

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

COMMUNICATION AUTHORITY OF KENYA

FOR THE YEAR ENDED

30 JUNE, 2024

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	06 MAR 2025 Thursday
TABLED BY:	Hon. Naomi Wager MP Deputy Majority Party Whip
CHECKED BY:	Ar. Shibuko

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COMMUNICATIONS AUTHORITY OF KENYA

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2024

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

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**Communications Authority of Kenya
Annual Report and Financial Statements
for the year ended June 30, 2024.**

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1. Acronyms and Definition of Key Terms

A: Acronyms

CEO	Chief Executive Officer
DG	Director General
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MD	Managing Director
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations

B: Definition of Key Terms

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

Comparative Year- Means the prior period.

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2. Key Entity Information and Management

(a) Background information

The Communications Authority of Kenya was incorporated/ established in 1998 by an Act of parliament through *Kenya Information and Communications Act, 1998 (Cap 411A)*. The Authority is domiciled in Kenya with its headquarters in CA Centre, Waiyaki Way, and has regional offices in Mombasa; Eldoret; Kisumu; and Nyeri.

(b) Principal Activities

The principal activity of the Authority is facilitating the development of the information and communications sectors including broadcasting, cybersecurity, multimedia, telecommunications, electronic commerce, postal and courier services on behalf of the Government of Kenya. The Vision of the Authority is: A Digitally Transformed Nation. Its mission is “Building a connected society through enabling regulation, partnership, and innovation.

(c) Key Management

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

- a) Board of Directors,
- b) Director General, and
- c) Head of Departments and Divisions

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1	Director General/CEO	Mr. David Mugonyi, EBS (Appointed on 15 th January 2024)
2	Director General/CEO	Mr. Ezra Chiloba (resigned on 18th October 2023)
3	Director/ Corporate Communications	Mr. Christopher Wambua (Appointed Ag. Director General 18 th September 2023 to 14 th January 2024)
4	Director/ Finance & Accounts, also covering Human Resources & Administration (up to 6 th November 2023)	CPA Joseph M. Kimanga (up to 12 th June 2024)

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No.	Designation	Name
5	Ag. Director/ Finance & Accounts	Mr. Dominic Ooko (Appointed 12 th June 2024)
6	Director/ Human Resources & Administration	CHRP Reginah Jemutai
7	Ag. Director/ Human Resources & Administration	Mr. Kipnetich Rotich (up to 31 st December 2023)
8	Director/ Internal Audit & Risk Assurance	FCCA Rosalind Murithi
9	Director/ Universal Access and Service Strategy and Coordination	Mr. Christopher Kemei
10	Director/Telecom, Postal and Courier, and Electronic Transaction Licensing	Mr. Matano Ndaro
11	Director/ Multimedia Licensing and Content Regulation	Eng. Leo K. Boruett
12	Director/ Frequency Assignment and Licensing	Mr. Mohammed Haji
13	Director/Legal Services & Corporation Secretary	CS. Lydia Sitienei (Appointed on 1 st December 2023)
14	Ag. Director/Legal Services, Regulatory Affairs & Governance	Dr. Japheth Odhiambo (up to 30 th November 2023)
15	Director/ Supply Chain Management	Mr. Peter Mwangi
16	Ag. Director/ Supply Chain Management	Ms. Jane Rotich (up to 20 th November 2023)
17	Director/ Information, Communications, and Technology	Mr. Martin Mirero
18	Ag. Director/ Information, Communications, and Technology	Mr. Joseph Nzano (up to 1 st November 2023)
19	Ag. Director/Public Education & Awareness	Ms. Patricia Muchiri
20	Ag. Director/ Research, Planning & Quality Management	Dr. James Njeru
21	Ag. Director/ Cyber Security Management and Monitoring	Dr. Vincent Ngundi
22	Ag. Director/ Compliance & Enforcement	Mr. Peter Ikumilu
23	Ag. Director/ Competition Management	Mr. Lukas Musembi
24	Ag. Director/Monitoring, Inspection & Regional Coordination	Mr. Titus Cheptoo

(e) Fiduciary Oversight Arrangements

The Board of Directors has the responsibility of acting in the best interest of the Authority with due care and skill while making good decisions; ensuring there is no conflict of interest. To enhance efficiency and effectiveness, the Board constituted 4 standing committees.

Key Entity Information and Management (Continued)

(f) Authority's Headquarters

P. O Box 14448 - 00800
CA Centre, Waiyaki Way
Nairobi, Kenya

(g) Authority's Contacts

Telephone: (254) 703 042 000
E-mail: info@ca.go.ke
Website: www.ca.go.ke

(h) Authority's Bankers

1. Kenya Commercial Bank
Sarit Centre Branch
P.O. Box 30081 – 00800
Nairobi, Kenya
2. Co-operative Bank of Kenya
Westlands Branch
P.O. Box 66589 – 00800
Nairobi, Kenya
3. Equity Bank Limited
Fourways Branch,
P. O. Box 75104 – 00200
Nairobi, Kenya
4. Citibank of Kenya
Upperhill Branch
P.O. Box 30711 – 00100
Nairobi, Kenya

Key Entity Information and Management (Continued)

(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

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3. The Board of Directors



Ms. Mary W. Mungai, CBS born 1965, is the Chairperson of the Board of Directors of the Communications Authority of Kenya (CA) having been appointed on 2nd December 2022.

She is an experienced Chief Executive Officer with over 30 years of success in various industries. She is the owner and CEO of multiple businesses with over 500 direct employees, over 1000 direct and indirect employees and revenues of over \$30 million annually.

Ms. Mungai is a decisive and strategic leader with skills in strategic leadership, financial management, business operations and strategy, communication and delegation, and risk management. She has grown her companies rapidly from scratch through aggressive new market strategies and cultivated a performance-driven company culture to lead industry innovations.

She has served as a Board Member in several entities, including as a Board Member of Kenyatta National Hospital for seven (7) years, where she served as Chair of Finance and all Purposes Committee, and as Chair of Corporate Strategy and Enterprise Committee. She also has interest in the hospitality industry and the real estate.



Mr. David Mugonyi, EBS is the Director General/CEO of the Communications Authority of Kenya, appointed on 15th January 2024. With over 20 years of leadership experience in public service, media, and strategic communications, Mr. Mugonyi previously served as the Head of the Presidential Communication Service, where he played a pivotal role in developing and implementing communication strategies at the highest levels of government. His expertise in perception and reputation management has been instrumental in shaping effective communication practices. Prior to his role in the Presidential Communication Service, Mr. Mugonyi served as the head of the parliamentary press unit, further honing his skills in strategic communication and media relations. He holds a Master's Degree in International Journalism from City University in the United Kingdom, a Bachelor's Degree in Education from the University of Nairobi, and a Postgraduate Diploma in Mass Communication from the same institution.



Mr. Christopher Wambua is the Director, Corporate Communications. He holds a master's degree in international studies, a postgraduate diploma in Mass Communications, a post-graduate diploma in Public Relations from the Chartered Institute of Public Relations and a degree in Education. Mr. Wambua was appointed Ag. Director General on 18th September 2023

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Mr. Ezra Chiloba born in 1978, is the Director General/CEO of the Communications Authority of Kenya, having been appointed on 28th September 2021. Prior to this appointment, he served as Principal Partner at Chil & Kemp Strategies Ltd, a Strategy Management Company, where he focused on strategy and risk management, policy and regulatory analysis, and leadership and management effectiveness. Mr. Chiloba also served as the Chief Executive Officer/Commission Secretary of the Independent Electoral and Boundaries Commission (IEBC) between 2015 – 2018. In this role, he was responsible for the management and administration of an unparalleled large-scale and complex national election programme. He has also worked with other reputable international and local organizations including the UN. His experience spans over 15 years in public sector management including policy, legislation, financial management, stakeholder management, risk management and leadership. He has also served as a Board Member of the Youth Enterprise Development Fund. Mr. Chiloba is an all-round public sector leader who is inspired by the idea that a progressive society is dependent on a facilitative government. He also has a deep appreciation of the communication industry; its global and local challenges and opportunities for social-economic growth. He holds an MSc in Major Programme Management (MMPM) from the University of Oxford (UK) and an MA in Public Policy (MPP) from the Central European University (Hungary). He graduated with a Bachelor of Laws degree from the University of Nairobi and was admitted to the Roll of Advocates of the High Court in Kenya. In 2015, he was named among the Top 40 under 40 Men by the Business Daily. Mr. Chiloba resigned on 18th October 2023.



Prof. Edward Kisiang'ani, born in 1965, is the Principal Secretary, State Department for Broadcasting and Telecommunications, Ministry of Information, Communications, and the Digital Economy.

He serves on the CA Board in his capacity as the Principal Secretary for the time being responsible for matters relating to broadcast, electronic, print and all other types of media. He holds a PhD degree in Archaeology and Political Studies from Kenyatta University. Prof. Kisiang'ani has over 20 years of work experience and has extensive university experience in teaching History and Political Studies.



Dr. Chris Kiptoo, CBS born in 1967, is the Principal Secretary for The National Treasury and Economic Planning. He serves on the CA Board in his capacity as the Principal Secretary for the time being responsible for matters relating to finance. He holds a Ph.D in International Macroeconomics Finance specialization from the University of Nairobi.

He has several years experience in economic policy analysis particularly on areas related to: International Trade and Finance issues including BoP and exchange rate developments; Monetary policy, real sector and public finance issues; Policy and programme developments originating from multilateral and regional organizations; Interrelations among macroeconomic accounts as well as macroeconomic modelling and forecasting issues. Dr Kiptoo is an accredited Fellow of the Macroeconomic & Financial Management Institute of Eastern & Southern Africa (MEFMI) in the field of Macroeconomic Management. He is also an Associate of Kenya Chartered Institute of Bankers (A.K.I.B).

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Dr. Raymond Omollo, born in 1979, is the Principal Secretary for Ministry of Interior and National Administration. He serves on the CA Board in his capacity as the Principal Secretary for the time being responsible for matters relating to internal security. He holds a Ph.D in Applied Statistics from the University of Nairobi.

He has over 16 years of experience and previously served as a non-executive board member at Consolidated Bank of Kenya and Managing Director of the Lake Basin Development Authority (LBDA) since 2019.

Dr. Omollo is a statistician and research professional and has previously worked in the non-profit Research and Development organization management industry with a keen focus in Data Management, Statistical Data Analysis, Epidemiology, and Statistical Modeling.

INDEPENDENT DIRECTORS



Mr. Eric Langat Born, in 1958, Mr. Langat holds of a Bachelor of Science degree in from the University of Eastern Africa Baraton.

He joined the defunct Kenya Posts and Telecommunications Corporation (KPTC) in 1985 and later the Postal Corporation of Kenya (PCK) where he served in various managerial positions. He is currently in private business and is also a Board Member of a privately-owned tea factory. He was appointed to the CA board on 24th February 2023. He serves as the Chairperson of the Finance, Planning and Strategy Committee.



Mr. Okeng'o Joel Nyambane, born in 1989, is a highly motivated and strategic professional with a strong background in law and political science. He holds a Bachelor of Law and Bachelor of Political Science degrees from the Catholic University of East Africa. He is highly skilled in legal research, analysis and writing, and he possesses a keen understanding of political systems and policies. In addition, Mr. Okeng'o is a highly effective communicator as well as collaborator with excellent interpersonal skills. His strategic thinking and problem-solving abilities have enabled him to overcome challenges and achieve his goals. He is committed to making a positive impact in society through his work and he is constantly seeking new opportunities to learn and grow. He was appointed to the Board on 24th February 2023 for a period of three (3) years. He serves as the Chairperson of the Board Audit & Risk Assurance Committee.



Ms. Christine Bhoke Nchamah, born in 1979, Ms. Nchamah is a community developer, entrepreneur and politician with a passion for women's rights and empowerment. She holds a Bachelor of Arts degree in Community Development and a Diploma in Community and Social Development from Kisii University. Ms. Christine has a track record of advocating for vulnerable members of society and turning ideas into reality. She served as a board member of Lake Basin Development Authority from 2019-2022 and was the Secretary of Kuria West Constituency from 2013-2022. In addition, she chaired the Kuria West Women Sacco from 2015-2020. Christine's love for lending a helping hand to the less fortunate in the community is evident in her work. She was appointed on 24th February 2023 for a period of three (3) years. She serves as the Chairperson to the People & Culture Committee.

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Mr. Paul Mureithi, born in 1958, Mr. Mureithi is a board member after being appointed on 17th July 2021. He has 25 years' experience in telecommunications having worked in Telkom Kenya Limited. He has worked in cable network, fibre optic planning and construction in Nairobi Central and Nairobi North region as a Senior Manager. He is a Director of Tymstar Motors Limited, Tymtrack Limited, Mweiga Homes Limited, Dualway Properties Limited among others. Mr. Mureithi has a wealth of experience in Various Engineering Departments since 1978. He has served a technical trainee in Kenya Telkom's KRTS and KCCT Communications Engineering Schools, rising through the ranks as Senior Technician, Assistant Engineer, Senior Engineer, Senior Sectional Engineer and Assistant Manager Engineering in charge of Kiambu County, Westlands, Kileleshwa, Parklands and Muthangari Telephone Exchanges. He worked in the defunct Kenya Posts, Telecommunications, and Telkom (K) Ltd for Twenty-Five (25) years. He was appointed to the Board on 24th March 2023, for a period of three (3) years. He serves as the Chairperson of the Technical & Broadcasting Standards committee.



Dr. Musangi J. Mutua, born in 1962, Dr. Musangi is an accomplished professional with extensive experience in public sector management, specializing in human capital management and organizational development. Dr. Musangi has held significant roles in various organizations, including the Directorate of Personnel Management, Post Office Savings Bank and East African Portland Cement Company, leading the Human Resource departments.

She holds a PhD in Business Administration (Strategic Management) from the University of Nairobi, a master's in public administration from University of Canberra, Australia, a Higher Diploma in Human Resource Management from Institute of Human Resource Management (IHRM) and a Bachelor of Arts in Government from the University of Nairobi. Dr. Musangi is a Chartered Human Resource Professional (CHRP) and a certified member of the Institute of Human Resource Management (IHRM) and Kenya Institute of Management (KIM). She has published research on business process outsourcing strategies and the performance of Kenyan state corporations. She was appointed to the Board on 27th June 2024 for a period of three (3) years.



Ms. Ummu Bunu Ahmad, born in 1988, is a finance professional with a Bachelor of Business Administration, specializing in Finance and Banking. She currently holds the position of Acting Branch Manager and Relationship Manager at Gulf African Bank in Lamu, Kenya. With a strong background in financial services, Ms. Bunu is committed to driving business growth and enhancing customer relationships within her assigned market segments. She was appointed to the Board on 27th June 2024 for a period of three (3) years.

