

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

**NATIONAL TRANSPORT AND SAFETY
AUTHORITY**

**FOR THE YEAR ENDED
30 JUNE, 2023**

THE NATIONAL ASSEMBLY
PAPERS Laid

DATE: 12 JUN 2024 Wednesday

TABLED BY: Deputy Majority Party

CLERK AT THE TABLE: Miriam Moko



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

30 APR 2024

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**National Transport
and Safety Authority**

National Transport & Safety Authority

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2023

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

National Transport & Safety Authority
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for the year ended June 30, 2023

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A: Acronyms and Abbreviations and Glossary of Terms

DG	Director General
CBK	Central Bank of Kenya
CTSC	County Transport & Safety Committee
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KICD	Kenya Institute of Curriculum Development
MoU	Memorandum of Understanding
NTSA	National Transport & Safety Authority
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSV	Public Service Vehicle
HCV	Heavy Commercial Vehicles
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
SDoT	State Department of Transport
SDoICN	State Department of Interior & Coordination of National Government
WB	World Bank
EU	European Union
Comparative Year	Means the prior period.

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B: Glossary of Terms

Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Director General	George Gerishon Njao
2.	Director Corporate Support Services	
3.	Deputy Director Finance	Mr. Wycliffe Wasike
4.	Deputy Director Supply Chain Management	Mr. Shem Shalakha
5.	Director Road Safety	Mr. Badu Katelo(Upto Dec.2022)
6.	Director Registration & Licensing	Mr. Christopher Wanjau
7.	Ag. Director Registration & Licensing	Mr. Cosmas Ngeso
8.	Director Inspection and Road Safety Audits	Eng. Gerald Wangai
9.	Ag. Director Inspection and Road Safety Audits	Eng. Christine Ogut

1. Key Entity Information and Management

(a) Background information

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

(b) Principal Activities

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

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

In full exercise of its mandate, the Authority is empowered under Section 6 of the NTSA Act to carry out the following functions:-

- (i) register and license motor vehicles;
- (ii) conduct motor vehicle inspections and certification;
- (iii) regulate public service vehicles;
- (iv) advise the Government on national policy with regard to road transport system;
- (v) develop and implement road safety strategies;
- (vi) facilitate the education of the members of the public on road safety;
- (vii) conduct research and audits on road safety;
- (viii) compile inspection reports relating to traffic accidents;
- (ix) establish systems and procedures for, and oversee the training, testing and licensing of drivers;
- (x) formulate and review the curriculum of driving schools;

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- (xi) co-ordinate the activities of persons and organizations dealing in matters relating to road safety; and
- (xii) perform such other functions as may be conferred on it by the Cabinet Secretary or by any other written law.

The Authority is currently domiciled under the State Department for Transport within the Ministry of Roads and Transport in line with the Presidential Executive Order No.1 of 2022. This was based on the Advisory role to the Government on National Policy about road transport sector. During the period preceding the Executive Order, the Authority was under the State Department for Interior and Co-ordination of National Government following the Executive Order number 2 of 2019 on the Management and Co-ordination of National Transport and Safety.

The Vision of the Authority is to have an efficient, reliable and safe road transport system in Kenya.

The mission of the Authority on the other hand is to continuously improve on road safety for all users through planning, managing and regulating the road transport system.

The functions of the Authority as outlined in Section 4 of the NTSA Act, 2012 include the following;

- a) advise and make recommendations to the Cabinet Secretary on matters relating to road transport and safety;
- b) implement policies relating to road transport and safety;
- c) plan, manage and regulate the road transport system in accordance with the provisions of this Act;
- d) ensure the provision of safe, reliable and efficient road transport services; and
- e) administer the Act of Parliament set out in the First Schedule and any other written law.

(c) Key Management

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

- (i) Board of Directors
- (ii) Director General
- (iii) Management

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(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Director General	George Gerishon Njao
2.	Director Corporate Support Services	
3.	Deputy Director Finance	Mr. Wycliffe Wasike
4.	Deputy Director Supply Chain Management	Mr. Shem Shalakha
5.	Director Road Safety	Mr. Badu Katelo
6.	Director Registration & Licensing	Mr. Christopher Wanjau
7.	Ag. Director Registration & Licensing	Mr. Cosmas Ngeso
8.	Director Inspection and Road Safety Audits	Eng. Gerald Wangai
9.	Ag. Director Inspection and Road Safety Audits	Eng. Christine Ogut

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Key Entity Information and Management (continued)

(e) Fiduciary Oversight Arrangements

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

Committee	Members	Function
Audit, Risk & Governance Committee	<ol style="list-style-type: none"> 1. Ms. Caroline Achieng Oduor- Chairperson (Wef April 2023) 2. Johnson Kalo Losilian 3. Mr.Ephraim Karimi Macharia 4. Mr.Joseph Kariuki Kimemia 5. Ms. Nimo Omar Haji 6. Mr.Wilfred Okemwa 7. Mr.Gerald Mithamo Muchiri 8. Mrs.Alice Chesire 	Provides oversight on all internal Audit functions of the Authority
Finance, Human Resources and Strategy Committee	<ol style="list-style-type: none"> 1. Paul Posh Abwora-Chairperson 2. Richie Munyao Mweka- Chairperson (Wef April 2023) 3. Lilian Nyabonyi Mogendi 4. Simon Kalekem 5. Charles Nyabuti Ondieki 6. Paul Kingori 7. Francis Mwongo Kiriinya 8. Ibrahim Abdi 9. Wilson Njega 10. Catherine Waweru 	Provides oversight on all Finance, Human resources and corporate planning and strategy matters
Transport & Technical Committee	<ol style="list-style-type: none"> 1. Charles Nyabuti Ondieki-Chairperson 2. Lilian Nyabonyi Mogendi 3. Richie Munyao Mweka 4. Ms. Caroline Achieng Oduor 5. Regina Nderitu 6. Francis Kiriinya Mwongo 7. Gerald Mithamo Muchiri 8. Alice Chesire 	Provides oversight on registration and licensing activities as well as motor vehicle inspection activities

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Road Safety & Communication Committee	<ol style="list-style-type: none"> 1. Johnson Kalo Losilian-Chairperson 2. Ephraim Karimi Macharia 3. Paul Posho Abwori 4. Edward Mwamburi 5. Ms. Nimo Omar Haji 6. Meshack Kidenda 7. Simon Kalekem 8. Wilfred Okemwa 9. Julius Kitili 10. Catherine Waweru 	Provides oversight on Road Safety and communication activities
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The Board of Directors were changed twice during the year ending June 30, 2023.

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(f) NTSA Headquarters

316 Upper Hill Chambers
2nd Ngong Avenue, Ngong Road
P.O. Box 3602 - 00506
Nairobi, Kenya

(g) NTSA Contacts

Telephone: (254) 02 6632300
E-mail: info@ntsa.go.ke
Website: www.ntsa.go.ke

(h) Corporate Bankers

1. Kenya Commercial Bank Ltd

Capital Hill Branch
P.O. Box 4360 - 00100
Nairobi, Kenya

2. National Bank of Kenya

Harambee Avenue Branch
P.O. Box 72866 - 00200
Nairobi, Kenya

(i) Independent Auditor

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

(j) Principal Legal Adviser

The Attorney General

State Law Office and Department of Justice

Harambee Avenue



P.O. Box 40112

City Square 00200


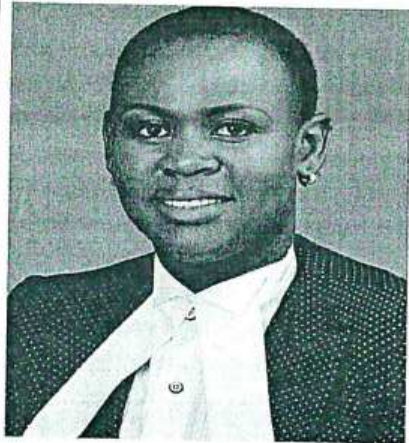
Nairobi, Kenya

2. The Board of Directors




The Authority's Board Members comprise of the following

<p>1</p>	<p>Manoj Shah(Dr) Chairperson</p> 	<p>Manoj Shah (Dr) was appointed to the Board of National Transport and Safety Authority on 7th June 2023. Prior to his appointment as the chairperson, DR Manoj was the managing director and executive head of many entities. Dr Shah is an agrochemicals entrepreneur with over 45years with a wealth of experience in the Automotive, Hospitality, Heath, Trading, Finance and Property Development industry. He is an authority in transforming loss-making institutions/companies and turning them into profitability.DR Manoj is also a major investor in the manufacturing industry and is a celebrated philanthropist serving many lives of humanities.</p>
<p>2</p>	<p>Mr. Aden Noor Ali Chairperson</p> 	<p>Mr. Aden Noor Ali was appointed to the Board of National Transport and Safety Authority on 3rd February 2023 to 7th June 2023. Mr. Ali has more than 20 years' experience both in private and public sector in different senior positions.He previously served as a Director at the Transport Licensing Appeals Board (TLAB) where he interacted with various transport stakeholders including NTSA and other road agencies. Mr. Ali holds an Executive Master in Leadership Management (Moi University),Masters in Tribunal Management from Foundation of Administrative Justice College in Canada and a Bachelor's degree from Kenyatta University.He has undertaken several senior management courses in leading institutions and is a member of various professional bodies in the country. Mr. Ali is involved in various development projects in the Northern part of the country.</p>



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3	<p>FCPA Agnes Odhiambo, CBS Chairperson</p> 	<p>Mrs. Agnes Odhiambo was appointed to the Board of National Transport and Safety Authority on 13th May, 2020 to 2nd February 2023.</p> <p>Prior to her appointment as the chairperson. Mrs. Odhiambo was the Controller of the Budget. She is an accomplished finance professional with over 30 years' experience having held senior management positions in both the private and public sectors where she has worked as the Director, Finance and Administration at the Kenya Post Office Savings Bank (Postbank). and the Chief Executive Officer of the Constituencies Development Fund Board</p> <p>She is a Fellow of the Institute of Certified Public Accountants of Kenya (ICPAK..Mrs Odhiambo holds a Bachelor of Commerce (Accounting Option) degree and a Master of Business Administration (MBA) degree both from the University of Nairobi.</p> <p>Mrs Odhiambo was awarded the Chief of Order of the Burning Spear (CBS) by His Excellency, the President of the Republic of Kenya, Hon. Uhuru Kenyatta, for her role in national development</p>
4	<p>Ms. Caroline Achieng Oduor Member</p> 	<p>Ms. Caroline Achieng Oduor i was appointed to the Board of National Transport and Safety Authority from 3rd February, 2023.</p> <p>Ms Caroline is an advocate of the high court of Kenya. She holds a Masters of Law in international Law from the University of Salford, United Kingdom, Bachlors of Law (LLB) from the University of Nairobi and Advanced Diploma in international trade Law, Policy and Development from Lund university, Sweden in conjunction with Trade policy training Centre in Africa (TRAPCA), Arusha. She has served as Chair and Member of Board Audit committee of KEFRI and County Government of Machakos respectively. She is the founding and Managing trustee of ANAA education Foundation and is a member of the Law society of Kenya, East Africa Law Society, Institute of Certified Public Secretaries of Kenya and Chartered institute of Arbitrators.</p>




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5	Mr. Richie Munyao Mweka Member	 <p>Mr. Richie Munyao Mweka i was appointed to the Board of National Transport and Safety Authority from 3rd February, 2023.</p> <p>Mr. Munyao has extensive experience in the Sustainable Mobility field and has been involved in financing and implementing projects in Kenya, Zambia and Tanzania. He has developed financial models for various renewable energy start-ups in Kenya ,Tanzania and Portugal.</p> <p>He holds an MSc in International Business and Bachelors of Law(LLB) from Nottingham University, United Kingdom.</p>
6	Mr. Ephraim Karimi Macharia Member	 <p>Mr. Ephraim Karimi Macharia was appointed to the Board of National Transport and Safety Authority from 3rd February 2023.</p> <p>Mr. Karimi has over 20 years' experience in transport management with special focus on public service vehicle operations and long distance heavy commercial transportation.</p>
7	Mr. Johnson Kalo Losilian Member	 <p>Mr. Johnson Kalo Losilian was appointed to the Board of National Transport and Safety Authority on 7th June 2023.</p> <p>Mr Losilian is a seasoned Human Resource Management expert with a wealth of experience running over many year gained by practice and service in various institutions.</p> <p>He holds a Degree and a Master Degree in the same field.</p>



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8	<p>Mr. Paul Posho Abwora Member</p> 	<p>Mr. Paul Posho Abwora was appointed to the Board of National Transport and Safety Authority on 7th June 2023.</p> <p>Prior to his appointment to the Board, Mr. Posh worked as an advisor , Economic & Planning Affairs in the County Government of Kakamega & the Secretariat of The Lake Region Economic Bloc.He was also the Chief Executive Officer of Posh Marketing and Communication Services. Mr. Posh has a wealth of experience in corporate and public sector management running over 20years.</p> <p>Mr. Posh holds a Bachelor of Commerce degree from the University of Nairobi and a Post graduate internship and training from the United Kingdom. He also has extensive international training in various fields including financial & economic management from Jiangxi College of foreign studies in China.</p>
9	<p>Ms. Lilian Nyabonyi Mogendi Member</p> 	<p>Ms. Lilian Nyabonyi Mogendi was appointed to the Board of National Transport and Safety Authority on 7th June 2023.</p> <p>Ms Mogendi is a retired long serving teacher with a wealth of experience in transforming the lives of many students by impacting knowledge and progressive transformation in their lives. She is a mentor and an inspiration to many young girls and ladies who inform their way of life from her.</p> <p>She holds a master's degree and a bachelor's degree in education.</p>




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10	<p>Mr. Simon Kalekem Member</p> 	<p>Mr. Simon Kalekem was appointed to the Board of National Transport and Safety Authority from 3rd February, 2023 to 7th June 2023</p> <p>Mr. Kalekem has extensive experience as a career teacher and education specialist, he holds Bachelors degree in Arts and political science from Kisii University and is currently undertaking a Masters degree in Public Administration. He has previously served as a member of the county Assembly protocol officer in West Pokot County.</p>
11	<p>Mr. Charles Nyabuti Ondieki Member</p> 	<p>Mr. Charles Nyabuti Ondieki was appointed to the Board of National Transport and Safety Authority from 3rd February, 2023 to 7th June 2023.</p> <p>Mr Nyabuti who is from the business sector is the chairperson Kenya- China Business Community. He holds a Bachelor of Science degree in International Business Management and Economics from South China University of Technology. He is also involved in mentorship programs in the country and oversees.</p>
12	<p>Ms. Nimo Omar Haji Member</p> 	<p>Ms. Nimo Omar Haji was appointed to the Board of National Transport and Safety Authority from 3rd February, 2023 to 7th June 2023.</p> <p>Ms. Nimo has extensive experience in financial reporting, planning and budgeting as well as project management in both Public and Private Sector. She has previously served as a Member of the County Assembly of Nairobi and Chief Executive Officer of Alert Guard Services Limited. She holds a Bachelor of Arts in Business Administration from Marathwada University, India and is currently undertaking a bachelors degree at Mt. Kenya University, Kenya.</p>



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13	<p>Dr. Alice Jepchumba Chesire Member</p> 	<p>Dr. Alice Chesire was appointed to the Board of National Transport and Safety Authority on 3rd February 2022.</p> <p>Mrs Chesire is the Executive Chairman of Hornbill Development Company which specializes in property development and real estate. She has vast experience in corporate governance having served as a Director at Kenya Dairy Board, Horticultural Crops Development Authority and Fresh Produce Exporters Organization of Kenya. She has served in Human Resource, Technical and Audit committees of various Boards and has participated, championed and provided leadership in women empowerment.</p> <p>Dr. Chesire holds a PHD in Leadership (HC), and a degree in Leadership Management from St. Paul University. She also holds a Diploma in Agriculture from Egerton University.</p>
14	<p>Mr. Wilfred Nyamwamu Okemwa Member</p> 	<p>Mr. Wilfred Okemwa was appointed to the Authority's Board on 31st May 2022.</p> <p>He holds a Bachelor's degree in Education (Business studies & Economics) and Diploma in Business Management both from the University of Nairobi. He has over 38 years experience in public service with speciality in Public Policy, Tax and Road Transport Management having worked with the Kenya Revenue Authority as the Regional Coordinatr in income tax for twenty two years and in Road Transport Department for sixteen years. He has attended several courses including Strategic Leadership development at the Kenya School of Government, Corporate Governance training with the Centre of Corporate Governance, Business Strategy for Results, HR for Non-HR Managers/Line Managers, Coaching and Winning, Performance Enhancement, Transformative Leadership, Talent Management, Conducting Meetings and Report Writing, Industrial Relations & Collective bargaining training, Communication & Interpersonal skills, Results Oriented management, Performance Management. He has also led various committees appointed as chairman at his previous work place leading from the front. Beside Government, he has also held leadership roles in various secondary schools in Kisii County and has been an inspiration to the community due to his leadership skills. He has held positions of chairmanship of various professional groups from the Kisii community.</p>




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15	<p>Mr. Francis Kiriinya Mwongo, CBS,OGW,ndc(Kenya) Member</p> 	<p>Mr. Francis Kiriinya Mwongo was appointed to the Board of NTSA on 3rd February 2022.</p> <p>He holds a degree in political science from the University of Nairobi and is a graduate of National defence college specializing in intelligence and security management, public administration, diplomacy and international studies. He is also an expert in leadership and strategic planning, public policy formulation and analysis. Having graduated from various institutions such as Strathmore University, Kenya School of Government, Storkholm University among others. He has over ten years experience as a Director of intelligence and has served in the intelligence community of Kenya for forty years. He has previously held international leadership positions in the UN Security Council and Kenyan missions in Sweden and Tanzania.</p>
16	<p>Mr. Gerald Mithamo Muchiri Member</p> 	<p>Mr. Gerald Mithamo Muchiri was appointed to the Board of NTSA on 1st May, 2022.</p> <p>He is a graduate of Criminology and Criminal Justice, holds an MBA in Human Resource from Mount Kenya University and has a diploma in Accounts and Finance from Zetech University. He is currently a law student at Mount Kenya University. He brings on board a wealth of experience having sat on Boards of several state corporations where he chaired various committees</p>
17	<p>Hon. Catherine Njeri Waweru Member</p> 	<p>Hon. Catherine Waweru was appointed to the Board of National Transport and Safety Authority on 3rd February 2022.</p> <p>She holds a Bachelor of Arts Degree in Communication Development from St Pauls University. She is an experienced Social Economic professional and development consultant with vast experience in community service, Governance and Development. She offers strategic leadership in areas of Health and Education in Nakuru County and serves in various community organisations and NGOs. She is a member of the Rift Valley Provincial Hospital Management Committee.</p>



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18	<p>Eng. Meshack Otieno Kidenda, MBS,HSC,FIEK,RCE Member</p> 	<p>Eng. Kidenda was appointed to the Board of National Transport and Safety Authority on 3rd February 2022.</p> <p>Eng. Kidenda is a registered Consulting Engineer, a Fellow of the Institution of Engineers of Kenya and an Associate Member of the Chartered Institute of Arbitrators. He holds a B Sc. In Civil Engineering from the University of Nairobi and M Sc. in Traffic Engineering from University of Birmingham. He retired from Public Service after 37 years of service, where he served in various stations and capacities including in senior management as Chief Engineer (Roads), Director of Industrial Training and as the first Director General of the Kenya National Highways Authority - KeNHA.</p>
19	<p>Mr. Mohamed Daghar Principal Secretary, State Department for Transport</p> 	<p>Mr. Mohamed Daghar is the Principal Secretary, State Department for Transport.</p> <p>Mr. Mohamed holds a BA International Relations from United States International University, Kenya, Masters in Peace, Conflict and Development studies from Universitat Jaume I, Spain. He has a wealth of experience in safety and security matters. He is a technocrat with academic and professional training having experience in conducting empirical research in evolving areas of security risk assessments and safety indexes, crime perception and mitigation alternatives and creation of safer cities through sustainable development agenda.</p> <p>Prior to his appointment to the current position, he was the Regional Coordinator-Eastern Africa • Institute for Security Studies</p> <p>The Alternate to the Principal Secretary on the Board of NTSA is Mr. Paul Kingori.</p>




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20	<p>Dr. Chris K. Kiptoo, CBS Principal Secretary, The National Treasury</p>		<p>Dr. Chris K. Kiptoo is the Principal Secretary at The National Treasury.</p> <p>Dr. Chris Kiptoo holds a Doctor of Philosophy Degree (PhD) in Finance (International Macroeconomics Finance specialization) from The Nairobi University, as well as a Master of Science (Ag. Economics) and Bachelor of Science (Ag. Economics) degree from Egerton University. He is also an Accredited Fellow in Macroeconomic Management by the Macroeconomic & Financial Management Institute of Eastern & Southern Africa (MEFMI).</p> <p>Prior to his appointment, he was the immediate former Principal Secretary, Ministry of Environment and Forestry. Before that, he also served as a Principal Secretary at the State Department of Trade, Ministry of Industry, Trade & Cooperatives.</p> <p>The Alternate to the Principal Secretary is Mr. Joseph Kariuki Kimemia.</p>
21	<p>AG. Hon. Justin B.N Muturi, EGH, MP The Attorney General</p>		<p>Hon. Justin B.N Muturi is the Attorney General of the Republic of Kenya</p> <p>Hon. Muturi holds a bachelor of Law degree (LLB) from the University of Nairobi and a Post Graduate diploma from The Kenya School of Law</p> <p>Prior to his appointment he served as the seventh Speaker of the National Assembly of Kenya and has also served as Chair of the Public Investment Committee (PIC) during the 10th Parliament.</p> <p>The Alternate to the Attorney General is Ms. Regina Nderitu.</p>
22	<p>Eng. Japhet Koome The Inspector General of Police</p>		<p>Eng. Koome is the Inspector General of the National Police Service</p> <p>Mr. Koome holds a bachelor of Science degree in Civil Engineering from the University of Nairobi. He is a trained police officer with a vast experience on security and intelligence matters.</p> <p>Prior to his appointment, he served as the Principal Deputy Inspector General and has also served as a Commandant at The National Police Training College-Main Campus in Kiganjo. Eng. Koome has also worked as the Director Planning at the Police Headquarters.</p> <p>The Alternate to the Inspector General is Mr Edward Mwamburi.</p>




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23	<p>Mr. George Njao</p> 	<p>Director General</p> <p>Mr. Njao is the Director General and he is responsible for the implementation of the policies, programmes and objectives of the Authority. Mr. Njao has over 15 years' experience in the transport sector specifically in safety management which presents a great opportunity for the Authority. He holds a Master's degree and a Bachelor of Science degree from Central Missouri State University, USA.</p>
24	<p>Ms. Victoria Cherotich</p> <p>Corporate Secretary</p> 	<p>Ms. Victoria Cherotich is the corporate secretary representing Image Registrars Limited; the body corporate contracted for secretarial services. Ms. Cherotich is a member of ICPSK</p>

3. Key Management Team

	NAME	POSITION
1	Mr. George Njao 	Director General Mr. Njao is the Director General and is responsible for the implementation of the policies, programmes and objectives of the Authority. Mr. Njao has over 15 years' experience in the transport sector specifically in safety management which presents a great opportunity for the Authority. He holds a Master's degree and a Bachelor of Science degree from Central Missouri State University, USA.
2	Mr. Cosmas Jagongo Ngeso 	Ag. Director, Registration and Licensing Mr Ngeso is the Ag. Director Registration and Licensing with effect from 1 st April, 2023. Prior to his appointment Mr. Ngeso was the Deputy Director Licensing. Mr. Ngeso has over 28 years experience in public sector having served as Head of Secretariat at The National Road Safety Council and as the Board Secretary at The Transport Licensing Board. He also served in various capacities in the Ministries and Departments. He holds a Master of Laws Degree, a Bachelor of Arts & Laws degree and a Post Graduate Diploma in Law.
3	Mr Christopher Kinyua Wanjau 	Director, Registration and Licensing Mr Wanjau was the Director Registration and Licensing from 2nd September, 2019 to 31st January 2023. He was responsible for registration and licensing of motor vehicles, regulation of public service vehicles, and oversight of training, testing and licensing of drivers in the country. Mr Wanjau holds two Masters in Public Administration (Moi University) and Business Administration Strategic Management (Catholic University). He also holds a BA degree in Political Science from UON and Public Administration coupled. Mr Wanjau is currently a Phd candidate in strategic management at Karatina University. He has done several professional, management and leadership courses and trainings including Public Administration and also Information Management System, IMIS (UK) and is a member of Institute of Management Information Systems (UK)

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4	<p>Eng. Christine Adongo Ogut</p> 	<p>Ag. Director Motor Vehicle Inspection & Safety Audits</p> <p>Eng. Christine Ogut is the Ag. Director Motor Vehicle Inspection & Safety Audit from 1st February, 2023. Prior to her appointment, Eng. Ogut was the Deputy Director Safety Audits & Inspection. She is the 2nd Vice President of the Institution of Engineers of Kenya and was the 1st President of Africa TechNet. She has over 30 years experience in both the public & private sectors where she previously served as the Chief Officer Roads, Transport & Public Works/ Environment, Energy & Water at the Nairobi County Government, Director Nairobi Water and Sewerage Company, Manager (Roads), KURA</p> <p>Eng. Ogut holds a Master Science Degree in Urban Infrastructure Engineering Management and a Bachelor's degree in Civil Engineering (UoN). She is a Registered Engineer with the Engineers Board of Kenya and Fellow of the Institution of Engineers of Kenya in good standing.</p>
5	<p>Eng. Gerald Wangai</p> 	<p>Director Motor Vehicle Inspection & Safety Audits</p> <p>Eng. Wangai was Director Motor Vehicle Inspection & Safety Audit upto 19th November, 2022 when he retired.</p> <p>He holds a Bachelor of Science Degree (Mechanical Engineering) from the University of Nairobi. He has vast experience spanning 28 years in the Public Service.</p>
4	<p>Mr. Badu Sora Katelo</p> 	<p>Director Road Safety</p> <p>Mr Katelo is the Director, Road Safety.</p> <p>He holds a Master of Arts degree from Fletcher school of Law and Diplomacy, Tufts University in the United States of America (USA) and a Bachelor of Education (Honors) in Economics and Accounting from the University of Nairobi. Mr. Katelo is a seasoned public servant with extensive experience in the Public Service gained from working in different Ministries and Departments including the National Gender and Equality Commission. He is a full member of the Kenya Association for Public Administration and Management (KAPAM).</p>

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OTHER KEY MANAGEMENT STAFF

No.	Designation	Name
1	Mr. Wycliffe Wasike	Deputy Director, Finance
2	Mr. Robert Ngugi	Deputy Director, Legal Services
3	Mr. Naashon Kondiwa	Deputy Director, Information Communication Technology
4	Ms. Margaret Kabochi	Deputy Director, Human Resource Management & Admin
5	Mr. Shem Shalakha	Deputy Director, Supply Chain Management
6	Mr. Duncan Kibogong	Deputy Director, Road Safety Strategies
7	Mr. Aden Millah	Deputy Director, Registration
8	Mr. Wilson Tuigong	Deputy Director, Safety Compliance, Driver Training & Testing
9	Ms. Dido Guyatu	Deputy Director, Corporate Affairs & Communications
10	Ms. Miriam Njoroge	Deputy Director, Internal Audit
11	Ms. Beatrice Olwa	Deputy Director, Corporate Strategy and Planning
12	Mr Martin Mbaya Muuru	Deputy Director Investigations

4. Chairman's Statement

On behalf of the NTSA Board of Directors, I am honored to present to you the Annual Report and Financial Statements of the National Transport and Safety Authority (NTSA) for the Financial Year ended June 30, 2023.

Operating Environment

The Authority was established under the NTSA Act No.33 of 2012 with the mandate of facilitating road safety on the roads in the country. The main function of the Authority is to plan, advise, implement and make recommendations on matters relating to road transport & safety.

Further, I wish to affirm the Authority's commitment to continuous improvement, policy formulation and management of road transport safety. We will focus our efforts towards implementation of the revamped strategic plan. Our new vision is to provide "efficient, reliable and safe roads in Kenya." This statement clearly spells out our aspiration and purpose of our existence as anchored on service to the citizen of Kenya and all those who are within its borders. We do that by understanding the transport needs of the general public and offering innovative competitive products and services that meet those needs. By ensuring efficiency, safety and reliability of our road transport, we are connecting families, communities and economies to each other and those collective connections are what make this a great nation.

Strategic Environment

We are committed to working with various stakeholders in amending and formulating policies that enhance road transport & safety. The Authority having identified speed as a major cause of fatalities has undertaken stakeholder engagement and desktop enforcement to enhance safety on the roads. To this end, the Authority installed and commissioned the Integrated Road Safety Management System (IRSMS) which enables the Authority, the speed limiter vendors and the PSV operators monitor compliance to speed limits for individual vehicles and driver through real-time remittance of data from the vehicles.

In addition, we are pleased to state that the Authority launched and rolled out the 2nd generation number plates and successfully transitioned from the convention number plates used before. Efforts are also being made to conclude the implementation of pending projects and sustain the and smart driving licenses. The Authority in partnership with its development partners is also planning to expand and increase its capacity to inspect motor vehicles and to increase public awareness on road safety. This will be done through the upgrade of the Likoni Motor Vehicle Centre and making the Thika Motor Vehicle Inspection Centre as a Centre of excellence in driver testing. The Authority will also increase sensitization and awareness programs on road safety through the Usalama Barabarani.

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Is equally delightful to note that the much anticipated Road Safety Curriculum being undertaken with the technical support from the Kenya Institute of Curriculum Development started and is expected to have a significant bearing on the young school going children and by extension the future generation.

