT24164JNX 89	12-Jun- 24	56,500,000.00			56,500,000.00	56,500,000.00
FT24180390 JY	28-Jun- 24	56,500,000.00			56,500,000.00	56,500,000.00
FT24200WV 35M	18-Jul- 24		(9,999,999.00)		(9,999,999.00)	(9,999,999.00)
TOTAL		587,999,998.0 0	1,371,629,162. 20	-	1,959,629,160. 20	1,959,629,160.20

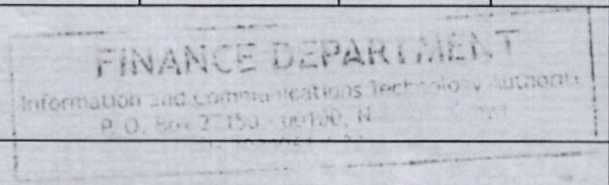
I confirm that the amounts shown above are correct as of the date indicated

Head of Accounts/Finance Department

Name... *Wesley CPA Oliver P. Franco*

Signature... *[Handwritten Signature]*

Date.....



[Handwritten Signature]

FRANCIS ODERA
FOR PRINCIPAL SECRETARY

CC: Director General Accounting Services and Quality Assurance
National Treasury

Bank Reconciliation Report

Statement Number: 7

Bank Number 100022
 Bank Name KCB ICTA EARTTDFP
 Reconciliation as at: 30/06/2024
 Bank Account Balance as per Cash Book 1,529,949.08
 Balance on Bank Statement 34,119,359.05
 Difference to be explained 32,589,409.97
 Difference explained by uncredited and unrepresented cheques

UNPRESENTED CHEQUES

Posting Date	Document No	Description	Amount
30 Jun 2024	PV6005545	Pay To:Soliton TelmecBEING PAYMENT REQUEST OF OVERDEDUCTED 2 % VAT DUE TO	(1,264,831.16)
28 Jun 2024	PV6007489	Pay To:ATC KENYA OPERATIONS LIMITEDBEING PAYMENT REQUEST FOR PROVISION	(1,066,560.63)
28 Jun 2024	PV6007574	Pay To:CAMUSAT KENYA LTDBEING PAYMENT REQUEST FOR REHABILITATION PHASE	(29,640,198.18)
30 Jun 2024	PV6007587	Pay To:Soliton TelmecBEING PAYMENT REQUEST OF OVERDEDUCTED 2 % VAT DUE TO	(617,820.00)
TOTAL			(32,589,409.97)

UNPRESENTED CHEQUES (CLEARED NEXT MONTH)

Posting Date	Document No	Description	Amount Entry
TOTAL			
		(32,589,409.97)	0.00
			GRAND TOTAL (32,589,409.97)

Prepared By ICTA\BENARD.MWAMBURI

Date

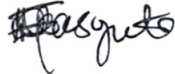
Signature



Checked By ICTA\MACLINE.ONYIEGO

Date

Signature



Approved By

Date

Signature



Report of the Board of Survey on the Cash and Bank Balances of as at the close of business on 30th June, 2024. Date 1/7/24

The Board, consisting of (Names and official titles)

NAME	DESIGNATION	
John Mwangi	Chairman	Chairman
Abel Chacha	Member	Member
Mohammed J. Mwangi	Member	Member
Amna Ali	Secretary	Secretary

assembled at the office of The at (time) on the 1/7/24, 2024 and the following cash was produced: -

Notes	Sh. Nil.....
Silver	Sh. Nil
Copper	Sh. Nil
Cheques (as per details on reverse)	Sh. Nil.....

It was observed that cheques amounting to Sh. had been on hand for more than 14 days prior to the date of the survey.

The cash consists of East African currency and does not contain any demonetized coin or notes.

The Cash Book reflected the following balances as at the close of business on the 30th June, 2024.

Cash on hand	Sh.
Bank Balance	Sh.
	Sh.

The Bank Certificate Balance showed a sum of Sh. (Sh. cts) Standing to the credit of the account on N/A, 2024

The difference between this figure and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation Statement (F.O. 30) attached.