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Dr. Kochei K Albert, born in 1978, Dr. Kochei is a CEO and lead consultant at LFE Corporate Solutions, offering consultancy services and research in areas such as business coaching, leadership, project management and financial development. He has a Bachelor of Commerce in Accounting, a master's in environmental economics, and is currently pursuing a master's in management and leadership. He has previously worked as an internal auditor at World Vision Kenya and as a political and economic resilience program manager at the International Centre for Livelihood and Environmental Protection. Albert is an active member of Strathmore University alumni and has been a speaker at leadership seminars in Canada and Ethiopia. He served in the Board from 24th

March 2023 to 27th June 2024



Ms. Tonia Mutiso, born in 1973 is a lawyer by training with over 23 years of experience in Law, Human Resources and Marketing within the technology sector. Currently, she is the Managing Partner & Co-CEO of Tellistic Technology Services, a capacity building, data analytics and software engineering firm. Formerly the Chief Marketing Officer for GE Healthcare Africa where she drove growth for the company across Africa through investments in the private and public sector, she also served in various roles at Microsoft Corporation for a period spanning 20 years. Her most recent role at the Microsoft was as the Chief Marketing Officer for Microsoft

4Afrika where she focused on empowering African youth, catalysing the startup ecosystem and enabling small and growing business to spur economic growth across Africa. In addition, Tonia serves on the boards of Echo Mobile and talent and human capital startup, Fuzu. She served in the Board from 24th March 2023 to 27th June 2024.



Ms. Sarah Kabira, born in 1983, Ms. Kabira is a senior Telecommunications Professional offering over 15 years of progressive experience in the field of Information Technology. Out of which Eight (8) years are in leadership positions in the ICT and telecommunication industry. She is the Managing Director of Techminds Technologies Limited, an ICT Services firm. Formerly worked in leadership positions in the ICT and telecommunication industry in the United Kingdom and Kenya. Sarah is in the leadership of the Women's Mentorship Network, a mentorship network focused on increasing the spend and capacity

building of Women owned companies. Sarah holds a Master of Philosophy in Technology Policy at Judge Business School, Cambridge University and Bachelor of Science in Computer Science at University of Nairobi (First Class Honors). She has previously been named IEEE Woman Engineer of the Year and received a Shell Chevening Scholarship (Cambridge University). She served in the Board from 26th May 2023 to 27th June 2024.

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ALTERNATE DIRECTORS



Mr. Waweru Kimani, born in 1963, Mr. Kimani is an Alternate Board Director from the Ministry of Information, Communications and the Digital Economy. He has a distinguished career in public service with leadership roles across various government departments. He holds a Bachelor of Arts degree in Public Administration and Political Science from the University of Nairobi and a Master of Business Administration in Strategic Management from Jomo Kenyatta University of Agriculture and Technology. Mr. Kimani served as Deputy Ambassador to Beijing, China, from 2018 to 2022, strengthening bilateral relations. Currently, as Director of Administration at the Ministry, he oversees administrative functions and leads initiatives to advance Kenya's digital transformation and economic development. He was appointed to the Board on 9th January 2024.



Mr. Frederick Muhul, born in 1978, Mr. Muhul is a seasoned career civil servant with experience spanning over a decade in various capacities in different government agencies. He holds a Master of Business Administration, Bachelor of Commerce and Bachelor of Laws from the University of Nairobi. Mr. Muhul is also a Certified Public Accountant of Kenya, a Certified Secretary of Kenya and a holder of Postgraduate Diploma in Law from the Kenya School of Law. He is also a member of the Law Society of Kenya (LSK), Institute of the Certified Public Accountants of Kenya (ICPAK), Institute of the Certified Secretaries of Kenya (ICS) and the Institute of Internal Auditors (IIA). Mr. Muhul was appointed to the Board as the Alternate Director to the Principal Secretary State Department for Interior and National Administration. Mr. Muhul is a highly skilled, dedicated and pragmatic person whose passion is to make a difference for the people of Kenya. He joined the Board on 7th February 2023.



Ms. Juliana Nashipae Yippan, MBS, born in 1969, was appointed to the CA Board of Directors on 3rd May 2019 as the Alternate Director to the Principal Secretary, State Department of Broadcasting and Telecommunications, Ministry of Information, Communications and the Digital Economy (MoICDE). She has a Master of Business Administration (Public Service) from The University of Birmingham, UK, Master of Arts in Political Science and Public Administration as well as a Bachelor of Arts Degree in Government, both from the University of Nairobi. She has over 20 years' experience in Public Service more specifically at MoICDE, Office of the President and Office of the Deputy President, in various senior positions. She ceased membership to the Board in December 2023.

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Mr. Christopher Kirigua, born in 1976, served as Director General of the Directorate of Public Private Partnerships (PPP) at the National Treasury and Economic Planning. A seasoned investment banker, Christopher worked in the private sector for over 20 years, prior to joining public service in December 2020. He also chaired a government and private sector initiative, focused on post-covid economic recovery strategies for the Country. Christopher has successfully delivered policy reforms through the new 2021 PPP Act which repealed and replaced the 2013 PPP law. He was appointed to the Board on 7th February 2023. He ceased membership to the Board in 2024

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4. Key Management Team



Mr. David Mugonyi, EBS is the Director General/CEO of the Communications Authority of Kenya, appointed on January 15, 2024. With over 20 years of leadership experience in public service, media, and strategic communications, Mr. Mugonyi previously served as the Head of the Presidential Communication Service, where he played a pivotal role in developing and implementing communication strategies at the highest levels of government. His expertise in perception and reputation management has been instrumental in shaping effective communication practices. Prior to his role in the Presidential Communication Service, Mr. Mugonyi served as the head of the parliamentary press unit, further honing his skills in strategic communication and media relations. He holds a Master's Degree in International Journalism from City University in the United Kingdom, a Bachelor's Degree in Education from the University of Nairobi, and a Postgraduate Diploma in Mass Communication from the same institution.



Mr Ezra Chiloba born in 1978, is the Director General/CEO of the Communications Authority of Kenya, having been appointed on 28th September 2021. Prior to this appointment, he served as Principal Partner at Chil & Kemp Strategies Ltd, a Strategy Management Company, where he focused on strategy and risk management, policy and regulatory analysis, and leadership and management effectiveness. Mr. Chiloba also served as the Chief Executive Officer/Commission Secretary of the Independent Electoral and Boundaries Commission (IEBC) between 2015 – 2018. In this role, he was responsible for the management and administration of an unparalleled large-scale and complex national election programme. He has also worked with other reputable

international and local organizations including the UN. His experience spans over 15 years in public sector management including policy, legislation, financial management, stakeholder management, risk management and leadership. He has also served as a Board Member of the Youth Enterprise Development Fund. Mr. Chiloba is an all-round public sector leader who is inspired by the idea that a progressive society is dependent on a facilitative government. He also has a deep appreciation of the communication industry; its global and local challenges and opportunities for social-economic growth. He holds an MSc in Major Programme Management (MMPM) from the University of Oxford (UK) and an MA in Public Policy (MPP) from the Central European University (Hungary). He graduated with a Bachelor of Laws degree from the University of Nairobi and was admitted to the Roll of Advocates of the High Court in Kenya. In 2015, he was named among the *Top 40 under 40 Men* by the *Business Daily*. Mr. Chiloba resigned on 18th October 2023













Mr. Christopher Wambua is the Director, Corporate Communications.












CPA Joseph M. Kimanga is the Director, Finance & Accounts, and covering Human Resources & Administration Department

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	<p>CHRP Reginah Jemutai is the Director Human Resource & Administration.</p>		<p>Mr. Dominic Ooko is the Ag. Director Finance and Accounts.</p>
	<p>FCPA. Rosalind Murithi is the Director, Internal Audit & Risk Assurance.</p>		<p>Mr. Matano Ndaro is the Director, Telecom, Postal and Courier and Electronic Transaction Licensing.</p>
	<p>Eng. Leo K. Boruett is the Director, Multimedia Licensing and Content Regulation.</p>		<p>Mr. Christopher Kemei is the Director, Universal Access and Services Strategy and Coordination.</p>
	<p>Ms. Lydia Sitienei is the Director Legal Services and Corporation Secretary</p>		<p>Mr. Peter Mwangi is the Director, Supply Chain Management.</p>
	<p>Mr. Martin Mirero is the Director Information, Communications, and Technology.</p>		<p>Ms. Jane Rotich was the Ag. Director, Supply Chain Management up to 20th November 2023.</p>

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	<p>Dr. Vincent Ngundi is Ag. Director, Cyber Security Management and Monitoring.</p>		<p>Dr. James Njeru is the Ag. Director, Research, Planning & Quality Management.</p>
	<p>Ms. Patricia Muchiri is the Ag. Director, Public Education and Awareness and Acting Director Corporate Communications.</p>		<p>Mr. Mohammed Haji is the Director, Frequency Assignment and Licensing.</p>
	<p>Dr. Japheth Odhiambo was the Ag. Director Legal Services, Regulatory Affairs and Governance up to 30th November 2023.</p>		<p>Mr. Joseph Nzano was the Ag. Director Information, Communications, and Technology up to 1st November 2023.</p>
	<p>Mr. Lukas Musembi is the Ag. Director Competition Management.</p>		<p>Mr. Peter Ikumilu is the Ag. Director Compliance & Enforcement.</p>
	<p>Mr. Titus Cheptoo is the Ag. Director Monitoring, Inspection & Regional Coordination.</p>		

5. Chairman's Statement

On behalf of the Board of Directors, Management, and staff of the Communications Authority of Kenya (CA), I am pleased to present to you the Authority's Annual Report for the year ended 30th June 2024 as required by Section 22 (1) of the Kenya Information and Communications Act, 1998.

As the regulator of the ICT sector, the Authority is cognizant of the central role that the sector plays as a key enabler of growth in all other sectors of the economy and as one of the foundations of national transformation and realization of both Vision 2030 and the Bottom-up Economic Transformation Agenda (BETA).

During the FY 2023/24, the Authority, commenced implementing its 5th Strategic Plan 2023-2027, whose vision is to ensure Digital Access for All by creating a Sustainable Digital Society through Responsive Regulation. In line with this strategic direction, the Authority continued with its efforts to increase the coverage and penetration of ICT services, bridging the digital divide, and ensuring that everyone in Kenya, regardless of their location, has access to affordable and reliable ICT services. Towards this end, the Authority facilitated rapid growth of the sector and supported realization of BETA by fast-tracking ICT related regulatory and universal access initiatives.

A competitive and robust ICT sector contributes to the national economy and has the potential to transform traditional economies into digital economies. It also enhances consumer choice as well as availability of diverse and more affordable ICT services. In this regard, the Authority continued to implement forward-looking regulation to foster competitive and efficient markets in the ICT sector. Additionally, the Authority also undertook several consumer protection and empowerment initiatives in a bid to safeguard the rights and interests of consumers.

In a bid to enhance this capacity of the Authority to deliver on its mandate, this year saw the reconstitution of the of the Universal Service Advisory Council, charged with the responsibility of providing strategic policy guidance to the Authority for the administration and implementation of the Universal Service Fund. Further, key leadership changes were instituted during year such as entry of Mr. David Mugonyi, as the Director General in January 2024 as well as filling up of several positions

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at Top Management level. These changes are intended streamline operations, increase productivity, and respond to customers' ever-changing needs.

I would like to express my sincere gratitude to the Ministry of Information, Communication and the Digital Economy, ICT service providers, strategic partners and all other stakeholders for your continued invaluable support to the Authority as it strives to ensure digital access for all.

I further wish to acknowledge the dedicated service and commitment of the members of the Board, Management and the Staff of the Authority for their invaluable contribution and enthusiasm in supporting the organization's mandate.



**Ms. Mary Mungai, CBS
Chairperson of the Board**

6. Report of the Chief Executive Officer

The Authority is committed to enhancing the country's ICT sector by promoting connectivity, protecting consumers, fostering competitive markets, and improving its capacity organizational efficiency and effectiveness.

Connectivity - In support of BETA, under the Digital Superhighway and Creative Economy pillar, the Authority, in collaboration with the Information and Communications Technology Authority (ICTA), facilitated the roll-out of 252.958 km out of a targeted 2,500 km of last-mile of fiber optic network infrastructure. The Authority also continued to bridge the digital divide by improving access to ICT services in unserved and underserved areas through deploying cellular mobile infrastructure in nine (9) additional sub-locations across four counties.

In the year, mobile subscriptions increased by 3.7 per cent to 68.8 million subscriptions indicating a penetration of 133.7 per cent. Active mobile money subscriptions increased by 1.8 million to 39.8 million, while total mobile data and Internet subscriptions reached 52.5 million, of which 73.2 percent was on mobile broadband. 4G technology recorded the highest number of subscriptions, thus indicating increasing demand for faster internet speeds among consumers. Kenya's fixed data and internet subscriptions have surged, with a 178.7 percent increase in demand for 100 Mbps, largely due to the Starlink satellite network's deployment.

The Authority issued 62 new broadcasting licenses, bringing the total number of licensees to 702 as of 30th June 2024. This has increased the diversity and plurality of broadcast content increased. The advancement of broadcast technology has significantly expanded the availability of television channels, offering improved picture quality and wider coverage. This progress has driven increased adoption of both free-to-air (FTA) and subscription TV services. As of June 30, 2024, DTT subscriptions accounted for 71.1 percent of the total TV subscriptions. The number of TV subscriptions rose by 2.7 percent to 6.3 million, whereas DTH subscriptions rose by 2.4 percent to 1.78 million. Cable broadcasting subscriptions rose by 4.3 percent to 59,576.

The Authority, through the National Public Key Infrastructure (NPKI), manages the issuance of digital certificates to Electronic Certification Service Providers (E-CSPs). During the reference

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period, the Authority licensed and accredited four (4) entities, allowing them to offer digital certification services to the public. Digital certification services enhance cyber readiness and resilience by providing secure encrypted communications, verifying user and device identities and protecting data integrity.

Further, we continued to adapt our regulatory frameworks to keep pace with technological advancements, promote innovation under emerging technologies, and encourage healthy competition. In this regard, the Authority commenced implementation of a Regulatory Sandbox framework that provides a test environment for local ICT solutions before they are rolled out to the market. We see this catapulting the growth of the local ICT startups that generate solutions to our everyday challenges. The Sandbox also provides a mentorship space for young innovators, ensuring they mature in the ecosystem in a structured manner.

These achievements would not have been realized without the dedication of staff as well as strategic and policy guidance received from the Board of Directors and our parent Ministry of Information, Communication and Digital Economy.



**David Mugonyi, EBS
Director General/CEO**

7. Statement of Performance against Predetermined Objectives for FY 2023/2024

The Authority develops its annual work plans based on the above Key Result Areas, strategic objectives and strategic initiatives. The Corporate Annual Work Plan for FY 2023/24 had a total of 59 activities scheduled for implementation.

Assessment of the Board's performance against its annual work plan (AWP) is done on a quarterly basis with best performance being recorded in the third quarter with an implementation of 27.2 per cent of the (AWP) while the first quarter recorded the lowest score with an implementation status of 13.4 per cent. The second and fourth quarter accounted for 19.8 per cent and 16.8 per cent implementation of the Annual Work Plan respectively.