As I conclude, I wish to remind all road users that road transport safety is not solely an NTSA affair but rather every individual's responsibility. Therefore, all road users, including pedestrians, should play a part in ensuring safe use of road infrastructure in order to reduce road carnage and save loss of innocent lives.



Dr. Manoj Shah

BOARD CHAIRPERSON

5. Report of the Director General

I am delighted to present to you the National Transport and Safety Authority's (NTSA) Annual Report and Financial Statements for the year ended June 30, 2023.

During the year under review, NTSA continued with its transformative programme of the transport sector through automation, behaviour change and mainstreaming of road safety in line with the Authority's Strategic Plan (FY2019/20-2022/23).

Financial Performance:

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

During the year ended June 30, 2023, the Authority raised Kshs. 2.244 Million as revenue from its internal sources (AiA). This represented a 30% or Kshs. 519 Million growth in comparison to the previous year's performance. A total of Kshs 372.5 Million was also received as recurrent grant from the State Department of Interior and Coordination of National Government and The State Department of Transport. In addition, The World Bank remitted an additional Kshs. 440.9 Million as grants to support The Horn of Africa Gateway Development. Project.

The Authority's main expenditure are related to road safety interventions; technical operations; maintenance of assets; procurement of specialized supplies for registration; licensing and inspection of vehicles; staff costs and other administrative operational costs. The overall cost of NTSA operations for the year under review was Kshs 3.3 Billion.

Operational Performance:

In the year under review, the Authority made significant efforts towards improving road safety on the roads. Some of the key milestones made in this regard included installation, commissioning and

roll out of the Integrated Road Safety Management System geared towards management of speed for PSV and commercial vehicles on the roads. The system offers the Authority an opportunity to monitor compliance with the speed requirements remotely through speed data remitted to directly from each motor vehicle. It also allows the PSV operators to assign specific drivers specific vehicles. Further the system enables the Authority to monitor vehicles flouting routes requirement.

Since road safety management requires a concerted multi-sectoral and agency approach, the Authority enhanced the Road Safety Mainstreaming to all MDAs and agencies including the private sector with the aim of ensuring that road safety becomes an integral part of all government programs. The overall goal is to reduce the burden and severity of Road crashes and fatalities in Kenya. In this regard, road safety mainstreaming has been entrenched as a cross-cutting Performance Contract target for all Government Ministries, Departments and Agencies (MDAs). During the year, a total of 325 MDAs participated in road safety mainstreaming implementation out of which we had 19 Ministries, the Office of Inspector General, State House, and the office of the Deputy President, 246 State Agencies and 152 tertiary institutions.

A total of 471,878 Motor Vehicles were Inspected during the year vis-à-vis 464,680 in the previous year representing a 2% growth. Due to the roll out of the 2nd Generation Number plates, the Number Plate stream reported the highest growth 80% with a collection of Kshs.1,010Million compared to Kshs 560Million generated in the previous year. Further, a total of 28 Road Safety Audits, 12 detailed accident reports for corrective action were compiled and 27,410 accident vehicle inspections conduction.

In the year under review the Authority continued its focus on automation through increasing its availability of online services, creating a secure and safe ICT infrastructure, onboarding the digitization of PSV operators, driver testing & licensing to create a flexible environment for new innovations, integrations, and new services in line with implementation of new business processes.

Summary of Achievements during the year

During the year under review, the Authority made the following milestones:

- 1) Completion of the primary Data centre at Likoni office in Nairobi.

- 2) Development and implementation of a Driving school Management and Licensing module as an implementation of the Nanyuki Cabinet resolution.
- 3) Registration of 13,872 Bodaboda riders across the country resulting into a cumulative total registered bodaboda riders of 427,845.
- 4) Mainstreaming of Road Safety as a key performance indicator in the National Government Performance Contract. in all MDAs
- 5) Development, Gazettement and implementation of Transport Network regulation of 2022 resulting into the registration of 18 Transport Network Companies.
- 6) The CTSC-Signed an MOU with COG and in addition, The Six counties of Nairobi, Makueni, Nakuru, Kisumu, Kakamega and Kericho developed specific action plans and training of all CECs on road safety within their respective counties.
- 7) The Authority with the support of the European Union commenced development of the school children curriculum on road safety. To this end, the Authority together with the KICD to conduct a baseline survey to determine the levels of road safety awareness amongst learners. They also carried out sensitization of learners in primary schools on safe road usage and issuance of safe stop signs to vulnerable schools along major highways.
- 8) PSV and Heavy Commercial Vehicles sensitization of their management and drivers
- 9) The Authority successfully undertook 28 road safety audits, compiled 12 detailed accident reports for corrective action and submitted the same to relevant Road Agencies and 27,410 accident vehicle inspections.
- 10) The Authority also carried two targeted road safety multi-media campaign during the year under the Eu-Safe Roads/Usalama Barabarani project under the slogan #Bodanilie-Targeting Bodaboda riders and #Fatal6-Targeting drivers and school children.

Way Forward

1. To enhance road safety audit at the design and construction stages, there is need for a **Road Safety Audit Regulation** to facilitate a wholistic road safety audit.
2. The Authority in collaboration with the six CTSC under the EU-Safde Roads/Usalama Barabrani project will assist the other counties develop their specific action plan
3. The Authority will launch the National Road Safety Action plan
4. Improvement on the road crash data system

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5. Development and roll out of the Integrated Road Safety Management system to facilitate management and enforcement of speed limits.
6. To employ an Integrated National Transport Information Management System and dashboard.

Challenges

1. Funding for road safety activities
2. Validity and reliability of Road Crash data system especially on fatalities which is pegged only on the victims who die at the scene of accident or on the way to the hospital.
3. Cyber security challenges
4. Stakeholder good will to enable the Authority advance its strategic plans in actualizing its mandate.

Overall, the number of fatalities index reduced from 10.71 down from an index 9.54 per 10,000 vehicles while injuries index reduced from 38.37 to 35.82 per 10,000 vehicles.

The above achievements were not devoid of challenges. As previously mentioned, the Authority was equally challenged by the effects of General elections which impacted on the operations and focus on essential services as the country transitioned to a new regime. The directive also transitioned the Authority from The Ministry of Interior & Coordination of National Government to The Ministry of Roads & Transport under the Executive Order No. 1, 2022 on Reorganization of National Government.

Appreciation

I would like to thank our clients and the Board of Directors for their support as well as the dedicated staff for their efforts in making sure that the Authority achieves its goals and objectives. I also appreciate our service providers, the national & regional Governments, and all other stakeholders for their respective contributions to the Authority during the year.

I look forward to your continued support in the realization of a safe road environment.


George Njao, EBS

DIRECTOR GENERAL

6. Statement of Performance against Predetermined Objectives for FY 2022/2023

The Authority's strategic model for the 2020-2022 strategic plan was founded on the following strategic pillars/ thematic areas:

- i. Service reorientation
- ii. Internal Business Processes
- iii. People
- iv. Financial Sustainability

And the following objectives:

- (i) To reduce annual fatalities and injuries arising from road crashes by 6% and 4%, respectively
- (ii) To realize 100% operational efficiency level
- (iii) To realize 80% value proposition for employees
- (iv) To enhance growth in Appropriation in Aid by 20% annually

NTSA develops its annual work plan based on the government's performance contracting model as guided by annual performance cycle guidelines capturing the above four thematic areas and cross-cutting indicators. Assessment of the Board's performance against its performance targets is done on a quarterly basis. The Authority's achievements during the FY 2022/2023 were as summarized below:

Thematic Area	Objectives	Planned Activities	Achievements
Service reorientation	Reduce annual fatalities and injuries by 6% and 4% respectively	•	
Internal Business processes	Realize 100% operational efficiency	<ul style="list-style-type: none"> • Review and display of service delivery charter • Customization of service charter • Compliance with standards stipulated in the service charter • Staff sensitization on service delivery 	<ul style="list-style-type: none"> • Service charter reviewed and displayed at service points • Compliance with service charter monitored and reports submitted to the Ombudsman

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		<ul style="list-style-type: none"> • Business process re-engineering through automation • Resolution of public complaints 	<ul style="list-style-type: none"> • Developed and operationalized online services • All compliants resolved
People	Realize 80% value proposition		
Financial sustainability (Finance and stewardship indicator)	Enhance growth in A-i-A by 20% annually.	<ul style="list-style-type: none"> • Absorption of allocated budget • Revenue collection (A-i-A) • Resource mobilization from external sources 	<ul style="list-style-type: none"> • Collected Ksh. 2.244B against a target of 2.009B • 96% of allocated funds absorbed. • Mobilized financial support from the World Bank and the European union of which Ksh. 420.8M was allocated in the year

7. Corporate Governance Statement

The Authority has adopted high standards and applies strict rules of conduct, based on the best corporate practices. As part of this commitment, the Board adheres to good corporate governance by embracing the following principles: -

- a) To observe high standards of ethical and moral behaviour;
- b) To act in the best interests of the organization,
- c) To remunerate and promote fairly and responsibly.
- d) To recognize the legitimate interests of all stakeholders; and
- e) To ensure that the organization acts as good corporate citizen.

In general, Board members shall act in the best interest of the organization and uphold their fiduciary responsibilities and duty of care. This involves not disclosing confidential information, avoiding real and perceived conflicts of interest, and favouring the interests of the organization over other interests. They will act honestly and in good faith so as to create a culture built on principles of integrity, accountability and transparency

Appointment and Vacation of Office

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

Remuneration of the Board

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

Board Responsibilities

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

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

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

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

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

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The following is a summary of Board membership and average attendance during the financial year ended June 30, 2023

Directors Name	Designation	Full Board		Ad Hoc Com Meeting		FHS		TTC Meetings		RS&CC Meetings		A&RC Meetings	
		No of Meetings Attended	No of Meetings	No of Meetings Attended	No of Meetings	No of Meetings Attended	No of Meetings	No of Meetings Attended	No of Meetings	No of Meetings Attended	No of Meetings	No of Meetings Attended	No of Meetings Attended
Mrs Agnes Odhiambo, CBS	Chairperson	7	4	18	8	0	3	0	3	0	4	0	0
Dr. Alice Jephumba Chesire	Member	7	3	18	6	0	3	2	3	0	4	2	2
Mr. Wifred Nyamwamu Okemwa	Member	7	3	18	7	0	3	0	3	3	4	3	3
Mr. Francis Kirinya Mwongo	Member	7	2	18	8	6	3	3	3	0	4	0	0
Hon Catherine Njeri Waweru	Member	7	3	18	6	6	3	0	3	3	4	0	0
Eng. Meshak Kidenda	Member	7	3	18	6	0	3	3	3	3	4	0	0
Aden Noor Ali	Chairperson	7	1	18	22	0	3	0	3	0	4	0	0
Kalekem Simon	Member	7	1	18	11	1	3	0	3	0	4	5	5
Julius Kitili	Member	7	4	18	11	0	3	0	3	3	4	0	0
Ephrahim Maina	Member	7	1	18	12	0	3	0	3	0	4	5	5
Regina Nderitu	Member	7	4	18	21	0	3	2	3	2	4	0	0
Ibrahim Abdi	Member	7	2	18	11	2	3	0	3	0	4	0	0
Nimo Haji	Member	7	1	18	11	0	3	0	3	0	4	0	0
Charles Nyabuti	Member	7	1	18	9	1	3	1	3	0	4	6	6
Paul Kingori	Member	7	1	18	3	0	3	0	3	0	4	0	0
Richie Munyao	Member	7	1	18	10	1	3	1	3	0	4	0	0
Edward Mwamburi	Member	7	1	18	3	0	3	0	3	0	4	0	0

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Joseph Kimemia	Member	7	4	18	6	8	0	3	0	3	0	4	2
Cecilia Mbothu	Member	7	0	18	2	8	0	3	0	3	0	4	0
Lennard	Member	7	0	18	2	8	0	3	0	3	0	4	0
Ojiambo													
Indimuli Simon	Member	7	0	18	2	8	0	3	0	3	0	4	0
Caroline Odour	Member	7	1	18	9	8	0	3	1	3	0	4	1
Mithamo	Member	7	4	18	11	8	0	3	0	3	0	4	2
Muchiri													
Wilson Njega	Member	7	3	18	1	8	3	3	0	3	0	4	0
Abdi Maalim	Member	7	2	18	1	8	3	3	0	3	1	4	0
Gerald Mwangi	Member	7	0	18	1	8	0	3	0	3	0	4	0
Mathew Toiotek	Member	7	0	18	2	8	0	3	0	3	0	4	0
Arthur Karagu	Member	7	1	18	0	8	0	3	0	3	0	4	0
George Ombua	Member	7	0	18	1	8	0	3	0	3	0	4	0
Michael Muturi	Member	7	0	18	0	8	0	3	0	3	0	4	5

Key:

C-Chairperson
 DG-Director General
 AD (NT)- Alternate Director to the PS National Treasury
 AD (MoR&T)- Alternate Director to The PS Ministry of Roads & Transport
 AD (MoIS&CNG)- Alternate Director to The PS Ministry of Internal Security & Coordination of National Government
 AD (AG)- Alternate Director to The Attorney General
 AD (IG)- Alternate Director to The Inspector General

Details of the committees are as given below:

Finance, Human Resource & Strategy Committee (FHS)

<i>Directors Name</i>	<i>No. of Meetings Held</i>	<i>No. of Meetings Attended</i>	<i>%Attendance</i>
<i>Mr.Francis Kiriinya Mwongo</i>	6	6	100%
<i>Hon Catherine Njeri Waweru</i>	6	6	100%
<i>Kalekem Simon</i>	1	1	12.5%
<i>Julius Kitili</i>	6	0	0%
<i>Ibrahim Maalim Abdi</i>	6	5	83%
<i>Charles Nyabuti</i>	1	1	100%
<i>Richie Munyao</i>	1	1	12.5%
<i>Wilson Njega</i>	6	3	50%

Transport & Technical Committee (TTC)

Directors Name	No. of Meetings Held	No. of Meetings Attended	%Attendance
Dr.Alice Jepchumba Chesire	3	2	67%
Mr.Francis Kiriinya Mwongo	3	3	100%
Eng.Meshak Kidenda	3	3	100%
Regina Nderitu	3	2	67%
Charles Nyabuti	1	1	100%
Richie Munyao	1	1	100%
Caroline Odour	1	1	100%

Road Safety & Communication Committee (RCC)

Directors Name	No. of Meetings Held	No. of Meetings Attended	%Attendance
Mr. Wifred Nyamwamu Okemwa	3	3	100%
Hon Catherine Njeri Waweru	3	3	100%
Eng.Meshak Kidenda	3	3	100%
Julius Kitili	3	3	100%
Regina Nderitu	3	2	67%
Abdi Maalim	3	1	33%

Audit & Risk Committee (ARC)

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Directors Name	No. of Meetings Held	No. of Meetings Attended	%Attendance
Dr.Alice Jepchumba Chesire	4	2	50%
Mr. Wifred Nyamwamu Okemwa	4	3	75%
Kalekem Simon	4	4	100%
Ephrahim Maina	4	4	100%
Nimo Haji	4	4	10%
Joseph Kimemia	4	2	50%
Caroline Odour	4	1	25%
Mithamo Muchiri	4	2	50%
Michael Muturi	4	4	100%

Note: There was a reshuffle in membership of various committees and replacement of Board members during the financial year. Ended June 30, 2023.

8. Management Discussion and Analysis

8.1 Road Safety

During the financial year 2022-23, the number of fatalities and serious Injuries has decreased by 1.9 and 0.4% respectively. There is an increase on the slightly injured victims by 7.8% when compared with the same period as shown in the table below:

Table 1: Class of victims

Class of Victims	2021/2022	2022/2023	VAR	% VAR
Fatalities	4,723	4,634	-89	-1.9
Serious Injuries	10,148	10,106	-42	-0.4
Slight Injuries	6,774	7,304	530	7.8
TOTAL	21,645	22,044	399	1.8

Table 2: Categories of road user group

Road User	2021/2022	2022/2023	VAR	% VAR
Pedestrians	1,667	1,654	-13	-0.8
Drivers	431	410	-21	-4.9
Passenger	793	870	77	9.7
Pillion Passenger	477	422	-55	-11.5
Pedal Cyclist	70	74	4	5.7
Motor Cyclist	1,285	1,204	-81	-6.3
TOTAL	4,723	4,634	-89	-1.9

Based on the above statistics, it is noted that there was a decrease in all road user groups except on pedal cyclists and passengers as shown in the table above. The substantial increase in pedestrians is attributed to:

- Speeding vehicles
- Crossing at undesignated places
- Distracted driving/walking
- Drunk driving/walking
- Lack of non-motorized transport facilities
- Distraction like use of mobile phones

The increase in fatalities by motor cyclists and pillion passenger can be attributed to:

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- Careless riding
- Unsafe changing of lanes
- Failing to wear safety helmets and reflective jackets
- Inexperienced riders
- Lack of non-motorized transport facilities for riders.

To get an appropriate measure of the incidence of crashes, the standardized crash rates been worked out in terms of the number of injuries and fatalities per ten thousand motor vehicles as shown in table 3 below:

Table 3: Fatalities and Injuries as per registered vehicles

	FY 2021/2022	FY 2022/2023	VAR	% VAR
Number Of Registered Vehicles	4,410,614	4,859,793	449,179	10.2
FATALITIES	4,723	4,634	-89	-1.9
Fatalities Per 10,000 Vehicles	10.71	9.54	-1	-10.9
SERIOUS & SLIGHT	16,922	17,410	488	2.9
Injuries Per 10,000 Vehicles	38.37	35.82	-3	-6.6

In FY 2022/2023, distribution of road crashes has also shown more crashes during the month of July(10.5%) followed by December(9.5%) and June(9.5), while the least number of road crashes were reported in the month of November (6.7%). There was also a notable decrease in the fatalities in the month of November in the Financial Year 2022/23 compared to the previous Financial Year by 19.6% as shown in the table below, this can be attributed to the increase in the media campaigns carried out across different stations and social media with the slogan #FATAL SIX.

Table 4: Distribution of Fatalities based on Months

MONTHS	2021/2022	2022/2023	VAR	% VAR
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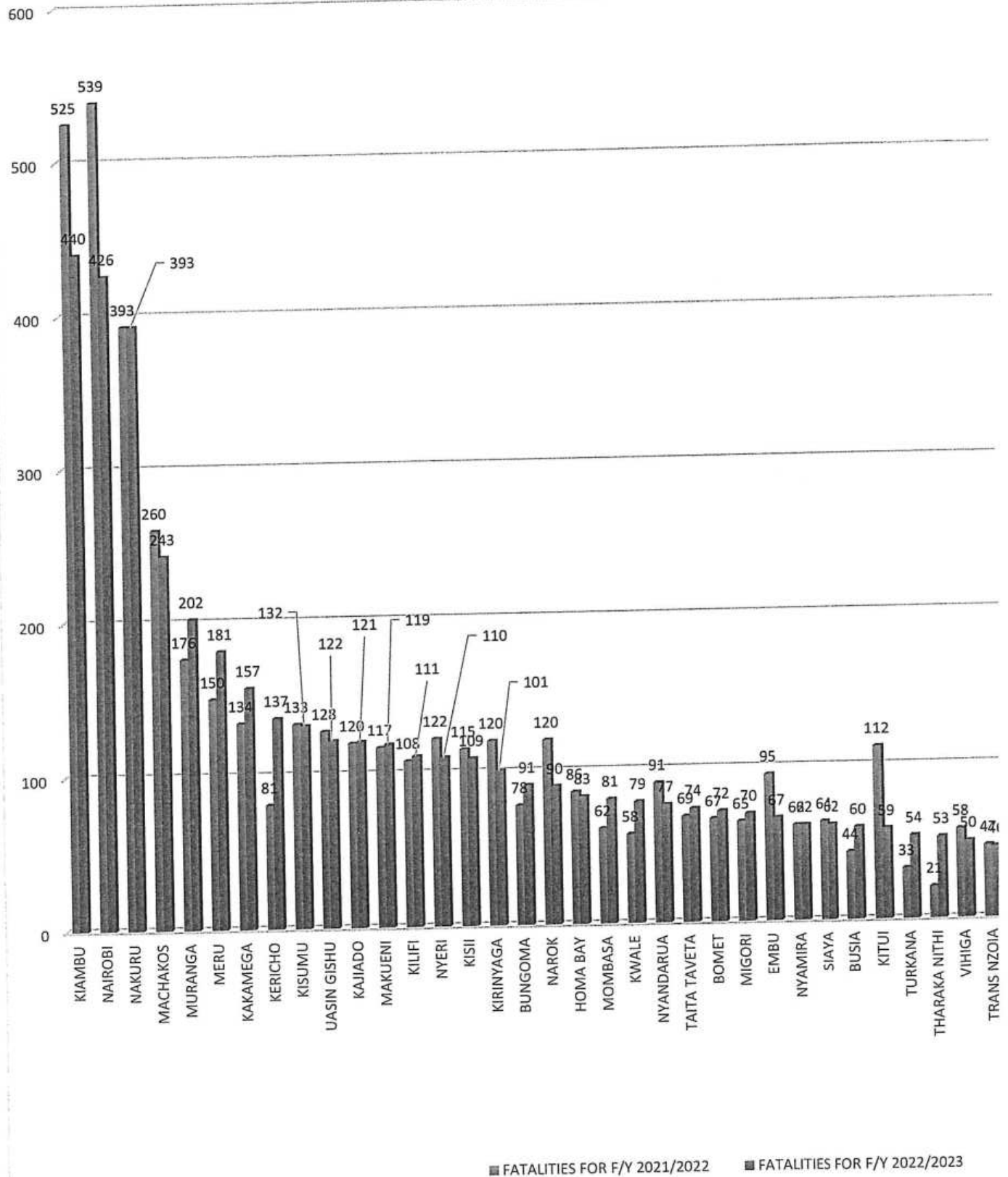
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July	432	487	55	12.7
August	395	423	28	7.1
September	337	365	28	8.3
October	413	363	-50	-12.1
November	388	312	-76	-19.6
December	458	440	-18	-3.9
January	433	379	-54	-12.5
February	375	340	-35	-9.3
March	372	389	17	4.6
April	375	357	-18	-4.8
May	372	340	-32	-8.6
June	373	439	66	17.7
Total	4,723	4,634	-89	-1.9

8.1.1. Distribution of fatalities based on Counties.

Fatalities rates are higher in highly urbanized counties. This is largely attributed to improvement of infrastructure and increase in population which has increased interaction between vulnerable road users such as pedestrian and motor cyclists on the road. Kiambu and Nairobi are the leading counties with high fatality rate of 440 and 426 fatalities respectively. Mandera and Wajir Counties had the lowest number of fatalities of 3 and 1 respectively as shown in the graph below:

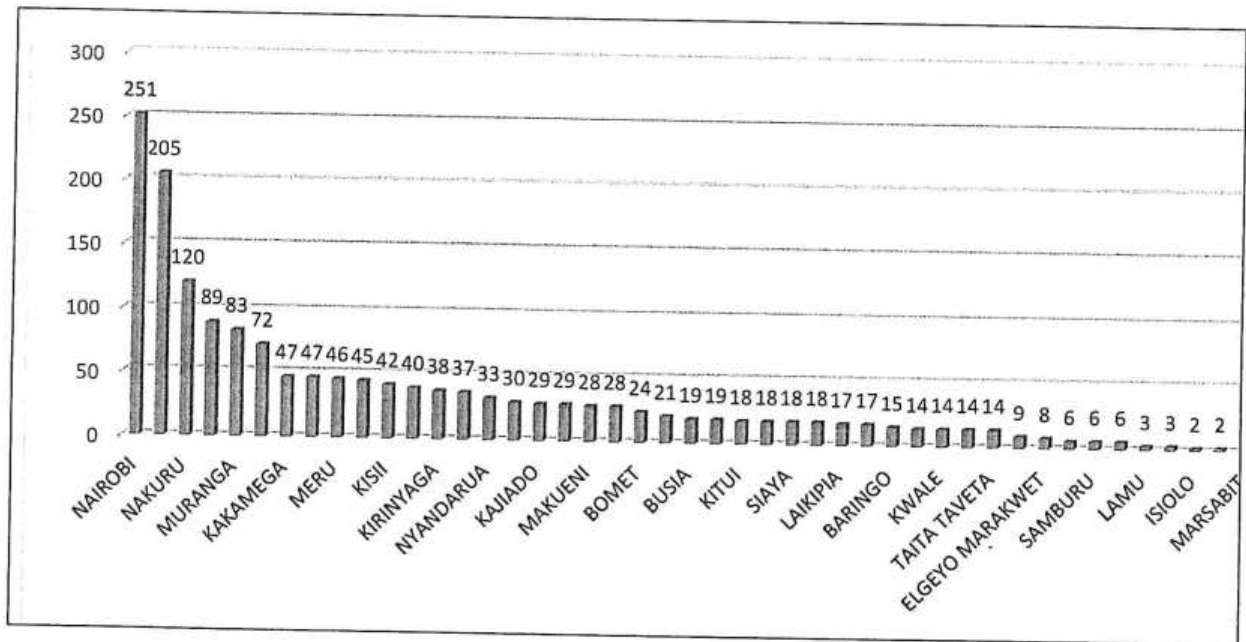
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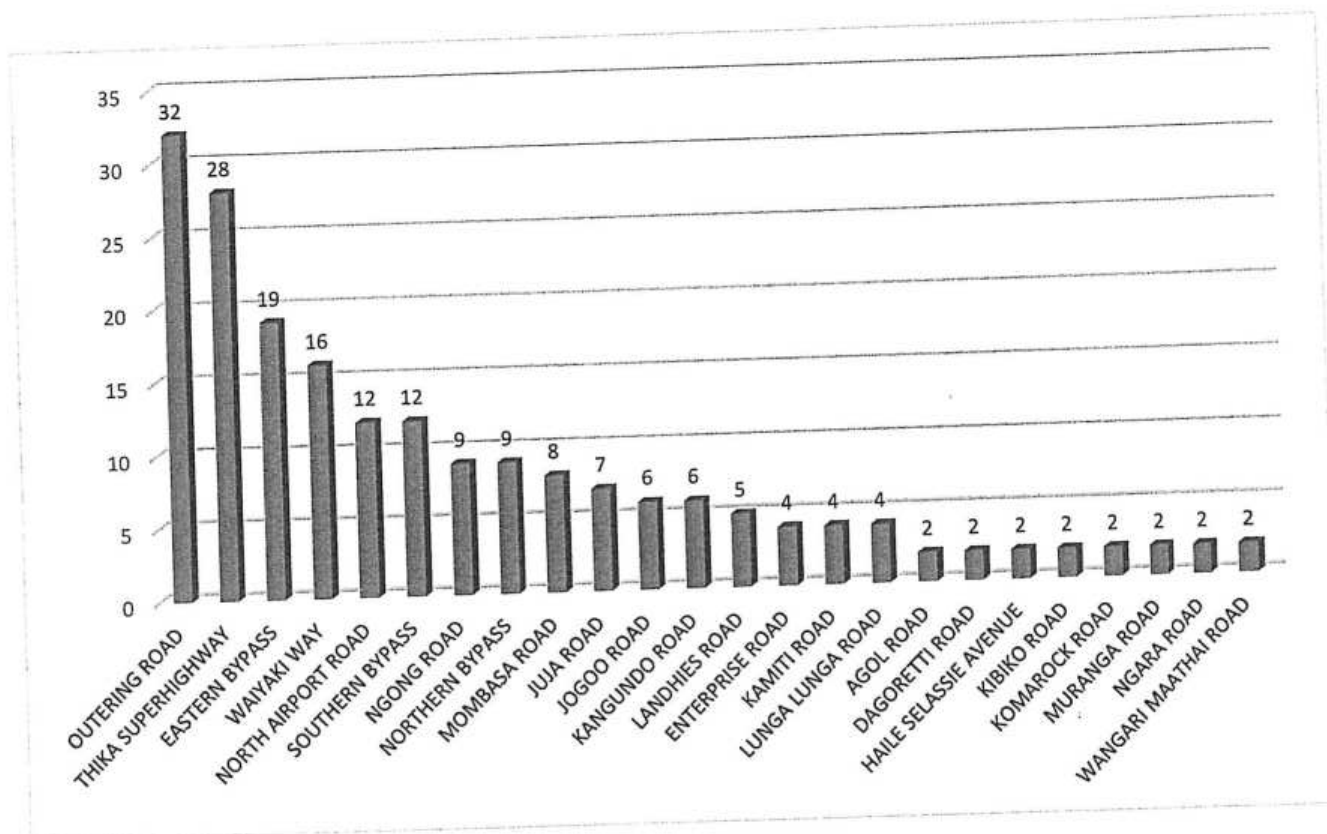
8.1.2. Counties leading with Pedestrian fatalities in the financial year 2022/23

Nairobi County had the highest number of pedestrian deaths (251). This is 58% of the total fatalities that have occurred within the county. Kiambu was the second leading with 205 fatalities. Isiolo, Mandera, Marsabit and West Pokot recorded the least number of pedestrian deaths of 2. These can be attributed:

- Crossing at undesignated places
- Lack of non-motorized facilities
- Lack of Speed calming measures
- Distracted driving/walking