Chairman [Signature] 01/07/2024

Secretary [Signature] 01/07/2024

Member [Signature] 01/07/2024

Date

**EAST AFRICA TRADE AND TRANSPORT FACILITATION PROJECT (ICTA)
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2024**

Credit No.: IDA LOAN CREDIT NO.5638-KE (DA-D)

Bank Account No.: 1000243791 Held with CENTRAL BANK OF KENYA

	NOTES	AMOUNT USD	AMOUNT USD
1	Amount advanced by IDA		18,882,372.91
	Less:		
2	Total amount documented		14,914,712.23
3	Outstanding amount to be documented		3,967,660.68
	Represented by:		
4	Ending Special account Balance as as 30 June 2024		-
5	Amounts claimed but not credited as at 30 June 2024		-
6	Amounts withdrawn and not claimed		3,967,660.68
7	Service Charges (if not included in lines 5 and 6 above)		
8	Interest earned (if included in Special Account)		-
9	Total advance to Special Account Year ended 30 June 2024		3,967,660.68

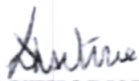
Discrepancy between total appearing on line 3 and 9

-

Notes:

- 1 Explain the discrepancy between totals appearing on lines 3 and 9 above (e.g amount due to be refunded to cover ineligible expenditures paid from the Special/Designated Account)
- 2 Indicate if amount appearing on line 6 is eligible for financing by IDA and provide reasons for not claiming the expenditures

The amount appearing on line 6 is eligible for financing by World Bank and shall be documented in subsequent IFRs



**AUTHORISED REPRESENTATIVE
RESOURCE MOBILISATION DEPARTMENT
THE NATIONAL TREASURY**

DATE: 02-08-2024

SPECIAL ACCOUNT STATEMENT

For period ending	30th JUNE, 2024
Account No.	1000243791
Depository Bank	CENTRAL BANK OF KENYA.
Address	CENTRAL BANK OF KENYA.
Related Loan	ICTA - A/C 'D'
Credit Agreement	
Currency	USD

Part A - Account Activity

Beginning balance of 1st July, 2023 as per C.B.K. Ledger Account	1,514,685.84
---	---------------------

Add:

Total Amount deposited by World Bank	4,290,837.19
--------------------------------------	---------------------

Total Interest earnings if deposited in account	-----
---	-------

Total amount refunded to cover ineligible expenditure	-----
--	-------

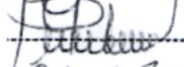
Deduct:

Total amount withdrawn	5,805,523.03
------------------------	---------------------


Total service charges if not included above in amount withdrawn	-----
--	-------

Ending balance on 30th June,2024	0.00
----------------------------------	-------------

**AUTHORISED REPRESENTATIVE
CENTRAL BANK OF KENYA**

SIGNATURE:	
DATE	01-08-2024

**AUTHORISED REPRESENTATIVE
EXTERNAL RESOURCES
DEPARTMENT-TREASURY**

SIGNATURE:	
DATE	02-08-2024

NOTE:The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June,2024 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

Run Date: 09/07/2024 Run Time: 15:48:44

STATEMENT OF ACCOUNT PAGE NO : 1

CENTRAL BANK OF KENYA
 BANKI KUU YA KENYA
 P.O.BOX 60000-0200
 NAIROBI

ACCOUNT NUMBER : 1000243791

ACCOUNT TITLE : ICTA - A/C 'D'
 30/06/2024

STATEMENT PERIOD: From 01/07/2023 To

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE	
OPENING BAL :				1,514,685.84		
NO.	Value Date	Reference.No	Details	Debit	Credit	Balance
1	12/09/2023	FT232551YSQ0	PA131614	-1,514,685.84	0.00	0
2	24/10/2023	FT23297ZH5ST	FUNDING	0.00	2,742,426.76	2742426.76
3	20/11/2023	FT233247649J	PA133014	-2,742,426.76	0.00	0
4	29/11/2023	FT23333MH6R5	FUNDING	0.00	1,125,763.77	1125763.77
5	06/12/2023	FT233400N9T5	PA 133028	-1,125,763.77	0.00	0
6	07/03/2024	FT24067T25DK	FUNDING	0.00	422,646.66	422646.66
7	15/04/2024	FT24106ZRRVZ	PA133112	-422,646.66	0.00	0