The overall status of implementation of the Annual Work Plan for the FY 2023/24 was 77.4 per cent. Out of the 59 activities scheduled for implementation, 32 activities were finalized 100 per cent, 12 activities were at a middle stage of completion with a score between 58 per cent and 99 per cent while 15 activities were still at initial stages of implementation with a score below 50 per cent as indicated in the table below:

Status of implementation of the Annual Workplan as at 30th June 2024

Activity	Implied Tasks	Output	KPIs	Target FY 2023/24	Achievement as at 30 th June 2024	Score (%)
1.1.1.3 Undertake monitoring of the roll out obligations for broadband providers	Identify new sub-locations to be covered under the licence obligations and monitor roll out targets for service providers	Compliance report of obligations for broadband	% Level of Compliance	100	The Authority identified 682 sub-locations for additional roll out and monitored the roll out obligation by service providers. Safaricom PLC has rolled out 540 out of 552 sublocations, while Airtel has covered 104 against a target of 130 sub-locations. This translated to an average of 94.42 per cent. Additionally, the Authority has undertaken 331 inspections on telecoms.	94.4
1.1.1.2.3 Digitalization of the Authority's services offered to the Citizens	Onboard the Authority's services on the E-citizen Platform	Digitized Services Offered to Citizens	No. of services	100	The Authority has re-engineered total of 87 services (72 paid services and 15 free services) and uploaded them on the e-citizen platform.	100

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Activity	Implied Tasks	Output	KPIs	Target FY 2023/24	Achievement as at 30 th June 2024	Score (%)
I.1.2.1.3 Undertake monitoring of the roll out obligations for BSDs licensees	Identify new areas to be covered under the licence obligations and monitor roll out targets for service providers	Compliance Report on Rollout Obligations	% Level of Compliance	100	<p>During the first quarter, the Authority held a meeting with Broadcast Signal Distributors to negotiate and agree on the DTT rollout targets for the FY 2023/24. These included Moyale and Mandera for SIGNET while PANG was supposed to roll out infrastructure in Kwale and Kilifi. PANG has completed the installation of DTT Infrastructure in Kwale and Kilifi while SIGNET has not completed the installation of transmitters in Moyale and Mandera.</p> <p>Additionally, the Authority monitored the rollout of the DTT infrastructure in Lamu, Nakuru, Kisumu, and Kwale</p> <p>DTT coverage as at 30th June 2024 stood at 91.97%.</p>	100
I.1.3.2.1 Develop NASK Standards and Post Codes	Develop draft NASK Standards and Post Codes	NASK Standards and Codes	No. of Standards and Codes	1	Draft standards developed in liaison with KEBS and submitted to the MOICDE. Progression of the activity has been held in abeyance awaiting finalization of the Sector Working Group recommendations.	100
I.1.4.1.1 Review and Implement interventions for Critical Information Infrastructure (CII) as per the audit reports	Undertake Audits of the Critical Information Infrastructure (CII) providers	Audit Reports	% Level of Implementation	100	The Authority conducted vulnerability assessment and penetration testing (VAPT) exercises across several organizations including the Kenya Revenue Authority (KRA) and the Office of the Data Protection Commissioner (ODPC) to reinforce organizational defence against cyber threats.	100
I.1.4.1.2 Review and implement licensing regime for dot KE registry, dot KE registrars, Internet exchange Points (IXP) and	Conduct annual regulatory compliance audit of the operations of the Dot KE Registry (KENIC) and E-CSPs	Revised Licensing Regime Framework	% Level of Implementation	100	The Authority developed an audit schedule on E-CSPs and commenced the Audits in November 2023. Conducted annual regulatory compliance audit of the operations of the Dot KE Registry (KENIC) with compliance level of 96%.	100

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Activity	Implied Tasks	Output	KPIs	Target FY 2023/24	Achievement as at 30 th June 2024	Score (%)
Electronic Certification Service Providers (E-CSPs)					Further, the Authority conducted audit exercise for ICT Authority, TendaWorld and emudhra was concluded with a compliance level of 80%, 87% and 100% respectively.	
2.1.1.1.1 Implement the Authority's Child Online Protection programme	Undertake scheduled activities on Child Online Protection	COP programme implemented	No. of Programmes /Initiatives	6	The Authority sponsored and participated in several forums to sensitize children on online safety. These included: the National Music Festivals in August 2023, the Kisumu, Mombasa and Nairobi ASK shows and the Safer Internet Day. Further, the Authority trained key stakeholder on child online protection who included COP Partners and the National Parents Association.	100
2.1.1.2.1 Facilitate use of technology in postal and courier services tracking and security	Develop Security Guidelines for the Postal and Courier Sector in Kenya	Technology for tracking and security adopted	% Level of Adoption	100	Public Consultation on Security Guidelines for the Postal and Courier Sector in Kenya done until 14th December 2023. Collated comments from public and stakeholders on security guidelines. Draft Security Guidelines for the Postal Sub-sector in Kenya developed incorporating comments from public and stakeholders.	75
2.1.2.1.1 Undertake Measurement of Quality of Service for communication services	Conduct QoS monitoring in 47 counties	Quality of Service Report	% Level of QoS	83	QoS monitoring was conducted in all the 47 counties. The level of the QoS is under tabulation.	80
2.1.2.2.2 Resolve Consumer complaints and Enquiries	Create awareness on the complaints handling mechanisms. Develop quarterly reports on complaints handling Undertake customer satisfaction survey	Improved customer satisfaction	% Satisfaction index	83	The Authority trained the complaints handling committee on complaints handling mechanisms from 27 th November to 2 nd December 2023. The customer satisfaction survey was conducted, and its final report approved by management on 16 th April 2024. The customer satisfaction index was recorded at 80.1%.	96.5

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Activity	Implied Tasks	Output	KPIs	Target FY 2023/24	Achievement as at 30 th June 2024	Score (%)
2.1.2.2.3 Implement Citizen's Service Delivery Charter	<p>Display the Citizens' Service Delivery Charter prominently at the points of entry/service delivery in both English and Swahili (3ft by 4ft with clearly visible font size of the contents) at the CA Centre and its four (4) Regional Offices.</p> <p>Customize the Charter to unique needs and convenient access of the customers by providing mechanisms for sign language, providing audio recordings and uploading the Charter on the Authority's website.</p> <p>Sensitize staff on the Citizens' Service Delivery Charter.</p>	Adherence to Service Charter Commitments	% Level of implementation	100	<p>Displayed the Citizens' Service Delivery Charter prominently at the points of entry/service delivery in both English and Swahili</p> <p>Audio recordings done and uploaded on the website on 28th September 2023 while the Service Charter was printed in braille.</p> <p>The Authority sensitized staff on service charter commitments through the CA Weekly bulletin dated 3rd July 2023, 31st March 2024 and 30th June 2024. Further sensitization was done during the customer service week 2023 from 2nd to 6th October 2023. The turnaround time for various services offered by the Authority was done within the service charter timelines.</p>	100
2.2.1.1.3 Build cybersecurity capacity of leaders, technical officers and university students (boot-camps and hackathon)	<p>Undertake hackathon series</p> <p>Undertake the CA Cybersecurity Bootcamp</p> <p>Training the National KE-CIRT/CC Cybersecurity Committee (NKCC)</p>	Trained leaders, technical officers and students at boot camps	No. of people trained	2,000	<p>The Authority hosted the Hackathon series 2023 from 24th July 2023 to 8th September 2023 with a total of 193 participants.</p> <p>The Authority hosted five (5) regional series of the CA Cybersecurity Bootcamp from 17th July 2023 to 8th September 2023 with a total of 158 participants.</p> <p>The training on National KE-CIRT/CC Cybersecurity Committee (NKCC) on cyber incident response, crisis management, and digital was held from 20th November to 1st</p>	100

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Activity	Implied Tasks	Output	KPIs	Target FY 2023/24	Achievement as at 30 th June 2024	Score (%)
					December 2023 and 40 NKCC members were trained.	
2.2.1.2.1 Conduct annual cyber security awareness events	Conduct annual cyber security awareness events	Annual Security awareness events	No. of Events	1	The Authority spearheaded national commemorations of the October Cybersecurity Awareness Month (OCSAM) through roll of the Cybersecurity Bootcamp & Hackathon Series". These was done in Eldoret, Mombasa, Kisumu, Nyeri and Nairobi with a participation of 6,000 in the 2 nd quarter. The 2024 Annual NPKI Forum was held from 19 th to 20 th March 2024.	100
2.2.2.1.1 Implementation of the Authority's consumer education, empowerment and outreach programme	Carry out consumer education, empowerment and outreach programmes	Consumer education, empowerment and outreach programmes	No. of programmes	1	Eleven (11) consumer outreach activities executed. Q1- Executed three (3) Consumer Outreach Activities (Kenya National Music Festival, Elimu TV Great Harvest Event) Q2- Executed four (4) Consumer Outreach Activities (Pwani Innovation Week, KU Cultural Festival, KEPSHA Annual Conference and Lamu Cultural Festival) Q3- Executed two (2). Consumer Outreach activities (Safer Internet Day and Kakamega International Investment Conference) Q4- Executed two (2) Consumer Outreach activity (Workshop targeting Persons with Disabilities and Workshop on Promoting Integrity Education: The Role of Integrity Clubs in schools)	100
3.1.1.2.2 Address Cross-border Frequency Coordination and forced roaming	Undertake cross-border coordination with Tanzania and Uganda	Harmonized cross-border frameworks	% implementation	100	The Authority liaised with Tanzania Communications Regulatory Authority to address cross border issues, including forced roaming and IMT systems interference in the 2600 MHz band from 26 th to 29 th September 2023. Further, the Authority liaised with the Uganda Communications Commission from 17 th to 21 st February 2024	100

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Activity	Implied Tasks	Output	KPIs	Target FY 2023/24	Achievement as at 30 th June 2024	Score (%)
					to address cross border issues, including forced roaming and IMT systems interference in the 2600 MHz band along the Kenya-Uganda border.	
3.1.2.1.1 Review of Policy, Legal and Regulatory Frameworks	Undertake review of 16 sets of regulations	Reviewed draft Regulations/frameworks	No. of frameworks	16	The multi-stakeholder committee submitted the draft 16 sets of regulations to the CS/MOICDE in January 2024.	100
3.2.1.2.2 Undertake research on new and emerging technologies (AI, Blockchain, IoT, LORA WAN, secure e-transaction, Quantum computing, Big Data Analytics etc.)	Undertake research on 4IR	New and emerging technologies research report and recommendations	% implementation	100	Conducted research on emerging technologies under the 4 th Industrial Revolution in readiness for presentation to management	80
3.2.1.2.3 Implement Regulatory Sandbox Framework	Implement Regulatory Sandbox Framework	Innovators on-boarded the Sandbox	No. of innovations	5	The pilot portal design for implementation of the sandbox was completed on 13 th September 2023. The portal was completed by 11 th October, 2023, deployed on a separate domain and linked to the CA website by 29 th October 2023. Development of the community of practice for the regulatory sandbox done and call for applications for the pilot cohort for the sandbox done. The sandbox website re-developed. The Authority has so far received one application for admission into the sandbox.	100
3.2.1.2.4 Undertake Competition Study in the Broadcasting Sub-Sector	Develop a Competition and Broadcast Signal Distribution Pricing Framework Report Undertake Stakeholder Consultation on the Report	Competition study report and recommendations	% level of Implementation	100	The Authority finalized the development of the Competition and Broadcast Signal Distribution Pricing Framework Report on 12 th September 2023. The Authority undertook a stakeholder validation workshop on 23 rd November 2023. Subsequently, the Authority called for comments on the Interim Report from the public until 13 th December 2023. These comments informed the finalization of the	100

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Activity	Implied Tasks	Output	KPIs	Target FY 2023/24	Achievement as at 30 th June 2024	Score (%)
	Develop a Broadcast Signal Distribution Pricing Framework. Develop a Determination on Termination Rates.				study. The Authority received and reviewed the final report with a draft BSD pricing framework. The report was approved 30 th April 2024. The Determination on Termination rates was developed as part of the BSD framework and issued on 5 th June 2024.	
3.2.1.2.5 Undertake Data Pricing Study	Undertake Data Pricing Study	Data pricing study report and recommendations	% level of Implementation	100	The Authority submitted the TORs to ICTA on 17 th October 2023. ICTA submitted the same to WB who reverted to ICTA with comments on 23 rd November 2023. The Authority responded to these comments on 19 th December 2023. During the 3 rd quarter The World Bank approved the TORs to pave the way for procurement.	8.3
4.1.1.1.1 Talent Sourcing	Recruit additional staff	New staff recruited	No. of staff	12	The Authority onboarded 11 new staff members during the year under review and advertised for 31 positions on its website and the dailies on 11 th June 2024.	91.7
4.1.1.1.2 Build capacity by enhancing competencies and succession planning.	Undertake staff appraisal Undertake Training Needs Assessment Implement the TNA	Training Needs Assessment reports and succession plans	% level of implementation	100	The Appraisal Report for all staff was compiled and submitted to the DG's office on 31 st August 2023. The Training Needs Assessment was carried out and approved. The Authority did various activities arising from the appraisal including Promotion of 136 staff, Assignment of acting appointments to 15 staff, issuing of reward increments during the second quarter, training of 241 staff in 21 programs. Implementation of the programs identified in line with Career guidelines and succession Management.	100
4.1.1.1.4 Development of HR Policy and Instruments	Review the organizational structure	HR policy and instruments	No. of instruments	2	The Authority continued in the review of its organizational structure. The proposed structure was shared with staff for feedback. The Authority further initiated consultations with PSC to finalize the review of the organizational structure.	25

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Activity	Implied Tasks	Output	KPIs	Target FY 2023/24	Achievement as at 30 th June 2024	Score (%)
4.1.1.2.1 Develop and Monitor implementation of the Authority's Work Plans	Develop and Monitor implementation of the Authority's Work Plan for the FY 2023/24	Authority's Work Plans	% level of Implementation	100	Prepared the: 4th Qtr. FY 2022/23 AWP status of implementation and was approved by management on 11 th July 2023 and the board on 13 th July 2023. Q1 FY 2023/24 AWP status of implementation and was approved by Management on 9 th October 2023 and the board on 24 th October 2023. Q2 FY 2023/24 AWP status of implementation and was approved by Management on 9 th January 2024 and presented to the Board on 12 th January 2024. Q3 FY 2023/24 AWP status of implementation and was approved by Management on 4 th April 2024 and presented to the Board on 11 th April 2024. Q4 FY 2023/24 AWP status of implementation in readiness for presentation to management and Board.	100
4.1.1.2.2 Develop Performance Contracts in line with the Strategic Plan and Performance Contracting Guidelines	Develop the corporate Performance Contract for the FY 2023/24	Corporate Performance Contracts	% level of Implementation	100	The Authority prepared its PC FY 2023/24 which was negotiated from 25 th to 29 th June 2023 and vetted on 25 th July 2023.	100
4.1.1.3.1 Adherence to Mwongozo Code of Governance for State Corporations	Undertake board activities as per the Mwongozo code of governance	Mwongozo code of governance compliance	% level of compliance	100	Evaluation was conducted on 6 th July 2023. Evaluation Report tabled at the Board Meeting held on 17.05.2024 and subsequently submitted to SCAC. Review Board Charter in line with Mwongozo Code of Governance for State Corporations done on 17 th May 2024. The Authority approved the revised Board calendar on 25 th January 2024. As at 30 th June 2024, the Authority had facilitated 25 Full Board Meetings and 50 Committee Meetings. The Authority also	100