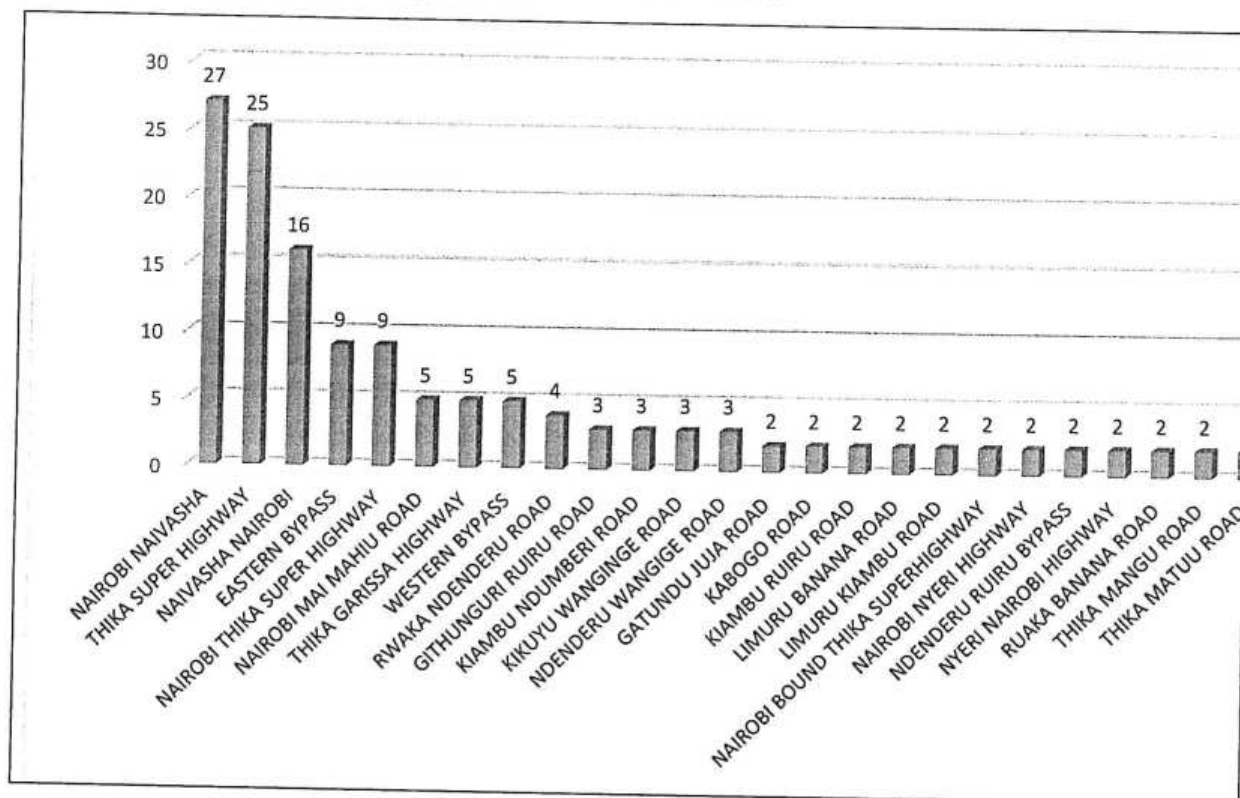


8.1.2.1. Nairobi roads leading with Pedestrian fatalities.

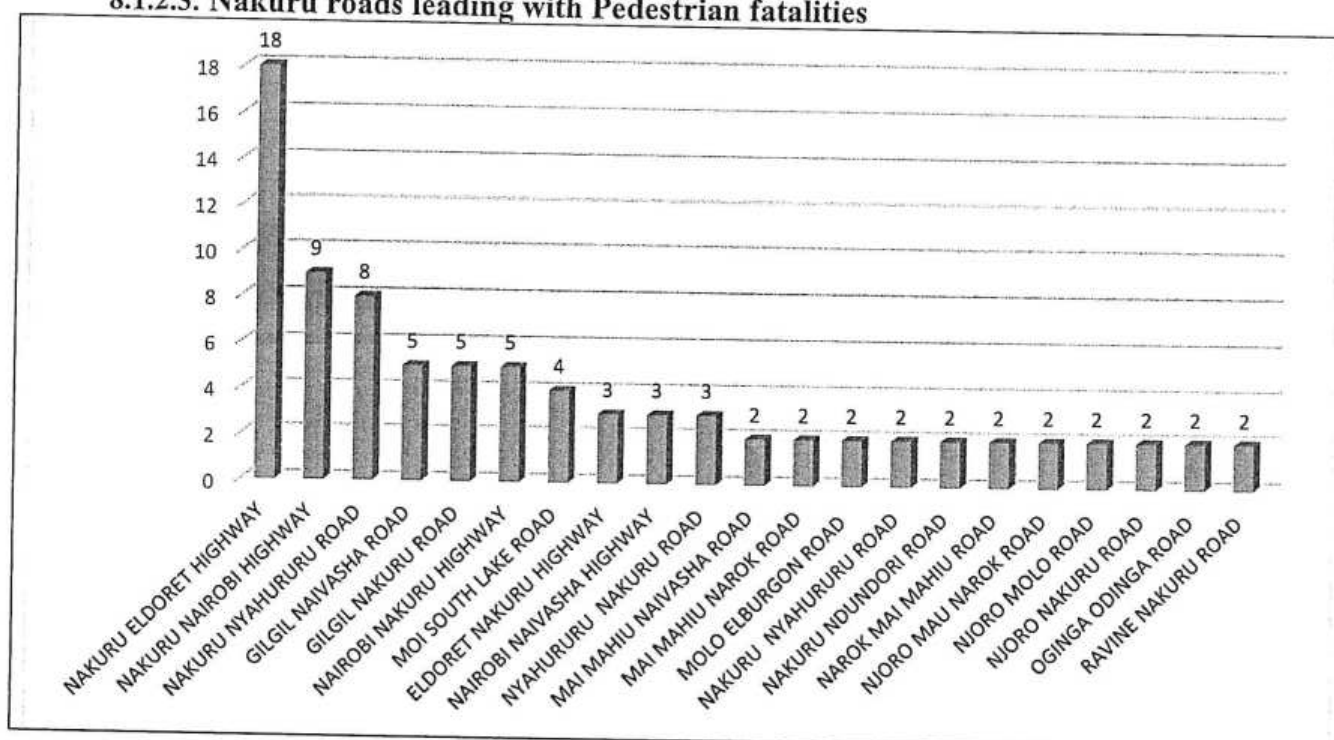


Outtering road had the highest number of pedestrian deaths in Nairobi County with 32 fatalities. Outtering has been the leading since its inception in 2015. Thika Superhighway was the second leading with 28 fatalities.

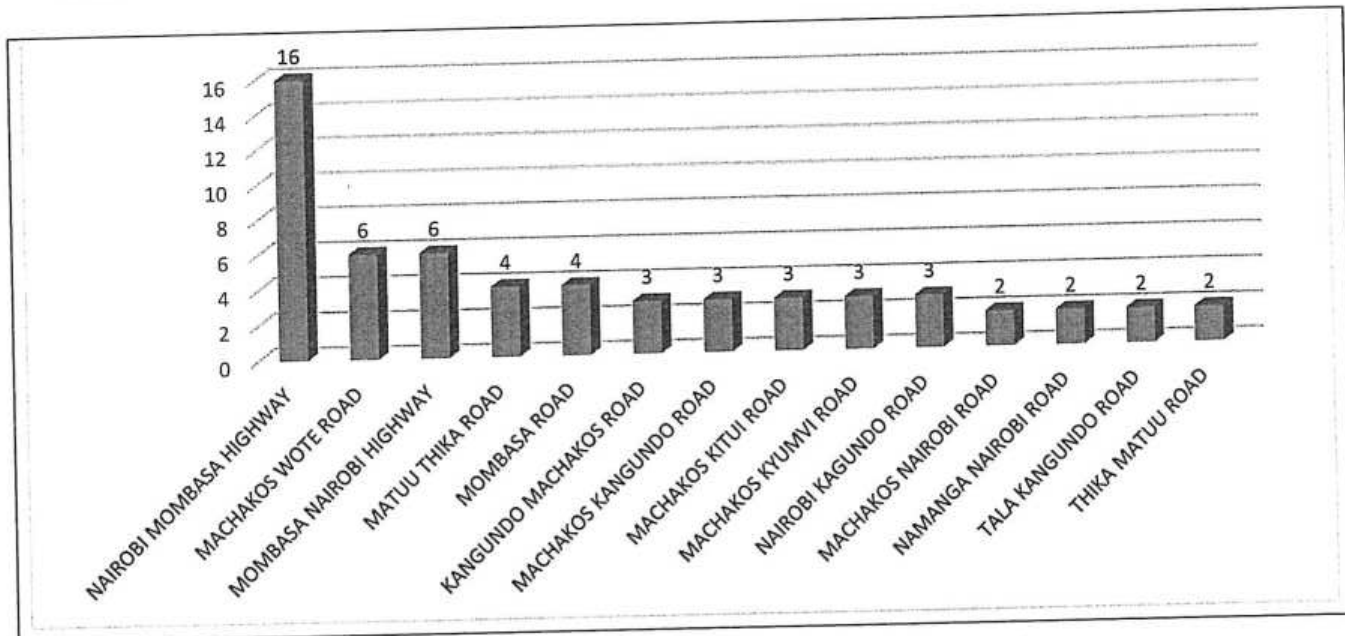
8.1.2.2. Kiambu roads leading with Pedestrian fatalities



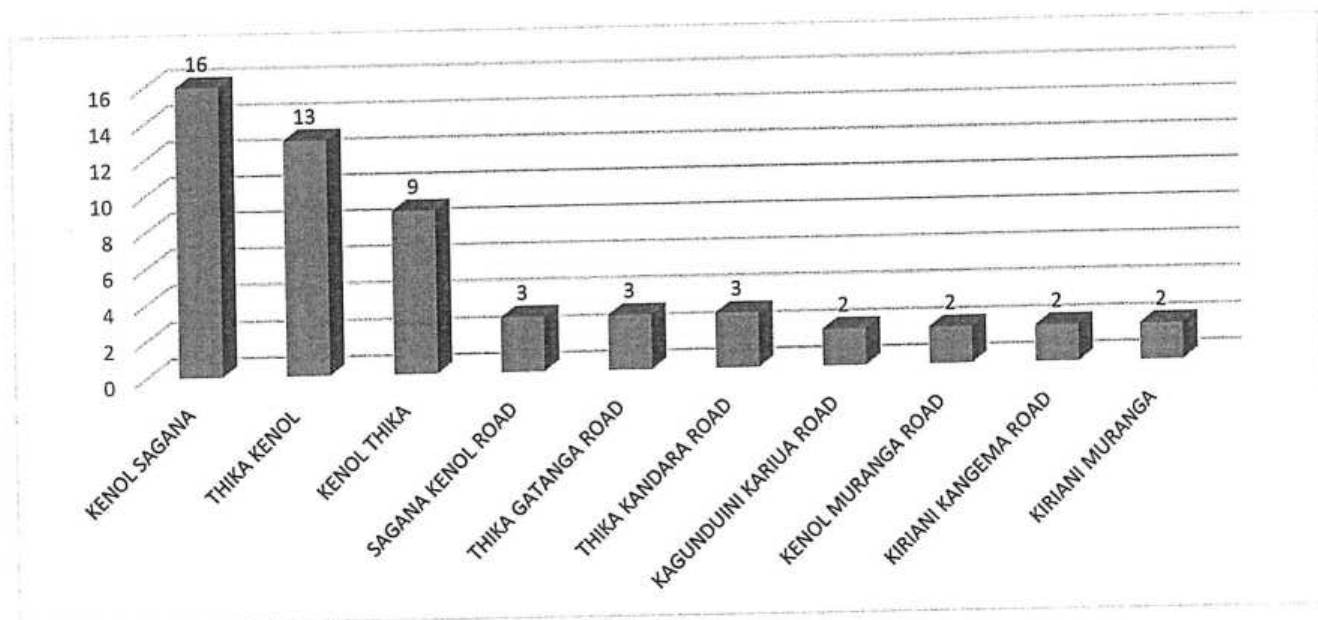
8.1.2.3. Nakuru roads leading with Pedestrian fatalities



8.1.2.4. Machakos roads leading with Pedestrian Fatalities



8.1.2.5. Muranga roads leading with Pedestrian Fatalities

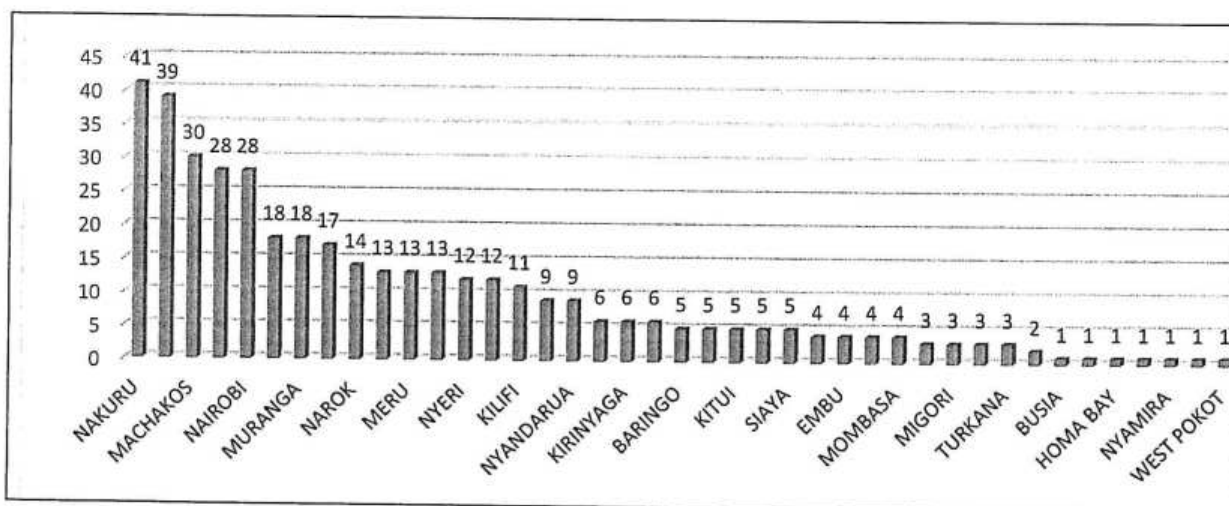


8.1.3. Counties leading with Driver fatalities in the Financial Year 2022/23

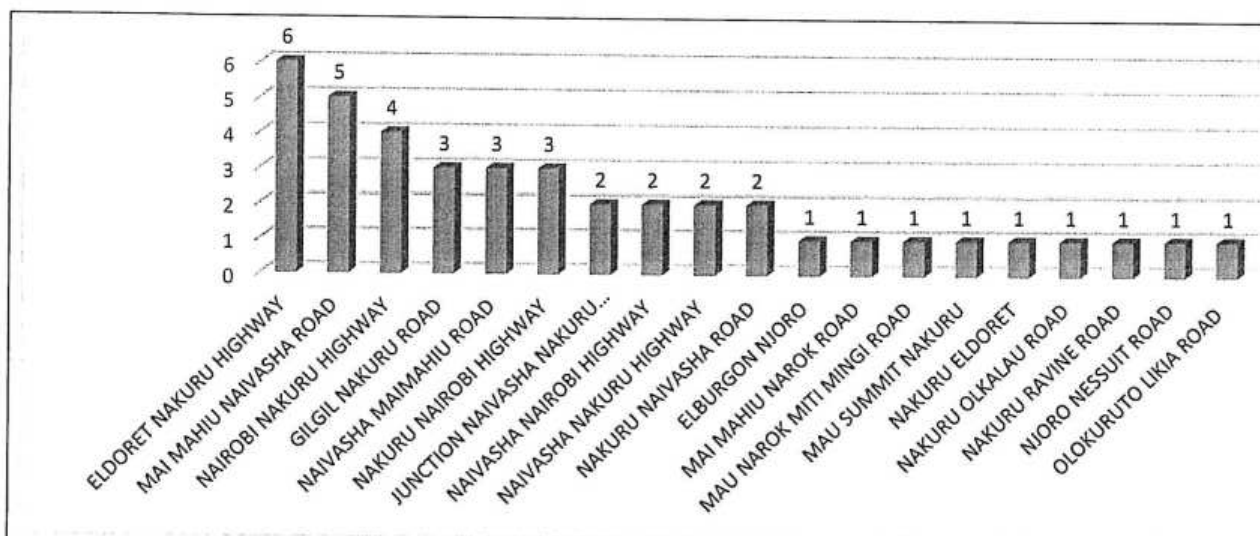
Nakuru County had the highest number of driver deaths (41) followed by Machakos County(39).Busia, Elgeyo Marakwet, Homa bay, Isiolo, Nyamira, Vihiga and West Pokot Counties recorded the least fatality of one. Some of the driver fatalities are as a result of:

- Distracted driving/ Use of mobile phones

- Speeding
- Driving under the influence of drugs and alcohol
- Non-use of seatbelts
- Fatigue
- Lack of maintenance of vehicles
- Lack of Journey management and planning
- Road engineering issues

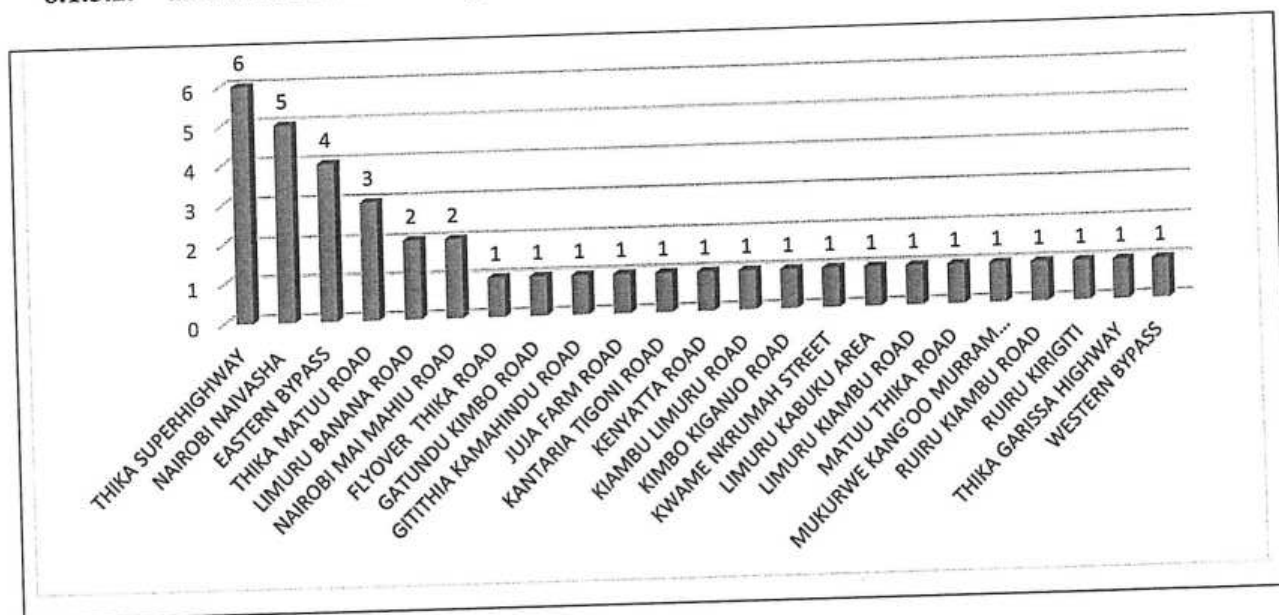


8.1.3.1. Nakuru roads leading with driver fatalities.

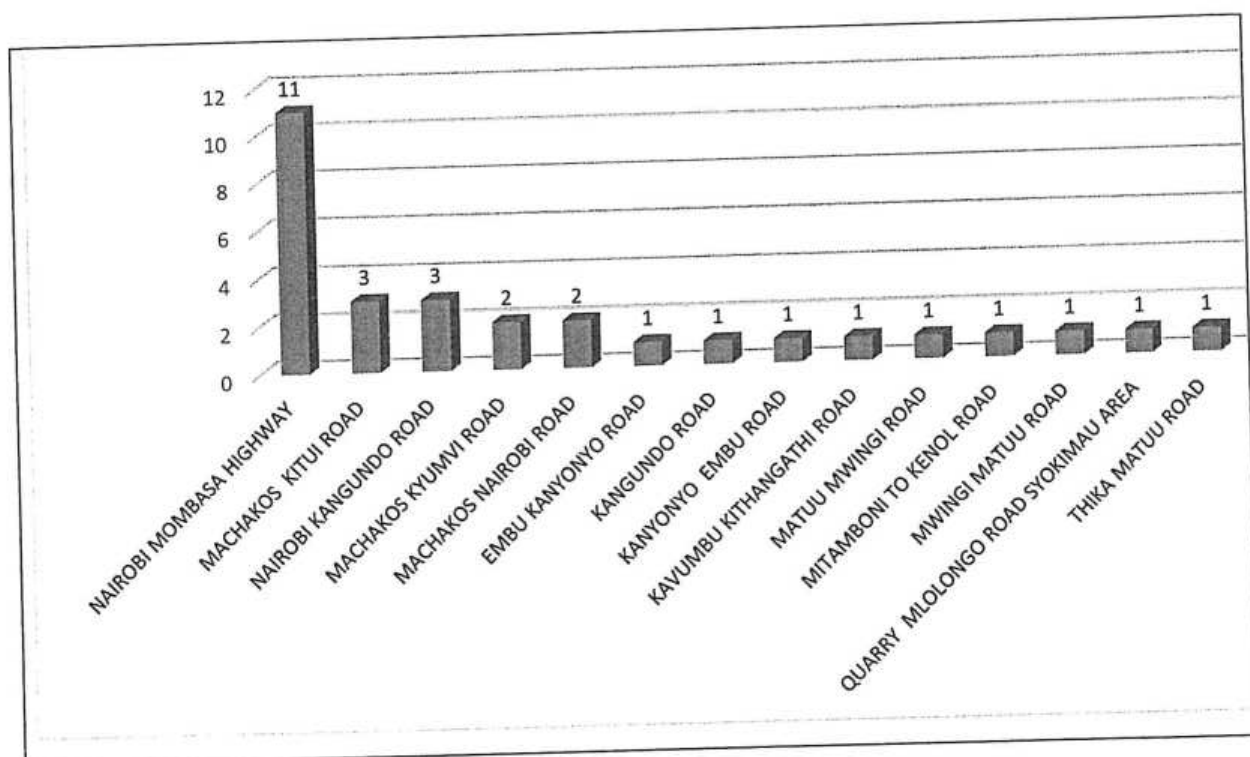


Most of the drivers are killed in Nakuru along Eldoret Nakuru highway and Maimahiu Naivasha road.

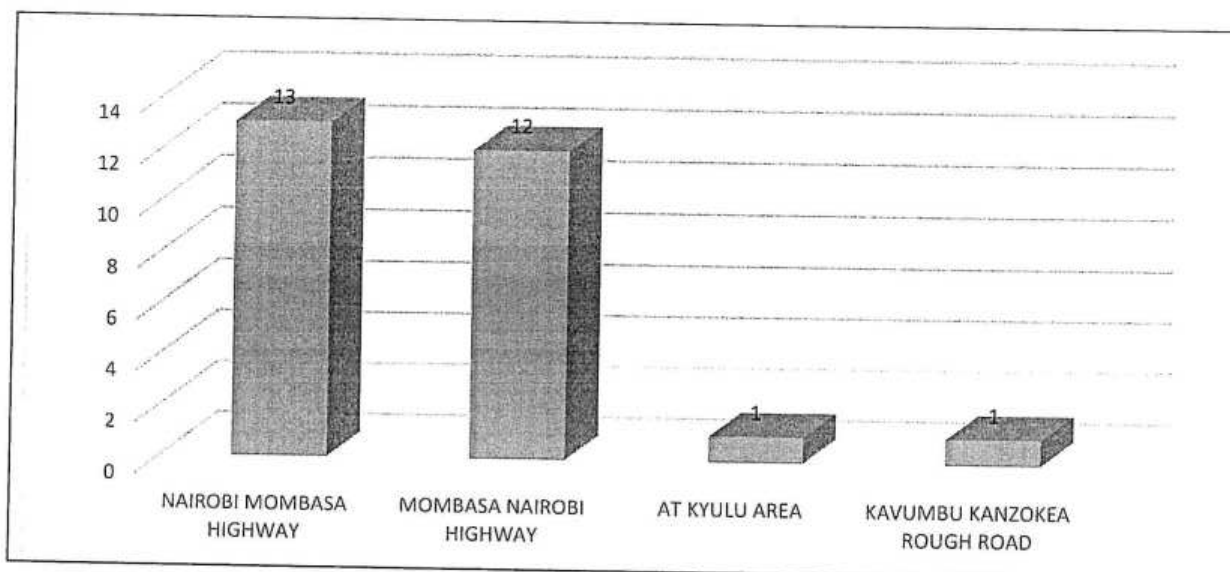
8.1.3.2. Kiambu roads leading with driver fatalities.



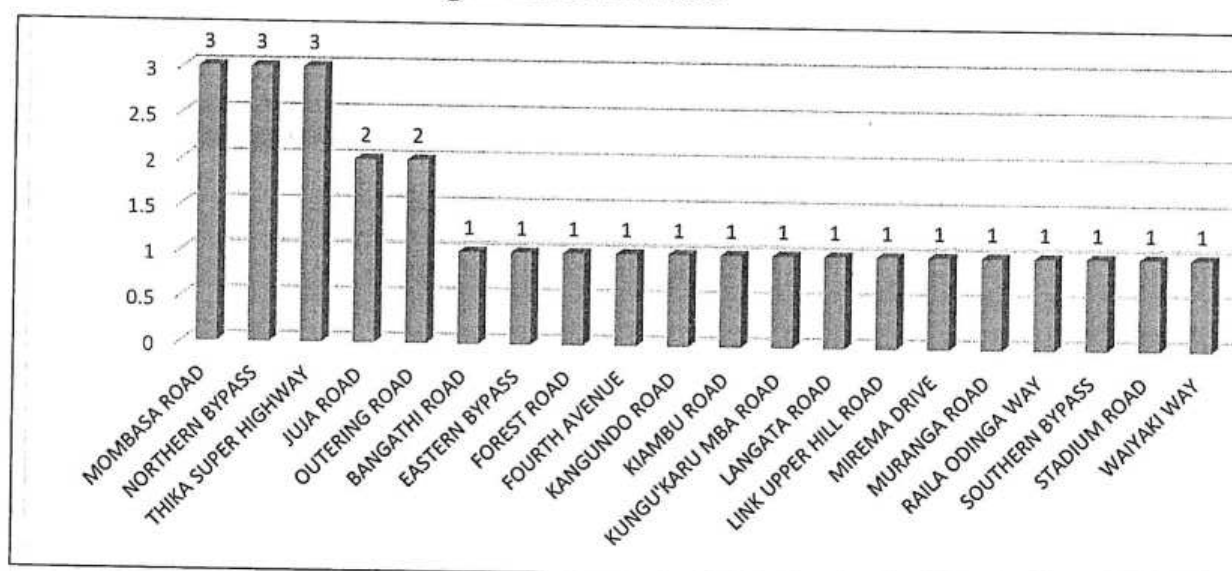
8.1.3.3. Machakos roads leading in driver fatalities.