CLOSING BALANCE : 0

END OF ACCOUNT STATEMENT

Favourites

TAM.E.STMT.OF.ACCT.EPRM

[More Options](#) [Find](#)
[Clear Selection](#)

- Account equals 1000243791
- Statement From equals 20230701
- Statement To equals 20240630

TAM.E.STMT.OF.ACCT.EPRM

CENTRAL BANK OF KENYA
 11 JUL 2024
 Confirmed:.....

Loan: IDA 56380 (IDA - IDA Credit) | **Status:** Disbursing and Repaying | **Country:** Kenya |

Project: P148853 - EA Regional Transport , Trade and Development Facilitation Project (Second Phase of Program)

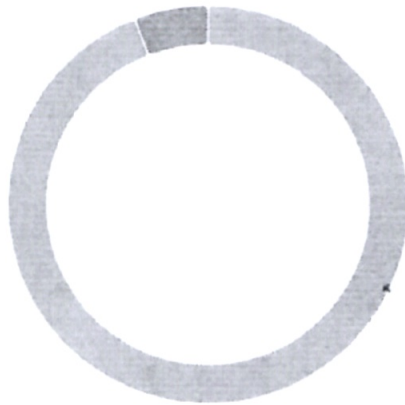
Loan Overview | Disbursements | History | Repayments | Amortization Schedule | Audit Submission | Disburse

Important Dates

Approval	Signing	Commitment Charges Start Date	Effective	First Repayment	Closing	Application Deadline	Last Repayment
11-Jun-2015	20-Jul-2015	18-Sep-2015	16-Nov-2015	15-Nov-2021	31-Dec-2024	30-Apr-2025	15-May-2053

Currency of Commitment : XDR

Show amounts in XDR



Loan Information (XDR)

Signed Amount	362,500,000.00
Cancelled	0.00
Disbursed	340,840,426.00
Undisbursed	21,659,574.00
Special Commitments	0.00
Funds Available	21,659,574.00

Funds Available (XDR)

Withdrawal Applications	1,399,096.08
Special Commitment Issuance Applications	0.00
Estimated Funds Available	20,260,477.92

Last Bill, IDA 56380, due on 15-May-2024

USD Equivalents

Borrower: The National Treasury and Planning

Original Approved Amount	500,000,000.00
Current Undisbursed	28,713,880.66
Historical Disbursed	468,705,259.34

Date Payable	Currency	Amount Payable
15-May-2024	XDR	6,831,756.35

306,856,051.00	0.75 %	0.00 %
Principal Outstanding	Total Charges	Net Commitment Fee
Disbursed		Commitment Fee
340,840,426.00		0.50 %
Repaid		Waiver
33,984,375.00		0.00 %

Prepaid	0.00	Service Charge	0.75 %
Regular Repayments	33,984,375.00	Waiver	0.00 %
		Interest Waiver Status	Ineligible

Reference Information

Lending Instrument :	IPF - Investment Project Financing		
Loan Type :	IDA - IDA Credit		
Borrower of Record :	The National Treasury and Planning		
Guarantor :	Kenya	Maturity Type :	IDA6_38
Loan Term :	38 Years	Maturity Profile :	STANDARD
Grace Period :	6 Years		

Loans with Closing Date in less than 6 months

The Closing Date for the Loan is in 6 months.

If all withdrawal applications and supporting documentation for project expenditures are expected to be submitted to the Bank by the Closing Date, no action needed.