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Activity	Implied Tasks	Output	KPIs	Target FY 2023/24	Achievement as at 30 th June 2024	Score (%)
					revised the USAC meeting schedule between 19 th to 22 nd February 2024 and 4 USAC & 3 Committee Meetings held as per the approved USAC Almanac.	
4.1.1.4.3 Modernize National KE-CIRT/CC Tools & Technology and upgrade of NPKI	Enhance KE-CIRT/CC tools and technologies	Enhanced KE-CIRT/CC tools and technologies	% level of implementation	100	Social media management (NIPDS) – Installation done at Telephone house, Mombasa and User Acceptance Testing done.	91.6
4.1.1.4.5 Maintenance of ISO certifications (internal and external audits of QMS and ISMS)	ISO QMS 9001:2015 internal and surveillance audits ISO 27001:2013 (ISMS) internal and surveillance audits	ISO certification	% Level of compliance	100	Surveillance Audit on ISO QMS 9001:2015 done on 8 th and 9 th August 2023 and report submitted. Submissions for Management Review Meeting were submitted and compiled. QMS Workshop for training of QMS Auditors/Champions from 5 th to 11 th May 2024. QMS internal audit done from 17 th - 21 st June 2024. Surveillance Audit on ISO 27001:2013 (ISMS) was carried out on 13 th , 16 th , 21 st & 22 nd November 2023. The Authority undertook implementers training of ISMS champions on ISO 27001 :2022 and Documentation review of the current ISMS documents in compliance with ISO 27001:2022 from 11 th – 22 nd March 2023. ISMS internal audit done from 22-24 th May 2024.	100
4.1.1.4.6 Review the ERM Framework	Review the ERM Framework	Revised ERM framework implemented	% level of implementation	100	ERM Policy was developed and presented to Management.	100
4.1.1.4.7 Enhancement of Technical Regulatory tools, equipment and systems.	Install Broadcast Content Loggers–Phase I and II Upgrade the Quality of Service Monitoring System Equipment	Upgraded technical regulatory tools, equipment and systems	% level of implementation	100	Broadcast Content –Phase I and II Installed the Authority completed the Installations of 9 and 31 sites of phase I and II, respectively. Quality of Service Monitoring System Equipment for upgrade shipped to manufacturer. Awaiting return and re-installation of the upgraded system. inspection and	80

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Activity	Implied Tasks	Output	KPIs	Target FY 2023/24	Achievement as at 30 th June 2024	Score (%)
	Undertake maintenance of the Spectrum Management & Monitoring System (SMMS) Installation of solar Spectrum Management & Monitoring System (Solar) sites				acceptance of the Upgraded QoS monitoring system done in Feb 2024. Spectrum Management & Monitoring System (SMMS) Maintenance for SMMS advertised on 31 st October 2023 and closed on 6 th December 2023. This tender was however nonresponsive. Spectrum Management & Monitoring System (Solar) Installations and upgrade of 7 sites completed.	
4.1.1.5.1 Establish a revenue assurance framework and implement new revenue sources	Implement new revenue sources	Revenue assurance framework	% level of implementation	100	The Authority continued with the implementation of the revenue assurance framework approved by the Board in 2022. Number charging framework under implementation and Refarming of frequencies done.	100
4.1.2.2.1 Monitoring the implementation of the citizen service charter	Ensure conformity with the commitments and standards in the Charter by establishing compliance mechanisms - maintain records on service delivery.	Compliance of the citizen service charter reports	% Level of Compliance	100	The charter monitoring report was prepared and submitted to the Management Committee. Q4 FY 2023/2024 report was presented on 8 th August 2023 Q1 Report was presented on 16 th Oct 2023. Q2 report was presented on 6 th February 2024 Q3 Report was presented on 16 th April 2024 Q4 Report to be presented by 15 th July 2024	100
4.1.2.2.3 Identification and digitalization of the Authority's services.	Identification and digitalization of the Authority's services.	Digitalized services	% level of digitalization	85	The Authority embarked on Digitalization of the Licensing regime and onboarded on the E-Citizen Platform during the 1 st Quarter. The Authority identified eighty-seven (87) services for Re-engineering, digitization and automation for onboarding onto the E-Citizen platform during the 1st Quarter. The Authority has onboarded all the 87 services on the e-citizen platform.	100
4.1.3.1.1 Feasibility study and project design on	Undertake feasibility	Project design developed	% level of completion	10	The Authority advertised the tender for the Feasibility Study on 14 th to 6 th December 2023. During the quarter, the	83.3

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Activity	Implied Tasks	Output	KPIs	Target FY 2023/24	Achievement as at 30 th June 2024	Score (%)
development of ICT Hub/Centre	Feasibility study for development of ICT hub, Convention Centre and Offices.				Authority the tender for undertaking the feasibility study on the development of the commercial building was evaluated and awarded on 28th February 2024. Inception report, 1 st and 2 nd report received. Interim report received on 24 th June 2024.	
4.1.3.2.2. Office Renovation and Refurbishment	Undertake office Renovation and Refurbishment	Renovated and refurbished offices	% of completion	80	<p>Redevelopment of the non-residential building- The BQ for repairs of regional offices was completed in Q1. The design and BQ for fencing of Nyeri monitoring station were also completed.</p> <p>CA Eldoret Office - The TOR for Architectural consultancy services for relocating CA Eldoret office developed. Site visit conducted from February 19th to February 24th, 2024, by designated officers from the Ministry of Public Works in the proposed Daima Towers to develop designs for the new offices.</p>	8.3
4.1.4.1.2 Implement Corporate Social Responsibility (CSR) Programmes.	Implement Corporate Social Responsibility (CSR) Programmes.	CSR programmes implementation	% level of implementation	100	<p>Quarter 1 Sponsored Narok City Transformation Week; -the Devolution Conference & Warrior Awards event; Kenya Golf Union; Kianda School Fanikisha Summit Programme; KONZA – IASP 2024 Conference and IEEE Africon 2023</p> <p>Quarter 2 Sponsored FC Talanta; KICE Foundation and CSR Christmas visits</p> <p>Quarter 3: Supported the construction of a biodigester at Komothai Girls; Little Sisters of the Poor with funds for adult care packs and the 13th edition of Kalasha Awards.</p> <p>Quarter 4: Sponsorship for Women in Procurement and Supply Chain Conference 2nd to 5th April, 2024</p>	100

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Activity	Implied Tasks	Output	KPIs	Target FY 2023/24	Achievement as at 30 th June 2024	Score (%)
					in Naivasha; Network of African Data Protection Authorities (NADPA) 7 th to 9 th May, 2024.; Mentorthon Marathon in Elgeyo Marakwet and West Pokot, Marsabit and Baringo Counties in May and June 2024.	
4.1.4.2.1 Formulation and articulation of National positions in ICT Fora	Formulate and articulate National positions in ICT Fora	National positions in ICT Action plan reports	No. of reports	4	Facilitated the formulation and articulation of three national positions at UPU Extraordinary Congress from 1 st to 5 th October 2023 Universal Postal Union Postal Operations Council and Council of Administration from 10 th October to 10 th November 2023 World Radiocommunication Conference 2023 (WRC-23) from 13 th November to 15 th December 2023 Hosted the 2nd ATU Preparatory Meeting for WTSA 2024 and 1st Preparatory Meeting for WTDC 2025.	100
4.1.4.2.3 Implement recommendations arising from the ICT Fora	Implement recommendations arising from the ICT Fora	ICT Fora meetings reports and recommendations	% of implementation	100	The Authority has continued implementation of recommendations arising from ICT fora. Notably, the Authority participated in revision of ITU Radio Regulations to Support Spectrum Sharing and Technological Innovation at the WRC-23 in December 2023.	100
4.1.4.3.3 Conduct Media Relations engagements	Undertake Media Relations engagements	Media relations engagements conducted	No. of media engagements	2	The Authority Partnered with the Kenya Editors' Guild in supporting the Annual Convention 2023 from 30 th November to 2 nd December 2023. Further the Authority in partnership with the Kenya editor's Guild held a media workshop within the 3 rd Quarter.	100

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8. Corporate Governance Statement

Communications Authority of Kenya, through its Board of Directors is committed to implementing and adhering to good corporate governance and best practice. The Board considers that good governance, achieved through an ethical culture, competitive performance, effective control, and legitimacy, can create value, and enhance Digital Access for All.

The Board applies good governance practices to promote strategic decision making for the organisation to balance short-, medium and long-term outcomes to reconcile interests of its stakeholders and the society to create sustainable shared value. To that end, sound governance practices, based on accountability, transparency, ethical management, and fairness, are entrenched across the Authority with a vision of Digital Access for All, which reflects its commitment to ensuring that all Kenyans have access to affordable, reliable, and high-quality communication services.

Board meetings attendance from 1 July 2023 to 30 June 2024

Board Member	Full Board	Special Board	Full Board Recruitment – interviews	People and Culture Committee	Technical and Broadcasting Standards Committee	Finance, Planning and Strategy Committee	Board Audit and Risk Assurance Committee	Ad-Hoc USF	Total Number of Meetings Attended
Ms. Mary Mungai	15	10	2	-	-	-	-	-	27
Mr. Waweru Kimani	4	2	1	7	1	3	-	-	18
Mr. Fredrick Muhul	10	6	3	8	-	2	4	-	33
Dr. Musangi J. Mutua	-	-	-	-	-	-	-	-	0
Mr. Eric Langat	12	8	1	-	9	10	-	2	42
Ms. Bhoke Christine	14	8	3	17	-	9	-	-	51
Mr. Joel Nyambane	15	6	-	4	9	-	4	-	38
Ms. Ummu Bunu Ahmed	-	-	-	-	-	-	-	-	0
Mr. Paul Mureithi	15	7	2	-	10	1	5	-	40
Dr. Albert Kochei	12	9	3	12	-	11	-	2	49
Ms. Tonia Musyoka	14	8	4	12	7	-	-	1	46
Mr. Christopher Kirigua	5	5	-	-	1	2	3	-	16
Ms. Sarah Kabira	13	8	2	5	3	-	4	2	37

a) Fiduciary Oversight Arrangements

The Board of Directors have the responsibility of acting in the best interest of the Authority. They are expected to act with due professional care and make good decisions; ensuring there is no conflict of interest. To enhance efficiency and effectiveness, the Board constituted (4) standing committees with clearly defined terms of reference relating to key areas of the Authority. The committees operate on delegated authority without diluting the Board's accountability

(i) Finance, Planning & Strategy Committee

The Finance, Planning and Strategy Committee is established in fulfilment of the requirements of Section 7(f) KICA. The primary purpose of the Committee is to give recommendations and advise the Board on financial management strategies and objectives to foster growth and development of the Authority. The Committee plays a pivotal role in overseeing the financial health and strategic planning of the Authority and is responsible for ensuring that the Authority's financial resources are managed efficiently and effectively, aligning financial planning with the Authority's strategic objectives, and ensuring that robust financial controls are in place.

(ii) Board Audit and Risk Assurance Committee

The Board Audit and Risk Assurance Committee is established in fulfilment of the requirements of Section 7(f) KICA and the *Mwongozo* Code of Governance for State Corporations. The primary purpose of the Committee is to provide oversight by offering objective advice and recommendations to the Board on whether the Authority's governance, risk management, and internal control processes are suitably designed and working as intended to achieve objectives. The Committee plays a critical role in ensuring the integrity of the Authority's financial reporting, the effectiveness of internal controls, and the strength of its risk management practices in order to enhance accountability and transparency across the Authority's operations.

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(iii) People and Culture Committee

The People and Culture Committee is established in fulfilment of the requirements of Section 7(f) KICA. The primary purpose of the Committee is to assist the Board and management in development and oversight of human resources strategies and policies so that they:-

1. Align with the Authority’s purpose, culture and strategy.
2. Comply with the Authority’s performance management framework.
3. Comply with legal and regulatory requirements; and
4. Remain appropriate to change.

(iv) Technical and Broadcasting Standards Committee

The Committee is established in fulfilment of the requirements of Section 7(f) KICA. The primary purpose of the Committee is to assist the Board by providing recommendations and advise on Technical, Regulatory and Broadcasting matters in the ICT sector to ensure effective regulation and standardization of technical and broadcasting services. The Committee is also charged with the responsibility of overseeing the implementation of Universal Service Fund (USF), ensuring equitable access to ICT and broadcasting services across Kenya

b) Board and Members’ Performance

The Board operates under a Board Charter that outlines its governance framework and guides its activities. The Board Performance Evaluation for the FY 2022/23 was conducted by the State Corporations Advisory Committee (SCAC) on 6th July 2023. The overall rating was a score of 85.9%, which was good performance for the Board. The following is a summary of the performance evaluation results for the year 2022/23

S/No.	Name	Position	Raw Score	% Score
1	Ms. Mary W. Mungai	Chairperson	4.68	93.56
2	Mr. Fredrick Muhul Raongo	Member	4.66	93.22
3	Mr. Eric Langat	Member	4.77	95.44
4	Ms. Bhoke Christine	Member	4.65	92.90
5	Mr. Joel Nyambane	Member	4.72	94.44
6	Mr. Paul Mureithi	Member	4.71	94.11
7	Dr. Albert Kochei	Member	4.77	95.44
8	Ms. Tonia Musyoka	Member	4.84	96.89

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S/No.	Name	Position	Raw Score	% Score
9	Mr. Christopher Kirigua	Member	4.6	92.00
10	Ms. Sarah Kabira	Member	4.9	98.00
11	Ezra Chiloba	DG/CEO	4.27	85.48
12	George Kariuki Njamwitha	CS	4.33	86.53
13	Rosalind Rima Murithi	D/IARA	4.91	98.29

c) Process of Appointment and Removal of Directors

The Appointment of the Chairman of the Board rests with the President, while the Members of the Board are appointed by the Cabinet Secretary. Section 6(2) of the Kenya Information and Communications Act (KICA) provide that in appointing the members of the Board under subsection (1)(e), the Cabinet Secretary shall ensure-

- (a) that the appointees to the Board reflect the interests of all sections of society,
- (b) equal opportunities for persons with disabilities and other marginalized groups, and
- (c) that not more than two-thirds of the members are of the same gender.