8.1.3.4. Makueni roads leading in driver fatalities.



8.1.3.5. Nairobi roads leading in driver fatalities.



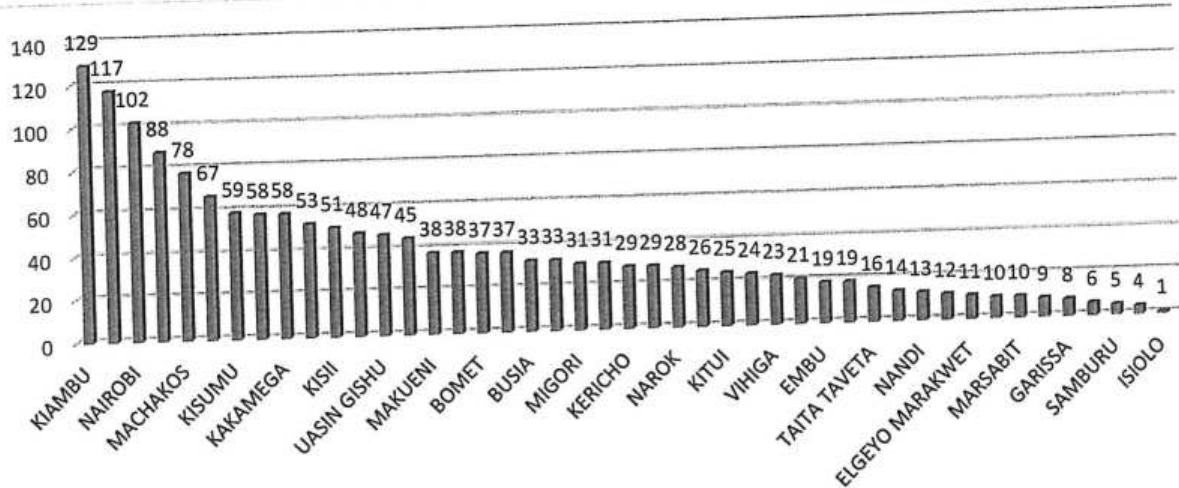
8.1.4. Counties leading with Motorcyclists and pillion passengers' fatalities in Financial year 2022/23

Kiambu County had the highest number of motor cyclists and pillion passengers (127) followed by Nakuru which had 117 fatalities. Tana River and Isiolo Counties had the lowest fatalities of 4 and 1 respectively. The increase in the number of motorcyclists and pillion passenger deaths could be attributed to:

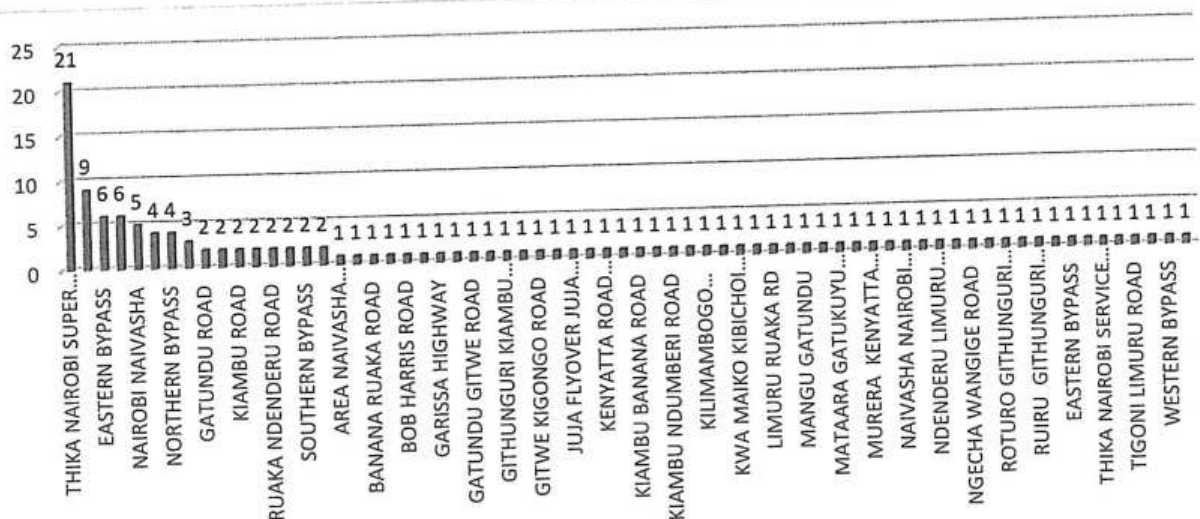
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- Total disregard to traffic laws
- Untrained and inexperienced riders
- Non- use of safety gears i.e. helmets and reflector jackets.
- Lack of non-motorized transport facilities

8.1.4.1. Kiambu County

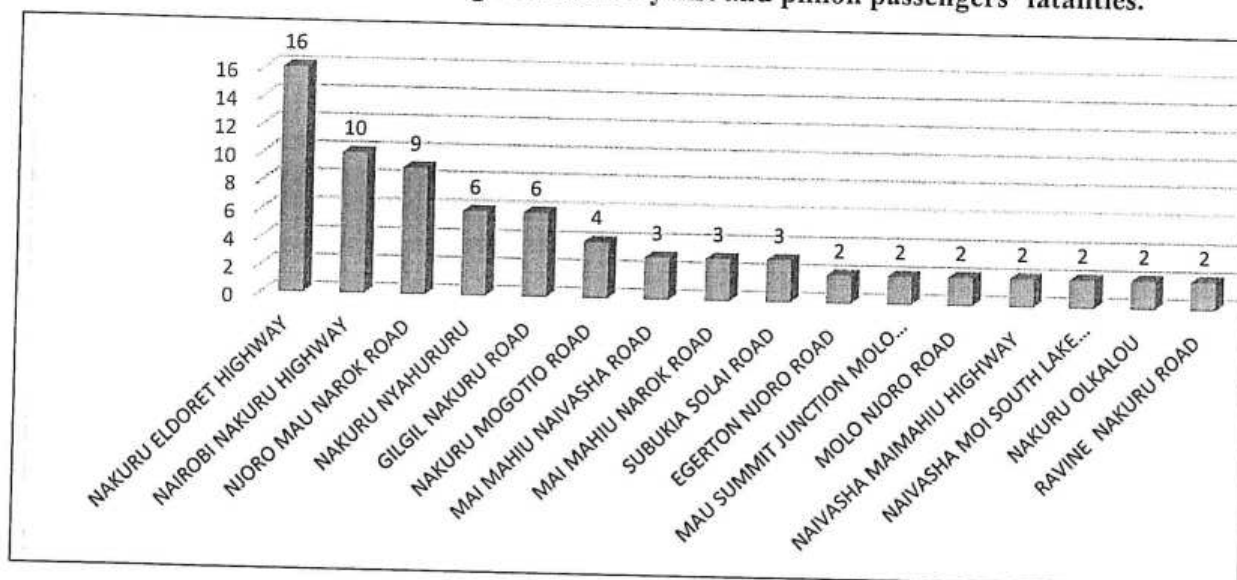


8.1.4.2. Kiambu roads leading with motorcyclist and pillion passenger fatalities.

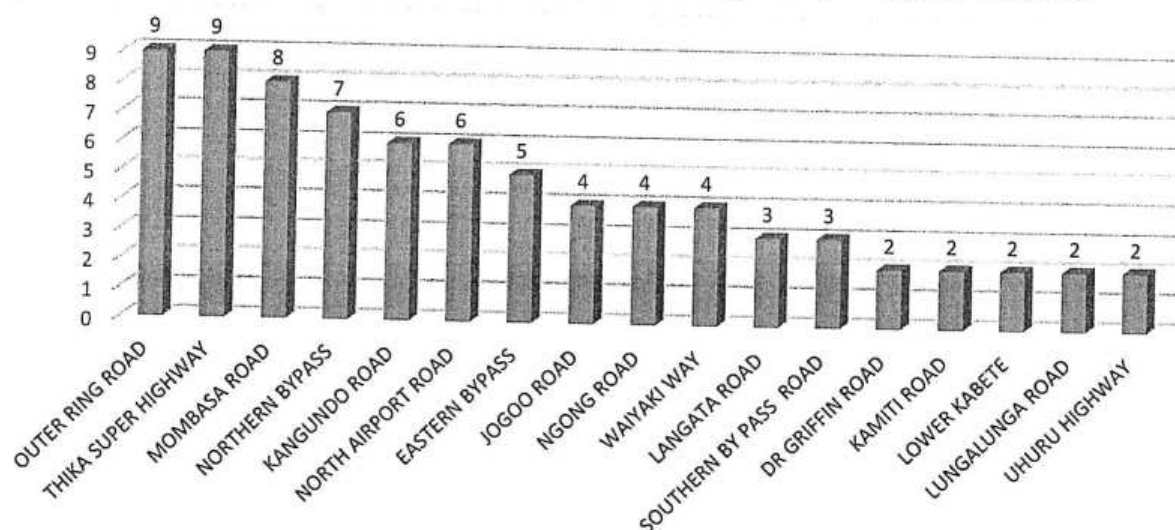


Majority of the motorcyclists and pillion passengers are killed along Thika superhighway and Thika Garissa highway.

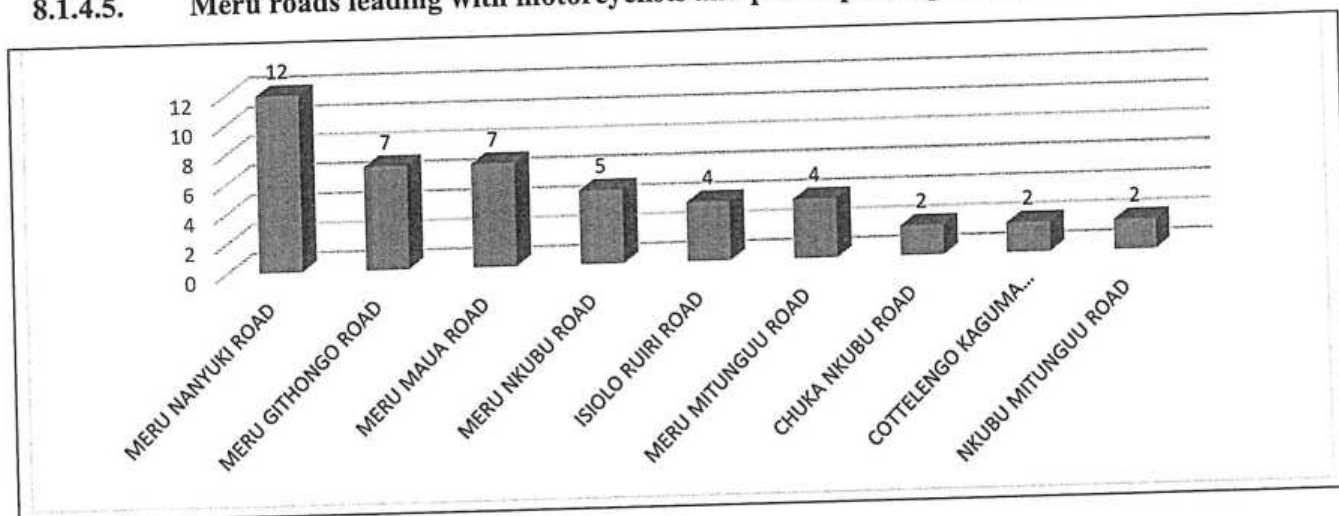
8.1.4.3. Nakuru roads leading with motorcyclist and pillion passengers' fatalities.



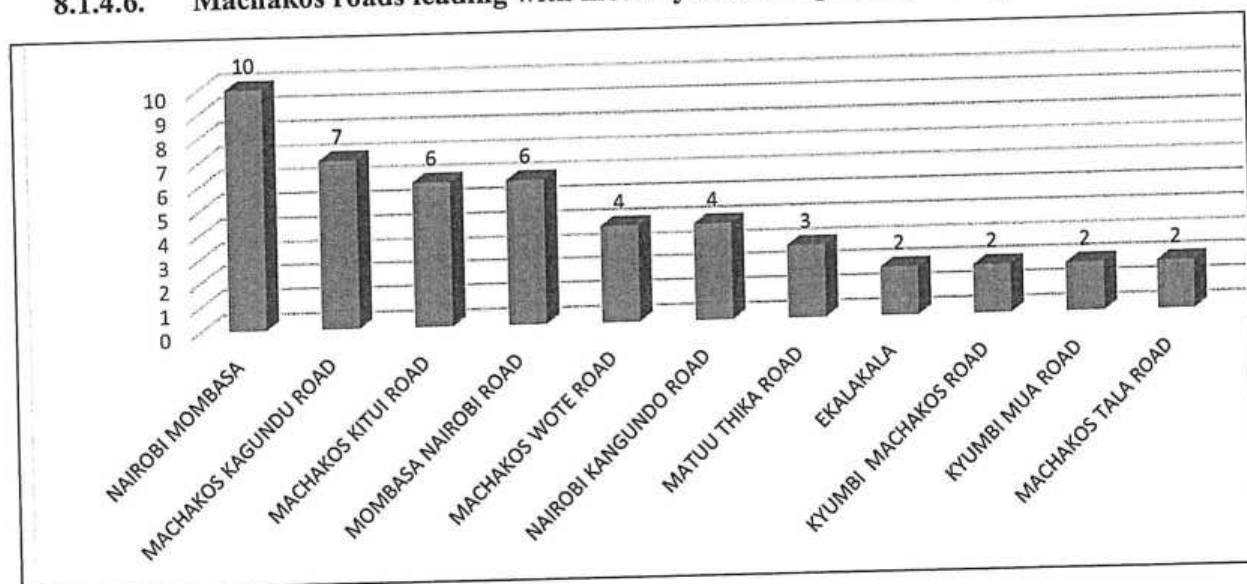
8.1.4.4. Nairobi roads leading with motorcyclists and pillion passengers' fatalities.



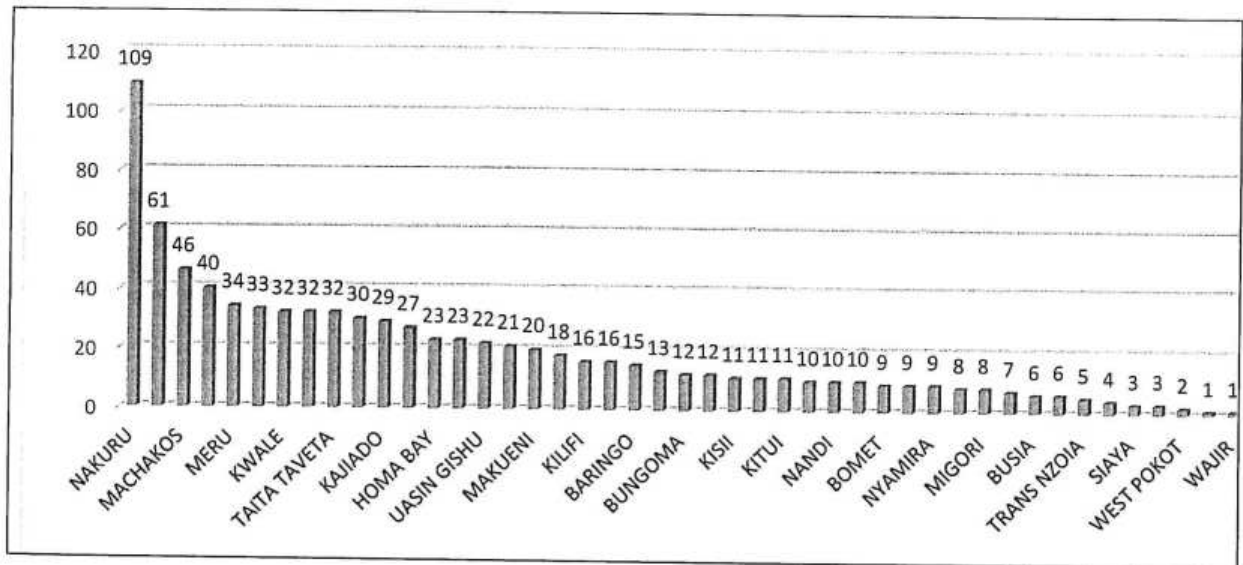
8.1.4.5. Meru roads leading with motorcyclists and pillion passengers' fatalities.



8.1.4.6. Machakos roads leading with motorcyclists and pillion passengers' fatalities.



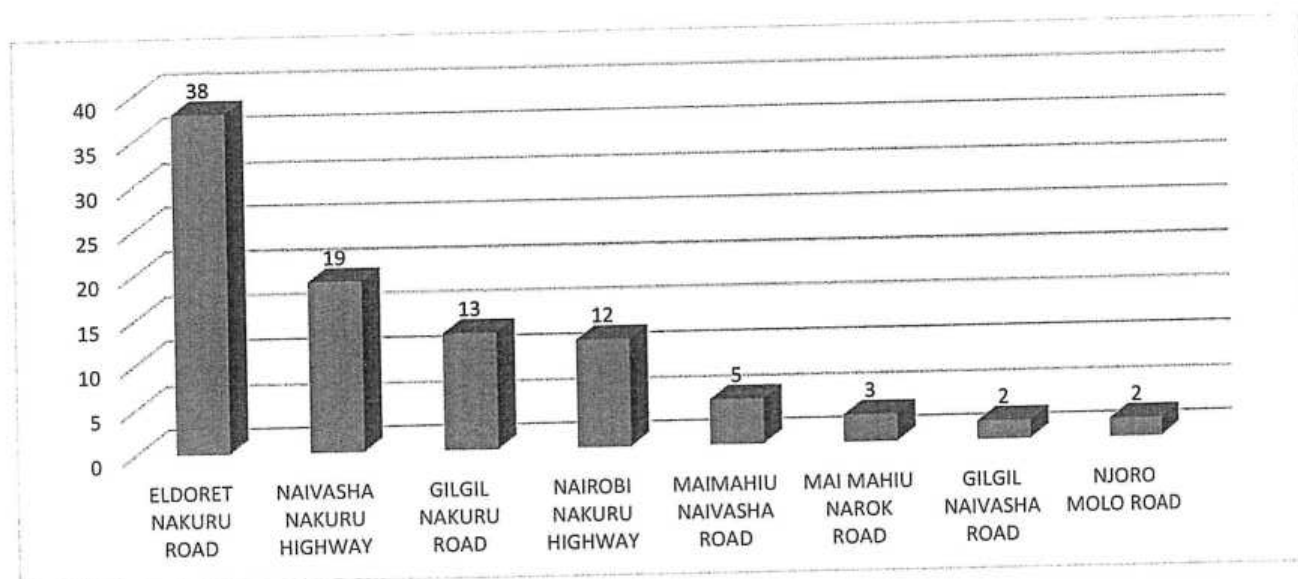
8.1.4.7. Counties leading with passenger fatalities in the Financial year 2022/23.



Nakuru County had the highest number of passenger fatalities of 109 followed by Kiambu with 61 fatalities. Mandera and Wajir Counties had the least fatality number of one. Some of the leading attributes for passenger deaths are:

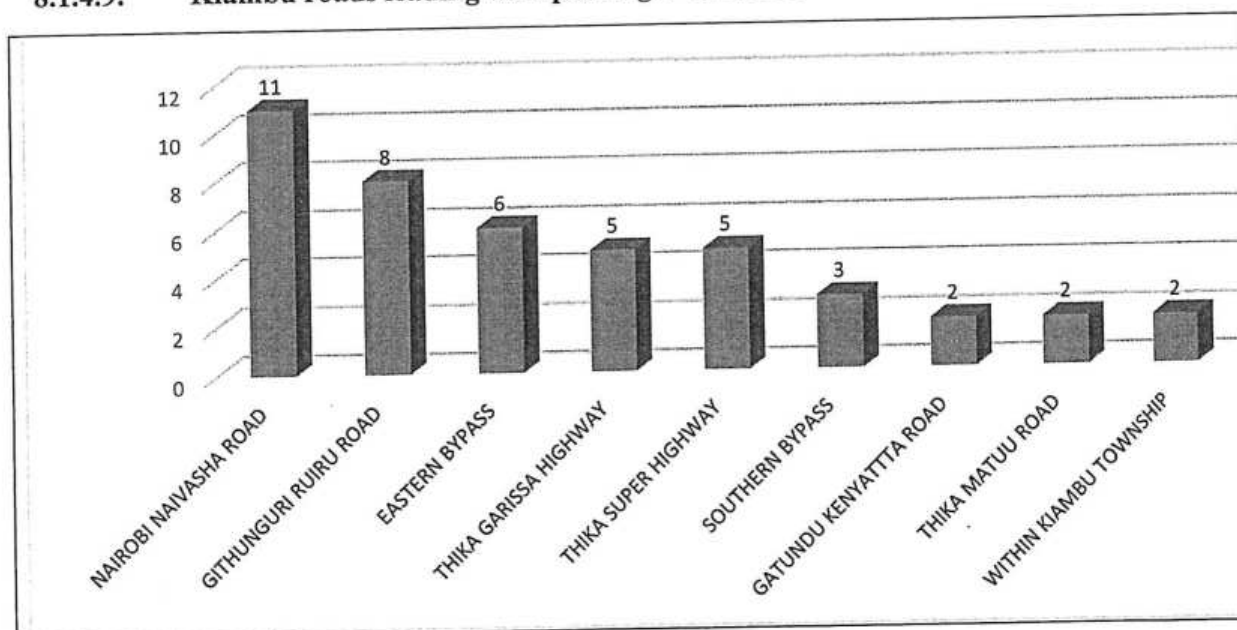
- Road Infrastructure issues
- Speeding
- Non-use of seatbelts
- Careless overtaking
- Fatigue

8.1.4.8. Nakuru roads leading with passenger fatalities.

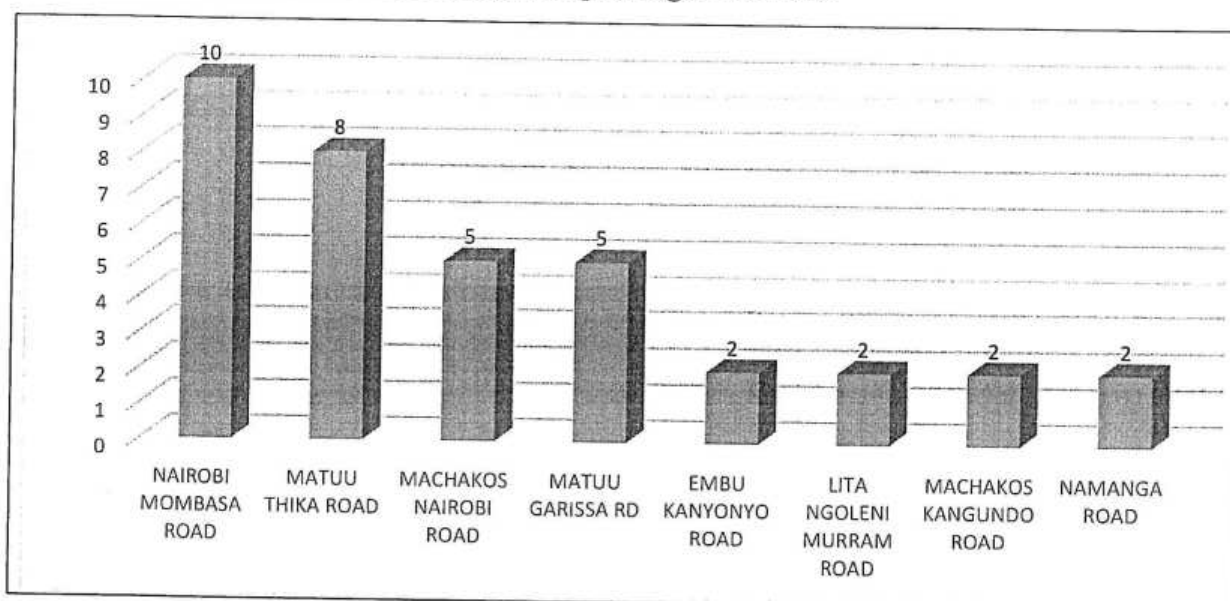


In Nakuru County majority of the crashes occurred Eldoret Nakuru highway.

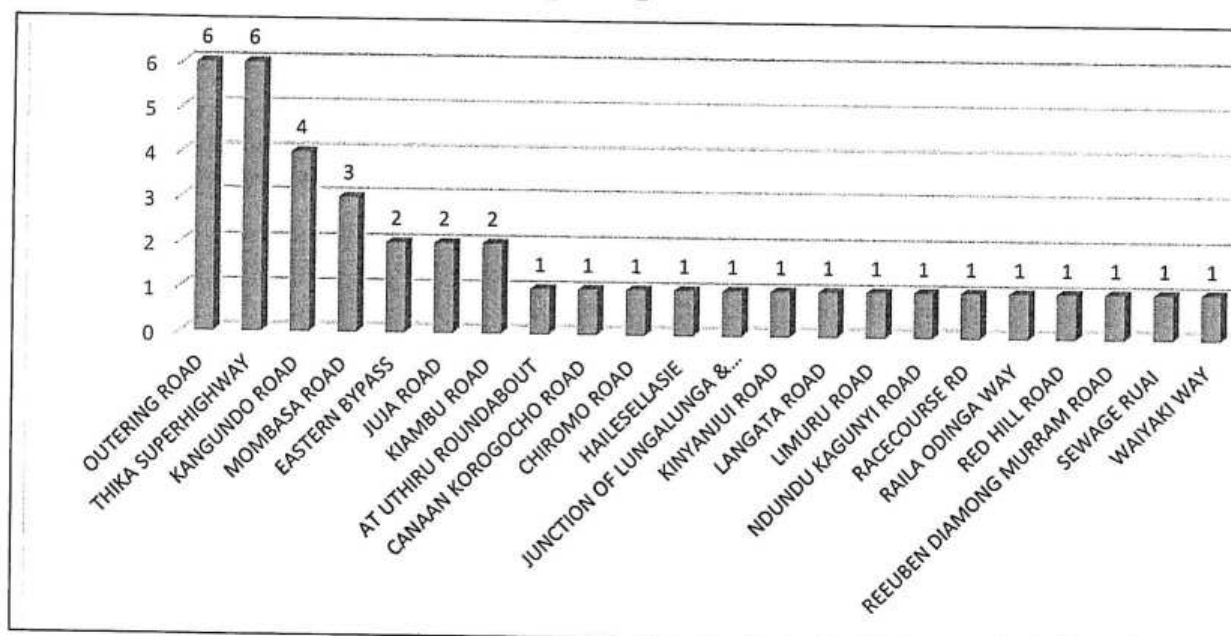
8.1.4.9. Kiambu roads leading with passenger fatalities.



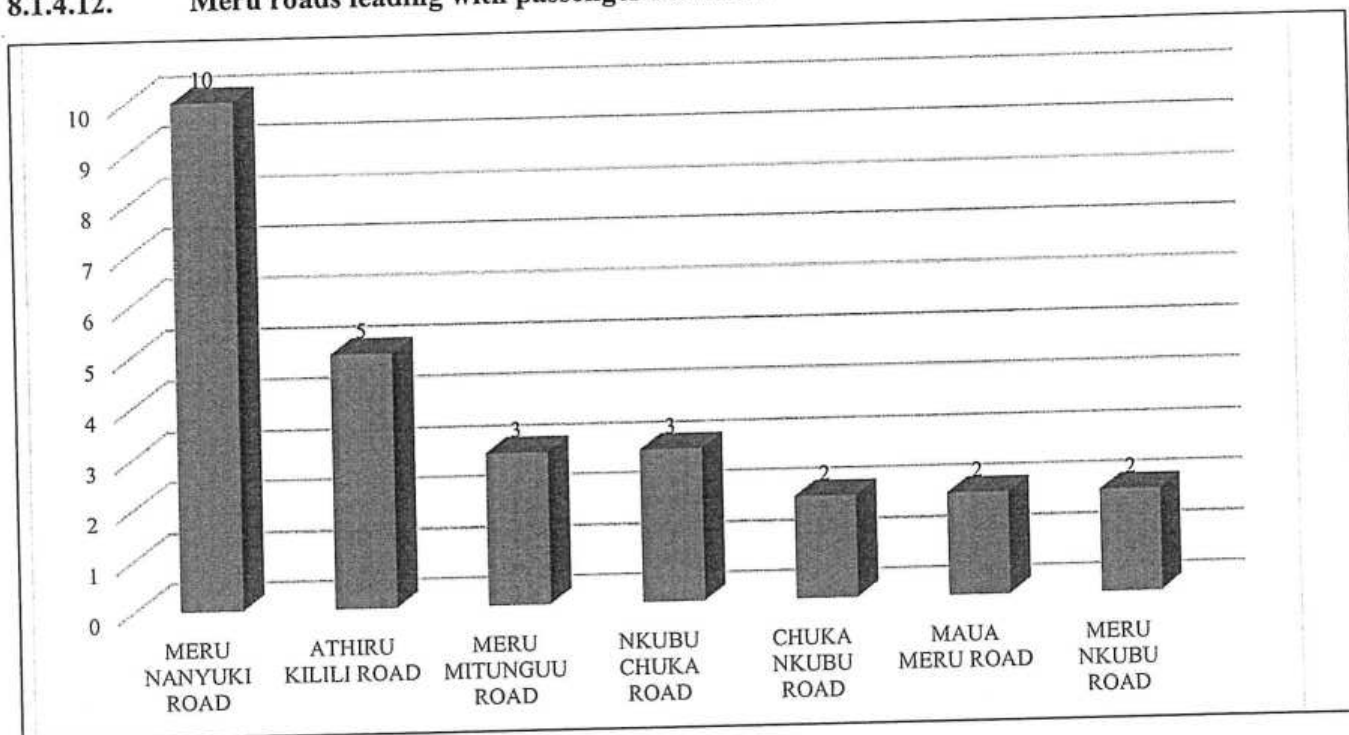
8.1.4.10. Machakos roads leading with passenger fatalities.