If all project expenditures are expected to be incurred (i.e., services rendered and goods delivered) by the Closing Date, but additional time is needed to submit withdrawal applications and/or supporting documentation to the Bank, the borrower representative should contact the Task Leader to establish a Grace Period - an additional period between the Closing Date and the Application Deadline Date during which withdrawal applications or supporting documentation for Designated Account Advances may be submitted to the Bank for eligible expenditures incurred by the Closing Date. If the Grace Period has been established, no action is required.

If some project expenditures are expected to be incurred after the Closing Date, the borrower representative should contact the Task Leader to discuss extending the Closing Date. (You may wish to contact your suppliers to ensure contracts will be completed by the Closing Date.)

To discuss disbursement arrangements, including documentation of the Designated Account, the borrower representative should contact the Finance Officer.

For further guidance, please enter your query as Feedback .

Loans with Inactive Advances

Replenishment applications are to be submitted in accordance with the instructions provided in the Disbursement Letter.

If the DA is inactive for six months, the Bank notifies the borrower that it will request a refund of the outstanding balance unless, within 90 days, the borrower submits satisfactory evidence of eligible expenditures financed through the DA.

To discuss other arrangements, including refund of funds deposited to the Designated Account, the borrower representative should contact the Finance Officer.



Loan: IDA 56380 (IDA - IDA Credit) | **Status:** Disbursing and Repaying | **Country:** Kenya |

Project: P148853 - EA Regional Transport , Trade and Development Facilitation Project (Second Phase of Program)

[Loan Overview](#) | [Disbursements](#) | [History](#) | [Repayments](#) | [Amortization Schedule](#) | [Audit Submission](#) | [Disbursemei](#)

[Applications](#) | [eSignatorie\(s\)](#) | [Beneficiaries](#) | [Contracts](#) | [Designated/UN Accounts](#) | [Category Schedule](#) |

Withdrawal Applications

Disbursement Milestone

Loan Approval Date 11-Jun-2015	Loan Signing Date 20-Jul-2015	Loan Made Effective 16-Nov-2015	Authorized Signatories Submitted to WB 09-Mar-2023	Authorized Signatories Approved 09-Mar-2023	Loan is Ready for Disbursing Online 02-Aug-2024
--	---	---	--	---	---

Submit Withdrawal Application

Transaction List

Showing results 1 - 717 of 717 entries

Filter by DA-D Paid Summary Value Date

Search

Borrower Reference	Application					Paid					
	Type	Status	Ccy	Amount	Category Summary	Ccy	Amount	Date received	Value Date	Logged by	Last Updated
ICTA0030	DA-D	Completed	USD	422,646.66	9	USD	422,646.66	04-Mar-2024	06-Mar-2024	Borrower	06-Mar-2024
ICTA0029	DA-D	Completed	USD	1,125,763.77	9	USD	1,125,763.77	27-Nov-2023	28-Nov-2023	Borrower	28-Nov-2023
ICTA0028	DA-D	Completed	USD	2,742,426.76	9	USD	2,742,426.76	19-Oct-2023	23-Oct-2023	Borrower	23-Oct-2023
ICTA0027B	DA-D	Completed	USD	32,339.32	9	USD	0.00	16-Aug-2023	21-Aug-2023	Borrower	21-Aug-2023
ICTA0026	DA-D	Completed	USD	665,909.63	9	USD	665,909.63	03-Mar-2023	03-Mar-2023	Borrower	03-Mar-2023
ICTA0025	DA-D	Completed	USD	2,336,667.08	9	USD	2,336,667.08	03-Nov-2022	03-Nov-2022	Borrower	03-Nov-2022
ICTA0024B	DA-D	Completed	USD	868,308.66	9	USD	868,308.66	29-Sep-2022	03-Oct-2022	Borrower	03-Oct-2022
ICTA0023	DA-D	Completed	USD	530,475.73	4	USD	530,475.73	20-Dec-2021	20-Dec-2021	Borrower	20-Dec-2021
ICTA0022	DA-D	Completed	USD	782,405.34	4	USD	782,405.34	31-Aug-2021	31-Aug-2021	Borrower	31-Aug-2021
ICTA0021	DA-D	Completed	USD	3,213,952.97	DA-D	USD	3,213,952.97	10-Aug-2021	11-Aug-2021	Borrower	11-Aug-2021
ICTA0020	DA-D	Completed	USD	747,580.64	4	USD	747,580.64	22-Jul-2021	23-Jul-2021	Borrower	23-Jul-2021
ICTA0019	DA-D	Completed	USD	718,526.60	4	USD	718,526.60	29-Dec-2020	29-Dec-2020	Borrower	29-Dec-2020
ICTA0018	DA-D	Completed	USD	718,027.69	4	USD	718,027.69	20-Nov-2020	20-Nov-2020	Borrower	20-Nov-2020
ICTA0017	DA-D	Completed	USD	772,995.40	4	USD	772,995.40	22-Jun-2020	22-Jun-2020	Borrower	22-Jun-2020
ICTA0016	DA-D	Completed	USD	443,681.66	4	USD	443,681.66	28-Feb-2020	28-Feb-2020	Borrower	28-Feb-2020
ICTA0014	DA-D	Completed	USD	784,183.93	4	USD	784,183.93	25-Sep-2019	25-Sep-2019	Borrower	25-Sep-2019
ICTA0013	DA-D	Completed	USD	0.00	4	USD	0.00	28-May-2019	28-May-2019	Borrower	28-May-2019
ICTA0012	DA-D	Completed	USD	797,142.78	4	USD	797,142.78	04-Apr-2019	04-Apr-2019	Borrower	04-Apr-2019
ICTA0009	DA-D	Completed	USD	51,215.01	4	USD	51,215.01	27-Aug-2018	27-Aug-2018	Borrower	27-Aug-2018
ICTA007A	DA-D	Completed	USD	0.00	4	USD	0.00	20-Feb-2018	23-Feb-2018	Borrower	23-Feb-2018
ICTA0005	DA-D	Completed	USD	0.00	4	USD	0.00	17-Nov-2017	24-Nov-2017	Borrower	24-Nov-2017
ICTA004A	DA-D	Completed	USD	402,129.25	DA-D	USD	402,129.25	23-Oct-2017	03-Nov-2017	Borrower	03-Nov-2017
ICTA EAR WA 002	DA-D	Completed	USD	0.00	4	USD	0.00	16-Jun-2017	19-Jun-2017	Borrower	19-Jun-2017
ICTA EAR WA 003	DA-D	Completed	USD	0.00	4	USD	0.00	16-Jun-2017	19-Jun-2017	Borrower	19-Jun-2017
ICT WA 01	DA-D	Completed	USD	758,333.35	DA-D	USD	758,333.35	03-Feb-2016	05-Feb-2016	Borrower	05-Feb-2016

Loans with Closing Date in less than 6 months

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For further guidance, please enter your query as Feedback .

Loans with Inactive Advances

Replenishment applications are to be submitted in accordance with the instructions provided in the Disbursement Letter.

If the DA is inactive for six months, the Bank notifies the borrower that it will request a refund of the outstanding balance unless, within 90 days, the borrower submits satisfactory evidence of eligible expenditures financed through the DA.

To discuss other arrangements, including refund of funds deposited to the Designated Account, the borrower representative should contact the Finance Officer.



Loan: IDA 56380 (IDA - IDA Credit) | **Status:** Disbursing and Repaying | **Country:** Kenya |

Project: P148853 - EA Regional Transport , Trade and Development Facilitation Project (Second Phase of Program)

[Loan Overview](#) | [Disbursements](#) | [History](#) | [Repayments](#) | [Amortization Schedule](#) | [Audit Submission](#) | [Disbursemei](#)

[Applications](#) | [eSignatorie\(s\)](#) | [Beneficiaries](#) | [Contracts](#) | [Designated/UN Accounts](#) | [Category Schedule](#) |

Withdrawal Applications

Disbursement Milestone

Loan Approval Date 11-Jun-2015	Loan Signing Date 20-Jul-2015	Loan Made Effective 16-Nov-2015	Authorized Signatories Submitted to WB 09-Mar-2023	Authorized Signatories Approved 09-Mar-2023	Loan is Ready for Disbursing Online 02-Aug-2024
--	---	---	--	---	---

Submit Withdrawal Application

Transaction List

Showing results 1 - 0 of 714 entries

Filter by DA-D Documented Data Value Date

Search

Application						Paid					
Borrower Reference	Type	Status	Ccy	Amount	Category Summary	Ccy	Amount	Date received	Value Date	Logged by	Last Updated
ICTA0030	DA-D	Completed	USD	422,646.66	9	USD	422,646.66	04-Mar-2024	06-Mar-2024	Borrower	06-Mar-2024
ICTA0029	DA-D	Completed	USD	1,125,763.77	9	USD	1,125,763.77	27-Nov-2023	28-Nov-2023	Borrower	28-Nov-2023
ICTA0028	DA-D	Completed	USD	2,742,426.76	9	USD	2,742,426.76	19-Oct-2023	23-Oct-2023	Borrower	23-Oct-2023
ICTA0027B	DA-D	Completed	USD	32,339.32	9	USD	32,339.32	16-Aug-2023	21-Aug-2023	Borrower	21-Aug-2023
ICTA0026	DA-D	Completed	USD	665,909.63	9	USD	665,909.63	03-Mar-2023	03-Mar-2023	Borrower	03-Mar-2023
ICTA0025	DA-D	Completed	USD	2,336,667.08	9	USD	2,336,667.08	03-Nov-2022	03-Nov-2022	Borrower	03-Nov-2022
ICTA0024B	DA-D	Completed	USD	868,308.66	9	USD	868,308.66	29-Sep-2022	03-Oct-2022	Borrower	03-Oct-2022
ICTA0023	DA-D	Completed	USD	530,475.73	4	USD	530,475.73	20-Dec-2021	20-Dec-2021	Borrower	20-Dec-2021
ICTA0022	DA-D	Completed	USD	782,405.34	4	USD	782,405.34	31-Aug-2021	31-Aug-2021	Borrower	31-Aug-2021
ICTA0021	DA-D	Completed by WB	USD	3,213,952.97	DA-D		0.00	07-Jul-2021		Eunice Momanyi	11-Aug-2021
ICTA0020	DA-D	Completed	USD	747,580.64	4	USD	747,580.64	22-Jul-2021	23-Jul-2021	Borrower	23-Jul-2021
ICTA0019	DA-D	Completed	USD	718,526.60	4	USD	718,526.60	29-Dec-2020	29-Dec-2020	Borrower	29-Dec-2020
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ICTA0014	DA-D	Completed	USD	784,183.93	4	USD	784,183.93	25-Sep-2019	25-Sep-2019	Borrower	25-Sep-2019
ICTA0013	DA-D	Completed	USD	92,260.00	4	USD	92,260.00	28-May-2019	28-May-2019	Borrower	28-May-2019
ICTA0012	DA-D	Completed	USD	797,142.78	4	USD	797,142.78	04-Apr-2019	04-Apr-2019	Borrower	04-Apr-2019
ICTA0009	DA-D	Completed	USD	51,215.01	4	USD	51,215.01	27-Aug-2018	27-Aug-2018	Borrower	27-Aug-2018
ICTA007A	DA-D	Completed	USD	0.04	4	USD	0.04	20-Feb-2018	23-Feb-2018	Borrower	23-Feb-2018
ICTA0005	DA-D	Completed	USD	117,403.53	4	USD	117,403.53	17-Nov-2017	24-Nov-2017	Borrower	24-Nov-2017
ICTA EAR WA 002	DA-D	Completed	USD	30.00	4	USD	30.00	16-Jun-2017	19-Jun-2017	Borrower	19-Jun-2017
ICTA EAR WA 003	DA-D	Completed	USD	164,722.00	4	USD	164,722.00	16-Jun-2017	19-Jun-2017	Borrower	19-Jun-2017