Section 6D of the Act also provides on how members may vacate office.

d) Roles and functions of the Board

The Board of Directors has the oversight role on the governance of the Authority in the discharge of its responsibilities. It provides strategic direction and guidance for the Authority. The specific powers of the Board are provided for under section 7 of KICA.

e) Conflict of Interest

During the year under review, the Authority maintained a Conflict-of-Interest Register in line with its Policy. At the commencement of every meeting, Board Members were required to declare both verbally and by signing in a Conflict of Interest Register any conflicts or potential conflicts of interest they may have had in relation to particular items of business. As a practice, Board Members abstain from discussion or decisions on matters in which they have an interest,

f) Board Remuneration

The Board of Directors are paid fees and allowances as remuneration for conducting official business that they may be called upon to undertake. Subject to Section 10 (1) of the State Corporations Act, Chapter 446 Laws of Kenya, allowances for members of the Board are paid out of the funds of the Authority. These include sitting allowances or other remuneration as the Board may, within the scales of remuneration specified from time to time by the State

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Corporations Advisory Committee and the Salaries and Remuneration Commission, approve. During the period under review, Directors Remuneration totaled Kshs. 52 million as contained in Page 22 of the Financial Statements.

g) Governance Audit

During the financial year under review, the Authority's Governance Audit was conducted by M/S Robson Harris Advocates LLP. The purpose of the Audit was to ensure that the Authority conforms to the highest standards of good governance. The governance audit covered the parameters articulated in the Mwongozo Code. The Authority implemented the recommendations of the Audit as contained in the Governance Audit Report dated 18th October 2023. This was to ensure all governance standards, codes, internal controls and policies are continuously complied with and in line with the best practice.

h) Ethics and conduct

The Authority has a Code of Conduct and Ethics, applicable to both members of staff and Board Members. The Code of Conduct and Ethics focuses on ethical conduct and integrity at the workplace. It defines Authority's commitment to the highest standards of behaviour so as to contribute to the achievement of the national development goals. The Code sets out expectation for individual behaviour necessary to meet these standards and includes requirements and guidance to help you carry out your role with integrity and in compliance with the law. Upon appointment, all Board members are required to accept, by signature, the terms of the Code of Conduct and Ethics, and agree to abide by its provisions which forms part of their Board appointments.

i) Multiple Directorships

Board Members are prohibited from holding such position in more than two (2) State Corporations at any one time to ensure effective participation in the Board. All Board members are, upon appointment, required to sign a declaration of other directorship indicating other directorship held in other State Corporations and public entities as prescribed. During the year under review, no Member held more than two such positions.

9. Management Discussion and Analysis

Operational and financial performance

The Authority continued to discharge its mandate of regulating and facilitating the development of the Information and Communications sectors including broadcasting, multimedia, telecommunications, electronic commerce, postal and courier services, through licensing and issuance of frequencies.

In the FY 2023/24, total revenue saw significant growth, with an 8% year-on-year increase from Kshs 12.12 billion in FY 2022/23 to Kshs 13.07 billion in FY 2023/24. The main revenue drivers were the regulatory fees and Interest Income, which grew by 3% and 60%, respectively. Interest income alone contributed a substantial Kshs 569.81 million increase. The overall revenue realization exceeded expectations at 118% of the revenue budget Kshs. 11.04 billion, showing strong financial performance and exceeding targets set for the period

Operating expenditure decreased by 21% to Kshs. 6.31 billion in FY 2023/2024 from Kshs. 8.02 billion in FY 2022/23 representing 100% of the budget Kshs. 6.34 billion. Other expenses included bad and doubtful debts.

Capital expenditure increased significantly by 26% to Kshs. 1.51 billion in FY2023/2024 from Kshs. 1.19 billion in FY 2022/23. However, this was only 53% of the approved capital budget Kshs. 2.88 billion. The under absorption was largely attributed to delay in completion of the relocation of the Western regional office, National Intrusion, Penetration and Detection System (NIPDS) and the Licensing Management System.

Consequently, the total expenditure (Operating and Capital expenditure) decreased by 15% to Kshs. 7.83 billion from Kshs. 9.21 billion in FY 2022/23, representing 85% of the approved budget Kshs. 9.21 billion.

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Compliance with statutory requirements

The Authority has complied with statutory requirements and there are no known non-compliance issues that may expose the Authority to potential contingent liabilities. There are ongoing litigations out of the ordinary course of the business of the Authority. The litigations are part heard and accordingly, no contingent liabilities are anticipated in respect of the same that may be quantified, except for the following:

- i. High Court Civil Case No. 2071 of 2000: M-Link Communications Limited vs. CCK & Telkom Kenya Limited. The plaintiff is seeking damages based on a Trial Agreement with the defunct.

The directors believe, based on the information currently available, that the legal matter above is not likely to have material effect on the results of the Authority's operations, financial position or liquidity. Therefore, no contingent provision has been made in the financial statements.

Major risks

The Authority developed and implemented the ERM framework as per guidelines based on ISO 31000 International Standard — Risk Management Principles and Treasury Circular No. 3.2009, Institutional Risk Management Framework. Further in FY 2023/24 the authority undertook a risk assessment review of the authority strategic/operational risks.

Key corporate risks

The Authority undertakes risk assessment on a continuous basis. In the course of the year, the following key corporate risks, associated risk levels as well as risk treatment options were identified.

Our top ten (10) risks

1. Inadequate content regulation leading to failure to detect non-compliance with content standards; 16
2. Failure to effectively manage interconnection between licensees; 15
3. Inadequate USF Project Models (project designing); 16
4. Delays in the completion implementation of the ICT Roadmap 2018 -2023; 16
5. Inability to recover ICT Systems and Services following a disaster or major disruption at the Authority; 16
6. Inadequate monitoring and analysis of cyber threats intelligence and cyber incidence; 16

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7. Inadequate digital forensic capacity to address rising cybercrime; 16
8. Regulatory Gaps arising out of delays in review of the regulatory instruments; 15
9. Low funds absorption and 16
10. Failure to effectively prosecute and resolve cases arising from enforcement activities 16

The Authority uses a 5 by 5 Risk Matrix as shown below to rate its risks.

RISK MAP OF THE TOP TEN (10) RISKS

Likelihood	Almost Certain	5	5	10	15	20	25
	Likely	4	4	8	12	16	20
	Possible	3	3	6	9	12	15
	Unlikely	2	2	4	6	8	10
	Rare	1	1	1	3	4	5
			1	2	3	4	5
			Insignificant	Minor	Moderate	Major	Fundamental
			Consequence				

Material arrears in statutory/financial obligations

The Authority has continued to honour its financial obligations as and when they fall due. Remittance of statutory deductions, payment for supplies, staff payments and payments of other dues was done promptly; consequently, the Authority does not have material arrears as at 30th June 2024.

10. Environmental and Sustainability Reporting

The Authority's Board and Management are committed to the 2030 Sustainable Development Goals (SDGs), focusing on:

- Goal 6: Sustainable water and sanitation
- Goal 13: Climate change action
- Goal 15: Terrestrial ecosystem management
- Goal 17: Strengthening global partnerships for sustainability

The Authority promotes sustainability by managing resources wisely, reducing waste, and ensuring quality and value for money in its development practices.

i) Environmental performance

The Authority supports environmental sustainability through its Environmental Policy by:

1. **Planning:** Holding quarterly meetings and submitting reports to the National Environmental Management Authority (NEMA).
2. **Audits:** Conducting environmental audits to guide sustainability measures and staff training.
3. **Pollution Control:** Implementing waste management practices with segregation bins and recycling initiatives.
4. **Ecological Enhancement:** Engaging in CSR activities like tree planting and planting trees at remote stations.
5. **Partnerships:** Collaborating with the East African Communications Organisation (EACO), the International Telecommunication Union (ITU), NEMA, and other bodies on green ICT initiatives.
6. **Awareness:** Running training and sensitization programs on environmental issues.

ii) Employee welfare

The Authority's strong institutional capacity underpins its pursuit of performance excellence. By investing in resources, expertise, and technology, and aligning with strategic goals, the Authority fosters innovation and enhances its capabilities. This approach ensures high standards of performance. Key to this success is the recruitment, development, and retention of talented employees through training and professional development programs.

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1. Human Resource Establishment

As of June 30, 2024, the Authority had 369 employees, with a 49:51 female-to-male ratio. This includes 222 permanent and 147 contractual staff. During the year, 11 new staff were hired, 22 joined on secondment, and 13 staff members left.

2. Organizational Learning

The Authority provided training in five areas: Management skills, Regulatory and Technical capacity, Organizational development, Career/professional development, and Performance Contracting, to enhance staff competency and service delivery.

3. Industry Practices

The Authority, guided by the Constitution of Kenya, ensures fair competition across ICT sectors, manages frequency spectrum and numbering resources, and protects consumers. It follows the Mwongozo Code, its Code of Conduct, and supports cybersecurity through the Kenya Computer Incident Response Team (Ke-CIRT).

4. Responsible Supply Chain and Supplier Relations

The Authority's Service Charter outlines service quality expectations and ensures good practices with suppliers, including honouring contracts and adhering to payment practices.

5. Responsible Marketing and Advertisement

The Authority upholds corporate governance and ethical standards in marketing and advertising, adhering to all relevant codes and regulations.

6. Product Stewardship

Under the Kenya Information and Communications Act, 1998, the Authority ensures ICT providers establish customer care mechanisms, offer safe services, and protect consumer information, including child online protection.

7. Consumer Research, Education, and Empowerment

The Authority safeguards ICT consumers by providing information on product quality, effective customer care, and secure communication services.

8. Consumer Empowerment

The Authority's program enhances consumer rights through education, distributing advisories during outreach activities, corporate events, and online platforms.

9. Child Online Protection Programme

The Authority's "Huwezi Tucheza, Tuko CyberSmart" program promotes online safety for children through partnerships and events, addressing issues such as cyberbullying and internet safety.

10. Corporate Social Responsibility/Community Engagements

The Authority supports CSR initiatives, including aiding the Cerebral Palsy Society, constructing educational facilities, and sponsoring youth football and sports events, reflecting its commitment to social impact.

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11. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2024, which show the state of the Authority's affairs.

i) Principal activities

The principal activity of the Authority is facilitating the development of the information and communications sectors including broadcasting, cybersecurity, multimedia, telecommunications, electronic commerce, postal and courier services on behalf of the Government of Kenya.

ii) Results

The results of the Entity for the year ended June 30, 2024, are set out on page 1 to 53.

iii) Directors

The members of the Board of Directors who served during the year are shown under part III above. During the year **Ms. Mary Wambui Mungai, CBS** was appointed with effect from 2nd December 2022.

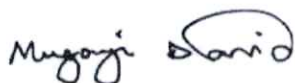
iv) Dividends/Surplus remission

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety percent (90%) of its surplus funds reported in the audited financial statements after the end of each financial year.

v) Auditors

The Auditor-General is responsible for the statutory audit of the Communications Authority of Kenya in accordance with Public Audit Act, 2015 section 3 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



.....
David Mugonyi, EBS

Director General/CEO

12. Statement of Directors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and Section 14 of the State Corporations Act, Kenya Information and Communications Act of 1998 (CAP 411A) require the Directors to prepare financial statements in respect of the Authority, which give a true and fair view of the state of affairs of the Authority at the end of the financial year/period. 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 for and as at the end of the financial year (period) ended on June 30, 2024. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Entity; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of 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 KICA Act, PFM Act, 2012 and Public Audit Act. The Directors are of the opinion that the Authority's financial statements give a true and fair view of the state of Authority's transactions during the financial year ended June 30, 2024, 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.

**Communications Authority of Kenya
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In preparing the financial statements, nothing has come to the attention of the Directors to indicate that the Authority will not remain a going concern for at least the next twelve months from the date of this statement.

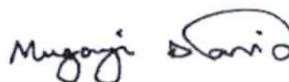
Approval of the financial statements

The Authority's financial statements were approved by the Board on September 27th, 2024 and signed on its behalf by:



.....

Mrs. Mary Wambui Mungai, CBS
Chairperson of the Board/Council



.....

David Mugonyi, EBS
Director General/CEO

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON COMMUNICATIONS AUTHORITY OF KENYA FOR THE YEAR ENDED 30 JUNE, 2024

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

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

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities 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 Communications Authority of Kenya set out on pages 1 to 39, which comprise the statement of financial position as at 30 June, 2024, and the 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, the financial statements present fairly, in all material respects the financial position of the Communication Authority of Kenya as at 30 June, 2024, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Kenya Information and Communications Act, 1998 and Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Property Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.20,293,092,000 as disclosed in Note 21 to the financial statements. However, the following unsatisfactory observations were made:

1.1 Overstatement of The Value of Freehold Land (CA HQ Nairobi)

The property, plant and equipment balance include free hold land of Kshs.15,957,281,000 as contained in the valuation report of 30 June, 2018. The Authority's headquarters in Nairobi has a land title with size measuring 5.592 hectares. Review of documents revealed that the National Government compulsorily acquired 0.8042 hectares of the Authority's land in Nairobi to facilitate the expansion of the James Gichuru –Rironi road with a private valuer contracted by the Authority reported the values of the parcels of land and the property as Kshs.642,515,220. The remaining parcel of land which should go through vesting and acquiring of a new title deed for the remaining 4.7878 hectares. However, the Management has not adjusted the reported balances to reflect the acquisition of parcel of land that was compulsorily acquired. Further, the Authority has not followed up on a vesting order for changes in the title documents.

1.2 Lack of Ownership Documents for Land in Garissa County

As previously reported, the valuation report received on 30 June, 2018 includes a monitoring station in Garissa County with property development which includes two security houses and an old equipment house. However, the land where these developments sit is unregistered and therefore no evidence to confirm that the land is owned by the Authority.

Further, as a result of the land being unregistered no valuation was attached to the land leading understatement of the land balance in the property, plant and equipment balance.

1.3 Existing Charge on Land in Trans-Nzoia County

As previously reported, the Authority has a land and property in Trans-Nzoia County valued at approximately Kshs.68,570,000. The land originally belonged to the Agricultural Finance Corporation but was transferred to the defunct Kenya Posts and Telecommunications in the year 1999, the ownership of the land was again transferred to Communications Authority of Kenya for the construction of a monitoring station. However, review of the certificate of title revealed that the parcel of land had a charge of Kshs.462,500,000 relating to Kenya Commercial Bank against Agricultural Development Corporation. The charge was registered on 12 October, 2010 which is five (5) months after the title had been transferred to the Authority from Kenya Posts and Telecommunication.

In the circumstances the accuracy, completeness and ownership of the freehold land valued at Kshs.15,957,281,000 could not be confirmed

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.11,045,289,000 and Kshs.13,078,399,000 respectively, resulting in over collection of revenue Kshs.2,033,110,000 or approximately 18% of the budget. Similarly, the Authority spent Kshs.4,898,372,000 against actual receipts of Kshs.13,078,399,000 resulting to under absorption of Kshs.8,180,027,000 or approximately 63% of actual receipts.

The under absorption affected the planned activities and may have impacted negatively on service delivery to the public.

My report is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Issues

In the audit report of the previous year, several issues were raised under Report on Financial Statements, Report on Lawfulness and Effectiveness in use of the Public Resources and Report on Effectiveness of Internal Controls, risk management and Governance. However, the issues are yet to be deliberated by the Public Investment Committee (PIC).

Other Information

Management is responsible for the other information set out on page i to xviii which comprise of Key Entity Information and Management, Statement by the Chairman, Report of the Chief Executive Officer, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting and Statement of Directors Responsibilities. The other information does not include the financial statements and my audit report thereon.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and based on the audit procedures performed, except for the effect of 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

1.0 Failure to Prepare and Submit Separate Annual Financial Statements for The Car Loan and Staff Housing and Mortgage Scheme

The statement of financial position reflects receivables from exchange transaction balance of Kshs.827,747,000 as disclosed in Note 20 to the financial statements. This includes Kshs.578,233,582 and Kshs.50,977,322 for property loan and car loan respectively. However, audit revealed that the Management did not prepare and submit separate financial statements for the Car Loan and Staff Housing and Mortgage Scheme. This is contrary to Regulation 16(e) of the Civil Servants (Housing Scheme Fund) Regulations, 2004 which requires administrators of the scheme to prepare, sign and transmit to the Auditor-General for audit in respect of each financial year and within three months after the end thereof, a statement of accounts relating to the Fund.