8.1.4.11. Nairobi roads leading with passenger fatalities.

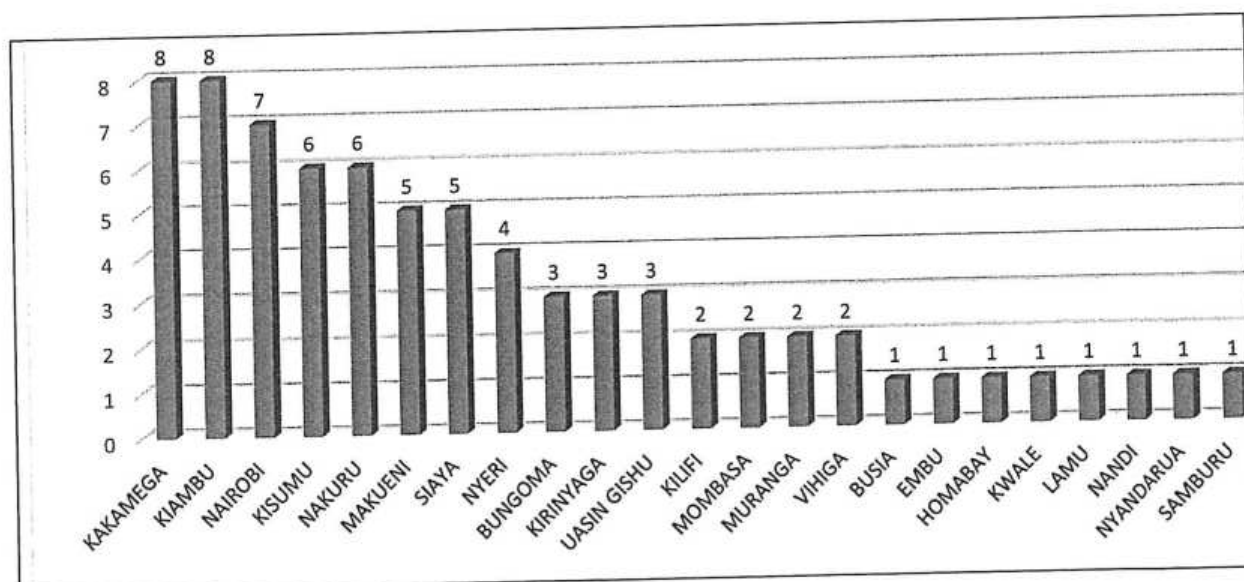


8.1.4.12. Meru roads leading with passenger fatalities.

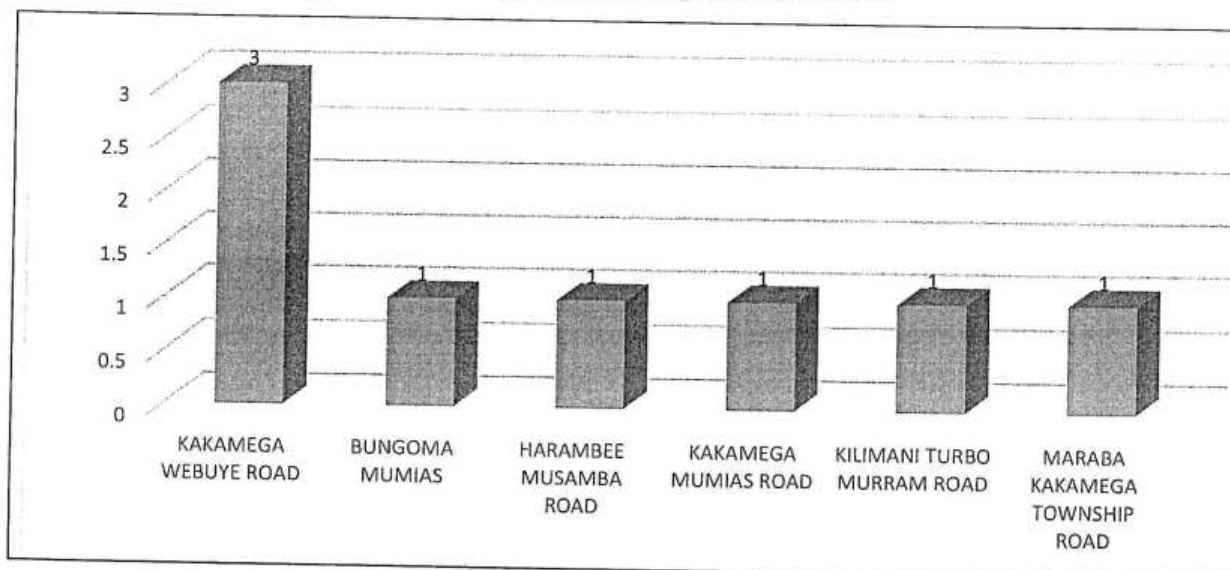


8.1.5. Counties leading with pedal cyclists' fatalities in the financial year 2022/23

Kakamega and Kiambu Counties had the highest fatalities of pedal cyclists with 8. Counties that recorded least number of fatalities are Busia, Embu, Homabay, Kwale, Lamu, Nandi, Nyandarua and Samburu as shown below:



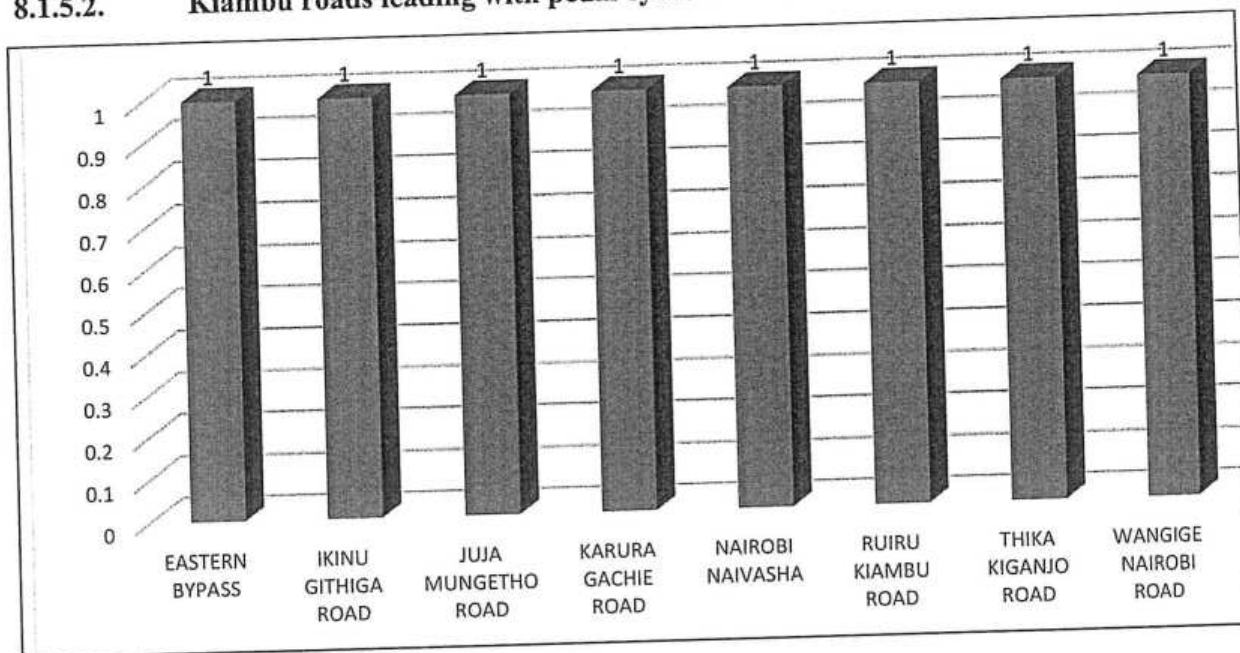
8.1.5.1. Kakamega roads leading with pedal cyclists' fatalities.



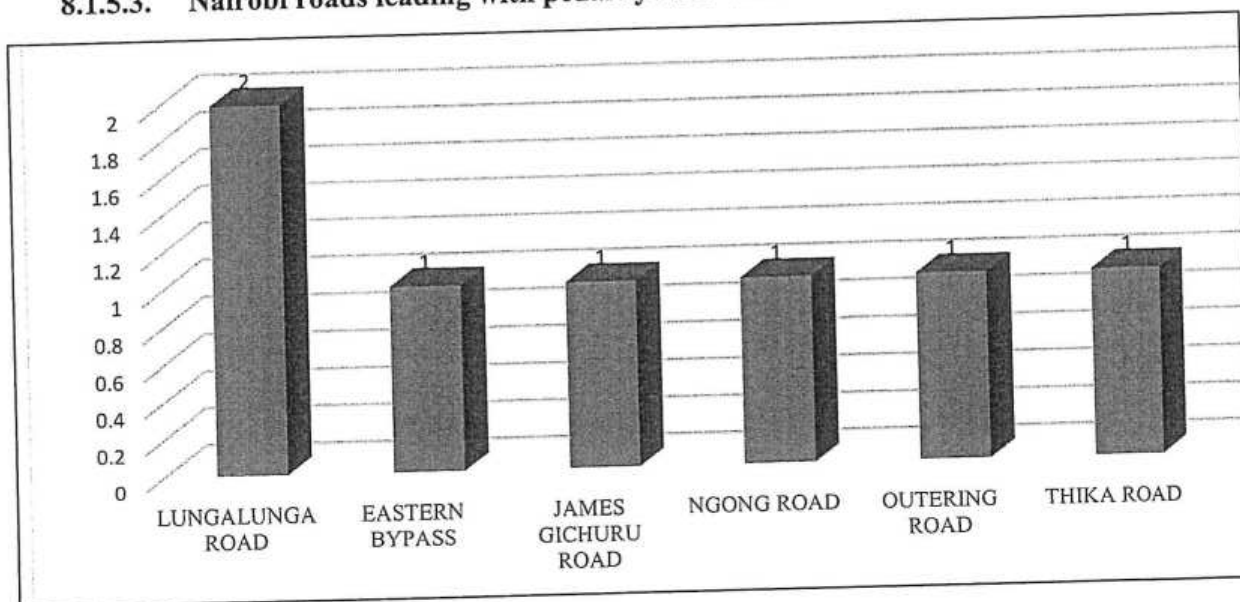
Kakamega Webuye road had high number of pedal cyclist deaths and some of the locations where the crashes occurred are as shown below:

No.	ROADS	PLACE	NO. OF FATALITIES
1	Bungoma Mumias	River Nzoia Bridge	1
2	Kakamega Webuye Road	Kwa Thomas Area	1
3	Kakamega Mumias Road	At Shibuli Area	1
4	Kakamega Webuye Road	At Kwa Thomas Area	1
5	Kakamega Webuye	At Butali Area	1
6	Maraba Kakamega Township Road	At Maraba Cereal Board Area	1
7	Harambee Musamba Road	Burimba Area	1
8	Kilimani Turbo Murram Road	Kilimani Area	1

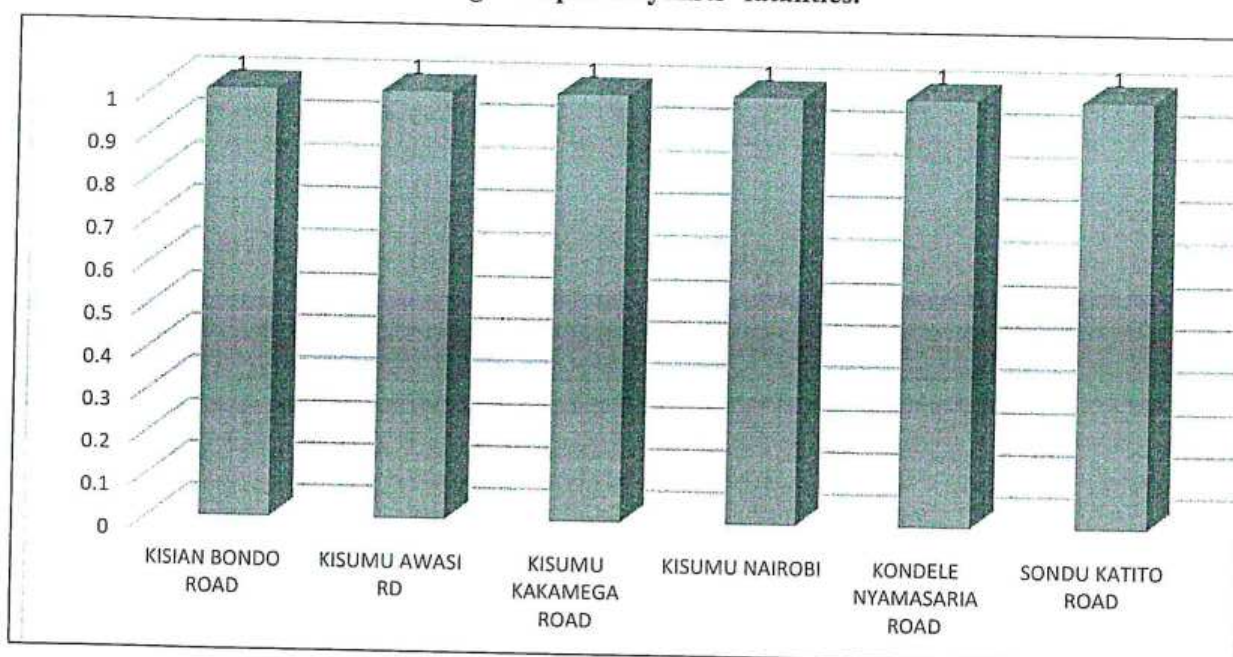
8.1.5.2. Kiambu roads leading with pedal cyclists' fatalities.



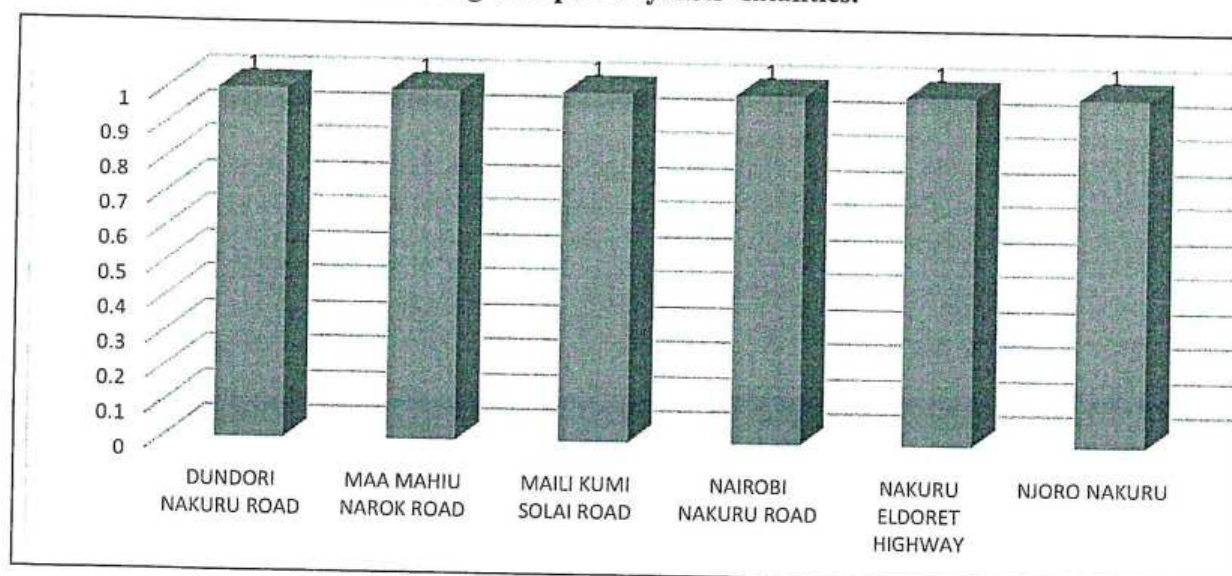
8.1.5.3. Nairobi roads leading with pedal cyclists' fatalities.



8.1.5.4. Kisumu roads leading with pedal cyclists' fatalities.

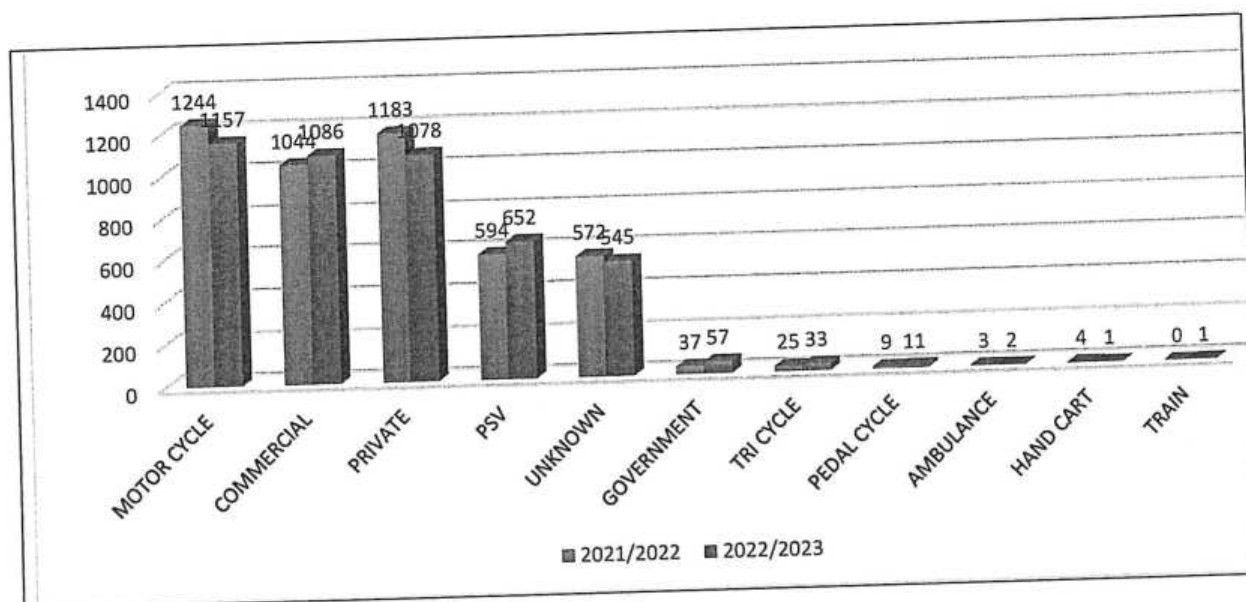


8.1.5.5. Nakuru roads leading with pedal cyclists' fatalities.



8.1.6. Contribution to fatalities associated to the vehicle type

The bar graph below shows that motorcycles and commercial vehicles contributed to most fatalities in 2022/2023 each recording 1157 and 1086 deaths respectively.



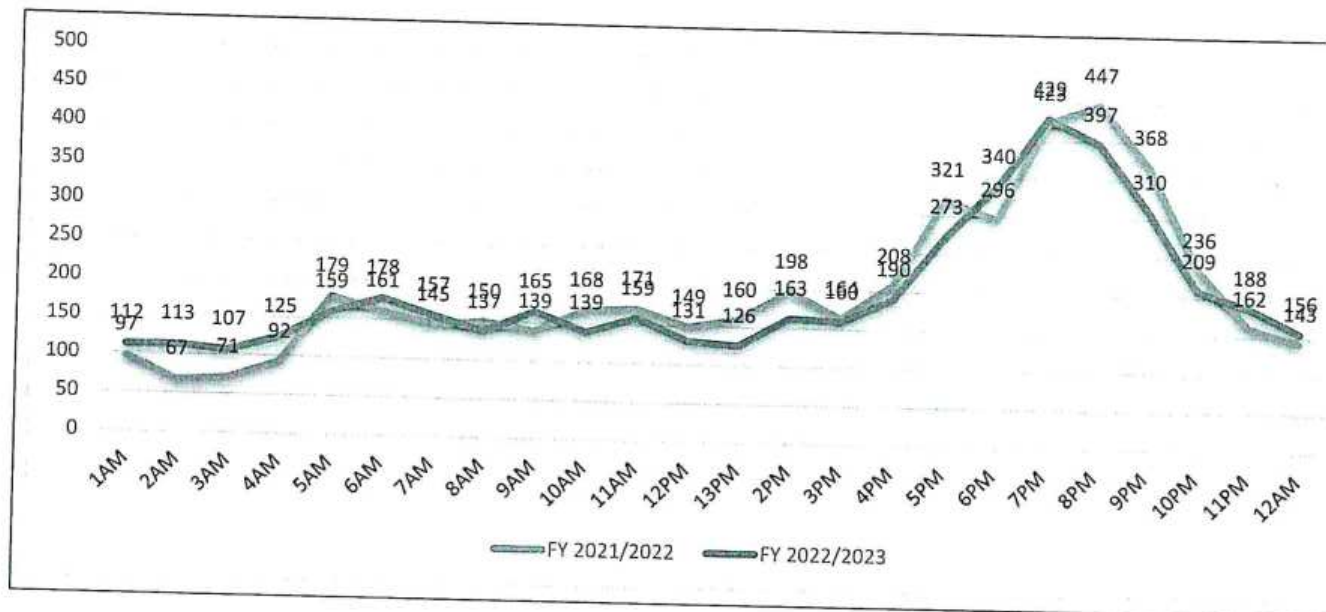
8.1.7. Distribution of fatalities across the time of the day

Most of fatal road traffic crashes occur at between 5.00pm to 9.00pm. The peak being 7.00p.m.

This is largely attributed to:

- Reduced enforcement during these times.
- High volumes of traffic and pedestrians/rush hour.
- Pedestrians crossing at the non-designated or un-safe areas and easily get knocked by speeding vehicles.
- Poor lighting at the pedestrian crossing points and major highways.
- Driver fatigue
- Drink driving

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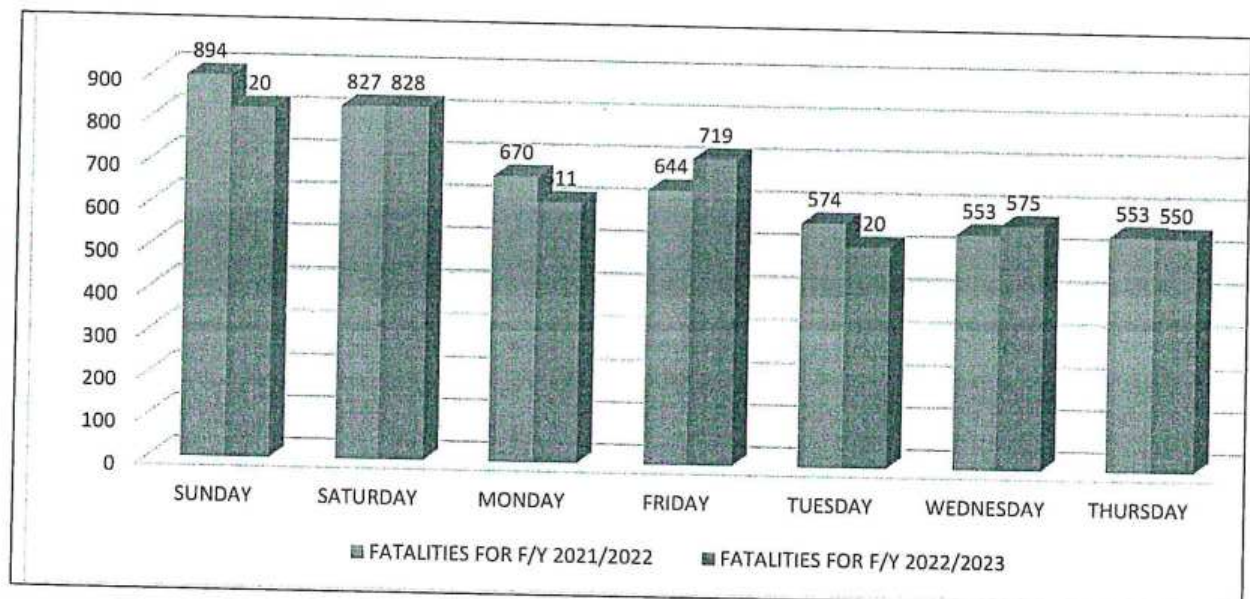


8.1.8. Distribution of fatalities based on days of the week.

Sunday had the highest fatalities in financial year 2022-2023 with 820 deaths. Friday, Saturday and Sunday contributed the highest number of fatalities with a combined figure at 51.1%.

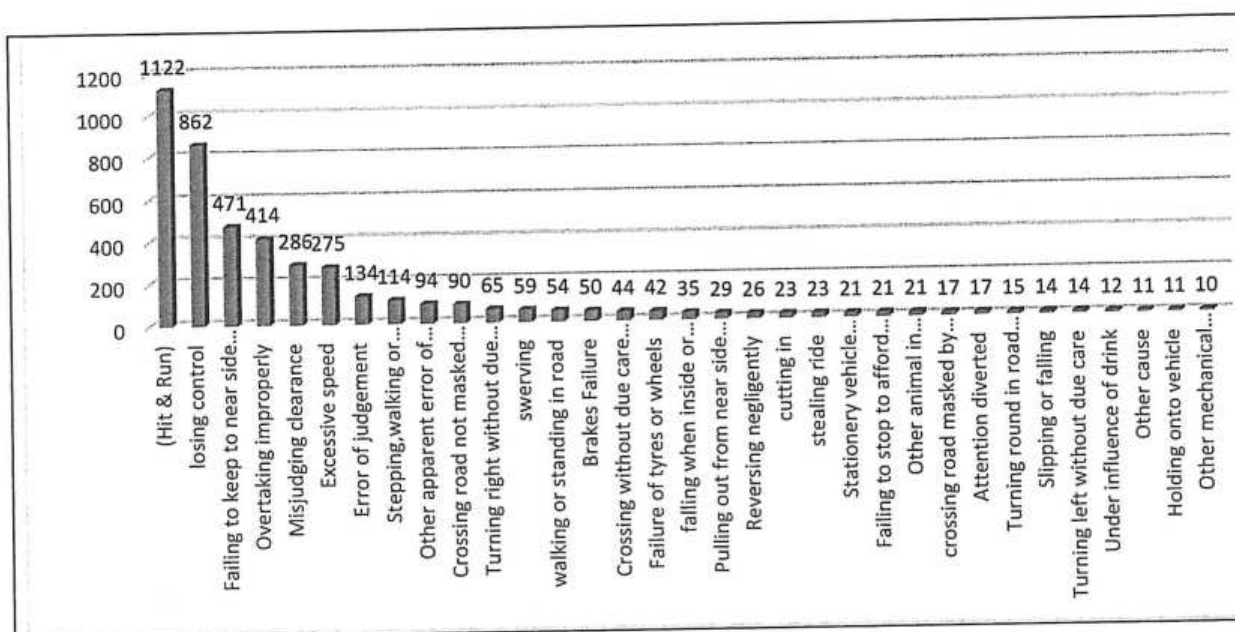
Possible Reasons:

- High Travel numbers during this time hence increased exposure
- Speeding especially along the major highways
- Reduced enforcement.



8.1.9. Leading Causes of crashes

The major human factors that contribute to the potency of road accident causation include drunken drivers, indecisiveness, fatigue, distraction, and confusion. In addition, in most of the cases the drivers are found to be inexperienced, risk takers, Impulsive, aggressive, casual and unaware of the road signals.



8.1.10. Road Safety Activities

During the year under review, the Authority carried out the following road safety promotion activities in various regions.

8.1.11. County Specific Road Safety Action Plans (CRSAPs)

During the period under review, the Authority developed six CRSAPs aimed at developing road safety strategies that are specific to the respective counties and are envisaged to steer the County Transport and Safety Committees in implementing activities that will see a reduction in fatalities in the counties. The plans were validated and adopted by the respective CTSCs during a workshop held in May 2023.

8.1.12. Road Safety Sensitization Activities

During the period under review, the Authority carried out various sensitization forums targeting vulnerable road users across different Counties in the country. The vulnerable road users included school children, bodaboda riders, market vendors, pedestrian, Public Service Vehicles (PSV) operators and Heavy Commercial Vehicles (HCVs).

The public education and sensitization programmes were aimed at achieving the following objectives:

- a) Providing road safety education to primary school children in a bid to reduce road crashes involving children along major highways.
- b) To strengthen young people's knowledge of road safety and enable them to develop their thinking and adapt their behavior to their environment.
- c) To substantially reduce the burden and severity of road crashes in the country,
- d) To reduce the number of actual or potential road traffic crashes and injuries involving school children and boda-boda riders
- e) To enhance compliance with the traffic law and regulations and minimize risks of penalties and conviction for traffic offences for riders.
- f) To promote awareness on the Road Safety risk factors among the road users
- g) To reduce environmental impact i.e., less pollution if motorcycles are well maintained.

Public education and sensitization was undertaken in various counties throughout the period under review including the following;



Kakamega County

Sensitization of boda boda riders in Likuyani under the Boda Boda Medica Ventures Umbrella body.



Nakuru County

Sensitization of boda boda riders in Elburgon and Naivasha.



PSV drivers sensitizations at Naivasha, Nakuru town and various bus parks around the County including; Molo and Olenguruone bus parks.



The sensitization of the heavy Commercial drivers was carried in Naivasha The target group was drivers



employed at the flower and vegetable farms located along Moi South Lake Road in Naivasha. The group comprised of truck drivers who ferry the goods from Naivasha to the airport for export and bus drivers who ferry the organizations staff to and from work daily. In attendance was also the National Police Service from Naivasha Police Station. Sensitization of Heavy Commercial and bus drivers in Naivasha.



Kericho County

Various boda boda riders across the different in Kericho county were sensitized on road safety,



wards
these

included; Londiani. Kericho town, Kimaisan and Ainamoi.



Under the children road safety programme, various schools in Kericho county were sensitized. These included; Ringa, Kedowa, Ndurugu, Central and Furaha Primary schools.



Makueni County

The main objective of this activity was to increase road user safety awareness among market vendors.



To that effect, materials were procured for distribution during the market vendors campaign including reflective aprons. for use by the market vendor as they go about their daily activities. The Authority sensitized vendors at Emali, Nunguni, Sulatan Hamud, Kathonzweni, Wote, Kilala and Itangine markets.



Mbooni, Malili, Nunguni and parks.



PSV drivers sensitization was conducted at various bus parks including Mukuyuni, Wote, Sultan Hamud bus



Under the children road safety programme, various schools in Kericho county were sensitized.

These included; Malili Township, Tangu, Enzai, AIC Mukaa, St John

Bosco, Nunguni, AIC Katulye, AIC Tusunini, AIC Sultan Hamud,

Kambi Mawe amongst other Primary schools.



HCV drivers sensitization along the Nairobi Mombasa Highway At Sultan Hamud

8.1.13. Proposed way forward in enhancing road safety awareness.

The Authority is cognisant of the fact that human behaviour contributes to over 95% of road crashes. Therefore, there is need to focus on behaviour change interventions to promote road Safety. This can be achieved through the safe systems approach which aims at ensuring safe transport system for all road users Which encompasses the following;

8.1.14. Public Education and Awareness on Road Safety

Effective Public education and awareness on known road safety issues is a crucial component that can greatly impact the overall goal of reducing road crashes. However, there is need for a systematic approach to behaviour change and this can be achieved through conducting baseline surveys or studies. Baseline studies help to gather data on the current situation, attitudes, and behaviours of the target population. At the end of every public education there is need to conduct an impact evaluation assessment to be able to see if there is a change or impact.

8.1.15. Vehicle Safety

Vehicle safety is fundamental to a safe traffic system which requires safe interaction between users, vehicles, and the road environment. Vehicle design, which takes account of the behavioral and physical limitations of road users can address a range of risk factors and help to reduce exposure to risk, crash involvement and severity of crash injury. There is need to advocate for stronger consumer information and raising awareness Road Safety activities require funding to be able to be achieved and this requires establishing a sustainable allocation system on the importance of vehicle safety.

8.1.16. Funding

There is need of identifying road safety mechanisms that are sufficient and sustainable. This requires having a rational framework for resource allocation that enables making a strong business case for road safety investments based on cost-effectiveness and cost benefit analyses.

8.1.17. Legislation

There is need to have different sectors that can influence a decision making on road safety issues like speed management. This requires all the sectors involved need to have a common goal on road safety matters.