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Loan: IDA 56380 (IDA - IDA Credit) | Status: Disbursing and Repaying | Country: Kenya

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- Loan Overview
- Disbursements
- History
- Repayments
- Amortization Schedule
- Audit Submission
- Disbursements
- Applications
- eSignatorie(s)
- Beneficiaries
- Contracts
- Designated/UN Accounts
- Category Schedule

Designated Account Detail- DA-D

Account Details

Account Holder	ICTA	DA Currency	USD
Account Holder's Bank	CENTRAL BANK OF KENYA HAILE SELASSIE AVENUE NAIROBI Swift: CBKEKENXXX	Current Authorized Allocation	4,000,000.00
Account Number	1000243791	Hide	Associated Categories 4 - (Gd,Wk,NCS,CS,Trg &OC Pt4 3aiv -ICTA) 9 - (Gds,Wrks,Nc,CsTr,OC pt4 ICTA)
Intermediary Bank	STANDARD CHARTERED BANK 1 BASINGHALL AVENUE LONDON Swift: SCBLGB2LXXX	Other Financing Sources	

Transaction Details

	Currency (USD)	View Transaction List
Total Deposits Less Refunds	18,882,372.91	
Documented	14,914,712.23	
Outstanding Balance	3,967,660.68	
Waived Documentation Amount	0.00	
Transaction in Process	0.00	

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**EAST AFRICA TRADE AND TRANSPORT FACILITATION PROJECT (ICTA)
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2023**

Credit No.: IDA LOAN CREDIT NO.5638-KE (DA-D)

Bank Account No.: 1000243791 Held with CENTRAL BANK OF KENYA

	NOTES	AMOUNT USD	AMOUNT USD
1	Amount advanced by IDA		14,591,535.72
	Less:		
2	Total amount documented		10,591,535.72
3	Outstanding amount to be documented		4,000,000.00
	Represented by:		
4	Ending Special account Balance as as 30 June 2023		1,514,685.84
5	Amounts claimed but not credited as at 30 June 2023		-
6	Amounts withdrawn and not claimed		2,485,314.16
7	Service Charges (if not included in lines 5 and 6 above)		
8	Interest earned (if included in Special Account)		-
9	Total advance to Special Account Year ended 30 June 2023		4,000,000.00

Discrepancy between total appearing on line 3 and 9

-

Notes:

- 1 Explain the discrepancy between totals appearing on lines 3 and 9 above (e.g amount due to be refunded to cover ineligible expenditures paid from the Special/Designated Account)
- 2 Indicate if amount appearing on line 6 is eligible for financing by IDA and provide reasons for not claiming the expenditures

The amount appearing on line 6 is eligible for financing by World Bank and shall be documented in subsequent IFRs

**AUTHORISED REPRESENTATIVE
RESOURCE MOBILISATION DEPARTMENT
THE NATIONAL TREASURY**

DATE:

Minutes

Meeting Title:	Board Audit & Governance Committee
Venue:	Board Room, Telposta Towers 12 th Floor and through Webex
Date:	27 th Sept 2024
Time Started:	2.00 PM
Time Ended:	4.00 PM
Chair:	Annette Mutuku
Note Taker:	Veronica Seleyian

Attendees:

Name	Designation	Role	Attending from
Annette Mutuku	Chair of the Audit Committee	Chairing	Physically
Kenneth Kaunda	Member, Board of Directors ICTA	Member	Physically
Edna Atisa	Member, Board of Directors ICTA	Member	Online
Stephen Karani	Member, Board of Directors, ICTA	Member	Online
Boniface Mbithi	Member, Board of Directors, ICTA	Member	Online
Stanley Kamanguya, OGW	CEO, ICT Authority	Management	Physically
Patrick Masika	Deputy Director Internal Audit	Secretariat	Physically
Veronica Seleyian	Senior Internal Auditor	Secretariat	Physically
CPA Richard Koech	Director Corporate Services	Management	Physically
Thomas Bwaley	Director Programmes and Standards	Management	Physically
Oliver Pyoko	Deputy Director, Finance and Accounts	Management	Physically