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

2.0 Long Outstanding Accounts Receivables

The statement of financial position reflects receivables from non- exchange transactions balance of Kshs.287,424,000 as disclosed in Note 19 to the financial statements. The balance is net of cumulative provisions for bad and doubtful debts, general and specific, amounting to Kshs.7,183,051,000 which includes Telkom Kenya Ltd debt of Kshs.4,921,257,137. The Authority has engaged with The National Treasury (TNT) since June, 2020, seeking their assistance to allocate resources to Telkom Kenya Limited (TKL) for the settlement of regulatory fees. The National Treasury provided commitments in June, 2020 and October, 2021 but these funds were not disbursed then. At the time of audit in the month of December, 2024 no evidence was provided to confirm that money had been received from the National Treasury.

In the circumstances, the recoverability of the receivables from the non-exchange transactions balance of Kshs.287,424,000 could not be confirmed.

3.0 Delay in Implementation of Supply, Delivery, Implementation and Maintenance of a Licensing Management System and the Associated Hardware

The Authority embarked on a strategic initiative to procure and implement a Licensing Management System (LMS) which is aimed at automating the re-engineered licensing management processes to enhance efficiency, customer experience and improve compliance. The contract was awarded to a firm on 19 April, 2022 at a total contract price of Kshs.649,609,922.

The duration of the contract was fifteen (15) months which entailed the provision of a one-time supply, delivery and implementation of LMS inclusive of the licenses, post-implementation training for a minimum of 15 staff and 250 functional users on the system and supply, delivery and set-up of hardware and related accessories were to end by 19 July, 2023 and go live then. These works were to take 53% of the contract price. The rest of the services amounting to Kshs.304,271,747 include providing annual comprehensive (24/7) on premise support, providing annual license renewals and providing annual maintenance of the LMS associated hardware for a period of seven (7) years starting from the lapse of the one (1) year warranty period.

The project has six (6) milestones amounting to Kshs.345,338,175 of which only 2 have been completed within the stipulated contract date. A total of Kshs.155,402,178.75 has been paid so far towards the project which is 24% of the contract price.

Further, Addendum 1 to the contract was signed on 26 July, 2023 extending the contract for another seventy-five (75) days, therefore, the contract was to end by 9 October, 2023. Despite the extension, the Contractor has not managed to complete the project and therefore it still hasn't gone live. The deliverables that have not yet been met include data migration, system software development, training and Go-Live. It is not clear why there is a delay in implementation of the project.

In the circumstances, the Management is in breach of the contract agreement and the project may not be completed within the scheduled time.

Further, the expected benefits to the public will not be realized in time and value for money to stake holders may not be realized

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

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, 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

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 the Management and those Charged with Governance

The 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 the 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, the Management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management is aware of the intention to cease operations.

The 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, the Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

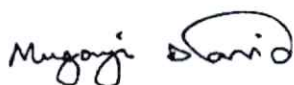
31 December, 2024

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14. Statement of Financial Performance for the year ended 30 June 2024

	NOTE	June 2024 KShs ('000)	Audited June 2023 KShs ('000)
Revenue from non-exchange transactions	6	11,554,879	11,175,171
License Fees			
Revenue from exchange transactions			
Finance income	7	1,468,370	948,896
Rental Revenue from facilities	8	3,900	3,793
Other Income	9	51,251	1,017
		1,523,521	953,705
Total revenue		13,078,399	12,128,876
Expenses			
Employee costs	10	1,583,392	1,343,133
Remuneration of Directors	11	51,052	54,664
Depreciation and Amortization Expense	12	493,348	771,716
Repairs and maintenance	13	364,926	377,133
Use of Goods and Services	14(a)	1,877,014	3,914,591
Contracted Services	14(b)	528,640	467,842
Total Expenses		4,898,372	6,929,080
Other gains/(losses)			
General Bad Debts Provision Allowance	15(a)	(498,256)	(390,852)
Specific Bad Debts Provision Allowance	15(b)	(919,837)	(706,992)
Gain/(Loss) on sale of assets	16	388	766
Gain/(Loss) on foreign exchange transactions	17	10,841	364,049
Surplus for the Period		6,773,164	4,466,767
90% Surplus due to The National Treasury	23(a)	6,085,006	3,692,446
Net Surplus for the year		688,157	774,321

The notes set out on pages 1 to 34 form an integral part of these Financial Statement







Director General
Mr. David Mugonyi, EBS

Ag. Director Finance & Accounts
CPA. Dominic Ooko
ICPAK Membership No:6250

Chairperson of the Board
Mrs. Mary W. Mungai, CBS

Date: 27 September 2024

Date: 27 September 2024

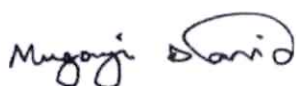
Date: 27 September 2024

Communications Authority of Kenya (CA)
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15. Statement of Financial Position as at 30 June 2024

	NOTE	June 2024 KShs ('000)	Audited June 2023 KShs ('000)
ASSETS			
Current Assets			
Cash and cash equivalents	18	12,003,901	10,706,601
Receivables from non-exchange transactions	19	287,424	134,787
Receivables from exchange transactions	20	827,747	816,431
Total Current Assets		13,119,072	11,657,819
Non-Current Assets			
Property, plant and equipment	21	20,293,092	19,287,929
Intangible Assets	22	620,926	299,294
Total Non-Current Assets		20,914,018	19,587,223
TOTAL ASSETS		34,033,090	31,245,042
LIABILITIES			
Current Liabilities			
Provisional Dividend/Remittance Surplus	23(a)	3,085,007	3,692,446
Trade and other Payables from exchange transactions	24	3,822,614	3,420,321
Payments received in advance	25	57,501	74,431
Total Current Liabilities		6,965,122	7,187,198
TOTAL LIABILITIES		6,965,122	7,187,198
Net Assets		27,067,969	24,057,844
Owners' Equity	26(a)	741,965	741,965
Accumulated Surplus	26(b)	10,309,682	7,299,558
Revaluation Reserve	27	16,016,322	16,016,322
Total Net assets and Liabilities		27,067,969	24,057,844

The notes set out on pages 1 to 34 form an integral part of these Financial Statement



Director General
Mr. David Mugonyi, EBS



Ag. Director Finance & Accounts
CPA. Dominic Ooko
ICPAK Membership No:6250



Chairperson of the Board
Mrs. Mary W. Mungai, CBS

Date: 27 September 2024

Date: 27 September 2024

Date: 27 September 2024

Communications Authority of Kenya (CA)
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16. Statement of Changes in Net Assets for the year ended 30 June 2024

	Note	Owners Equity Kshs'000	Revaluation Reserve Kshs'000	Accumulated Surplus Kshs'000	Total Reserves Kshs'000
At July 1, 2022		741,965	16,016,322	6,597,047	23,355,334
Surplus for the year		-	-	4,466,767	4,466,767
90% Remittance Due to Treasury for the Year	23(a)	-	-	(3,692,446)	(3,692,446)
Prior year	26	-	-	(71,810)	(71,810)
At 30 June 2023		741,965	16,016,322	7,299,558	24,057,845
At July 1, 2023		741,965	16,016,322	7,299,558	24,057,845
Surplus for the year		-	-	6,773,164	6,773,164
Advance Remittance to Treasury-Paid	23(b)	-	-	(3,000,000)	(3,000,000)
90% Remittance Due to Treasury for the Year	23(a)	-	-	(3,085,007)	(3,085,007)
Prior year	26	-	-	2,321,967	2,321,967
At 30 June 2024		741,965	16,016,322	10,309,682	27,067,969

**Communications Authority of Kenya (CA)
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17. Statement of Cash Flows for the year ended 30 June 2024

	NOTE	June 2024 KShs ('000)	Audited June 2023 KShs ('000)
Operating Activities			
Cash generated from/ (used in) Operations	28	8,034,739	6,843,850
Remittance to The National Treasury	23(b)	(6,692,446)	(5,982,499)
Net Cash generated from/ (used in) Operations		1,342,293	861,351
Investing Activities			
Interest received	7	1,468,370	948,896
Proceeds from disposal of assets	16	419	820
Purchase of property, plant and equipment	21	(1,360,243)	(960,040)
Purchase of Intangible Assets	22	(153,539)	(230,619)
Net cash generated from/ (used in) Investing activities		(44,993)	(240,944)
Increase/(Decrease) In Cash and Cash Equivalents		1,297,300	620,408
Cash and Cash Equivalents at Beginning of the Year		10,706,601	10,086,194
Cash and Cash Equivalents at End of the Year	18	12,003,901	10,706,601

The notes set out on pages 1 to 34 form an integral part of these Financial Statement



Director General
Mr. David Mugonyi, EBS



Ag. Director Finance & Accounts
CPA. Dominic Ooko
ICPAK Membership No:6250



Chairperson of the Board
Mrs. Mary W. Mungai, CBS

Date: 27 September 2024

Date: 27 September 2024

Date: 27 September 2024

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18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2024

Description	Approved Budget FY 2023/24	June 2024 KShs ('000)	Utilization (%)	Note
Total Revenue	11,045,289	13,078,399	118%	
Operating Expenses				
Personnel emoluments	1,725,151	1,583,392	92%	
Board expenses	52,000	51,052	98%	
Operating/Administrative expenses	3,159,415	2,405,654	76%	1
Repairs & maintenance	621,697	364,926	59%	2
Depreciation	786,242	493,348	63%	3
Total Operating Expenses	6,344,505	4,898,372	77%	
Other gain/losses				
Provision for Bad & Doubtful (Specific & General)		1,418,093		
Gain/(Loss) on sale of assets		388		
Gain/(Loss) on foreign exchange transactions		10,841		
Surplus	4,700,784	6,773,164		
**Adjusted 90% Surplus due to The National Treasury	(4,230,705)	(6,085,006)		
Net Surplus	470,078	688,157		
Capital Expenditure				
Total Capital Cost/Budget	2,871,417	1,513,782	53%	4
Overall Expenditure Budget Realization	9,215,922	7,830,246	85%	

Budget Notes

1. The budget under absorption in Operating/Administrative expenses amounted to Kshs. 2.40 billion against an approved budget FY 2023/2024 Kshs. 3.15 billion representing an absorption rate of 76% because of projects implementation delays.
2. Repairs and maintenance expenses amounted to Kshs. 364.92 million against an approved budget FY 2023/2024 Kshs.621.69 million representing an absorption rate of 59%. The lower absorption is largely attributed to the slower completion of projects.
3. Depreciation expenses absorbed Kshs. 492.14 million of the approved budget FY 2023/2024 Kshs.786.24 million representing an absorption rate of 63%. The depreciation expense is less than the budget due to the reducing balance method and an indication of the aging assets. Additionally, the under absorption of the capital budget contributed to the under spending.
4. Capital expenditure was only 53% of the approved capital budget Kshs. 2.88 billion. The under absorption was largely attributed to delay in completion of the relocation of the Western regional office, National Intrusion, Penetration and Detection System (NIPDS) and the Licensing Management System.

19. Notes to the Financial Statements

1. General Information

Communications Authority of Kenya (CA) is established by and derives its authority and accountability from Kenya Information and Communications Act, 1998. The Authority is wholly owned by the Government of Kenya and is domiciled in Kenya. The Authority is responsible for facilitating the development of the information and communications sectors including broadcasting, cybersecurity, multimedia, telecommunications, electronic commerce, postal and courier services.

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, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

**Communications Authority of Kenya (CA)
Annual Reports and Financial Statements
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Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

- i. New and amended standards and interpretations in issue effective in the year ended 30 June 2024.*

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

- ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024*

<p>IPSAS 43</p>	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>The new standard has no impact on the Authority's financial statements.</p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>The amendments will have an impact on the Authority's disclosures, but not on the measurement, recognition or presentation of any items in the Authority's financial statements.</p>
<p>IPSAS 45- Property Plant</p>	<p><i>Applicable 1st January 2025</i></p>

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Financial	
and Equipment	<p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>The amendments will have an impact on the Authority's disclosures, but not on the measurement, recognition or presentation of any items in the Authority's financial statements.</p>
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>The new standard has no impact on the Authority's financial statements.</p>
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles</p>

**Communications Authority of Kenya (CA)
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	Objectives	Impact
	that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.	The impact for the adoption of the new standards and interpretations on Authority are still being assessed.
IPSAS 48- Transfer Expenses	<i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.	The impact for the adoption of the new standards and interpretations on Authority are still being assessed.
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.	The new standard has no impact on the Authority's financial statements.

iii. Early adoption of standards

The Authority did not early – adopt any new or amended standards in the financial year 2023/2024.

Notes to the financial statements (continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees and fines

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

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

The Entity 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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Sale of goods

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

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for the Current FY was approved by the National Treasury on 24th July 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Entity did not record any additional appropriations of on the 2024 budget.

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.

**Communications Authority of Kenya (CA)
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for the year ended June 30, 2024.**

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

c) Taxes

Current income tax

The PFM Regulations 2015 section 219 require National government entities referred to under regulation 211(3) and (4) to remit, ninety per centum (90%) of their surplus funds reported in the audited financial statements after the end of each financial year.

d) 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.

Tangible Assets	Useful Life	Rate
▪ Buildings and improvements	40 years	2.5%
▪ Plant & machinery	10 years	10%
▪ Radio equipment	10 years	10%
▪ Telecommunications equipment	10 years	10%
▪ Computers	3 years	33.3%
▪ ICT Regulatory systems	5 years	20%
▪ Motor vehicles	5 years	20%
▪ Office furniture and fittings	8 years	12.5%
▪ Office equipment	5 years	20%

e) Leases

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

f) 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.

Intangible Assets	Useful Life	Rate
• ICT General Office Software	3 years	33.3%
• ICT Regulatory software	5 years	20%
• Telecommunications software	10 years	10%
• Radio Monitoring software	10 years	10%

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

g) Research and development costs

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

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

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

h) Financial instruments

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

a) Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Subsequent measurement

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

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

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

Trade and other receivables

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in **Note 24**.

b) Financial liabilities

Classification

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

i) 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) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

j) 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.

k) Social Benefits

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

l) Contingent liabilities

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

m) 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 Entity 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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

n) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements from Capital Assets revaluations and accumulated reserves.

o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

The Authority provides retirement benefits for its employees. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

q) 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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

r) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

s) Related parties

The Authority regards a related party as a person or an Entity with the ability to exert control individually or jointly, or to exercise significant influence over the Authority, or vice versa. The Government of Kenya is the principal shareholder of the Authority holding 100% of the Authority's equity interest.

t) Service concession arrangements

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

u) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits and highly liquid investments with an original maturity of twelve 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.

Summary of Significant Accounting Policies (Continued)

v) Comparative figures

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

w) Subsequent events

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

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.

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 Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual value

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material. Assumptions were used in determining the provision for bad debtors based on long outstanding non-payment and various cancellations and revocation.

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Notes to the Financial Statements (Continued)

	June 2024	Audited
	Kshs ('000)	June 2023
		Kshs ('000)
6. Revenue from Non-Exchange Transactions		
Annual Frequency License Fees	9,590,444	9,302,099
Multimedia License Fees	100,778	88,925
Postal-Courier & Telecommunication Services Fees	123,440	158,804
Standards & Type Approval Fees	3,818	3,933
Cyber Security Fees	10	305
Compliance & Enforcement (AOL) Fees	1,736,388	1,621,105
Total	11,554,879	11,175,171

This is income derived from regulating the communications sector in Kenya including broadcasting, multimedia, telecommunications, electronic commerce, postal and courier services

	June 2024	Audited
	Kshs ('000)	June 2023
		Kshs ('000)
7. Revenue from Exchange Transactions		
Cash Investments and fixed deposits	1,724,773	1,113,591
Taxes	(256,403)	(164,696)
Total	1,468,370	948,896

This is income derived from investments in term and call deposits and interest is computed using the effective interest method

	June 2024	Audited
	Kshs ('000)	June 2023
		Kshs ('000)
8. Rental Revenue from Facilities		
Rental Income	3,900	3,793
Total	3,900	3,793

The Authority's residential properties are owner occupied and the rentals charged on based staff rates

	June 2024	Audited
	Kshs ('000)	June 2023
		Kshs ('000)
9. Other Income		
Sale of tender documents	2	10
Penalties	51,224	1,000
Other Income	25	7
Total	51,251	1,017

This refers to other unclassified income and penalties charged on contraventions of regulations

	June 2024	Audited
	Kshs ('000)	June 2023
		Kshs ('000)
10. Employee Cost		
Employee related costs - salaries and wages	1,230,481	1,000,868
Contribution to pensions	103,756	108,706
Travel and other allowances	119,599	113,716
Housing benefits and allowances	129,556	119,843
Total	1,583,392	1,343,133

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Notes to the Financial Statements (Continued)

	June 2024 Kshs ('000)	Audited June 2023 Kshs ('000)
11. Directors Expenses		
Sitting allowance	16,440	16,200
Monthly fees	960	963
Telephone allowance	4,246	4,137
Traveling Expenses	27,831	30,989
Board Welfare	250	532
Training-Directors	1,326	1,842
Total	51,052	54,664
12. Depreciation and Amortization Expense		
Depreciation & Amortization for the year	493,348	771,716
Total	493,348	771,716
13. Repairs and Maintenance		
Property	34,159	68,567
Regulatory Equipment Repairs	308,078	288,504
Motor Vehicles	22,688	20,063
Total	364,926	377,133
14 (a). Use of Goods and Services		
Enforcement & Compliance	180,407	160,926
Training Expenses	149,981	124,477
Research, Innovation & Knowledge Management	12,401	7,180
Medical Expenses	106,974	86,635
Corporate Affairs & Hospitality	13,192	48,128
Corporate Affairs & Information Services/Meetings & conference	301,464	312,302
Stakeholders Education & Engagements	148,046	211,093
Consumer Affairs, Protection	47,546	36,243
Advertising & Publicity	87,623	99,383
Exhibitions	50,642	26,213
Utilities, Supplies & Services	65,215	62,099
Communications & Services	25,302	24,402
Rental Expenses	26,421	23,084
Performance And Quality Management Systems/Certification exercise	58,652	42,770
Finance Costs	2,844	2,531
Insurance Expenses	34,042	29,342
Printing And Stationery	7,919	10,344
Periodicals And Publications	8,465	4,240
Staff Welfare	114,296	113,107
Transport Expense	42,743	39,526
Subscriptions To Affiliated Bodies	138,196	135,256
Corporate Social Responsibility	42,159	40,947
National Communications Secretariat	152,000	212,500
Communications & Multimedia Appeals Tribunal	-	10,000
Sporting Activities	17,664	17,823
Fund Administration Expenses/Universal Service Obligation	28,195	30,509
Land Rent & Rates	2,023	3,530
Universal Service Advisory Council	12,602	-
The National Treasury	-	2,000,000
Total	1,877,014	3,914,591

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Notes to the Financial Statements (Continued)

	June 2024 Kshs ('000)	Audited June 2023 Kshs ('000)
14 (b). Contracted Services		
Software Renewals & Connectivity	153,643	120,318
ICT Policy & Regulatory Frameworks	233,814	183,613
Financial Audit & Compliance Fees	13,168	10,427
Legal Fees	47,194	49,926
Security Services	66,687	89,264
House Keeping	14,134	14,293
Total	528,640	467,842

	June 2024 Kshs ('000)	Audited June 2023 Kshs ('000)
15. (a) & (b) Provision of Bad and doubtful debts		
Bad & Doubtful Debts at the beginning of the year	7,446,747	6,348,903
Additional impairment for General Provision Allowance	498,256	390,852
Additional impairment for Specific Provision Allowance	919,837	706,992
Total	8,864,840	7,446,747

The Bad Debts Provision is as per the Policy (1Year - 25%, 1-2 Years - 50% & 2-3 Year - 100%). The specific provision relates to a Licensee's outstanding fees that Management is pursuing.

	June 2024 Kshs ('000)	Audited June 2023 Kshs ('000)
16. Gain on sale of assets		
Proceeds from disposal	419	820
Acc. Depreciation	346	3,185
Cost of the Asset	(377)	(3,239)
Total	388	766

This refers to disposal of boarded items

	June 2024 Kshs ('000)	Audited June 2023 Kshs ('000)
17. Gain on foreign exchange transactions		
Gain/Loss on foreign Exchange	10,841	364,049
Total	10,841	364,049

	June 2024 Kshs ('000)	Audited June 2023 Kshs ('000)
18. Cash and Cash Equivalents		
Current Account	12,003,901	10,706,601
Total	12,003,901	10,706,601

	June 2024 Kshs ('000)	Audited June 2023 Kshs ('000)
18 (a) Detailed Analysis		
Financial Institution and Account Number		
Kenya Commercial Bank (A/c Number 1106738608)		
Current Account	9,853,587	7,769,200
Sub-Total	9,853,587	7,769,200

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Notes to the Financial Statements (Continued)

	June 2024	Audited
	Kshs ('000)	June 2023
		Kshs ('000)
Citibank N.A. (A/c Number 300042015)-KES		
Current Account	43,653	417,756
Sub-Total	43,653	417,756
Citibank N.A. (A/c Number 300042007)-USD		
Current Account	1,168,460	356,180
Sub-Total	1,168,460	356,180
Co-operative Bank of Kenya (A/c Number 01136151735800)		
Current Account	701,099	617,255
Sub-Total	701,099	617,255
Equity Bank of Kenya (A/c Number 0010283899518)		
Current Account	235,807	1,546,210
Sub-Total	235,807	1,546,210
Kenya Commercial Bank - USD (A/c Number 1322988412)		
Current Account - USD	1,294	-
Sub-Total	1,294	-
	June 2024	Audited
	Kshs ('000)	June 2023
		Kshs ('000)
19. Receivables from non-exchange transactions		
Licensee fee receivables	7,470,474	7,581,535
Accumulated Provision for bad and doubtful debts	(7,183,051)	(7,446,748)
Total	287,424	134,787
	June 2024	Audited
	Kshs ('000)	June 2023
		Kshs ('000)
20. Receivables from exchange transactions		
Deposits	13,599	13,604
Amount due from USF	124,897	30
Other Receivables	689,252	802,797
Total	827,747	816,431
	June 2024	Audited
	Kshs ('000)	June 2023
		Kshs ('000)
21(a). Property, Plant & Equipment		
Property Plant & Equipment - Cost	20,451,958	20,069,838
Accumulated depreciation	(1,896,314)	(1,541,234)
Property Plant & Equipment - WIP	1,737,448	759,326
Total	20,293,092	19,287,929
	June 2024	Audited
	Kshs ('000)	June 2023
		Kshs ('000)
22(a). Intangible Assets - Software		
Intangible software - Cost	1,534,335	1,380,797
Accumulated depreciation	(1,068,812)	(1,236,905)
Intangible software - WIP	155,402	155,402
Total	620,926	299,294

Work in progress (WIP) in previous financial year relates to Supply, Installation and Commissioning of a Device Management System (DMS) & License Management System (LMS) for managing the licensing process.

Notes to the Financial Statements (Continued)

21(b). Property, Plant and Equipment

The Authority's assets were revalued by external professional valuer in 2018 on an open market basis for assets with comparable values and replacement basis for specialised telecommunication equipment with restricted use:

The methods and significant assumptions applied in arriving at the revalued amounts are as follows:

- The Authority's commercial buildings and properties have restricted use for the sole purpose of regulating the ICT industry hence discounted the market value by 75%
- The replacement cost method was used for valuing specialized equipment which includes monitoring frequency interference and cybercrimes. This method was applied to the customized nature of the equipment and their unavailability in the open market. Further, such equipment and software are only available to select security institutions globally

The assets valuation report was adopted as at 1st July 2018.

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Notes to the Financial Statements (Continued)

21.(b) Property, Plant and Equipment

	Freehold Land Kshs'000	Buildings & Civil Works Kshs'000	Plant & Machinery Kshs'000	Motor Vehicles Kshs'000	Computers & ICT Regulatory Equipment Kshs'000	Fixtures, Fittings & Improvements Kshs'000	Capital Works In Progress & ICT Regulatory Equipment Kshs'000	Total Kshs'000
At 1 July 2022	15,957,281	1,004,936	108,277	177,525	330,602	1,864,163	426,338	19,869,123
Disposals			(3,239)					(3,239)
Additions			31,980	32,540	65,891	95,284	737,586	963,280
At 30 June 2023	15,957,281	1,004,936	140,257	206,826	396,493	1,959,447	1,163,924	20,829,163
At 1 July 2023	15,957,281	1,004,936	140,257	206,826	396,493	1,959,447	1,163,924	20,829,163
Disposals					(283)	(63)		(346)
Additions	-	-	-	38,933	85,626	257,562	978,122	1,360,243
At 30 June 2024	15,957,281	1,004,936	140,257	245,759	481,836	2,216,946	2,142,046	22,189,060
Depreciation and Impairment								
At 1 July 2022		100,478	32,032	114,573	249,690	676,984		1,173,773
Depreciation	-	25,123	10,840	38,163	49,356	247,165		370,646
Disposals				(3,185)				(3,185)
At 30 June 2023	-	125,602	42,872	149,551	299,046	924,148	-	1,541,234
At 1 July 2023		125,602	42,872	149,551	299,046	924,148		1,541,234
Depreciation	-	25,123	10,973	16,400	58,195	244,704		355,395
Disposals					(283)	(33)		(316)
At 30 June 2024	-	150,725	53,844	165,951	356,958	1,168,819	-	1,896,314
Net Book Values								
At 30 June 2024	15,957,281	854,211	86,412	79,808	124,878	1,048,472	2,142,046	20,293,091
At 30 June 2023	15,957,281	879,335	97,385	57,275	97,447	1,035,299	1,163,924	19,287,929

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Notes to the Financial Statements (Continued)

	June 2024 Kshs ('000)	Audited June 2023 Kshs ('000)
22 (b). Intangible Assets at Cost		
Cost		
At the beginning of the year	1,380,797	1,239,615
Additions	153,539	141,182
At the end of the year	1,534,335	1,380,797
Works In Progress		
At the beginning of the year	155,402	69,068
Additions WIP	-	86,335
At the end of the year	155,402	155,402
Total Intangible at the end of the year	1,689,737	1,536,199
Amortization and Impairment		
At the beginning of the year	931,054	835,835
Amortization for the year	137,758	401,070
Amortization at the end of the year	1,068,812	1,236,905
Net Book Values at end of the Year	620,926	299,294
	June 2024 Kshs ('000)	Audited June 2023 Kshs ('000)
23. (a) Remittance due to The National Treasury		
Surplus for the Current Financial Year	6,773,164	4,466,767
90% on Surplus Due to The National Treasury - Current Year	6,095,848	4,020,091
Unrealized gains/losses adjustment	(10,841)	(327,644)
Adjusted Surplus due to The National Treasury - Current Year	6,085,006	3,692,446
Surplus Due for Past Year B/Fwd	3,692,446	3,982,499
Surplus Paid for Past Year	(3,692,446)	(3,982,499)
Advance Remittance to The National Treasury - Current year	(3,000,000)	0
Balance of Surplus Due to The National Treasury	3,085,007	3,692,446
	June 2024 Kshs ('000)	Audited June 2023 Kshs ('000)
23. (b) Remittance Paid to The National Treasury		
Surplus Paid for Past Financial Year	3,692,446	3,982,499
Advance 90% Surplus Remittance to The National Treasury for Current year	3,000,000	2,000,000
Total	6,692,446	5,982,499

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 CA remitted a total of Kshs 6.69 billion (90% balance of Surplus FY 2022/23 Kshs. 3.69 billion and Advance payment of Kshs. 3.00 billion for FY 2023/24)

On 20th March 2015, The National Treasury issued PFMA Regulation No.34 which under section 219 exempts the Authority from paying taxes. The regulation requires corporations exempted from income tax to remit 90% of surplus to National Treasury.

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Notes to the Financial Statements (Continued)

	June 2024	Audited
	Kshs ('000)	June 2023
		Kshs ('000)
24. Trade and Other Payables		
Trade payables	864,087	762,988
Universal Service Fund	74,939	6,261
The National Treasury	2,863,001	2,623,296
Accrued Expenses	1,491	1,491
Employee Remittances	19,096	26,285
Total	3,822,614	3,420,321
	June 2024	Audited
	Kshs ('000)	June 2023
		Kshs ('000)
25. Payments received in advance		
Payments received in advance	57,501	74,431
Total	57,501	74,431
	June 2024	Audited
	Kshs ('000)	June 2023
		Kshs ('000)
26(a). Owners Equity		
Accumulated surplus B/fwd	741,965	741,965
Total	741,965	741,965
	June 2024	Audited
	Kshs ('000)	June 2023
		Kshs ('000)
26(b). Accumulated Surplus		
Accumulated surplus B/fwd	7,299,558	6,597,047
Surplus for the Period	6,773,164	4,466,767
Retained Earnings	2,321,966	(71,810)
90% on Surplus Due to The National Treasury	(6,085,006)	(3,692,446)
Total	10,309,682	7,299,558
	June 2024	Audited
	Kshs ('000)	June 2023
		Kshs ('000)
27. Revaluation Surplus		
New value of Assets	19,364,357	19,364,357
Original value of Assets	(3,348,035)	(3,348,035)
Total	16,016,322	16,016,322

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Notes to the Financial Statements (Continued)

	June 2024 KShs ('000)	Audited June 2023 KShs ('000)
28. Cash Generated from Operations		
a) Cash generated from/(used in) operations		
Surplus before remittances	6,773,164	4,466,767
Non-Cash adjustments:		
Interest Received (Note 7)	(1,468,370)	(948,896)
Depreciation of property, plant & equipment (Note 12)	493,348	771,716
General Bad Debts Provision Allowance (Note 15(a))	498,256	390,852
Specific Bad Debts Provision Allowance (Note 15(b))	919,837	706,992
Advance Remittance to The National Treasury	0	2,000,000
Retained Earnings (Note 26)	344,625	(71,809)
Loss/Gain on sale of assets (Note 16)	(388)	(766)
Foreign Exchange Gain or Loss (Note 17)	(10,841)	
Total	7,549,631	7,314,857
b) Changes in Working Capital adjustments		
Increase/Decrease in Receivables from Non-Exchange Transactions Excl Provisions (Note 19)	111,060	(684,297)
Increase/Decrease in Receivables from Exchange Transactions (Note 20)	(11,316)	(67,083)
Increase/Decrease in Trade & Other Payables (Note 24)	402,293	(563,879)
Increase/Decrease in Advance Income (Note 25)	(16,929)	844,252
Total	485,107	(471,007)
Net cash flows from operating activities	8,034,739	6,843,850

Notes to the Financial Statements (Continued)

29 Financial Risk Management

(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.

The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current environment. The carrying amount of financial assets recorded in the financial statements representing the Authority's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

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

29. (i) Credit Risk Management	June 2024	Audited
Description	Kshs ('000)	June 2023
At 30 June 2024		Kshs ('000)
Receivables from non-exchange transactions	287,424	134,787
Receivables from exchange transactions	827,747	816,431
Total	1,115,171	951,218

29(b). Liquidity Risk

(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 company 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.

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Notes to the Financial Statements (Continued)

	June 2024 Kshs ('000)	Audited June 2023 Kshs ('000)
29 (ii) Liquidity Risk		
Description		
At 30 June 2024		
Trade payables and other payables	3,822,614	3,420,321
Balance of Surplus Due to The National Treasury	3,085,007	3,692,446
Total	6,907,621	7,112,767

29(c). Foreign Currency Risk

(iii) Market risk

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Authority's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no change to the Authority's exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

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

The Authority manages foreign exchange risk from future commercial transactions by projecting for expected revenues and matching the same with expected payments and maintaining a minimal balance in the foreign currency.

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Notes to the Financial Statements (Continued)

	June 2024 USD ('000)	Audited June 2023 USD ('000)
29(iii) Foreign Exchange Risk		
Description		
At 30 June 2024		
Current Account Balance - KCB Bank USD	9,992	-
Current Account Balance - Citibank USD	9,020,978	2,535
Total	9,030,970	2,535

b) Interest rate risk

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

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates and are regulated by the Central Bank of Kenya.

29(d). Capital Risk Management

Capital Risk Management

The objective of the entity's capital risk management is to safeguard the Board's ability to continue as a going concern. The growth is largely due to the net effect of the revaluation reserve of Kshs. 16 billion. The entity capital structure comprises of the following funds:

	June 2024 Kshs ('000)	Audited June 2023 Kshs ('000)
29 (iv) Capital Risk Management		
Description		
Retained earnings	10,309,682	7,299,558
Capital reserve	16,758,287	16,758,287
Total	27,067,969	24,057,844
Total borrowings		-
Less: cash and bank balances	12,003,901	10,706,601
Net debt/(excess cash and cash equivalents)	15,064,068	13,351,243
Gearing	56%	55%

30. Related Party Transactions

In the course of the Authority's operations the Authority enters into transactions with related parties. These entities have ability to exercise significant influence over its operating and financial decisions. These include

Notes to the Financial Statements (Continued)

- i. The National Government.
- ii. The Ministry of Information Communications and Technology.
- iii. The National Treasury.
- iv. Board of directors.
- v. Management.

Government of Kenya

The Government of Kenya is the principal shareholder of the Authority, holding 100% of the Authority's equity interest.

	June 2024 Kshs ('000)	Audited June 2023 Kshs ('000)
30. Related Party Transactions		
Description		
Transactions with related parties		
a) Key management compensation		
Directors' emoluments	51,052	54,664
Compensation to the CEO	13,385	18,507
Compensation to key management	100,010	104,933
Loans to CEO and key Management	75,474	84,615
Sub-Total	239,922	262,719
b) Other Entities		
Amount due to CA-Universal Service Fund	74,939	6,261
The National Treasury	2,863,001	2,623,296
Sub-Total	2,937,940	2,629,558
Amount receivable from USF	124,897	30
Sub-Total	124,897	30
Total	3,302,759	2,892,306

31. Owners' Equity

	June 2024 Kshs ('000)	Audited June 2023 Kshs ('000)
31. Owner's Equity		
Description		
Surplus	6,773,164	4,466,767

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Advance 90% Surplus paid in current financial year	(3,000,000)	
Balance of Surplus 90% Due to The National Treasury	(3,085,007)	(3,692,446)
Net Surplus	688,157	774,321

Notes to the Financial Statements (Continued)

32. Contingent Assets and Contingent Liabilities

There are on-going litigations out of the ordinary course of the business of the Authority. The litigations are part heard and, accordingly no contingent liabilities are anticipated in respect of the same that may be quantified. The cases below may incur some costs in the litigation processes.

- a) High Court Civil Case No. 2071 of 2000; M-Link Communications Ltd vs. CCK & Telkom Kenya Ltd. The plaintiff is seeking damages based on a Trial Agreement with the defunct.

The directors believe, based on the information currently available, that the legal matters above are not likely to have a material effect on the results of the Authority's operations, financial position or liquidity. Therefore, no provision has been made in the financial statements.

33. Surplus Remission

In accordance with the Public Financial Management Act 2012 Regulations 2015 (219) (3), 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.

34. Events after the Reporting Period

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

35. Ultimate and Holding Entity

The Authority is an Independent Government Agency under the Ministry of Information Communications and Technology. Its ultimate parent is the Government of Kenya. Owners' equity of Kshs. 741.965 million is comprised of the net of assets and liabilities vested to Communications Authority of Kenya by the Government of Kenya following the split of the defunct Kenya Posts and Telecommunications Corporation through legal notice Number 155 of 5th November 1999.

36. Currency

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

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APPENDIX I: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Ref	Issue/Observations from Auditor	Management comments	Status: (Resolved/Not Resolved)	Time frame
1	<p>Property, Plant and Equipment The statement of financial position reflects property, plant and equipment balances of Kshs. 19,287,929,000 as disclosed in Note 21 to the financial statements which includes freehold land with a value of Kshs.15,957,281,000. However, the following unsatisfactory observations were made:</p> <p>1.1 Lack of Ownership Documents for Land in Garissa County The Authority has erected a monitoring station on a land in Garissa County. However, the land has not been valued for inclusion in the financial statements. Further, the ownership documents (title deeds) for the land were not provided for audit review.</p> <p>1.2 Existing Charge on Land in Trans-Nzoia County The Authority has a land and property in Trans-Nzoia County valued at approximately Kshs. 68,570,000. The land originally belonged to the Agricultural Finance Corporation but was transferred to the defunct Kenya Posts and Telecommunications. In 1999, the ownership of the land was again transferred to Communications Authority of Kenya for the construction of a monitoring station. However, review of the certificate of title revealed that the parcel of land had a charge of Kshs. 462,500,000 relating to Kenya Commercial Bank against Agricultural Development Corporation. The charge was registered on 12 October 2010 which is five (5) months after the</p>	<p>1.1 The “Modika Radio Monitoring Station” was designated for the Kenya Posts and Telecommunications Corporation (KPTC) in 1976 and subsequently transferred to the Authority upon its separation from KPTC in the year 1999. Since 2014, the Authority has engaged in discussions with the Garissa County Council (defunct) and later the current Garissa County Government regarding its acquisition.</p> <p>1.2 The “Sabwani Farm” originated from a larger parcel owned by the Agricultural Development Corporation (ADC) and was transferred to the Authority upon its separation from KPTC in 1999. The land title, Certificate of Title LR 2993/1, issued on February 8th, 2011, confirms registration in the Authority’s name on May 31st, 2010, identified by IR 126183 and was intentionally excluded from a legal charge. This is evident in entry No. 13 of the land title. Further, Kenya Commercial Bank</p>	Response provided	In progress

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Ref	Issue/Observations from Auditor	Management comments	Status: (Resolved/Not Resolved)	Time frame
	<p>title had been transferred to the Authority from Kenya Posts and Telecommunication.</p> <p>In circumstances, the accuracy, completeness and ownership of the freehold land valued at Kshs.15,957,281,000 could not be confirmed.</p>	<p>(KCB) participated in the process of releasing 30 acres of land for a sale price of Kshs. 1,023,154.15 for this portion. Therefore, no further claims can be made regarding a charge to that specific land area.</p>		
2	<p>Unconfirmed Receivables from Non-Exchange Transactions</p> <p>The statement of financial position reflects receivable from non-exchange transactions balance of Kshs.134,787,000 and as indicated in Note 19 to the financial statements. The balance is net off cumulative provisions for bad doubtful debts (general and specific totalling Kshs. 7,446,747,000. Included in the balance of Kshs.7,446,747,000 is an amount of Kshs. 4,001,420,516 which relates to the balance owed by Telkom Kenya Limited. However, according to a letter Ref. TNT/ZZ/331/02 dated 29th June,2020, the National Treasury committed to pay the frequency spectrum for financial years 2019/2020 and 2020/2021 despite the Management having provisioned for the bad and doubtful debts in full. Further, records indicate that as at the time of audit in January, 2024 no money had been received from the National Treasury. In addition, as previously reported Telkom Kenya Limited vide letter Ref: TKL/RA/CA/(LIC) dated 21 December, 2020 indicated as Nil amount being owed to the Authority.</p> <p>In the circumstances, the accuracy completeness of receivables from non-exchange transactions balance of Kshs.4,001,420,516 could not be confirmed.</p>	<p>Although The National Treasury committed to providing funds to cover the debt (communications dated June 28th, 2020, and October 22nd, 2021), it remains unpaid and enforcing payment from another government agency like the National Treasury proves challenging due to lack of legal leverage.</p> <p>Further, the licenses and frequency resources associated with the debt are non-transferable and exclusively held by Telkom Kenya Limited. Despite persistent attempts by management to collect the debt, these efforts have been unsuccessful.</p> <p>Therefore, management deemed it necessary to make Specific provision for the Telkom debt</p>	Response provided	
3	<p>Inaccuracies in the Statement of Cash Flows</p>	Response provided below	Response provided	

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Ref	Issue/Observations from Auditor	Management comments	Status: (Resolved/Not Resolved)	Time frame
	<p>The statement of cash flows reflects a balance of Kshs.10,706,601,000 as cash and cash equivalents as at 30 June 2023. However, balance of remittance to the National Treasury of Kshs. 5,982,499,000 was not supported by either a ledger or a note to give its breakdown. Additionally, Note 23 to the financial statements indicates total remittance to the National Treasury as Kshs.3,692,446,000 (same as balance reflected in the statement of financial performance) resulting to unreconciled variance of Kshs.2,290,053,000. The statement further reflects, under investigating activities, purchase of property, plant and equipment balance of Kshs.1,190,659,000 which however varies with the balance disclosed in both Notes 21 (B) and 22 of Kshs.963,280,000 and Kshs.141,182,000 respectively totalling to Kshs. 1,104,462,000 resulting to unconfirmed and reconciled variance of Kshs. 86,197,000. Furthermore, note 28 on cash generated from operations, reflects decrease in receivables from non-exchange transactions of Kshs. 684,297,000 while a re-computation of the same indicates the decrease to be Kshs. 413,547,000 resulting to unreconciled variance of Kshs.270,750,000.</p> <p>In the circumstance, the accuracy and completeness of the cash and cash equivalents balance of Kshs. 10,706,601,000 could not be confirmed.</p>			



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Response to Query No. 3

S/No	Description	FS	Note	Amount Kshs('000)
1	Surplus FY 2021/22	FS2021/22		4,592,685
2	90% Surplus	FS2021/22	Note23	4,133,417
3	Gain/Loss	FS2021/22	Note23	(150,918)
4	Provisional Remittance Due to TNT	FS2021/22	Note23	3,982,499
5	Advance Payment for FY 2022/23	FS2022/23	Note23	2,000,000
6	Total Remittance to TNT in FY 2022/23 in Cashflow statement	FS2022/23	C/flow	5,982,499
7	Provisional remittance to TNT			
8	Surplus FY 2022/23	FS2022/23		6,466,767
9	Advance 90% paid expensed	FS2022/23	Note14A	(2,000,000)
10	Surplus in P&L	FS2022/23		4,466,767
11	90% of Surplus in P&L	FS2022/23	Note23	4,020,091
12	Gain/Loss	FS2022/23	Note23	(327,644)
13	Provisional Remittance Due to TNT	FS2022/23	Note23	3,692,447
14	Audit Observation			
15	Total Remittance to TNT in FY 2022/23 in Cashflow statement	No. 6		5,982,499
16	Provisional Remittance Due to TNT	No. 13		3,692,447
17	Audit Observation (No. 15-16)			2,290,052
18	Purchase of Plant, Property & Equipment	FS2022/23	C/flow	1,190,659
19	Property, Plant & Equipment - Additions	FS2022/23	Note21B	963,280
20	Intangible - Additions	FS2022/23	Note22	141,182
21	Total (19+20)	FS2022/23		1,104,462
22	Audit Observation (No. 18-21)	FS2022/23		86,197
23	Assets Corrections	FS2022/23	Note21B	3,185
24	Disposal of assets	FS2022/23	Note21B	(3,239)
25	Intangible - Works in Progress	FS2022/23	Note22	86,335
26	Total (23+24+25)	FS2022/23		86,197
27	License fee Receivables from Non exchange transaction FY 21/22	FS2022/23	Note19	6,897,237

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S/No	Description	FS	Note	Amount Kshs('000)
28	License fee Receivables from Non exchange transaction FY 22/23	FS2022/23	Note 19	7,581,535
29	Audit Observation (No. 28-27)	FS2022/23	Note 28	684,298
30	OAG Re-computation Decrease in License fees in C/Flow	FS2022/23	C/flow	413,547
31	Audit Observation unreconciled variance (No. 30-29)			270,751
32	License fee Receivables from Non exchange transaction FY 21/22(Net Accm Dep)	FS2022/23	Note 19	548,334
33	License fee Receivables from Non exchange transaction FY 22/23(Net Accm Dep)	FS2022/23	Note 19	134,787
34	Audit Observation unreconciled variance (No. 33-32)	FS2022/23	C/flow	413,547

Muyaji Said

Director General/CEO
Date: 27 September 2024



Chairperson of the Board
Date: 27 September 2024

APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

During the year under review, the projects implemented by the Communications Authority of Kenya were fully funded through internally generated revenue. There were no projects funded by neither state corporations nor development partners.

APPENDIX III: INTER-ENTITY TRANSFERS

During the Financial year 2019/20, the Communications Authority of Kenya did not receive recurrent, nor development grants, direct receipts nor direct payments form other entities.

APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

During the year under review, the Communications Authority of Kenya did not receive any transfers from other government entities, therefore records of the same are not provided.