8.2. Motor Vehicle Inspection and Road Safety Audit.

The Authority plays a key role in engaging relevant stakeholders to support Government towards Road safety through the following;

- a) Improving road safety through development of policies, regulations , review of standards and manuals
- b) Ensuring safer road infrastructure designs and improve existing road networks to accommodate all road users, by conducting assessments of high-risk roads , road safety audits & detailed accident analysis, providing recommendations for safety improvements, providing technical guidance on speed management, training of road safety auditors country wide and road infrastructure safety assessment
- c) Ensuring safer vehicles through establishment of regulations on motor vehicle inspections, motor vehicle inspections and certification , speed limiter compliance , Bus body building compliance and joint enforcement operations accompanied by the National Police Services, and provide expert witness evidence in motor vehicle related accidents in court.

- d) Devoting appropriate resources on public awareness campaigns to promote and educate relevant stakeholders on vehicle standards safety compliance, road safety audits , safer speed, safer road use and road safety.
- e) Building Capacity in Road Safety through training of its staff and training of road safety auditors from both national government agencies and county governments.
- f) Collaborating with key stakeholders including development to enhance road safety

These initiatives are aligned to the Authority's Strategic Plans 2016-2020 and 2020-2022, Constitution 2010, Vision 2030, Sustainable Development Goals, MTP III and Agenda 2063. The achievements during the financial year ended 30th June 2023 are as follows,

8.2.1 Motor Vehicle Inspections

Maintaining effective oversight of the motor vehicle testing regimes continued to be priorities for 2019-2023 to ensure high quality testing and customer service are maintained across all nineteen motor vehicle inspection centres and by all vehicle inspectors. The Authority implemented the following interventions.

- a) Improved motor vehicle inspection turnaround time through automation of motor inspection services and use of tablets procured in FY 2019/2020. The target was to reduce turn around time for motor vehicle inspections from 30 minutes to 10 minutes.
- b) Joint Enforcement operations and Compliance- Roadside inspections as a useful tool to ensure compliance. The Authority undertook 36 monthly roadside inspections at regional level countrywide accompanied by the National Police services. During the joint enforcement operations, the Authority also undertook a public awareness campaign to educate the public on requirements for motor vehicle inspections and benefits of driving road worthy vehicles.

The Authority has inspected 1,372,425 vehicles for the period 2020/21 to 2022/23 with 432,001, 440,463 and 499,961 inspected in 2020/21, 2021/22 and 2022/23 respectively. These inspections include those carried out during pre-registration, change of particulars, annual inspections, compliance inspections and accident inspections.

8.2.2 Compliance to KS 372: 2019 passenger vehicle body construction

Bus body construction standards play a crucial role in ensuring road safety. The KS 372: 2019 standards dictate how buses are designed, built and maintained, influencing their crashworthiness, stability and overall safety features. Adhering to well defined construction standards can help reduce the severity of accidents, improve occupant protection and enhance road safety for both passengers and other road users.

The Authority in collaboration with Kenya Bureau of Standards (KEBS), Kenya Association of Bus Manufacturers (KABM), and Kenya Accreditation Service (KeNAS). has set up a committee that continued to ensure that the bus are constructed to the KS 372:2019.

The Authority has inspected 2,992 buses to establish compliance to KS 372: 2019 and issued them with conformity assessment certificates for the last three Financial years with 694,988 and 1,360 buses inspected in 2020/21, 2021/22 and 2022/23 respectively.

8.2.3 Accident Analysis

The Authority performed detailed road and highway accident analysis to determine causal and contributing factors of incidents and accidents on Kenya's road network . It identified safety issues and made recommendations for implementation of remedial safety actions to prevent recurrence to relevant stakeholders. Importantly the Authority does not confine itself to the considerations of just those matters that contributed to a particular accident, it also seeks to identify any transport safety matters which if left unaddressed might contribute to other accidents.

During the financial years 2020/2021 to FY 2022/2023 the Authority carried out 49 detailed accident reviews and identified the following safety issues as being the major contributors to accidents ;

8.2.4 Human Behaviour

- a) Speed Violations (Over speeding)
- b) Fatigue
- c) Driver's negligence
- d) Pedestrian crossing in undesignated places
- e) Motorcycle Rider Behaviour & non usage of helmets
- f) Non usage of seat belts

8.2.5 Vehicle mechanical conditions

- a) Brake failure,
- b) Tyre bursts
- c) Defective Speed limiters not transmitting data. Several PSV Saccos were subjected to compliance inspections.

8.2.6 Road Infrastructure

- a) Guardrails not performing intended purpose of re directing errant vehicles- Ministry of Roads and Transport reviewing geometric design manuals and specifications to address this concern
- b) Inadequate road signage
- c) Unstandardized speeds
- d) Lack of Safe Pedestrian crossing points

8.2.7 Weather- fog

Recommendations were made to relevant stakeholders for corrective action including Road Authorities and the Ministry of Roads and Transport.

8.2.8 Road safety audits

The Authority has initiated Road safety audit (RSA) programmes guided by the Guide on Road Safety Auditing, 2009. Road safety audit is a systematic and formal safety performance examination of a road project. The objective is to identify potential safety problems, so that, where possible, the design can be improved to eliminate or reduce them. Road safety audits are a vital tool in a road authority's safety management system. They provide an opportunity for road safety professionals to ensure that all road users' safety needs are adequately addressed at various stages of road project.

For the period FY 2020/2021 to FY 2022/2023, the Authority has undertaken the following activities :

- a) 70 road safety audit reports prepared and submitted to road authorities where a total of 16,26 and 28 road safety Audits were carried out respectively
- b) Trained 35 Road Safety Auditors from County Governments and Road Authorities with an ultimate goal of using qualified, locally drawn expertise to conduct these audits wherever possible.
- c) Sensitized 185 Engineers on Road Safety Audits on virtual sessions and 197 staff from KeNHA to promote the need for Engineers to integrate safety needs of all road

users in the road project cycle from Design to Construction and maintenance of roads.
156 Women Engineers were also sensitized on road safety.

8.2.9 Stakeholder collaborations and partnerships

Road Safety is a shared responsibility and competency. The Authority continues to engage stakeholders from Government and Private Sector in the following areas to enhance road safety

- a) Government agencies on review of motor vehicle standards as follows:
 - i. KS 1515:2019- Code of Practice for vehicle inspection,
 - ii. KS2295:2018 - Speed limiters,
 - iii. KS372:2019 Bus body builders,
 - iv. KSEAS 751:2010 -Revision on Air Quality,
 - v. KSEAS:2018 Inspection and Testing of LPG Tankers,
 - vi. KSEAS979:2020 Road Tankers for Petroleum and
 - vii. KS 2046:2012 Underrun protective devices to be implemented this FY. Etc.
- b) Three Road Agencies (KURA, KERRA & KENHA) on Road Safety Audits and Kenya Roads Board on setting aside funds for implementation of Road Safety Audits recommendations by road agencies
- c) Northern Corridor Transit and Transport Authority- Survey on Roadside Stations and Road Safety Audits along Northern Corridor covering Kenya, Uganda, Rwanda
- d) National Industrial Training Authority – Developed Training Curriculum for Motor Vehicle Inspectors
- e) County Transport and Safety Committees engaged on Safer Roads and Safer Vehicles

8.3 Development partner support

The Authority has engaged World Bank , European Union and African Development Bank and successful secured funds for the following projects which are under various stages of implementation.

8.3.1 World Bank funded Horn of Africa Gateway Development Project (HoAGDP)

The Horn of Africa Gateway Development Project is a World Bank funded project and the Authority is supported under subcomponent D4: *Strengthen the Institutional Capacities of NTSA*. The Authority under this programme aspires to strengthen her institutional capacity to oversee road safety initiatives.

The HoAGDP is an 8year project that commenced on 22nd December,2020 is expected to run upto 31st December 2028 at an approved project cost of Euros 25Million or about Kshs.3.2Billion. It is under the supervision of The Ministry of Interior & National Administration. The overall development objectives for project are to:

- a) Improve Movement of People, Goods and Access to Digital Connectivity.
- b) Facilitate Regional Trade and Transport
- c) Improve Access to Selected Basic Social Services at Designated Locations
- d) Institutional Strengthening of selected Transport and Related Institutions.

The strategic goals of the project encompass the following thematical areas;

The project management aims to achieve the Strategic goals through the following means:

- 1) Upgrading and reconfiguration of the Transport Integrated Management System (TIMS)
- 2) Automation of motor vehicle inspection centres and a driving school.
- 3) Carrying out research on road safety management (safe systems approach) to establish baseline data on road safety performance indicators in Kenya.
- 4) Strengthening of NTSA management information systems and building NTSA's institutional capacity in monitoring, evaluation, and learning.
- 5) Enhancing NTSA capacity in: carrying out road safety audits, evaluation of road designs, identification of hazardous locations based on crash data, recommending remedial measures appropriate for hazards, and post audit evaluation of hazardous locations; (ii) facilitating NTSA contribution in harmonization of safety regulations among similar agencies in East Africa and Horn of Africa and in development of specific road safety rules and regulations for transit traffic within the region and specifically for the transport of hazardous materials on regional road corridors; and (iii) undertaking public sensitization and awareness on road safety matters and design of improved protocols/guidelines for emergency response.

During the period under review ending June 30, 2023, the Authority made the following milestones under this project:

No.	Project Activities	Objective	Outcome	Indicator	Performance/Milestones
1.	Project Name: KE-NTSA-204278-GO-RFB/Supply, Delivery	The Project objective is to address reliability and	Having Reliable and secure ICT Infrastructure	% of project completion	<ul style="list-style-type: none"> 100% technically complete.

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No.	Project Activities	Objective	Outcome	Indicator	Performance/Milestones
	and Installation of Primary Data Centre core Infrastructure switches, Servers, Storage, Intelligent racks, Virtual Desktop Infrastructure and associated devices.	capacity challenges of TIMs. It is categorized into 5 lots: <ul style="list-style-type: none"> LOT 1: Supply Delivery and Installation of Primary Data Centre Core Switches, Servers, Storage and Data Centre Firewall Upgrade 	for efficient Service delivery		<ul style="list-style-type: none"> Defects & Liability Period phase completed; snag items completed.
		<ul style="list-style-type: none"> LOT 2: Supply Delivery and Installation of Integrated Data Centre Infrastructure/ Intelligent Racks for Primary Data Centre 	Having Reliable and secure ICT Infrastructure for efficient Service delivery	% of project completion	<ul style="list-style-type: none"> 100% technically complete Construction works – Completed. Facility handed over to NTSA. Handover certificate signed User training completed
		Lot 3: Supply and Installation of Virtual Desktop Infrastructure Solution	Having Reliable and secure ICT Infrastructure for efficient Service delivery	% of project completion	<ul style="list-style-type: none"> Overall progress at 92%. Devices (400 nodes) ordered & delivered.
		LOT 4: Supply and Delivery of 200 Laptops, 40 Printers and 5 Projectors.	Having Reliable and secure ICT Infrastructure for efficient Service delivery	% of project completion	<ul style="list-style-type: none"> 100% completed and signed off.
		LOT 5: Provision of Cloud Services for High Availability Architecture	Having Reliable and secure ICT Infrastructure	% of project completion	<ul style="list-style-type: none"> 100% technically Completed and operationalized. Under maintenance period
2.	Project Name: KE-NTSA-204305-GO-RFB /Supply, delivery and installation of intelligent road safety management	NTSA aims to implement an intelligent road safety management system to capture traffic data and automate	<ul style="list-style-type: none"> Enhanced efficiency in Road Safety Management 	% of project completion	<ul style="list-style-type: none"> Project completion at 62% Onboarding of Vendors and Operators is at 85% complete.

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No.	Project Activities	Objective	Outcome	Indicator	Performance/Milestones
	application and monitoring centre.	enforcement of traffic laws along the transport corridor.	<ul style="list-style-type: none"> Improved Road User behaviour 		<ul style="list-style-type: none"> Control Management Centre (CMC) delivery is at 99%
3.	Project Name: KE-NTSA-216855-CS-QCBS / Consultancy Services for Project Management to Support National Transport and Safety Authority ICT Projects Implementation and Quality Assurance	To efficiently manage ongoing ICT projects and ensure quality assurance.	Having Reliable and secure ICT Infrastructure for efficient Service delivery	% of project completion	<ul style="list-style-type: none"> Security Vulnerability Assessment at 100% Completed documents signed off. Network & Systems/ Infrastructure Assessment at 100% Completed documents signed off.
4.	Project Name: KE-NTSA-204331-GO-RFQ / Procurement of motor vehicle Contract type: Goods	Procurement of a vehicle to support Road Safety audits	Enhanced Mobility	Vehicle Purchased.	<ul style="list-style-type: none"> Vehicle procured in the first year of project and it in use.
5.	Project Name: KE-NTSA-231634-CS-INDV/ Consultancy Services for Design Enterprise Architecture of ICT Systems and Services for Optimal Service Delivery and Operations (International Consultant) Contract type: Consultancy	The main purpose of this activity is to define appropriate standards, framework, guidelines and delivery of a new Enterprise Architecture for NTSA services that cover the four main architecture domains (i.e. business, data, application & technology).	Having Reliable and secure ICT Infrastructure for efficient Service delivery	% of project completion	<ul style="list-style-type: none"> The project was completed and closed. Final report available
6.	Project Name: KE-NTSA-231640-CS-INDV Consultancy Services for Design of Enterprise Architecture of ICT Systems and Services for Optimal Service Delivery and Operations (Local Consultant)	The main was to review existing architecture, impand lemented systems, both hardware and software.	Having Reliable and secure ICT Infrastructure for efficient Service delivery	% of project completion	<ul style="list-style-type: none"> Project completed Final report available
7.	Project Name: KE-NTSA-238600-CS-QCBS / Consultancy services for Review and Development	Main objective is to develop the second NTSA strategic Plan 2023-2027 and	Enhancing an efficient Road Management System and	% of project completion	Project completion at 60% <ul style="list-style-type: none"> Draft report was subjected to management review

No.	Project Activities	Objective	Outcome	Indicator	Performance/Milestones
	of NTSA Strategic Plan, Strategy Monitoring, Evaluation, and Learning Framework Contract type: Consultancy	related Monitoring, evaluation, and learning framework.	Road User behaviour		<ul style="list-style-type: none"> Second draft subjected to the Board for review. Draft monitoring, evaluation and learning framework submitted and feedback provided
8.	Project Name: KE-NTSA-231676-CS-QCBS / Consultancy Services for Design and Supervision of Works for Motor Vehicle Inspection and Driver Testing Centre in Thika Town (Phase I & 2)	<ul style="list-style-type: none"> Automate Thika Motor Vehicle Inspection Center Build a model Driver Training and testing Unit. 	Enhancing an efficient and safer vehicles management system	% Of project completion	<ul style="list-style-type: none"> Procurement plan for Works has been submitted to the Bank and a No Objection has been granted. Approvals for Social and Environmental Impact Assessment granted by NEMA Approvals for development and Occupational Safety & Health granted
9.	Project Name: Consultancy Services for Review of Design for Additional Four Inspection Lanes, and Supervision of Works at Likoni Road Motor Vehicle Inspection Centre, Nairobi	Automate additional four test lanes at Likoni-Rd. motor vehicle inspection center	Enhancing an efficient and safer vehicles management system	% Of project completion	<ul style="list-style-type: none"> Design and tender documents submitted to NTSA Procurement plan submitted to the Bank for No Objection. Following up on approvals by NEMA, and County government
10.	Capacity Building for NTSA staff	To enhance NTSA capacity	Enhanced road safety management	Number trained	<ul style="list-style-type: none"> 189 members of staff trained.

8.3.2 SAFE ROADS / USALAMA BARABARANI PROGRAMME

The Safe Roads/Usalama Barabarani programme is a key project funded by the European Union and covers six pioneer Counties of Makueni, Nairobi, Nakuru, Kericho, Kisumu and Kakamega. The project is a 5year project running from 1st March 2020 to 31st August 2024 and is under the supervision of the Ministry of Interior & National Administration.

The overall objective of the grant is to contribute towards enhancing road traffic safety in Kenya through road safety programmes and projects that will see a reduction in the number of fatalities per inhabitant due to road traffic crashes by 15%.

The strategic goal of the project is to contribute to strengthen the National Transport and Safety Authority in implementing policies related to road safety and ensuring the provision of safe, reliable and efficient road transport services.

8.3.3 Summary of the Project Performance and Challenges

The project is in the third year of implementation and activities undertaken during the period under review were targeted towards the achievement and performance of outputs, outcomes, and impacts.

During the period under review the budget performance was 26% for both counterpart funding and foreign grants. The cumulative performance to date is 41% where foreign grants stood at 49% whereas counterpart funding was 11%.

During the period under review, six County Road Safety Action Plans were developed, validated and adopted. Various road safety campaigns were conducted across various media such as radio, TV, newspaper and digital. The campaigns on TV and radio for each of the prior project years included at least 50 TV and radio stations categorized into; vernacular radio stations with national coverage, community based radio stations, community based television stations and youth content television stations. Sensitization workshops targeting vulnerable groups such as school children, PSV drivers and motorcyclists were also undertaken in the six pilot counties under the project.

Nine road safety audits were also conducted during the period under review. The reports were also finalized and submitted to the respective road agencies for corrective action with an aim to reduce road fatalities and crashes. The programme also trained a total of 35 engineers and road safety officers on road safety audits during the period under review.

The absorption rate for the project was 1% for FY 2019/20, 64% for the FY 2020/21, 21% for the FY 2021-22 and 26% for the FY 2022-23.

8.3.4 Project Implementation Challenges

(a) Delayed approval of the project addendum that changed the mode of implementation of the project. This meant that the consultancies under the project could not commence until the addendum was fully approved and signed.

(b) The electioneering period saw a slow-down in the implementation of some activities that involved one on one engagement with the vulnerable road users.

8.3.5 Way Forward

- (i) Ensure project is adequately provided for in the Budget through early engagement with the State Department for Transport and The National Treasury.

The Authority under this programme undertook various sensitization activities as summarised below:

Sensitization Events



Sensitization of boda boda riders and PSV drivers in Naivasha during the month of June 2023.



Sensitization of boda boda riders in Elburgon and Subukia, Nakuru County in May 202

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*Sensitization of market
 Sultan Hamud and Emali
 Makueni County*



*vendors at
 markets,*



*Sensitization of school children at
 Tusunini and St John Bosco
 Murungu in Makueni County*



A.I.C

Development, Validation and Adoption of CRSAPs



*CRSAP workshop bringing together the six County
 Transport and Safety Committees (CTSCs) held in
 Naivasha in May 2023*

Road Safety Audit Training



*Training of road safety auditors from three road
 agencies and representatives of the six*

Road Safety Audit Training Workshop for Road Agencies (KENHA, KERRA & KURU, NTSA and Nairobi, Kisumu, Kakamega, Makueni and Kericho Counties)
 The Alps, Nakuru 5th to 7th June 2023

Overall, the Authority was able to achieve the following under this programme;

- 1) Conducted 19 Road Safety Audits
- 2) Trained 35 Road Safety Auditor trained from 6 counties and three road agencies.
- 3) Organized one training workshop.
- 4) EU funded Institutional Support to Transport Sector under Ministry of Roads and Transport- 70 Engineers trained on Road Safety Audits to date.

8.3.6 AFRICAN DEVELOPMENT BANK

The African Development Bank has committed to support the Construction of Garissa Motor Vehicle Inspection Centre. To actualize this aspiration, the Authority commenced the preparation of the Bid document for Consultancy services for Design and Supervision.

9. Environmental and Sustainability Reporting

National Transport & Safety Authority exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is an outline of the organisation's policies and activities that promote sustainability.

To enhance environmental sustainability, the Authority has undertaken greater measures in automation of its processes to mitigate against environmental degradation.

i) Sustainability Strategy and Profile

The Authority is a responsible entity and is committed to ensuring a safe and clean environment devoid of all forms of pollution. In order to affirm this position, the Authority has put in place a robust strategic plan with key focal pillars geared towards achievement of its mandate and set up programmes that will facilitate sustainability along various thematic areas including finance. Over time, the plan has enabled the Authority to get into strategic partnership with various stakeholder to actualize its sustainability. This includes development partners various player in both the transport and security sectors.

Most programmes currently being undertaken by the Authority are hinged on this strategic plan. However cognisant of the dynamic and changing trends, a review of the Strategic Plan has been initiated to align it to the current situation. The Authority is optimistic that these changes and review will go a long way in transforming the Authority and the safety in roads across the whole country.

During the period ended 30th June 2023, the Authority undertook a tree planting exercise in selected regional offices and regions to promote tree planting and inculcate the culture of afforestation among its key player commonly known as Public Service vehicle.

To address reduction of carbon emission by unroadworthy vehicles, the Authority with support from key development partners which include the World bank and the European Union has commenced and partially rolled out within its inspection centres, a component of assessing the level of carbon emission for vehicles under inspection. It is anticipated that as this initiative will go a long way in mitigating the air pollution and in effect contribute to environmental preservation and sustainability.

ii) Employee Welfare

The Authority's hiring process is guided by the Human Resource Policies & Procedure manual which in itself is aligned to the Public Service Polices and Employment Act, 2007. Moreover, the Authority has in place the Gender & Disability Mainstreaming policies and committees which is used to promote affirmative action on matters Gender and disability in recruitment.

Members of staff are eligible and are in fact trained as part of career progression and capacity building. The Authority has put in place a Career Progression Manual which informs actions taken under the staff progression and rewards system. Further, appraisals are done semi-annual and the same has continuously been used as basis for promotion.

As a matter of compliance, the Authority has in place a fully trained committee to deal with matters occupational safety & health at the workplace in accordance with the Occupational Safety and Health Act of 2007, (OSHA.)

During the period under review, the Authority facilitated the installation of fire extinguishers and first aid kits in all NTSA offices spread across the country and services the existing fire suppression and detection systems. Further the OSHA committee, regional managers and fire marshalls were trained on occupational safety and response.

iii) Market place practices-

The organisation should outline its efforts to:

a) Responsible competition practice.

The Authority being a regulatory institution infers its functions and mandate from the legal instrument that forms it and as such does not engage in any form of competition.

b) Responsible Supply chain and supplier relations

The Authority is compliant and cognisant of the aspirations of the Public Procurement & Disposals Act, Regulations and requirements. To this end, the Authority endeavoured to enhance the Access to Government Procurement Opportunities (AGPO) through affirmative action and awarded several tenders and supply contracts to this category of suppliers.

c) Responsible marketing and advertisement

The Authority is responsible for promoting safety and safety driving on the roads. The Authority ensured to promote behavioural changes through targeted publicity and advertising through all major media platform including social media.

d) Product stewardship

To safeguard consumer rights and interests, the Authority has set up virtual desk through which all her customer needs and concerns can be addressed. Owing to the huge number of customers served by the Authority, efforts have been made to reach out to customers concerns through available channels. The Department of Corporate Communication has been put in place to ensure customer needs are attended to appropriately.

iv) Corporate Social Responsibility / Community Engagements

The Authority in its operations integrates the Corporate Social Responsibility (CSR) approach that considers economic, environmental, and social issues for the benefit of its stakeholders. The concept of corporate social responsibility has become particularly relevant to organizations including those in the public sector and represents the voluntary commitment to behave appropriately, fairly, and responsibly with the environment in which they operate.

During the financial year 2022/2023, the Authority in collaboration with various stakeholders undertook various CSR initiatives. Central to the activities the Authority engages in is the sustainability concept encompassing the economic, environmental, and social dimensions.

Tree planting is known to promote environmental conservation. The Authority through its various regional offices planted over 5,500 trees in its effort to support the Government's target of planting 15 billion trees by 2032 thus increasing the forest cover. One among the many activities were during this year's world environmental day, by joining stakeholders in commemorating world environmental day in Nyeri presided over by H. E Deputy Governor Nyeri. During the event, NTSA donated 200 tree seedlings to the county Government of Nyeri towards promoting environmental conservation.

Additionally, the Authority partnered with Maragoli Hills Community Forest Association on a tree planting exercise as part of an ongoing reforestation program aimed at increasing the forest cover on

the Maragoli hills and to restore a suitable habitable environment for human beings and the animals surrounding the hills.

Further, the Authority participated in this year's Nairobi Marathon Walk organized by Nairobi County Government and other stakeholders. NTSA staff participated in the various categories of the race. The objective of the Marathon was to raise funds and build a kitty towards tree planting by the Nairobi County Government to support the Governments environment conservation efforts.





10. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2023, which show the state of the Authority's affairs.

i) Principal activities

The principal activities of the NTSA are (continue to be) as outlined under Section 4 of the Act are:

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

ii) Results

The results of the Authority for the year ended June 30, 2023, are set out on page 1-8.

iii) Directors

The members of the Board of Directors who served during the year are shown on page xii. During the year ended June 30, 2023 the Board of Directors were replaced on February 3, 2023 and on June 7, 2023


iv) Surplus remission

During the year FY 2022-2023, the Authority did report a surplus of Kshs Nil and hence no remittance was made to the Consolidated Fund.

v) Auditors

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

By Order of the Board

.....

Name VICTORIA CHEROTICH
Corporation Secretary

11. Statement of Directors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and Section 51 of the NTSA Act, 2012 require the Directors to prepare financial statements in respect of Authority, which give a true and fair view of the state of affairs of the Authority at the end of the financial year (period) ended June 30, 2023, and the operating results of the Authority for that year (period) ended June 30 2023. The Directors are also required to ensure that the Authority keeps proper accounting records which disclose with reasonable accuracy the financial position of the Authority. The Directors are also responsible for safeguarding the assets of the Authority.

The Directors are responsible for the preparation and presentation of the Authority's financial statements, which give a true and fair view of the state of affairs of the Authority y for and as at the end of the financial year (period) ended on June 30, 2023. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Authority; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the Authority; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.


The Directors accept responsibility for the Authority's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the NTSA Act, 2012. The Directors are of the opinion that the Authority's financial statements give a true and fair view of the state of Authority's transactions during the financial year ended June 30, 2023, and of the Authority's financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for the Authority, which have been relied upon in the preparation of the Authority's financial statements as well as the adequacy of the systems of internal financial control.

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

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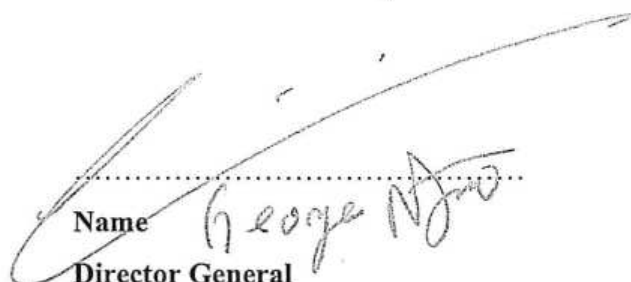
Approval of the financial statements

The Authority's financial statements were approved by the Board on 27th September 2023 and signed on its behalf by:

Manoj SHAH 

Name

Chairperson of the Board

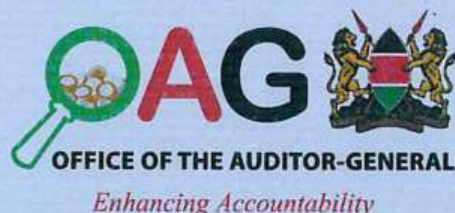


Name

Director General

REPUBLIC OF KENYA

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REPORT OF THE AUDITOR-GENERAL ON NATIONAL TRANSPORT AND SAFETY AUTHORITY FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Transport and Safety Authority set out on pages 1 to 46, which comprise of the statement of financial position as at 30 June, 2023, statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, I confirm that the financial statements present fairly, in all material respects, the financial position of the National Transport and Safety Authority as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the National Transport and Safety Authority Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.1,388,025,951 which as disclosed in Note 25 to the financial statements includes an amount of Kshs.279,998,869 in respect of Land and buildings. However, fifteen parcels of land were not supported with ownership documents such as title deeds. Further, land and buildings balance excluded value for buildings occupied by NTSA inspection teams throughout the country had not been valued.

In the circumstances, valuation and existence of land and building could not be confirmed.

2. Unsupported Issuance of Computers to Board Members

Note 25 to the financial statements reflects additions to computers and other equipment balance of Kshs.61,516,228. Included in this amount is Kshs.2,128,000 in respect of purchasing of eight laptops for Board members during the year. However, the laptops were not presented for verification and the policy on purchase of laptops for Board members, was not availed for audit review.

In the circumstances, accuracy ownership and existence of computers and other equipment amount of Kshs.2,128,000 could not be confirmed.

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Transport and Safety 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

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual receipts on a comparable basis amounts of Kshs.3,602,361,156 and

Kshs.3,057,322,063 respectively resulting in revenue under-Funding of Kshs.545,039,094 or 15% of the budget. However, the Authority expended Kshs.3,608,203,602 against expenditure budget of Kshs.3,602,361,156 resulting to over expenditure of kshs.5,842,446 or 0.1% which is well within the approved budget. The under collection of revenue affected the planned activities and has impacted negatively on service delivery to the public.

2. Long Outstanding Employee Payables (Pending Bills)

The statement of financial position and as disclosed in Note 30 to the financial statements, reflects an amount of Kshs.557,824,318 in respect of Trade and other payables which includes an amount of Kshs.96,303,753 relating to employee payables. Further, included in the amount is Kshs.11,659,917 comprising of staff deduction owed to a financing company offering credit facility to staff which has not been remitted amounting to Kshs.2,204,933 and death benefits and last respect owed to the deceased's staff family amounting to Kshs.9,454,984 that had been outstanding for long. No plausible explanation was given why the amounts had not been remitted. Failure to settle payables when due, negatively affect activities of the Authority the following year as they form first charge.