Macline Onyiego	Ag. Assistant Director, Finance and Accounts	Management	Physically
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Agenda

1. PRELIMINARIES

- 1.1 Prayers
- 1.2 Notice of the meeting
- 1.3 Quorum and apologies
- 1.4 Adoption of Agenda
- 1.5 Declaration of interest
- 1.6 Chairman's welcoming remarks

2. MATTERS FOR DISCUSSION

- 2.1 Presentation of Annual Financial statements for the FY 2023/24
- 2.2 Internal audit report on the Annual Financial statements FY 2023/24

3. CLOSURE OF THE MEETING

- 3.1 Review of the Actions to be taken
- 3.2 Any Other Business

Agenda #1 PRELIMINARIES

1.1 Prayers

Prayers were led by Director Edna Atisa

1.2 Notice of the meeting

The notice convening the meeting was read by the Chair of the Audit Committee

1.3 Quorum and apologies

The meeting had the requisite quorum.

1.4 Adoption of the Agenda

The agenda was proposed for adoption by Director Edna and seconded by Director Boniface

1.5 Declaration of interest

No interest was declared.

1.6 Chairman's welcoming remark

The Chair of the Audit and Governance Committee welcomed members to the meeting.

Agenda #2 MATTERS FOR DISCUSSION

2.1 Presentation of Annual Financial Statements for the FY 2023/24

The Director Corporate Services presented the following three reports to the committee:

MA *Age*

- The ICTA Annual Financial statements for the FY 2023/24
- The Annual financial statements for the Horn of Africa Gateway Development Project for the FY 23/24
- The Annual financial statements for the East Africa Regional Transport Trade and Development Facilitation Project for the FY 23/24

The board requested detailed analyses of the revenues which was done.

2.2 Internal Audit Report on the Annual Financial Statements for the FY 2023/24

The Deputy Director Internal Audit informed the Committee that the Board is required to approve the financial statements before they are submitted to the Auditor General by 30th September 2024. The Deputy Director Internal Audit took the committee through the Internal Audit observations on the Financial statements of the ICTA for the year ended 30th June 2024 and informed the committee that Internal Audit had reviewed the financial statements and is satisfied that they reflect the true picture of the Authority’s operations, are fairly stated and are reasonable. The Deputy Director Internal Audit requested the committee to approve the accounts for submission to the Auditor General.

Committee Resolution

The Committee approved the financial statements for the ICT Authority for the period ending on 30th June 2024.


Agenda #3 Any other Business

The committee requested Internal Audit to carry out the following:

- I. An audit of the connected summit 2024
- II. Advise on the escrow account
- III. Training of the Audit committee

There being no other business, the meeting ended at 4:00pm

Prepared by:

Signed..........Date: 27/09/2024

Mr. Patrick M. Masika

Deputy Director Internal Audit and Secretary to the Audit Committee.

Approved by:

Signature..........Date: 28/09/2024

Annette Mutuku

Chair, Audit Committee



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 P.O. Box 30012-00100
 Telephone: 340161/186
 Fax: 318911
 Email:
 kipandehouse@kcb.co.ke
 Website:
<http://www.kcb.co.ke>

1218 CA 41 BRANCHES
 CERTIFICATE OF BALANCE

Limited
 in Kenya)

KCB Bank
 (Incorporated

CERT2418300630

KCB KIPANDE HOUSE

01 JUL 2024

Certified that the balance at the CREDIT Of ICT
 AUTHORITY EARTTDFP

A/C 1322542651

at the close of business on 30 JUN 2024 Was KES

THIRTY FOUR MILLION ONE HUNDRED AND NINETEEN THOUSAND THREE
 HUNDRED AND FIFTY NINE CENTS FIVE

KES 34,119,359.05

For: KCB BANK KENYA LTD. KCB BANK KENYA LTD.

Examined by

P. Manager
KIPANDE HOUSE, NAIROBI KIPANDE HOUSE, NAIROBI

Manager Service Quality & Compliance Branch Manager