My opinion is not modified on the effect of these matters.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matters

Unresolved Prior Year Issues

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the issues remained unresolved.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Maintenance of the Smart Driving License Printing Solution

The statement of financial performance and as disclosed in Note 17 to the financial statements, reflects an amount of Kshs.45,109,471 in respect of repairs and maintenance which includes an amount of Kshs.31,662,815 relating to repairs and maintenance of smart driving license. The amount was paid to the National Bank of Kenya for repairs and maintenance of the software used in the printing of smart driving licenses. However, review of the contract document revealed that the contract commenced on 1 November, 2021 for one year and was to end on 31 October, 2022. Management expressed intention to extend the contract for a further twelve (12) months and communicated the same to the supplier on 27 October, 2022. However, the supplier through their acceptance letter dated 31 October 2022, advised that they would only accept the new contract if the contract price is varied upward by 23% but the Authority in a letter dated 17 November, 2022, promised to look into the request and advice thereafter. Although the Bank continued offering services, no documentary evidence was provided to prove that the Authority agreed to the terms of the vendor or whether the contract was renewed.

In the circumstances, the propriety of the amount of Kshs,31,662,815 could not be confirmed.

2. Inefficient Reporting Module in Transport Information Management System (TIMS)

The Authority through Transparency and Communication Infrastructure Project that is implemented by the Information Communication and Technology Authority (ICTA) procured Transport Integrated Management System (TIMS) from a vendor at a contract price of Kshs.186,480,294 to manage all vehicle registrations, inspections, and driver licensing in Kenya. The New system was commissioned in March, 2023 for which the Authority has no control as there was no contract for adoption of the system and the system has been migrated to E-Citizen.

However, the following system weaknesses were observed during the audit:

- (i) Despite the Authority having decentralised revenue generating services in several regional offices across the country, the system was not able to generate the revenues transactions per region. Thus, it was not possible to analyse how each revenue stream was distributed for the services rendered by the regional offices.
- (ii) Although the Authority uses the system for all its service delivery, the system was not able to generate a comprehensive report on all applications made and expected revenues. Instead, all the Authority's revenue reported were fully dependent on E-citizen generated reports which could not be confirmed with the TIMS data.
- (iii) The TIMS access rights provided to the Authority user departments did not allow for the generation and export of comprehensive transactional reports for licensing and vehicle registration. The limitation impedes the reconciliation process between different revenue streams. As a result, we were unable to verify the accuracy of the revenue amount stated in the financial statements when compared to the data

extracted from the revenue collection system (TIMS). Thus, the accuracy of revenues from licenses, fees and permits of Kshs.1,035,100,262 and sale of goods of Kshs.1,206,901,756 as reported in the financial statement could not be confirmed from the TIMS system.

- (iv) NTSA users of the licensing and motor vehicle registration departments have limitations in the current access levels to meet their reporting requirements. The employees can only access and produce highly summarised reports for applications done. In addition, data from the previous version of TIMS has not been migrated to the new TIMS version. Only the Database Administrator can produce the report from the database
- (v) The detailed transactional reports extracted from the backend (database) had no costings i.e. they only produce reports- for counts of all applications done and processed.
- (vi) The Management did not provide documentation on exit arrangement with the old TIMS service provider to ensure no license payments and maintenance costs are incurred by the Authority whilst ensuring data migration was seamlessly done.

In the circumstances, value for money incurred in this project of Kshs.186,480,294 could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Risk Assessment

During the year under review, the Authority did not perform risk assessment for its operations outlining the risk identified and mitigation measures despite the Authority having a Risk Management Policy and Framework in place. Further, it was noted that the Authority's Corporate Research, Strategy and Planning Department charged with responsibility for risk assessment, had not been facilitated with the adequate staff to perform the function. Although the Authority operated without an approved Internal Audit Charter, Management did not explain how the Internal Audit Department performed its internal checks roles, risk-based, value-for-money system audits aimed at strengthening internal control mechanism and strategic objectives achievement. As a result, the

Authority is exposed to loss of funds through fraud and wastage as risk areas are not identified and prevented before occurrence.

In the circumstances, effectiveness of the internal controls on assessment of risk could not be confirmed.

2. Failure to Enforce Smart Driving License and Un-utilized Smart Card Driving Licenses

The Authority entered into a contract with National Bank of Kenya consortium on 8 March, 2017 for supply, delivery, installation and maintenance of five (5) million second-generation smart card-based driving license at a contract sum of Kshs.2,028,991,964. Review of the project status as at 30 June, 2023 revealed that the supplier had delivered 4,042,050 smart cards and paid a total of Kshs.1,195,201,497 out of which, only 1,479,176 cards had been printed for the past six years leaving un-utilized 2,562,874 cards valued at Kshs.788,852,617.20 that are in the Authority's store. The project was initially to run for three years up to March 2020 and therefore it is four years behind schedule. The uptake of the smart driving licenses is quite slow. Management did not demonstrate effort to enforce use of smart card driving licenses and may result to waste of public funds already incurred in the project.

In the circumstances, value for money expended on this project of Kshs.1,195,201,497 could not be achieved.

3. Weakness in Inventory Management System

The statement of financial statements reflects inventory balance of Kshs.310,455,492 which as disclosed in Note 23 to the financial statements constitutes stock balances of number plates, driving licences, consumables stores and specialised materials. However, the stock balance was based on physical count as the ERP inventory system was not able to generated stock balances. As a result, it was not possible to compare the physical count balances against the system generated balances. Further, use of manual system made it difficult to track movement of stock and stock location at regional offices which may lead to wastage, loss, theft, deterioration or obsolescence of stock.

In the circumstances, the effectiveness of internal controls on management of inventory could not be confirmed.

4. Weaknesses in the functioning of the Regional Offices

Inspection of regional offices conducted in the month of March revealed the following anomalies:

4.1 Lack of Formal Occupation Arrangement for Regional Offices and Huduma Centers

Audit verification of sampled regional revealed that except for the Mombasa office where the Authority has built offices, other regional offices occupied by the Authority's staff did not have formal lease agreements. It was noted that the Authority had six staff members stationed in three Container Freight Stations (CFS) in Mombasa providing the registration functions but there were no documented formal arrangements to support the occupation

of the offices in CFS which is a private enterprise. Although the Management explained that the occupation of these offices was on Government to Government departments arrangement and no rent was charged, no documentary evidence was provided in support of this arrangement.

4.2 Unavailability and Accessibility of the Authority's Services

Despite the Authority's services being applied online, the applicants have to physically visit the regional offices for finalization of the transactions as collection of logbooks, number plates, smart driving licenses and inspection services are carried out at regional offices. However, it was noted that the Authority had 17 regional offices country wide and fifty-two (52) Huduma Center services that serves as dispatch centers which were sparsely distributed, far away from the customers/public. The distance covered by the public seeking service was so long a situation that could have contributed to slow collection rates of number plates and smart driving licenses and eventual low revenue realization.

4.3 Insufficient Biometric Kits for Smart Driving Licenses Enrolment

The Authority established the smart driving licenses in 2017 with an aim to do away with the physical red book drivers' licenses. During the field verification, it was noted that the Authority had twenty (20) biometric enrollment kits out of which, four (4) were faulty. Most Huduma centers lacked the biometric kits and were only serving as a collection center. The available kits were also reported to be breaking down due to intermittent overloads. As a result, long queues were observed seeking for the services.

4.4 Non-Maintained Offices at the Regions

The audit inspection revealed that most Authority's regional offices were old buildings inherited from traffic police and Mechanical Transport Department that were not maintained and were worn out. The offices lacked key security features like steel doors, had broken ceilings, non-partitioned stores, unlevelled grounds while others did not have sufficient sitting space like in Voi, Embu and Kericho offices. In particular, Voi office had only one functional fan despite the hot weather condition. Further, it was noted that Machakos and Embu offices despite having a large compound, the grounds were uneven and not done and was prone to flooding during rainy seasons. In addition, it was noted that most regional offices had no waiting sheds and bays for the public resulting to crowding during driver test services and during cases of mass inspections.

4.5 Use of Obsolete Motor Vehicles Inspection Equipment and Facilities

Section 4(2) of the National Transport and Safety Authority Act 2012, states that one of the core functions of the Authority is to conduct Motor vehicle inspection and certifications. However, a visit to the regional offices in Nakuru, Kericho, Kisumu, Kakamega, Eldoret, Mombasa, Voi, Machakos, Nyeri and Embu revealed that inspection equipment and facilities are either faulty or obsolete and are no longer useful for their intended purposes. The officers in the region inspect the motor vehicles manually as the Inspection Centres were old and subserviced. Manual inspections could not yield accurate inspection reports as the inspectors have a double work of manually inspecting and recording the results in the online platform for reports.

In addition, the inspection centres at the regional offices had no ownership documents. The parcels of land where the inspection centres are located had not been valued. It was noted that Authority land at Voi and Nakuru had been encroached by informal settlers.

4.7 High Stock of Uncollected Plates, Logbooks and Smart Driving Licences

Field verification revealed large stocks comprising of uncollected new generation number plates, motor vehicle logbooks and smart driving licences in regional offices. Reviewed records from ten (10) regional offices indicated stocks of 20,006 plates, 17,474 logbooks and 5,753 smart drivers' licenses. Further, records indicated that among the stocks were expired drivers' licenses while some logbooks had been in the Authority's custody for over five years now.

Further, interrogation of records revealed that the system balances of uncollected items were differing from balances in the physical records. Management explained that the system could only allow the online authorized person to collect the items while at the regions, there was a leeway for unauthorized owner to collect the items hence the difference.

In the circumstances, the effectiveness of service delivery could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management, and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and the Board of Directors

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Authority to cease to continue to sustain its services.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Authority to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

09 May, 2024

National Transport & Safety Authority
Annual Report and Financial Statements
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14 Statement of Financial Performance for the year ended 30 June 2023

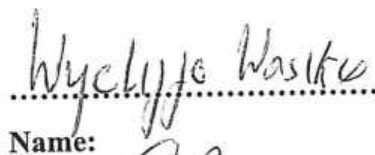
	Note	2022-2023	2021-2022
Revenue from Non-Exchange Transactions		Kshs	Kshs
Transfers from Ministry - Grants and other Authorities	6	372,505,000	324,600,000
EU Usalama Barabarani Recurrent Receipts	6	53,642,156	62,377,537
WB-HOGDP-Recurrent Receipts	6	56,210,542	2,576,188
		482,357,698	389,553,725
Revenue from Exchange Transactions			
Licenses, Fees & Permits	7	1,035,100,262	990,736,349
Sale of Goods	8	1,206,901,756	711,454,914
Other Incomes	9	1,938,248	22,496,800
		2,243,940,266	1,724,688,063
Total Revenue		2,726,297,963	2,114,241,788
Expenses			
Use of Goods & Services	11	1,605,482,162	1,172,652,250
Employee Costs	13	1,197,455,459	1,159,775,786
Board Expenses (Remuneration of Directors)	15	26,981,232	35,642,712
Depreciation & Amortization Expense	16	266,501,164	424,320,003
Repairs & Maintenance	17	45,109,471	23,822,309
Donor Funded Usalama Barabarani Expenses	18	53,642,156	62,377,537
Donor Funded HOAGDP Expenses	18	56,210,542	2,576,188
TOTAL EXPENSES		3,251,382,185	2,881,166,785
Surplus/(deficit) for the period		(525,084,222)	(766,924,997)
Balance as at 1st July 2022		(1,823,785,135)	(1,024,390,453)
Less: Adjustment for Revenue Receivable from Exchange Transactions		-	(32,469,685)
Balance as at 30th June 2023		(2,348,869,357)	(1,823,785,135)

National Transport & Safety Authority
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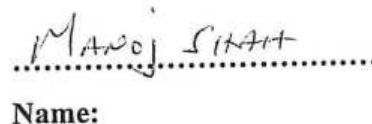
The notes set out on pages 9 to 45 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 8 were signed on behalf of the Board of Directors by:


Name: _____

Director General


Name: _____

Head of Finance


Name: _____

Chairman of the Board

ICPAK M/No: 4267

Date 17/4/24

Date 17/4/24

Date 17/04/2024

National Transport & Safety Authority
Annual Report and Financial Statements
for the year ended June 30, 2023.

15 Statement of Financial Position as at 30 June 2023

ASSETS	Note	2022-2023	2021-2022
Current Assets		Kshs	Kshs
Cash and Cash Equivalents	19	161,795,503	168,536,574
Receivables from Exchange Transactions	20	22,958,920	19,123,710
Deposits	21	28,174,315	26,674,315
Prepayments & Advances	22	34,833,802	38,138,828
Inventory	23	310,455,492	400,111,709
Staff Debtors	24	13,932,300	7,747,922
		572,150,332	660,333,058
Non-Current Assets			
Property, Plant and equipment	25	1,388,025,951	1,030,124,535
Intangible Assets	29	0	0
		1,388,025,951	1,030,124,535
TOTAL ASSETS		1,960,176,284	1,690,457,593
LIABILITIES			
Current Liabilities			
Staff Gratuity	26	23,921,292	41,709,094
Retention Payable	27	99,983,479	44,533,933
Trade and Other Payables	30	557,824,318	422,581,502
Provision for Liabilities-Legal	31	28,034,043	28,034,043
TOTAL LIABILITIES		709,763,132	536,858,573
NET ASSETS			
Capital Reserves	32	1,716,352,359	1,094,454,005
Government Reserve	33	1,811,811,903	1,811,811,903
Revaluation Reserve	34	71,118,247	71,118,247
Accumulated surplus		(2,348,869,357)	(1,823,785,135)
		1,250,413,153	1,153,599,021
TOTAL NET ASSETS AND LIABILITIES		1,960,176,284	1,690,457,593

National Transport & Safety Authority
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for the year ended June 30, 2023.

The notes set out on pages 9 to 45 form an integral part of these Financial Statements.

The financial statements set out on pages 1 to 8 were signed on behalf of the Board of Directors by:

.....
Name:

George Njiru
Director General

Date

17/4/24

.....
Name:

Wycliffe Wasike
WYCLIFFE
WASIKE
Head of Finance
4267
ICPAK M/No:

Date

17th April 2024

.....
Name: MANOJ SHAI

Chairman of the Board

Date 19th April, 2024

National Transport & Safety Authority
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13. Statement of Changes in Net Assets for the year ended 30 June 2023

	Capital Reserves Kshs	Government Reserves Kshs	Revaluation Reserves	Accumulated Surplus Kshs	TOTAL Kshs
Balance as at 1st July, 2021	844,619,362	1,711,811,903	71,118,247	(1,024,390,453)	1,603,159,060
ADD					-
Donations-Dev't Partners Projects	249,834,643	-	-		249,834,643
Transfer of Development Funds from Ministry-State Dept. of Interior & Co- ordination of National Government		100,000,000			100,000,000
Adjustment for Revenue Receivable from Exchange Transactions				(32,469,685)	(32,469,685)
Surplus/(deficit) for the period				(766,924,997)	(766,924,997)
Balance as at 30th June 2022	1,094,454,006	1,811,811,903	71,118,247	(1,823,785,135)	1,153,599,021
Balance as at 1st July, 2022	1,094,454,006	1,811,811,903	71,118,247	(1,823,785,135)	1,153,599,021
ADD					
Donations-Dev't Partners Projects	620,818,354	-	-	-	620,818,354
Transfer of Development Funds from Ministry-State Dept. of Interior & Co- ordination of National Government		-	-	-	-
Surplus/(deficit) for the period	-	-	-	(525,084,222)	(525,084,222)
Balance as at 30th June 2023	1,795,212,542	1,811,811,903	71,118,247	(2,348,869,357)	1,249,333,152

14. Statement of Cash Flows for the year ended 30 June 2023

	Note	2022-2023	2021-2022
Cash flows from Operating Activities		Kshs	Kshs
Receipts			
Government Grants and Subsidies	6	372,505,000	324,600,000
Recurrent Receipts for EU-Usalama Barabarani Project	6	53,642,156	62,377,537
Recurrent Receipts for WB HoAGD Project	6	56,210,542	2,576,188
Revenues through Direct Deposit, KRA & e-Citizen	10	2,240,105,055	1,738,440,309
		2,722,462,753	2,127,994,034
Payments			
Use of Goods	12	1,000,616,809	1,055,142,011
Compensation of Employees	14	1,213,102,984	1,108,176,778
Donor Funded Usalama Barabarani Expenses	18	53,642,156	62,377,537
Donor Funded WB-HOAGDP Expenses	18	56,210,542	2,576,188
Board Expenses	15	26,981,232	35,642,712
Repair & Maintenance Expenses	17	45,109,471	23,822,309
Staff Debtors	24	13,932,300	7,747,922
		2,409,595,493	2,295,485,458
Net cash flows from Operating Activities		312,867,260	(167,491,424)
Cash flows from Financing Activities			
State Dept. of Interior & Co-ordination of National Government	6	-	100,000,000
European Union-Usalama Barabarani Payable from the Authority	32	(80,952,005)	-
Development Receipts for EU-Usalama Barabarani Project	32	-	123,480,436
Development Receipts for WB-HoAGD Project	32	384,666,255	126,354,207
Net Cash flows used in Financing Activities		303,714,250	349,834,643

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Cash flows from Investing Activities			
Purchase of Property, Plant & Equipment	25	623,322,580	169,499,918
Net Cash flows used in Investing Activities		623,322,580	169,499,918
Net Increase/(decrease) in Cash and Cash Equivalents		(6,741,070)	12,843,302
Cash and Cash equivalents as at 1 July 2022		168,536,574	155,693,272
Cash and Cash Equivalents as at 30 June 2023		161,795,503	168,536,574

15. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2023

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Variance
	2022-2023 Kshs	2022-2023 Kshs	2022-2023 Kshs	2022-2023 Kshs	2022-2023 Kshs	2022-2023 Kshs
Revenue						
Transfers from Other Governments entities	394,600,000	77,905,000	472,505,000	372,505,000	(100,000,000)	-
Revenue from Licenses, Fees & Permit	1,031,000,000	82,000,000	1,113,000,000	1,035,100,262	(77,899,738)	(7)
Revenue from Sale of Goods	976,300,000	208,600,000	1,184,900,000	1,206,901,756	22,001,756	2
Other Income	2,500,000	(400,000)	2,100,000	1,938,248	(161,753)	(8)
Grants from Dev't Partners	420,856,159	408,999,997	829,856,156	440,876,797	(388,979,359)	47
Total income	2,825,256,159	777,104,997	3,602,361,156	3,057,322,063	(545,039,094)	15
Expenses						
Use of Goods and Services	1,003,256,469	396,261,846	1,399,518,315	1,605,482,162	(205,963,847)	(15)
Compensation of employees	1,152,365,492	11,240,000	1,163,605,492	1,197,455,459	(33,849,967)	(3)
Remuneration of Directors	30,000,000	-	30,000,000	26,981,232	3,018,768	10
Repairs and Maintenance	31,778,038	13,168,155	44,946,193	45,109,471	(163,277)	(0)
Other payments	607,856,159	356,434,997	964,291,156	733,175,278	231,115,878	24
Total Expenditure	2,825,256,159	777,104,997	3,602,361,156	3,608,203,602	(5,842,446)	0
Surplus for the Period	0	(0)	(0)	(550,881,539)	(550,881,539)	

National Transport & Safety Authority
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Budget notes

1. The overall over-collection of revenue from exchange transactions was occasioned by concerted efforts by management in sealing revenue loopholes, the introduction of the New Generation Number plates and change in unit price for number plates.
2. The over-expenditure in goods & services was as a result of increased cost of sales for the New Generation Number plates and change in the unit cost of production of the plates
3. The under-absorption of other payments was mainly due to low disbursement of the donor funded projects.
4. The reconciliation of the differences occasioned by the use of IPSAS accrual in the preparation of the Statement of Financial Performance is as below;

RECONCILIATION STATEMENT	
Particulars	Total (Kshs)
Reported Surplus as per Statement of Budget as at 30 June 2023	(550,881,539)
Add Back	
Capital Expenditure in Statement of Budget	733,175,278
Adjusted Surplus	182,293,739
Less: Non-Cash Transactions in the Statement of Performance	
Depreciation charge & Amortization Expense	266,501,164
Total Non-Cash Transactions	266,501,164
Adjust for Development Grant	
Development Partner funding	440,876,797
Grant from State Dept. of Transport	0
Total Development Grant	440,876,797
Sub-Total Non-Cash and Total Development Grant	707,377,961
Surplus for the period as per Statement of Performance as at 30 June 2023	(525,084,222)

19. Notes to the Financial Statements

1. General Information

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

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Authority. *The* financial statements have been prepared in accordance with the PFM Act, the State Corporations Act the NTSA Act, 2012, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

- i.* The Authority did adopt any New, Amended or & Revised Standards during the financial year under review. There was no early adoption of standards as well.
- ii.* There were no new and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.
- iii. Early adoption of standards*

The Entity did not early – adopt any new or amended standards in the financial year.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

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

Transfers from other government entities

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

Notes to the Financial Statements (Continued)

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

The Authority has no interest income and therefore no interest income is determined during each period.

The Authority realised no interest income in the year ending June 30,2023.

Dividends

The Authority is a regulator and does not therefore declare any dividends.

The Authority did not declare any dividend in the year ending June 30,2023.

Rental income

The Authority has no rental property and hence there is no Rental income arising from operating leases on investment properties to be accounted for over the lease terms and included in revenue.

The Authority realised no rental income in the year ending June 30,2023.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

b) Budget information

The original budget for the Current FY 2022-23 was approved by the National Assembly on 7th April, 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Authority upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Authority's recorded additional appropriations of Kshs.486.9Million on the FY2022-2023 budget following the governing body's approval.

The Authority's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 17 of these financial statements.

c) Taxes

Current income tax

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Current income tax (Continued)

recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

The Authority has no deferred tax liability in respect of its operations thus no deferred liability was determined in the period ending June 30, 2023.

Sales tax

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

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

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition.

The Authority has no Investment properties in its books and thus applies no model in respect to the same.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

e) Property, plant and equipment

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

The rate used to depreciate the assets during the year was as summarised below:

Asset	Depreciation Rate
Buildings	2.5%
Motor Vehicles	25%
Computer Equipment	33.333%
Intangible Assets	33.333%
Furniture, Fixtures & Fittings	12.5%
Other Assets	12.5%

f) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Authority. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Authority also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the *Entity* will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

The Authority has no finance lease and thus there was no finance lease recognised in the books of the Authority in the year ending June 30, 2023.

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

The Authority recognised the operating lease for its head office in the statement of performance during the year ending June 30, 2023.

g) Intangible assets

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

There were no intangible assets in the year ending June 30, 2023.

h) Research and Development Costs

The Authority had no expenditure under Research and development in the year ending June 30, 2023.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. Save for the receivables which are generally remitted within the subsequent month of collection, the Authority does not have any hedge relationships and therefore the new hedge accounting rules have minimal to no impact on the Authority's financial statements.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the Authority measures a financial asset or financial liability at its fair value, for transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Trade and other receivables

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

j) Inventories

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

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Authority.

k) Provisions

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

The provisions made in the statement of financial performance during the year ending June 30, 2023 were those relating to depreciation and amortization of assets.

l) Social Benefits

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

m)Contingent liabilities

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

There is a contingent liability arising from litigations against the Authority that is depleted as and when the liabilities materialize.

There was no contingent liability in the year ending June 30, 2023.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

n) Contingent assets

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

The Authority notes that there are potential contingent assets that will arise from transfer of ownership of leasehold properties situated in the seventeen (17) motor vehicle inspection centres spread across the country. These are the locations where the Authority is currently undertaking motor vehicle inspection.

Despite initiating the process of acquisition, titles for these parcels have not been received to confirm ownership before a valuation is done to determine the actual contingent assets. The Authority has however secured ownership of Thika Inspection Centre, and Miritini Inspection Centre in Mombasa which currently are awaiting valuation and ultimately incorporation in the books of accounts. The titling of the Likoni Inspection Centre is also at its final stage.

o) Nature and Purpose of Reserves

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

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

p) Changes in accounting policies and estimates

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

q) Employee benefits

Retirement benefit plans

The Authority provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Authority pays fixed contributions of 15% of the employees basic pay into a separate Authority while the employees contribute 7.5%. The National Transport and Safety Authority-Staff Retirement Benefit Scheme (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

r) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

The revenue received in foreign currency were translated at the CBK mean closing rate at the end of every month.

s) Borrowing costs

The Authority has no borrowings in its books accounts.

t) Related parties

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

u) Service concession arrangements

The Authority has no service concession arrangements in its operations and thus this was not a factor in the financial statements for the year ending June 30,2023.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

v) 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 various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents does not include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year. The staff imprest have been reported separately as staff debtors.

The NTSA bank accounts in existence are shown below:

Ref	Account Name	Account No.	Opening Date	Bank
1	NTSA-KCB Operations Account	1141386534	12 th July, 2013	KCB
2	NTSA-KCB Capital Account	1180379527	7 th April, 2016	KCB
3	NTSA-KCB Revenue Account	1206870842	6 th March, 2017	KCB
4	NTSA-KCB USD Account	1216217998	5 th September, 2017	KCB
5	NTSA-EU Project Account	1266570756	1 st November, 2019	KCB
6	NTSA-NBK Traffic Fines, Revenue Account	01060202394100	30 th October 2017	NBK
7	NTSA-NBK Cash Bail Deposit Account	01060202394300	30 th October 2017	NBK
8	NTSA-WB HoAGDP A/C	1282371665	19 th January 2021	KCB

w) Comparative figures

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

x) 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, 2023.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and Assumptions.

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

Useful lives and Residual Value

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available.

Notes to the Financial Statements (Continued)

6. Transfers from Other Government entities

There were no transfers from other Government entities during the year ending June 30, 2023

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

Name of The Entity Sending The Grant	Amount recognized to Statement of Financial performance. *	Amount deferred under deferred income.	Amount recognised in capital fund.	Total transfers (FY2022-23)	Comparative FY2021-22
	KShs	KShs	KShs	KShs	KShs
Operational Grant- Ministry/State Department of Interior & SDoT	372,505,000	0	0	372,505,000	324,600,000
Development Grant from Ministry/State Dept of Interior & SDoT	0	0	0	0	100,000,000
Receipts for EU Usalama Barabarani Project from State Dept of Interior & SDoT	53,642,156	0	(53,642,156)	0	62,377,537
Receipts for WB HoADP Project from State Dept of Interior & SDoT	56,210,542	0	370,746,260	440,876,797	2,576,188
Total	482,357,698	0	317,104,104	813,381,797	489,553,725

Notes to the Financial Statements (Continued)

7. Licenses, Fees and Permits

Description	Current FY2022-23	Comparative FY2021-22
	Kshs	Kshs
Road Service License	185,574,663	202,123,100
Driver Test Booking	300,344,800	246,952,600
Instructor Test Booking	311,025	384,875
Motor Vehicle Inspection Fee	471,730,000	464,581,170
Application for FMVP	77,139,774	76,694,604
Total	1,035,100,262	990,736,349

These are revenues generated from licenses issued, fees for services and from the foreign motor vehicle permits issued to foreign registered vehicles accessing the country.

8. Sale of Goods

Description	Current FY2022-23	Comparative FY2021-22
	Kshs	Kshs
Sale of goods		
PSV Badges	109,170,350	95,132,200
E-Sticker Fees	88,065,870	56,232,450
Number Plate	1,009,665,536	560,090,264
Total revenue from the sale of goods	1,206,901,756	711,454,914

These are revenues generated from sale of Passenger Service badges to drivers & conductors, E-stickers and reflective number plates.

9. Other Income

Description	Current FY2022-23	Comparative FY2021-22
	Kshs	Kshs
Body Builders License, Receipts from Disposal of Assets and Speed Limiter License	1,938,248	22,496,800
Total Other income	1,938,248	22,496,800

These are revenues received from body builders and speed limiter license and from sale of disposed assets.

Notes to the Financial Statements (Continued)

10. Cashflow-Revenues from Exchange Transactions

Description	Current FY2022-23	Comparative FY2021-22
	Kshs	Kshs
Revenue collected through e-Citizen, KRA & Direct Bank Deposits	2,243,940,265	1,724,688,063
Less: Accrued Revenue Receivable in the year	(22,958,920)	(19,123,710)
Add: 2021-22 Revenue Received	19,123,710	32,875,956
Total Other income	2,240,105,055	1,738,440,309

11. Use of Goods and Services

Description	Current FY2022-23	Comparative FY2022-23
	Kshs	Kshs
Electricity, Water & Utilities	23,609,509	19,534,695
Contracted Guards & Cleaning Services	59,251,495	57,787,601
Contracted Professional Services	12,470,201	28,732,691
Membership Fees & Subscriptions	1,414,170	2,812,251
Smart-Card Driving License Expense	240,593,767	111,515,940
Printing of Number Plates	516,593,209	321,192,168
Printing of Third License Stickers	20,949,905	30,113,595
Specialised Materials & Supplies	46,041,633	31,378,355
Rent expenses	114,681,270	119,206,778
Medical Insurance & Group Life	177,822,503	156,812,628
Refined Fuel and Oil	12,827,314	11,867,584
Motor Vehicle Insurance & Other Assets Insurance	3,851,369	829,103
Internet, Telephone & Postal Services	119,989,617	66,510,806
Conference, Hospitality, Suppliers & Services	50,075,392	29,218,605
Training	354,600	270,983
Bank charges	2,165,560	2,006,531
Publicity, Printing, Advertising & Information Supply Services	8,560,343	9,486,360
Legal Expenses	11,310,422	5,395,941
Other General Expenses	4,420,199	24,933,836
Road Safety Stakeholders Engagement, Operations & Travel	38,594,652	48,767,068
Travel, Subsistence & Other Allowances*	137,905,034	94,278,731
Audit Fee Expense	2,000,000	0
Total Use of Goods & Other services	1,605,482,162	1,172,652,250

Notes to the Financial Statements (Continued)

12. Cashflow from Use of Goods

Description	Current FY2022-23	Comparative FY2021-22
	Kshs	Kshs
Total Use of Goods	1,605,482,162	1,172,652,250
Less: Creditors & Stores Movement	(769,105,869)	(498,113,832)
Add:2021/22 FY Creditors settled	164,240,516	380,603,593
Total	1,000,616,809	1,055,142,011

13. Employee Costs

Description	Current FY2022-23	Comparative FY2021-22
	Kshs	Kshs
Salaries and wages	1,075,689,660	1,002,334,414
Employer contribution to pension schemes	105,490,803	127,591,114
Housing benefits and allowances	0	0
Commuter Allowances	0	0
Gratuity	16,274,996	29,850,258
Other employee related costs *	0	0
Employee costs	1,197,455,459	1,159,775,786

* Other employee related costs consists of hardship allowances, extraneous allowance, acting allowance, prosecutorial and other allowances.

14. Cashflow from -Employee Costs

Description	Current FY2022-23	Comparative FY2021-22
	Kshs	Kshs
Total Employee Cost	1,197,455,459	1,159,775,786
Less: Accrued Costs & Gratuity	(77,989,818)	(93,882,708)
Add:2021/22 FY Creditors settled	93,637,343	42,283,700
Cashflow from Employee Costs	1,213,102,984	1,108,176,778

Notes to the Financial Statements (Continued)

15. Board Expenses

Description	Current FY2022-23	Comparative FY2021-22
	Kshs	Kshs
Chairman/Directors' Honoraria	960,000	960,000
Sitting Allowances	19,418,909	22,607,131
Induction and Training	1,189,536	572,800
Travel and Accommodation	2,524,316	8,391,102
Conferences & Seminars	2,888,471	3,111,679
Total	26,981,232	35,642,712

16. Depreciation and Amortization Expense

Description	Current FY2022-23	Comparative FY2021-22
	Kshs	Kshs
Property, plant and equipment	266,501,164	280,550,332
Intangible assets	0	143,769,671
Total depreciation and amortization	266,501,164	424,320,003

17. Repairs and Maintenance

Description	Current FY2022-23	Comparative FY2021-22
	Kshs	Kshs
Motor Vehicles	8,640,462	7,043,409
Repairs & Maintenance of Smart Driving License	31,662,815	7,915,704
Office Furniture & Equipment, maintenance of Computer,softwares and Networks	4,806,194	8,863,196
Total Repairs and Maintenance	45,109,471	23,822,309

The increase in repair of Smart driving License expense was as result of maintenance fee for the whole year as opposed to one quarter in the previous year.

Notes to the Financial Statements (Continued)

18. Donor Funder Project Expenses

Description	Current FY2022-23	Comparative FY2021-22
	Kshs	Kshs
EU Usalama Barabarani-Compensation to Employees	13,348,909	13,895,091
EU-Purchase of Goods & Services	40,293,247	48,482,446
HOAGDP-Purchase of Goods & Services	56,210,542	2,576,188
Total Donor Funded Project Expenses	109,852,698	64,953,725

There were no contracted services incurred by the Authority in the year ending June 30, 2023.

19. Cash and Cash Equivalents

Description	Current FY2022-23	Comparative FY2021-22
	Kshs	Kshs
KCB Operations Account	1,583,084	3,147,259
KCB Capital Account	240,738	241,803
KCB Revenue Account	806	181,384
KCB Dollar Account	1,109	911
KCB EU Account	34,540,554	164,478,749
KCB WB HoAGDP Account	125,317,543	301,211
NBK-Traffic Fines Revenue Account	221	221
NBK-Cash Bails Deposit Account	74,983	85,004
Cash-on-hand	36,467	100,032
Total Cash And Cash Equivalents	161,795,505	168,536,574

The staff outstanding imprest has been reported as a stand-alone item as was in the previous period. A disclosure has been made to align the same with the reporting requirements prescribed in the reporting template.

20. Receivables from Exchange Transactions

(a) Receivables from Exchange Transactions (Current)

Description	Current FY2022-23	Comparative FY2021-22
	Kshs	Kshs
Receivables		
June, 2023 Revenue collections due from KRA	11,770,702	14,825,014
Revenue from Exchange Transactions Written Off	0	(32,469,685)
Revenue collection through e citizen Government Digital Payment	11,188,218	36,768,381
Total Current Receivables	22,958,920	19,123,710

All receivables carried forward were remitted directly to the Authority's back accounts in the first month of July of the subsequent year.

(c) Ageing analysis for Receivables from Exchange Transactions

Description	Current FY2022-23		Comparative FY2021-22	
	Kshs		Kshs	
	Current FY2022-23	% of the total	Comparative FY2021-22	% of the total
Less than 1 year	22,958,920	100%	19,123,710	100%
Between 1- 2 years	0	0%	0	0%
Between 2-3 years	0	0%	0	0%
Over 3 years	0	%	0	0%
Total (a+b)	22,958,920	100%	19,123,710	100%

All the receivables were received in the subsequent month of July of the subsequent year.

21. Deposits & Bank Guarantees

Description	Current FY2022-23	Comparative FY2021-22
	Kshs	Kshs
Balance as at the beginning	26,674,315	0
KCB -Vivo Energy Ltd	1,500,000	500,000
Rental Deposit-Deposit for operational lease relates to deposit on Leasehold property of Hill Park Building, and Hifadhi	0	26,174,315
Total Deposits & Advances	28,174,315	26,674,315

Notes to the Financial Statements (Continued)

The Authority is finalising engagements with Bawan Limited; the Landlord of Hillpark Building to conclude on clearance of the Rental Deposit for the operational lease and update the books of accounts accordingly.

22. Prepayments & Advances

Description	Current FY2022-23	Comparative FY2021-22
	Kshs	Kshs
Balance as at the beginning	38,138,828	26,267,623
Britam General Insurance Company Ltd	0	(22,767,682)
National Oil Corporation	0	2,000,000
Data Integrated Ltd	0	16,530,182
Juniper Intakes-WB HOAGDP	(16,108,705)	16,108,705
Kenya Institute of Curriculum Development-EU Usalama Barabarani	12,803,679	0
Total Prepayments & Advances	34,833,802	38,138,828

23. Inventories

Description	Current FY2022-23	Comparative FY2021-22
	Kshs	Kshs
Number Plates	39,083,922	13,793,328
Smart-Card Driving License Expense	250,202,617	361,010,617
Printing of Third License Stickers	0	0
Consumable Stores	11,945,790	12,058,928
Specialised Materials	9,223,164	13,248,836
Total inventories at the lower of cost and net realizable value	310,455,492	400,111,709

The inventory of Specialised materials includes PVC cards, red booklet driving licenses and unprinted logbooks consumable stores.

24. Staff Debtors-Outstanding Imprest

Description	Current FY2022-23	Comparative FY2021-22
	Kshs	Kshs
Outstanding Imprest	13,932,300	7,747,922
Total Staff Debtors	13,932,300	7,747,922

The outstanding staff imprest mainly relates to imprest for activities that were ongoing beyond the end of the FY2022-23 to facilitate compliance with The Circular on Year End closing Procedures. Eg Board of Survey.

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Notes to the Financial Statements (Continued)

25. Property, Plant and Equipment

Cost	Buildings	Motor vehicles	Motor Cycles	Computers & Other Equipments	Intangible Assets	Other Assets	Furniture and fittings	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As At 1 July 2021	304,982,445	286,548,721	-	874,972,414	431,309,013	107,292,522	280,235,194	28,211,083	2,313,551,392
Additions				73,603,150	0	0	14,111,625	142,444,988	230,159,763
Disposals	-	-	-	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-	-	(2,608,350)	(2,608,350)
As at 30 th June 2022	304,982,445	286,548,721	-	948,575,563	431,309,013	107,292,522	294,346,819	168,047,720	2,541,102,805
Additions			1,080,000	61,516,228			3,422,950	558,383,403	624,402,580
Disposals	-	-	-	-	-	-	-	-	0
Transfer/Adjustments	-	-	-	-	-	-	-	-	0
As at 30 th June 2023	304,982,445	286,548,721	1,080,000	1,010,091,791	431,309,013	107,292,522	297,769,769	726,431,123	3,165,505,385
Depreciation And Impairment									
At 1 July 2021	9,734,453	230,689,263		374,925,747	287,539,342	54,997,116	128,772,346	-	1,086,658,267
Depreciation	7,624,561	33,259,292		190,303,129	143,769,671	13,307,630	36,055,719	-	424,320,003
Impairment	-	-	-	-	-	-	-	-	0
Transfers/ Adjustments	-	-	-	-	-	-	-	-	0
As At 30 th June 2022	17,359,014	263,948,555		565,228,876	431,309,013	68,304,746	164,828,065	-	1,510,978,270
Depreciation	7,624,561	10,652,000		199,682,380	-	13,156,730	35,385,492	-	266,501,164
Disposals	-	-	-	-	-	-	-	-	0
Impairment	-	-	-	-	-	-	-	-	0
Transfer/Adjustment	-	-	-	-	-	-	-	-	0

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Cost	Buildings	Motor vehicles	Motor Cycles	Computers & Other Equipments	Intangible Assets	Other Assets	Furniture and fittings	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at 30 th June 2023	24,983,576	274,600,555	-	764,911,256	431,309,013	81,461,477	200,213,558	-	1,777,479,434
Net Book Values									
As at 30 th June 2022	287,623,430	22,600,167	-	383,346,687	-	38,987,776	129,518,754	168,047,720	1,030,124,535
As at 30 th 2023	279,998,869	11,948,167	1,080,000	245,180,535	-	25,831,046	97,556,212	726,431,123	1,388,025,951

WIP includes majorly World Bank Donor funded projects that at various stages of completion.

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Notes to the Financial Statements (Continued)

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	0	0	0
Buildings	304,982,445	24,983,576	279,998,869
Motor Vehicles,	286,548,721	274,600,555	11,948,167
Motorcycles	1,080,000	0	1,080,000
Computers And Related Equipment	1,010,091,791	764,911,256	245,180,535
Other Assets	107,292,522	81,461,477	25,831,046
Office Equipment, Furniture, And Fittings	297,769,769	200,213,558	97,556,212
Work In Progress	726,431,123	0	726,431,123
Total	2,734,196,371	1,346,170,421	1,388,025,952

Other assets includes breathalyser test machines, fridges, number plates shredder machine, automated vehicle test lanes & equipment, water dispensers, TV sets among others.

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

Description	Cost or valuation	Normal annual depreciation charge
Motor Vehicles including Motorcycles	109,437,296	27,359,324
Computers and Related Equipment	345,002,392	115,000,797
Office Equipment, Furniture and Fittings	2,770,860	346,358
Total	457,210,548	142,706,479

Valuation

The Authority did not undertake any valuation of its assets in the year ending June 30,2023.

26. Staff Gratuity to Staff on Contract

Description	Current FY2022-23	Comparative FY2021-22
	Kshs	Kshs
Balance as at the beginning	41,709,094	14,608,538
Charge for the year	16,274,996	29,850,258
Gratuity paid during the year	(34,062,798)	(2,749,701)
Total Deposits & Advances	23,921,292	41,709,095

Notes to the Financial Statements (Continued)

27. Retention Payable

Description	Current FY2022-23	Comparative FY2021-22
	Kshs	Kshs
Balance as at the beginning	44,533,933	29,202,557
National Bank of Kenya	0	3,193,367
Mymac	0	(263,030)
Resjos Enterprises Ltd	0	5,411,811
Corporate Consultants	(786,132)	786,132
Juniper Intakes	4,847,290	4,087,463
Techminds Technologies Ltd	0	2,286,668
Delman	0	(171,035)
Data Integrated Ltd	13,839,127	0
Copy Cat Ltd	37,549,261	0
Total Deposits & Advances	99,983,479	44,533,933

28. Cashflow from Acquisition of Non-Current Assets

Description	Current FY2022-23	Comparative FY2021-22
	Kshs	Kshs
Cost		
Work In Progress (WIP)	558,383,403	115,724,605
Furniture & Fittings	3,422,950	14,111,625
Computer & Other Equip.	61,516,228	39,663,687
Cash Purchases (Cash flow)	623,322,580	169,499,917

Notes to the Financial Statements (Continued)

29. Intangible Assets

Description	Current FY2022-23	Comparative FY2021-22
	Kshs	Kshs
Cost		
At beginning of the year	0	431,309,013
Additions	0	0
At end of the year	0	431,309,013
Additions—internal development	0	0
At end of the year	0	431,309,013
Amortization and impairment		
At beginning of the year	0	287,539,342
Amortization	0	143,769,671
At end of the year	0	431,309,013
Impairment loss	0	0
At end of the year	0	431,309,013
NBV	0	0

30. Trade and Other Payables

Description	Current FY2022-23		Comparative FY2021-22	
	Kshs		Kshs	
Trade payables	461,520,565		325,105,941	
Employee payables	96,303,753		97,475,561	
Total Trade and Other Payables	557,824,318		422,581,502	
Ageing analysis: (Trade and other payables)	Current	% of the	Comparative	% of the
	FY2022-23	Total	FY2021-22	Total
Under one year	461,520,565	100%	325,105,941	100%
1-2 years	0	0%	0	0%
2-3 years	0	0%	0	0%
Over 3 years	0	0%	0	0%
Total (tie to above total)	461,520,565		325,105,941	

Except for payables relating to Prison Industries Ltd, all trade payables were within a period of 12months.

Notes to the Financial Statements (Continued)

31. Contingent Liability-Legal

Description	Current FY2022-23	Comparative FY2021-22
	Kshs	Kshs
At beginning of the year	28,034,043	28,034,043
Accrued for the year	0	0
Gratuity paid	0	0
Total Contingent Liability	28,034,043	28,034,043

32. Capital Reserves

Description	Current FY2022-23	Comparative FY2021-22
	Kshs	Kshs
At beginning of the year	1,094,454,005	844,619,362
Donation in Kind- Motor cycles from CFAO Motors Ltd & Captain Motorcycles Ltd	1,080,000	-
Donation in Kind- WB HOAGDP-Equipment	370,746,260	0
European Union-Usalama Barabarani Projects	0	185,857,973
WB-Horn of Africa Gateway Development Project	440,876,797	128,930,395
European Union-Usalama Barabarani Projects	(53,642,156)	(62,377,537)
European Union-Usalama Barabarani Payable from Authority	(80,952,005)	0
WB-Horn of Africa Gateway Development Project	(56,210,542)	(2,576,188)
Total Capital Reserves	1,716,352,359	1,094,454,005

**For cashflow purposes the recurrent receipts are components of actual funds received from the Development Partners and expended in full.*

33. Government Reserves

Description	Current FY2022-23	Comparative FY2021-22
	Kshs	Kshs
At beginning of the year	1,811,811,903	1,711,811,903
Transfer of Development funds from Ministry-State Dept of Transport	0	100,000,000
Total Government Reserves	1,811,811,903	1,811,811,903

Notes to the Financial Statements (Continued)

34. Revaluation Reserves

Description	Current FY2022-23	Comparative FY2021-22
	Kshs	Kshs
At beginning of the year	71,118,247	71,118,247
Transfer of Development funds from Ministry- State Dept of Transport	0	0
Total Revaluation Reserve	71,118,247	71,118,247

35. Surplus Remission

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. In line with this legal requirement, the Authority did not make any surplus during the year (Previous FY 2021-22 Kshs.Nil) and hence no remittance to the Consolidated Fund.

The Surplus Remission has been computed as follows:

Description	Current FY2022- 23	Comparative FY2021-22
	Kshs	Kshs
Surplus for the period	0	0
Less: Allowable deductions by NT	(0)	(0)
90% Computation (Included in Statement of Financial Performance)	0	0

Surplus Remission Payable

Description	Current FY2022-23	Comparative FY2021-22
	Kshs	Kshs
Payable at the beginning of the year	0	0
Paid during the year	(0)	(0)
Payable at end of the year	0	0

Notes to the Financial Statements (Continued)

36. Financial Risk Management

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

The Authority's financial risk management objectives and policies are detailed below:

i) Credit risk

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

Notes to the Financial Statements (Continued)

Financial Risk Management

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2023				
Receivables from exchange transactions	22,958,920	22,958,920	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	161,795,503	161,795,503	0	0
Total	184,754,423	184,754,423	0	0
As at 30 June 2022				
Receivables from exchange transactions	19,123,710	19,123,710	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	168,536,574	168,536,574	0	0
Total	187,660,284	187,660,284	0	0

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Authority has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Authority has no significant concentration of credit risk on amounts due.

The board of directors sets the Authority's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

Notes to the Financial Statements (Continued)

ii) Liquidity risk management

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2023				
Trade Payables	139,114,840	21,997,600	300,408,125	461,520,565
Payroll Deductions	61,714,822	0	2,204,933	63,919,755
January 2023-Salary for Mr Badu Katelo	0	0	233,651	233,651
Death Benefits Payable	0	0	29,674,984	29,674,984
Staff Imprests & Claims	2,475,363	0	0	2,475,363
Retention Payable	0	55,449,546	44,533,933	99,983,479
Gratuity Payable	1,356,250	2,712,499	19,852,543	23,921,292
Total	204,661,275	80,159,645	396,908,169	681,729,089
As at 30th June 2022				
Trade payables	143,056,877	36,291,856	145,757,208	325,105,941
Payroll Deductions	61,934,386	0	4,302,997	66,237,383
Death Benefits Payable	0	0	29,674,984	29,674,984
Staff Imprests & Claims	1,563,194	0	0	1,563,194
Retention Payable	15,331,376	0	29,202,557	44,533,933
Gratuity Payable	0	29,850,258	11,858,836	41,709,094
Total	221,885,833	66,142,114	220,796,582	508,824,529

- 1) The death benefits of Kshs. 29,674,984 for the late Dr. Fernando Wangila, and the late Robert Musembi remained outstanding as at the end of the year pending receipt of the administrator/ beneficiary appointed by the courts to facilitate payment.

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Notes to the Financial Statements (Continued)

Financial Risk Management

- 2) *With the exception of staff gratuity which is paid at the end of the contract and an ongoing project account transaction for Retention payable, the Authority has made adequate arrangements to pay all outstanding creditors in full within the FY2023-24.*

a) Foreign Currency Risk

The Authority has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

Financial Risk Management

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

The Authority's financial risk management objectives and policies are detailed below:

iv) Capital Risk Management

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

Description	Current FY2022-23	Comparative FY2021-22
	Kshs	Kshs
Revaluation Reserve	71,118,247	71,118,247
Retained Earnings	(2,348,869,357)	(1,823,785,135)
Government Reserves	1,811,811,903	1,811,811,903
Capital Reserve	1,716,352,359	1,094,454,005
Total Funds	1,250,413,153	1,153,599,020
Total Borrowings	0	0
Less: Cash and Bank Balances	(161,795,503)	(168,536,574)
Net Debt/(Excess Cash And Cash Equivalents)	1,088,617,650	985,062,446
Gearing	87%	85%

Notes to the Financial Statements (Continued)

37. Related Party Disclosures

Nature of Related Party Relationships

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

Government of Kenya

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

Other Related Parties Include:

- i) The Parent Ministry.
- ii) Key Management
- iii) Other SCs and SAGAs
- iv) Key management.
- v) Board of directors.

Description	Current FY2022-23	Comparative FY2021-22
	Kshs	Kshs
Transactions with related parties		
a) Grants /Transfers from the Government		
Grants from National Govt	372,505,000	424,600,000
European Union & World Bank (HoAGDP) Project Funds Transferred through the SDoICNG & SDoT	440,876,797	314,788,368
Donations in kind (HoAGDP Equipment paid directly through the Designated account at the CBK)	370,746,260	0
Total	1,184,128,057	739,388,368

Notes to the Financial Statements (Continued)

38. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	Current FY2022-23	Comparative FY2021-22
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	0	0
Assets Arising from Determination Of Court Cases	0	0
Receivables From Other Government Entities	0	0
Others (Specify)	0	0
Total	0	0

The Authority had no contingent assets except those disclosed under summary of significant accounting policies. The Authority notes however that it has secured ownership titles for Thika Inspection Centre, and Miritini Inspection Centre in Mombasa which currently are awaiting valuation and ultimately incorporation in the books of accounts in the subsequent financial year. Further the titling process for Likoni Inspection Centre is also at its final stages.

Contingent Liabilities

Description	Current FY2022-23	Comparative FY2021-22
	Kshs	Kshs
Contingent Liabilities		
Court Cases against the Authority	28,034,043	28,034,043
Bank Guarantees in Favour of Subsidiary	0	0
Contingent Liabilities arising from Contracts Including PPPs	0	0
Others (Specify)	0	0
Total	28,034,043	28,034,043

There were no contingent liabilities or assets that were reported in the financial year ended June 30, 2023.

Notes To the Financial Statements (Continued)

39. Capital Commitments

Capital Commitments	Current FY2022-23	Comparative FY2021-22
	Kshs	Kshs
Authorised for	0	0
Authorised and Contracted for	0	0
Total	0	0

NB: The Authority did not have any capital commitments to be carried out in the next financial year and/or disclosed in accordance with IPSAS 17.

40. Events after the Reporting Period

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

41. Ultimate And Holding Entity

The Authority is a Semi- Autonomous Government Agency under the Ministry of Roads & Transport. Its ultimate parent is the Government of Kenya.

42. Currency

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

20. Appendices

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
FY202021 Issue No 1	Derived value for money in the receipt and continued storage of the obsolete Smart Driving Licenses valued at Kshs 91.1Million	Management has engaged the supplier who has agreed to replace the entire batch of the 296,000 blank smart cards under the new arrangement of the Public Private Partnership which is at the final stages of execution.	Resolved	Nov. 2023
FY202021 Issue No 2	Lack of approved Audit Committee & Internal Audit Charters	Management has already presented both the Audit Committee Charter and the Audit Charters to the committee for review and subsequent approval by the Board. The process is still in progress.	Resolved	Nov. 2023
Issue No. 1	Non- Maintenance of Retentions Payables Account	Management, cognizant of the growing value of the retention fee has initiated the process of approval to open and operate a separate and distinct bank account for the Retention Payable.	Resolved	Nov. 2023
Issue No. 2	Unexplained Reduction in E-Sticker Fees	The E-Sticker revenue inadvertently posted to the exchequer has since been remitted back to the Authority. The matter has now been addressed accordingly.	Resolved	Nov. 2023

Director General

Date: 17/11/24

Appendix II: Projects implemented by The National Transport & Safety Authority

Projects implemented by the NTSA Funded by development partners and/ or the Government.

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements. (Yes/No)
Smart Driving Licence		GoK	5		No	Yes
1021106701 Safe Raods/ Usalama Barabarani Programme (NTSA)	KE/FED/037-778	EU	5		Yes	Yes
1021107400 HoAGDP	67680KE	WB	8		Yes	Yes

Status of Projects completion

SN	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Smart Driving License	Ksh.2.1B	Kshs.1,072M	51%	Kshs.100	Kshs.0M	GoK
2	Usalama Barabarani Project	Kshs.671M	Kshs.165.5M	25%	Kshs.200M	Kshs.66.3M	European Union
3	HoAGDP	Kshs.3.1B	Kshs.715.1M	23%	Kshs.441M	Kshs.229.5M	World Bank

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Appendix IV: Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Statement of Financial Performance	Capital Fund	Receivables	Others - must be specific	Total Transfers during the Year
Ministry of Interior & Coordination of National Govt	03-Aug-2022	Recurrent	73,650,000	73,650,000	0	NIL	NIL	73,650,000
Ministry of Interior & Coordination of National Govt	26-Aug-2022	Donor Fund	92,303,292	0	92,303,292	NIL	NIL	92,303,292
Ministry of Interior & Coordination of National Govt	15-Nov-2022	Recurrent	73,650,000	73,650,000	0	NIL	NIL	73,650,000
Ministry of Interior & Coordination of National Govt	05-Dec-2022	Donor Fund	194,671,774	0	194,671,774	NIL	NIL	194,671,774
Ministry of Interior & Coordination of National Govt	16-Feb-2023	Recurrent	73,650,000	73,650,000	0	NIL	NIL	73,650,000
Ministry of Roads & Transport	20-Apr-2023	Recurrent	151,555,000	151,555,000	0	NIL	NIL	151,555,000
Ministry of Interior & Coordination of National Govt	20-Apr-2023	Donor Fund	153,901,731.20	0	153,901,731.20	NIL	NIL	153,901,731.20
Total			813,381,797.2	372,505,000	440,876,797.2	NIL	NIL	813,381,797.2

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Appendix V- Inter-Entity Confirmation Letter



National Transport & Safety Authority
316 Upperhill Chamber
2nd Ngong Avenue
P.O. Box 3602-00506
Nairobi, Kenya

The NTSA wishes to confirm the amounts disbursed to you as at 30th June 2023 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 below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by National Transport & Safety Authority as at 30 th June 2023						
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (KShs) as at 30 th June (Current FY)			Amount Received by NTSA (KShs) as at 30 th June (Previous FY) (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)		
FT222XZ8PV	03-Aug-2022	73,650,000	0		73,650,000	0
FT222180419V	26-Aug-2022	0	92,303,292		92,303,292	0
FT22319W08G1	15-Nov-2022	73,650,000	0		73,650,000	0
FT22339BOP3Z	05-Dec-2022	0	194,671,774		194,671,774	0
FT23047F1J97	16-Feb-2023	73,650,000	0		73,650,000	0
FT23108TS4SB	18-Apr-2023	151,555,000	0		151,555,000	0
FT23110PNBR1	20-Apr-2023	0	153,901,731.20		153,901,731.20	0
Total		372,505,000	440,876,797.2		813,381,797.2	0

In confirm that the amounts shown above are correct as of the dates indicated.

Head of Accountants department of beneficiary Entity:

Name W. C. L. F. E. K. Sign [Signature] Date 17th April 2024.



005
R/A
On 2/8

OFFICE OF THE PRESIDENT

Telegraphic address "Rais"
Telephone: Nairobi 22274-1
When replying please quote

MINISTRY OF INTERIOR
AND
NATIONAL ADMINISTRATION

P. O. Box 30510-00100
Nairobi

Ref. No. AC: 2/14/Vol. XII

Date: 31st July, 2023

Director General
National Transport and Safety Authority
NAIROBI

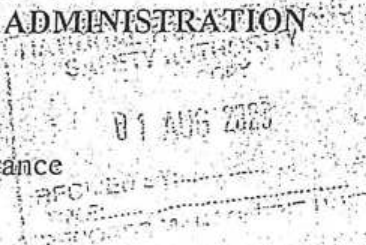
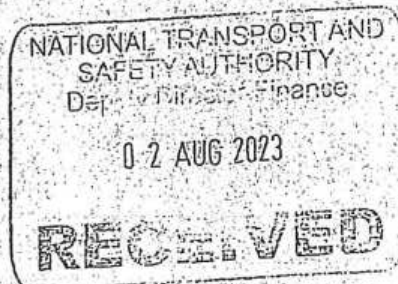
RE: INTER-ENTITY CONFIRMATION LETTER

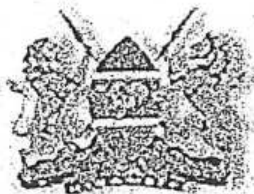
State Department for Internal Security and National Administration wishes to confirm the amount disbursed to you as at 30th June, 2023 as attached in the table below.

Muhul Fredrick Raongo

Muhul Fredrick Raongo
For: PRINCIPAL SECRETARY
INTERNAL SECURITY & NATIONAL ADMINISTRATION

C.C Director General
Accounting Services & Quality Assurance
The National Treasury
NAIROBI





MINISTRY OF ROADS AND TRANSPORT

STATE DEPARTMENT FOR TRANSPORT

Telegrams: "TRANSCOMS", Nairobi
Telephone: 2729200
E-mail: info@transport.go.ke
When replying please quote

NGONG ROAD
P. O. Box 52692-00200
NAIROBI, KENYA

REF: MOT&I/ACCTS/062 Vol. I (66)

8th August, 2023

The Managing Director
National Transport and Safety Authority (NTSA)
Upper Hill Plaza
P. O. Box 3602-00506
NAIROBI

(Attn: Head of Finance/Accounts)

RE: CONFIRMATION OF GRANTS/DISBURSEMENT TO SAGAS FINANCIAL
YEAR 2022/2023

The State Department for Transport wishes to confirm the amounts *disbursed to you* as at 30 June 2023 as indicated in the table below. Please compare the amounts *disbursed to you* with the amounts *you received* and populate them in column E in the table below. Then please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts *received by* (NTSA) as at 30 June 2023

Referen ce Number	Date Disb urse d	Amounts <i>Disbursed by State Department for Transport</i> as at 30 June 2023				Amount <i>Received by</i> (NTSA) as at 30 June 2023 (Kshs) (E)	Differences (Kshs) (F)=(D-E)
		Recurrent (Kshs) (A)	Developme nt (Kshs) (B)	Inter - Minist erial (Kshs) (C)	Total (Kshs) (D)=(A+B+C)		
NTSA	18/04 /23	151,555,000.00	-	-	151,555,000.00	151,555,000.00	0
total		151,555,000.00			151,555,000.00	151,555,000.00	0

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

Head of Accounting Unit – State Department for Transport

Name

Odongo Kennedy

Date

08/08/2023

Signature

FOR THE PRINCIPAL SECRETARY
MINISTRY OF TRANSPORT AND INFRASTRUCTURE
P. O. Box 52692-00200
NAIROBI

Head of Accounts Department - NTSA

Name

Wycliffe Wairire

Date

14/09/23

Signature

Stamp

NATIONAL TRANSPORT AND
SAFETY AUTHORITY
P. O. Box 3602 - 00506
NAIROBI

National Transport & Safety Authority
Annual Reports and Financial Statements
for the year ended June 30, 2023.

Appendix VI: Reporting of Climate Relevant Expenditures

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

National Transport & Safety Authority
Annual Reports and Financial Statements
for the year ended June 30, 2023.

Appendix VII: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments