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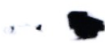
THE AUDITOR-GENERAL

ON

NATIONAL COMMUNICATION SECRETARIAT

FOR THE YEAR ENDED
30 JUNE, 2025

THE NATIONAL ASSEMBLY PAPERS LAID	
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NATIONAL COMMUNICATION SECRETARIAT

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2025

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

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**Annual Report and Financial Statements
For the year ended June 30, 2025**

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1. Acronyms and Abbreviations

AI	Artificial Intelligence
ATU	African Telecommunication Union
BETA	Bottom-UP Transformation Agenda
BIC	Budget Implementation Committee
CA	Communications Authority of Kenya
CAMAT	Communications and Multimedia Appeals Tribunal
CSR	Corporate Social Responsibilities
EACŌ	East African Communication Organisation
ERP	Enterprise Resource Planning
FY	Financial Year
HR	Human Resources
HRMAC	Human Resource Management and Advisory Committee
ICT	Information Communication Technology
IFMIS	Integrated Financial Management Information System
IMT	International Mobile Telecommunication
IRMPF	Institutional Risk Management Policy Framework
IT	Information Technology
ITU	International Telecommunication Union
ITW	International Telecommunication Week
ITU-D	International Telecommunication Union Development Sector
ITU-R	International Telecommunication Union Radiocommunication
IPSAS	International Public Sector Accounting Standards
KBC	Kenya Broadcasting Corporation
KFS	Kenya Forest Services
KICA	Kenya Information and Communications Act
KIMC	Kenya Institute of Mass Communication
LEO	Low Earth Orbiting
MDA	Ministry, Department and Agency
MICDE	Ministry of Information, Communication and the Digital Economy
MTEF	Medium Term Expenditure Framework
NAB	National Association of Broadcasters
NASK	National Addressing System of Kenya
NBS	National Broadband Strategy
NCS	National Communication Secretariat
NSSF	National Social Security Fund
NPC	National Preparatory Committee
OSHA	Occupational Safety and Health Act of 2007
PAPU	Pan African Postal Union
PCK	Postal Corporation of Kenya

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PFM	Public Finance Management
PFMSC	Public Finance Management Standing Committee
POC	Postal Operations Council
PPADA	Public Procurement and Assets Disposal Act
PPE	Personal Protective Equipment
PS	Principal Secretary
PSASB	Public Sector Accounting Standards Board
PSIP	Public Service Internship Programme
PSC	Public Service Commission
SAGAs	Semi-Autonomous Government Agencies
TSAG	Telecommunication Standardization Advisory Group
UPU	Universal Postal Union
WP	Working Party
WRC	World Radiocommunication Conference
WRS	World Radiocommunication Seminar



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B: Glossary of Terms

- Comparative Year** - Means the prior period.
- Fiduciary Management** - Members of Management directly entrusted with the responsibility of financial resources of the organisation
- Secretariat** - National Communication Secretariat
- Inter Alia** - Among others

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2. Key Entity Information and Management

(a) Background Information

The National Communications Secretariat (NCS) was established through Sec.84 of KICA 1998 and operationalized through Legal Notice no.22 of February 1999 when the first Communication Secretary was appointed in 2001. The Secretariat has a staff complement of 18 against approved staff establishment of 26.

NCS is domiciled in Nairobi and has no branches. The Secretariat comprises of various departments: the Communication Radio Technology Department; the Communication Technology Department; Communication Legal Department; Communication Economics Department; Human Resource and Administration Department; Finance and Accounting Department; Internal Audit Department; Supply Chain Management Department and Information Technology (ICT) Department.

(b) Principal Activities

The principal mandate of the Secretariat as defined in the Kenya Information and Communications Act,1998, Section 84(2) is to advise the Government on the adoption of a Communication Policy which:-

1. promotes the benefits of technological development to all users of postal and telecommunication facilities;
2. fosters national safety and security, economic prosperity and the delivery of critical social services through posts and telecommunications;
3. facilitates and contributes to the full development of competition and efficiency in the provision of services both within and outside Kenya; and
4. fosters full and efficient use of telecommunication resources including effective use of radio spectrum by the Government in a manner which encourages the most beneficial use thereof in the public interest.

Vision

A Trusted Hub for ICT Advisory Services

Mission

To foster efficient use of ICT resources through provision of quality policy advisory services to the Government.

Core values

Integrity
Transparency
Patriotism
Inclusivity
Innovation

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(c) Key Management

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

- The Communications Secretary (CEO); and
- The Management Team

No.	DESIGNATION	NAME
1.	Communications Secretary	Eng. George M. Nyaory
2.	*Communications Radio Technology Expert	Eng. Andrew Kemosi
3.	Communications Economic Expert	Mr. Paul G. Macharia
4.	Communications Technology Expert	Eng. Vincent Adul, HSC (Retired)
5.	Communications Legal Expert	Dr. Victor Nzomo, HSC (Resigned)
6.	Human Resource and Administration Officer	CHRP Sally C. Mbaya
7.	Head of Supply Chain Management	Mrs. Emmah W. Gitere
8.	Ag. Accountant	CPA Salome N. Nyambura
9.	ICT Officer	Mr. Kevin O. Nyapere

(d) Fiduciary Management

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

NO.	DESIGNATION	NAME
1.	Communications Secretary	Eng. George M. Nyaory
2.	Communications Technology Expert	Eng. Vincent O. Adul, HSC (retired in October 2024)
3.	Communications Legal Expert	Victor B. Nzomo, (Ph.D), HSC (resigned in August 2024)
4.	Communications Radio Technology Expert	Eng. Andrew Kemosi
5.	Communications Economic Expert	Mr. Paul Macharia
6.	Human Resource & Administration Officer	CHRP Sally C. Mbaya
7.	Head of Supply Chain Management	Mrs. Emmah W. Gitere
8.	Ag. Accountant	CPA Salome N. Nyambura
9.	IT Officer	Mr. Kevin O. Nyapere

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(e) Fiduciary Oversight Arrangements

The Ministry of Information, Communications and the Digital Economy (MICDE) performs the oversight role over the operations of NCS.

The Secretariat has the Public Finance Management Standing Committee to provide strategic guidance to NCS on public finance management matters, and the Budget Implementation Committee (BIC) whose key responsibility is to oversee budget implementation and advise the Accounting Officer on budget performance. In addition, NCS has an Internal Auditor who reports functionally to the Ministerial Audit and Risk Committee and administratively to the Communications Secretary.

(f) NCS Headquarters

9th Floor Transcom House
Community – Ngong Road
P. O. Box 10756 – 00100
Nairobi, KENYA

(g) NCS Contacts

Telephone: (254) 20 2719953
Email: info@ncs.go.ke
Website: www.ncs.go.ke

(h) NCS Bankers

Kenya Commercial Bank Ltd
Capital Hill Branch – 4025
P.O. Box 69695 - 00400
Nairobi, KENYA

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

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3. Management Team



**Eng. George Musumba Nyaory
Communications Secretary**



He holds a BSc. in Electrical and Electronic Engineering, and a MSc. in Telecommunication Engineering from Jomo Kenyatta University of Agriculture and Technology (JKUAT).

He is a Registered Engineer with the Engineers Board of Kenya (EBK) and a Corporate Member of the Institute of Engineers of Kenya (IEK).



Eng. George Musumba Nyaory is the Communications Secretary at National Communication Secretariat.

The Communications Secretary is responsible for the day-to-day operations of the Secretariat ensuring the achievement of the mandate, objectives and strategy through formulation of policies, prudent management of resources, including financial and human resources and enhancing the corporate image of the Secretariat.



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<div style="text-align: center;">  </div> <p>Eng. Andrew Kemosi Okong'o Communications Radio Technology Expert</p> <p>He holds a BSc in Electrical Engineering from the University of Nairobi. He is a Registered Engineer with the Engineers Board of Kenya (EBK), and a Corporate Member of the Institute of Engineers of Kenya (IEK).</p>	<p>Eng. Andrew Kemosi Okong'o is the Communications Radio Technology Expert at National Communication Secretariat.</p> <p>The role is responsible for research, analysis and formulation of Telecommunications, national broadcasting and radio frequency spectrum planning and management policies and strategies.</p>
<div style="text-align: center;">  </div> <p>Mr. Paul Gichuki Macharia Communications Economic Expert</p> <p>He is a holder of a Master of Arts Degree in Economics from Indira Gandhi National Open University and a Bachelor of Arts in Economics from the University of Nairobi. Mr. Macharia is a registered member of Economists Society of Kenya (ESK)</p>	<p>Mr. Paul Gichuki Macharia is the Communications Economic Expert at the National Communication Secretariat.</p> <p>The role is responsible for digital transformation, E-commerce, postal and courier services; Research and Planning at the Secretariat.</p>

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 <p>CHRP Sally Chanyisa Mbaya Human Resource and Administration Officer</p> <p>She holds an MSc in Entrepreneurship from Jomo Kenyatta University of Agriculture and Technology; a BA in Communications from Daystar University; and is a Certified Human Resource Professional (CHRP-K).</p> <p>She is a Practicing Member of the Institute of Human Resource Management (IHRM).</p>	<p>CHRP Sally Chanyisa Mbaya is the Human Resource and Administration Officer at the National Communication Secretariat.</p> <p>The role is responsible for providing strategic leadership and direction in the coordination and management of the HR Management and Administration function including: - formulation, development, interpretation and review of policies, procedures, strategies, programs, guidelines and standards.</p>
 <p>Mrs. Emmah Wairimu Gitere Head of Supply Chain Management</p> <p>She holds an MSc in Procurement & Logistics from Jomo Kenyatta University of Agriculture and Technology; a Bachelor's degree in Procurement and Supply Chain Management from Busoga University, Uganda.</p> <p>She is a Registered and Licensed member of Kenya Institute of Supplies Management (KISM).</p>	<p>Mrs. Emmah W. Gitere is the Head of Supply Chain Management at the National Communication Secretariat.</p> <p>The role is responsible for Procurement Planning, Procurement Processing, Inventory and Assets management, Disposal of Assets and Contract Management. The overall objective of the function is to achieve a Public Procurement and Assets Disposal process that is Fair, Equitable, Transparent, Competitive and Cost effective.</p>

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<div style="text-align: center;">  </div> <p>CPA Salome Njambi Nyambura Accountant</p> <p>She is a certified public accountant (CPA-K). She holds a MSc. in Development Finance from KCA University and a BSc. in Finance from Kiriri Women's University of Science and Technology.</p> <p>She is a member of the Institute of Certified Public Accountants of Kenya (ICPAK).</p>	<p>CPA Salome N. Nyambura is the Acting Head of Finance and Accounts at the National Communication Secretariat.</p> <p>The role is responsible for matters pertaining to Finance and Accounting in line with the Public Finance Management Act of 2012 and the Public Finance Management Regulations of 2015. The functions entail overseeing the development and maintenance of efficient financial management in accordance with the financial procedures of the Secretariat and international accounting standards.</p>
<div style="text-align: center;">  </div> <p>Mr. Kevin Owino Nyapere ICT Officer</p> <p>He holds a Bachelor of Science in Information Technology from the KCA University.</p>	<p>Mr. Kevin Nyapere is the ICT Officer at National Communication Secretariat.</p> <p>The role is responsible for formulation, implementation, administration and management of the Secretariat's IT strategy, systems and infrastructure.</p>

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4. Report of the Chief Executive Officer



During the year under review, National Communication Secretariat endeavoured to provide quality and timely ICT policy advisory services, that sought to promote the benefits of technological development to the people of Kenya as well as encourage rapid adoption of ICT in daily activities. This involves development of digital infrastructure for universal connectivity, digitalization of government services, and enhancing both access and affordability. In order to leverage emerging digital technologies, the Government has adopted the digital superhighway initiative whose focus is on expanding and improving the country's digital infrastructure, to enhance connectivity, access to government services, and economic opportunities which is a key part of the Bottom-up Transformation Agenda (BETA).

In support of the digital superhighway initiative, NCS provided advice on the development and review of policies and frameworks that promote ubiquitous connectivity, facilitate last-mile access for institutions and communities, and bridge the digital divide among Kenyans. Notably, the National Addressing System of Kenya (NASK) Policy and Bill serve as important frameworks that would advance the digital economy, support e-commerce, and improve the delivery of social services. Additionally, NCS advised on efficient and effective ways of managing the radio frequency spectrum and other scarce resources through conducting continuous review of ICT developments locally, regionally and globally.

The Secretariat, in addition, continued to develop and update policy and regulatory frameworks for the ICT sector. Functionally, NCS participated in the preparation of Kenya's position papers and fulfilling international obligations for global meetings under bodies such as the International Telecommunication Union (ITU) and the Universal Postal Union (UPU), among others. All these have been geared towards creating an enabling environment for digital transformation where all Kenyans can benefit from Information Communications and Technology development

In view of the forgoing, National Communication Secretariat participated in the development and review of various policy and regulatory frameworks *inter alia*:-

1. The Secretariat is spearheading the development of the National Broadband Strategy in partnership with the Communications Authority of Kenya (CA) and other key stakeholders.

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2. The Secretariat presented the draft National Addressing System of Kenya (NASK) Policy and Bill to the Presidential Economic Council Advisors, for information and advice.
3. The Secretariat participated in the validation of the Kenya Cloud Policy.
4. The Secretariat is pursuing the approval of the Draft Access to Information Policy that will ensure maximum access to information held by public authorities by all Kenyans.
5. NCS is part of the membership and Secretariat to the Committee developing the National Communication Policy and the Government Communication Strategy.
6. The Secretariat participated in preparation of Kenya's position paper during the International Telecommunications Week (ITW) Leader's forum 2024.
7. The Secretariat participated in the World Radio communication Seminar 2024 (WRS-24), held in Geneva, Switzerland from 2nd to 6th December 2024 that addressed critical topics related to spectrum management and radiocommunication systems. WRS-24 is a biennial global seminar organized by the ITU that focuses on the use and regulation of the radio-frequency spectrum and satellite orbits particularly the application of the ITU Radio Regulations.
8. The Secretariat in collaboration with the Communications Authority of Kenya prepared Kenya's position paper for the Postal Operations Council (POC) and the Council of Administration Session 7 (S7) of the Universal Postal Union (UPU).
9. The Secretariat participated in the WP 5D IMT meeting held in Geneva Switzerland from 4th to 13th February 2025. WP 5D- IMT specifically focuses on the development of International Mobile Telecommunications (IMT) systems which includes 5G and 6G that is being developed
10. NCS participated in the 2025 Session of the ITU Council which took place at the ITU headquarters in Geneva, Switzerland from 17th to 27th June 2025. The ITU Council acts as the executive body of the ITU and is responsible for supervising the implementation of decisions from the Plenipotentiary Conference. It is responsible for approving strategic and financial plans, coordinating the work among the ITU's three sectors, managing the ITU budget and monitoring the organization's financial health, preparing for major events like World Conferences or Assemblies and ensuring the ITU operates effectively and transparently between plenipotentiary conferences. The ITU Council is made up of 48 Member States, elected by the Plenipotentiary Conference and Kenya is one of them. These countries are elected with consideration for geographic representation, ensuring all regions of the world have a voice.
11. The Secretariat was part of the Kenya delegation to the ITU-R Working Party 5A and the Telecommunication Standardization Advisory Group (TSAG) which took place in Geneva, Switzerland from 17th to 31st May 2025. The Telecommunication Standardization Advisory Group (TSAG) is a body within the ITU Telecommunication Standardization Sector (ITU-T) that advises the ITU-T on its overall work program, structure, and working methods.
12. NCS is a member of the e-Commerce Strategy Implementation Committee tasked to oversee the implementation of the Kenya National E-commerce Strategy.
13. NCS is a Member of the committee Reviewing Media Council of Kenya Act 2023.

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14. NCS is a Member of the Committee tasked to develop the Kenya Institute of Mass Communication (KIMC) Bill. KIMC Bill now referred to as the Kenya School of Communications Bill, 2024, seeks to rebrand and reconstitute the Kenya Institute of Mass Communication (KIMC) as the Kenya School of Communications and establish the institution as a body corporate, giving it legal autonomy and a stronger operational framework. The intention is to enhance the quality of education, professionalize the communication and creative arts sector, and contribute to Kenya's knowledge economy.

In the year under review, the Secretariat made great milestones towards achievement of its mandate in tandem with the Ministry's Strategic objectives for ICT policies, regulatory and legal frame works. Specifically, the ongoing development of the National Broadband Strategy (NBS) in partnership with the Communications Authority of Kenya (CA) is paramount to the ICT Sector. This was necessitated by the expiry of the NBS 2018-2023. The new Strategy is expected to guide acceleration of broadband penetration and utilization across the country thus enhancing digital inclusion, improving service delivery, and driving socioeconomic transformation through ICT-enabled innovations.

Another important milestone is the completion of the draft National Communication Policy and the Government Communication Strategy which provides a framework to guide the communication functions of the national government across ministries, departments, and agencies (MDAs). NCS was a member and Secretariat to the multi-agency Committee and supported the process through facilitating the committee workshops and stakeholder consultation process. The policy will enhance transparency, citizen engagement, and build public trust by ensuring that accurate, timely, and relevant information is accessible to all.

To enhance its technical expertise and to keep up with global policy best practices in the ICT sector, the Secretariat team represented Kenya government's position at International ICT Policy forums during the year under review. These forums included regional and international meetings held under the auspices of the International Telecommunication Union (ITU), Universal Postal Union (UPU) among others, where Kenya is a Member State.

The Secretariat therefore participated in the preparation of Kenya's position paper during the International Telecommunications Week (ITW) Leader's forum 2024, that highlighted how Kenya and Africa are overcoming barriers in building sustainable digital infrastructures and the digital transformation landscape which aligns with the digital superhighway initiative in Kenya.

In order to provide quality advice on spectrum management, the Secretariat also participated in the ITU World Radio communication Seminar 2024 (WRS-24), held in Geneva, Switzerland from 2nd to 6th December 2024. The Seminar addressed critical topics related to spectrum management and

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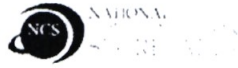
radiocommunication systems. Issues on the ITU Radio Regulations, global rules for spectrum use, and management of harmful interference were discussed and recommendations made specifically on improving gender balance in ICT and radiocommunication sectors as well as innovations like 5G broadcast technologies which supports broad accessibility and efficient spectrum use.

On Postal matters, the Secretariat in collaboration with the Communications Authority of Kenya prepared Kenya's position paper for the Postal Operations Council (POC) and the Council of Administration Session 7 (S7) of the Universal Postal Union (UPU) 2025 held in Berne, Switzerland. The meeting discussed issues on progress of Postal standardization activities and Postal digital transformation agenda. This calls for expedited review of the PCK Act to align the institution with the current Market trends like real time tracking and delivery of parcels to support e-commerce and digital economy. NCS is a member of the Joint National Preparatory Committee on Kenya's participation in the 28th UPU Congress and Campaigns for the re-election of Kenya in the UPU POC.

The Secretariat also participated in the WP 5D IMT meeting 2025. The critical agenda on sharing and allocation of Mobile frequencies to Low Earth Orbiting (LEO) Satellites to enable provision of mobile services direct to mobile devices will disrupt the existing licensing of Mobile Network Operator licenses and keen discussions during this meeting is required to safeguard National interest. Direct-to-Device (D2D) from NGSO satellites is the capability of delivering satellite communication signals directly to standard consumer devices like smartphones, tablets, or IoT devices by Non Geostationary Satellites. This will enable provision of telecommunication and broadband services to unserved and underserved areas During the year under review the Secretariat was also part of the Kenya delegation to the 2025 Session of the ITU Council and the ITU-R Working Party 5A and the Telecommunication Standardization Advisory Group (TSAG) for equitable access to the radio spectrum by the land mobile and the amateur services, providing benefits through implementation of radio solutions to the communication needs.

To strengthen internal controls and enhance efficiency in administrative processes, NCS developed various internal policies and procedures in line with Articles 10 and 232 of the Kenya Constitution 2010 on values and principles of good governance. In a bid to intensify efforts against graft, NCS conducted staff sensitization on anti-corruption and further developed a draft Bribery and Corruption Prevention Procedures Manual and the Whistle Blowers' Protection Policy. Additionally, in response to Government circular and other prevailing laws, the Secretariat developed a draft Occupational Safety and Health (OSH) Policy.

Likewise in support of the government policy that aims at automating critical process and procedures, NCS successfully installed Sage 300 ERP system, migrated departmental data into the System and conducted departmental training for system integration. Inspection and Acceptance Report was prepared to inform project commissioning and closure. The ERP software will enable the Secretariat to manage its day-to-day operations in accounting, procurement, human resource and administration.



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risk management activities, among others. This will contribute towards efficient and effective delivery of its services to both internal and external stakeholders.

The Secretariat continued to comply with all Statutory requirements in its operations during the period under review. These include inter alia: the Kenya Revenue Authority, The Constitution of Kenya, 2010, Kenya Information and Communication Act 1998, Public Finance Management Act 2012, Data Protection Act 2019, Computer Misuse and Cyber Crime Act No. 5, 2018, the Employment Act 2007, Public Procurement and Asset Disposal Act 2015, among others.

The Secretariat, in compliance with Legal Notice No. 23 of the Public Finance Management (State Officers House Mortgage Scheme fund) Regulations (2015) developed the NCS House Mortgage Scheme Policy Guidelines. In addition, the Secretariat reviewed the IT Process and Procedure Guidelines and the Public Procurement and Assets Disposal Policy Manual. Further, NCS finalised its Institutional Risk Management Policy Framework, for implementation. The Secretariat supported the Public Service Internship Programme (PSIP) and mentored five (5) interns in Supply Chain Management, Information Technology and Finance and Accounts Departments, during the year under review.

The Secretariat seeks to promote, protect and ensure persons living with disabilities at the workplace and those who visit the Secretariat or its website including those who use its publications, enjoy full and equal rights and fundamental freedoms; and to respect their inherent dignity by offering them equal opportunities. To this end, NCS developed a Policy on Disability Mainstreaming for implementation.

NCS is committed to ensuring that gender equality is achieved through its programs and seeks to create a work environment free from threats or violence against individuals, groups, employees, NCS staff, and stakeholders. In this regard, NCS developed internal policies on Workplace Gender Mainstreaming and Gender Based Violence Policies.

It is also worth mentioning that, in fulfillment of the presidential directive on tree planting, NCS planted 11000 trees in Vihiga and Nandi Counties.

Despite various challenges orchestrated by budget rationalization and delayed budget remittances, all these achievements were made possible due to the dedicated team of staff at the Secretariat. I take this opportunity to appreciate their efforts and commitment.

**Eng. George M. Nyaory
COMMUNICATIONS SECRETARY**

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5. Statement of NCS Performance against Predetermined Objectives for FY 2024/25

NCS achieved its performance targets set for the FY2024/25 period that were based on the predetermined objectives. NCS Strategy Model includes its Vision, Mission, Core Values and five Key Result Areas (Pillars). The five pillars are:-

- i. Policy, legal and institutional frameworks
- ii. Research-based policies and innovation
- iii. Human capacity development
- iv. Corporate development and governance
- v. Financial resource management

NCS developed Annual Work Plans and strategic objectives based on the above five pillars. The workplans formed targets for the performance contract while all the activities were cascaded to departmental and individual performance appraisal targets. Assessment of the Management's performance against its Annual Work Plan was done on a quarterly basis and achievement was as indicated in the diagram below: -

Strategic Pillar / Key Result Area (KRA)	Objectives	Key Performance Indicators	Activities	Achievements
KRA 1 Policy, Legal and Institutional Framework	To develop and review ICT policies, legal and institutional frameworks	ICT Policies, and Strategies	Develop and review	<ol style="list-style-type: none"> 1. Finalization of the National Access to Information Policy 2. Draft National Addressing System of Kenya Policy and Bill 3. National Communication Policy 4. Cab Memo on National Communication 5. Government Communication Strategy 6. Kenya Cloud Policy 7. National Broadband Strategy for Kenya 2025-2030 8. Member of the National e-commerce Strategy meetings overseeing implementation of

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				the National e-commerce Strategy
				9. Draft KIMC Bill
KRA 1 Policy, Legal and Institutional Framework	To Establish Strategic partnerships and collaborations	Advisory opinions, Concept note	Prepare Briefs, advisories	<ol style="list-style-type: none"> 1. Prepared paper for the international telecommunications week (ITW) leader's forum 2024 2. Participation in the World Radiocommunication Seminar 2024 (WRS-24) 3. Participation in session 7 of the postal operation and administration council 4. Participation in the ITU-R International Mobile Telecommunication (IMT) Working Party 5D meetings 5. Participation in the 2025 session of the ITU council meetings 6. Prepared 800 Digital Village Project Ex-Post Evaluation Report. 7. Vice-chair of the NPC for WRC-27 sub-committee 4 dealing with science issues 8. Participation at the ATU and EACO WRC-27 Preparatory meetings 9. Participation at the ITU-R Working Party 5A and 5C and ITU Telecommunications Standardization Advisory Group (ITU_TSAG) meetings 10. Participation in the 43rd Ordinary session of PAPU Administrative Council 11. Participated in the National Association of Broadcasters (NAB) Show

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				<p>12. Attended the 48th Working Party 5D meetings</p> <p>13. Prepared brief on market dynamics and opportunities in ICT sector.</p>
KRA 3 Human capacity development	To strengthen human resource management and development	Draft HR Instruments	Workshop and meetings	<p>Review of NCS HR Instruments which include:-</p> <ol style="list-style-type: none"> 1. Organisational Structure and Staffing 2. Career Progression Guidelines 3. HR Policy Manual
		Policy to improve work environment	Development	<ol style="list-style-type: none"> 1. Workplace Gender Mainstreaming Policy 2. Disability Mainstreaming Policy
		Policy to improve work environment	Displaying of OSH guidelines	OSH Policy
		Policy to improve work environment	Display Citizen Service Charter	Displayed Citizen Service Delivery Charter
KRA 4 Corporate Development and governance	To promote leadership and good corporate governance	Disaster Recovery and Cloud backup Solution	Procure and install Cloud Backup System	Successful implementation of a Cloud Back-up system
		Policy against corruption initiatives	Policy development	<ol style="list-style-type: none"> 1. Bribery and Corruption Prevention Procedures Manual 2. Whistle Blowers Protection Policy
		Institutional Risk Management Policy Framework	Finalised	Approved Institutional Risk Management Policy Framework.

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		Reviewed Strategic Plan 2023-27	Finalisation	Strategic Plan FY2023-2027 finalised
		Approved annual workplans FY2024-25	Work planning	Approved Departmental Work plan 2024-2025
KRA 5 Financial Resource Management	To enhance financial management	Approved consolidated procurement plan 2024-25	Preparation and consolidation of departmental procurement plan reports	Procurement plan 2024/25 developed and submitted to the office of the Cabinet Secretary for approval as per the PPADA 2015 and Regulations
		Up to date Asset Register	Maintain and update Asset Register	Asset register updated and details also captured within the Server environment
		Annual Report and Financial Statements	Preparation of Annual Financial Statements and Reports	Annual Reports submitted as per the Statutory requirements
		Approved Budget FY2024-25	Preparation of FY2024-25 budget in line with National Treasury (NT) guidelines and workplans	Approved Budget FY2024-25
		Proposed budget FY2024-25 to 2026-27 MTEF Budget	Consolidation of FY2024-25 to 2026-27 Medium Term Budget	Submitted proposed Budget FY2024-25

Annual Report and Financial Statements For the year ended June 30, 2025

6. Corporate Governance Statement

The Secretariat has a Public Finance Management Standing Committee (PFMSC) which meets every quarter to provide strategic guidance to NCS on public finance management matters. It also has a Budget Implementation Committee (BIC) which meets once every month and whose key responsibility is to oversee budget implementation and performance. In addition, NCS has an Internal Auditor who reports functionally to the Ministerial Audit and Risk Committee and administratively to the Communications Secretary. The internal audit function is guided by the NCS Audit Charter, Internal Audit Policy and Procedures Manual and the NCS Risk Management Policy Framework.

NCS developed a draft Whistle Blowers Protection Policy to support and assist staff in bringing genuine concerns to the attention of appropriate people within the Secretariat who can initiate action into the matter raised. The Policy is designed to support the Secretariat's values of Integrity, Transparency, Patriotism, Inclusivity and Innovation as articulated in the NCS Strategic Plan 2023-2027 and the Code of Conduct and Ethics. This Policy is guided by 5 key principles of:

- i. **Fairness:** Fairness and appropriateness of response to complaints on fraudulent or unethical conduct that is genuine.
- ii. **Protection:** Freedom to raise genuine concern without fear of harassment, discrimination and victimization.
- iii. **Confidentiality:** Information on any individual making a Disclosure will be kept confident unless he/she agrees otherwise.
- iv. **Transparency and feedback** towards the persons raising the concern: The Secretariat will ensure that any individual raising a concern is aware of who is handling the matter and that feedback is provided as appropriate.
- v. **Legitimacy of Concern:** This Policy supports all genuine concerns and does not cover any issues that are raised maliciously and those based on falsehoods.

The Secretariat developed the NCS Bribery and Corruption Prevention Procedures Manual (draft) which aims to prevent bribery and corruption within the Secretariat; ensure all employees, stakeholders and service providers comply with anti-corruption laws; and promote a culture of integrity and ethical decision-making in public service delivery. In addition to staff commitment to the Public Officers Ethics Act, NCS developed and implements the Code of Ethics for persons participating in Public Procurement and Code of Ethics for Suppliers in Public Procurement and Disposal.



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In managing conflicts of interests and in line with Section 16 (12) of the Leadership and Integrity Act, (2012), NCS institutionalized various schedules of registrable interests for Directorships in public or private companies; Remunerated Employment; Securities; Contracts for Supply of Goods and Services; Plans or Expectations for or Offers of Future Employment; Public Affairs Advice and Services to Clients; Shareholdings; Land and Property; Sponsorship; Travel Facilities and Overseas Visits; Gifts, benefits and hospitality; Miscellaneous Financial Interests; Non-financial interests; membership of public bodies; trusteeships; Pending civil and/or Criminal cases touching on the Public officer or business associate or firm; and Possession of Dual Citizenship or Pending Applications for Dual Citizenship and the status of such application.

NCS has a Communications Strategy which provides guidelines on the standard, context and quality of the kind, design and means of communication the Secretariat should have with staff, internal and external stakeholders, media and the public. The Strategy outlines all the components and strategies to ensure effective communication that NCS should adopt to meet its goals, vision, mission and mandate as provided under the Kenya Information and Communications Act (KICA) 1998. The Strategy is intended to enhance NCS's working relations, interaction and information exchange with the public, policy makers, private sector, the media and all other stakeholders who are consumers of services offered by the Secretariat.

NCS is in the process of developing a Succession Management Policy whose main objective is to provide strategies to address the existing and future succession management challenges. Specifically, the Policy will Institutionalize human resource planning aligned to national and organizational strategic goals; Ensure the best fit between employees and the jobs; Develop a pool of potential successors to support knowledge transfer and employee development; Develop internal capability to ensure organizational preparedness to changing roles and competitiveness; Provide stability in leadership and other critical positions to sustain a high performing Secretariat and ensure uninterrupted delivery of services and programmes; and Attract and retain talented, competent and knowledgeable employees in the Secretariat.

The Secretariat complied with all Statutory requirements in its operations during the FY 2024/25. These include *inter alia* the Constitution of Kenya 2010, Public Procurement and Asset Disposal Act 2015, Public Finance Management Act 2012, Kenya Information and Communication Act 1998, Data Protection Act 2019, Computer Misuse and Cyber Crime Act No. 5, 2018, the Employment Act (2007) among others.

In exercising the pillars of risk management and internal controls, the Secretariat development of the Institutional Risk Management Policy Framework.

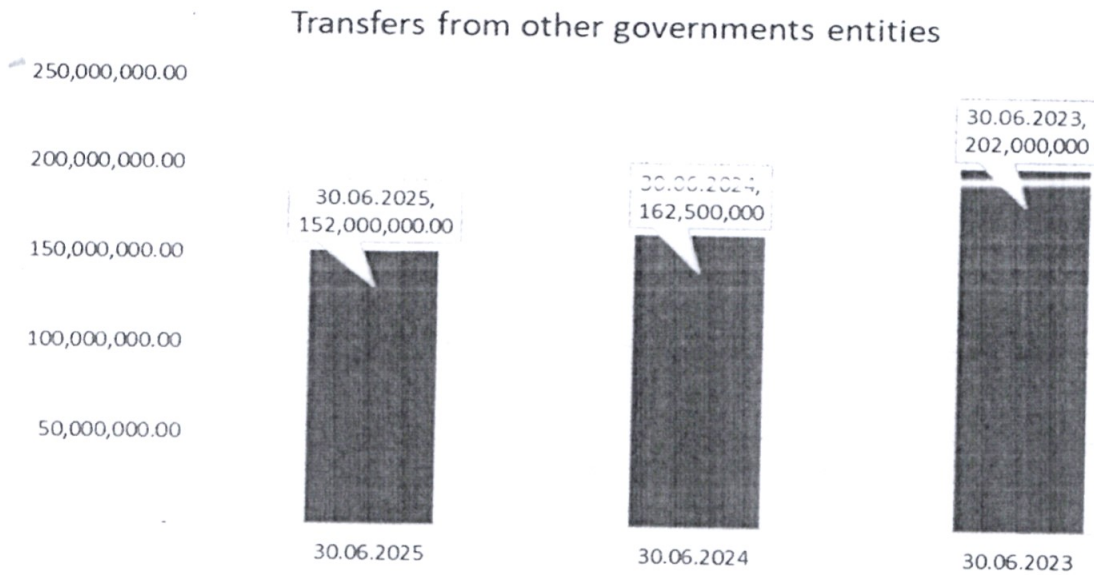
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The Secretariat adhered to the International Public Sector Accounting Standards (IPSAS) as required by the Public Sector Accounting Standards Board (PSASB) that have the legal mandate to guide financial reporting in the public sector through The National Treasury. To remain compliant the Secretariat ensured the timely submission of Annual Financial Reports to The National Treasury, in accordance with the requirements of Section 81 of the Public Finance Management Act, 2012. To ensure transparency, accountability and disclosure, the Secretariat continues to publish its Audited Annual Financial Reports on the website. The Secretariat in compliance with Article 10 and 232 of the Constitution, implemented various internal policies, procedures and guidelines to ensure adherence to National Values and Principles of good governance, for satisfactory delivery of services to the public.

**Annual Report and Financial Statements
For the year ended June 30, 2025**

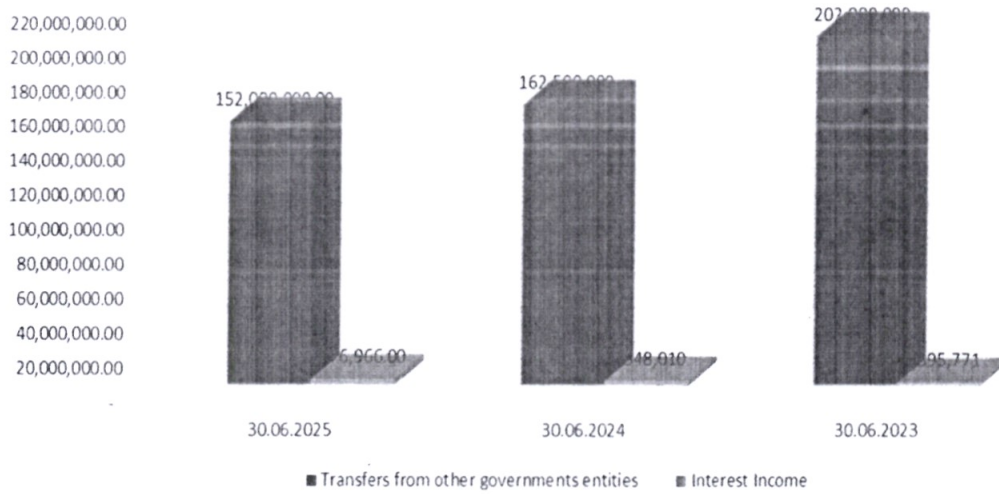
7. Management Discussion and Analysis

The Approved Budget for Secretariat for the year under review was KShs.152 million. However, the Ministry of Information, Communication and the Digital Economy (MICDE) remitted only KShs.100.75 million as at 30.06.2025. On 02.07.2025 the MICDE remitted to NCS KShs.50.25 million as outstanding budgetary allocation for NCS for the Financial Year 2024/25. In total, the MICDE remitted KShs.152 million to NCS. The graph below shows a three-year analysis of the Government grants received by NCS.



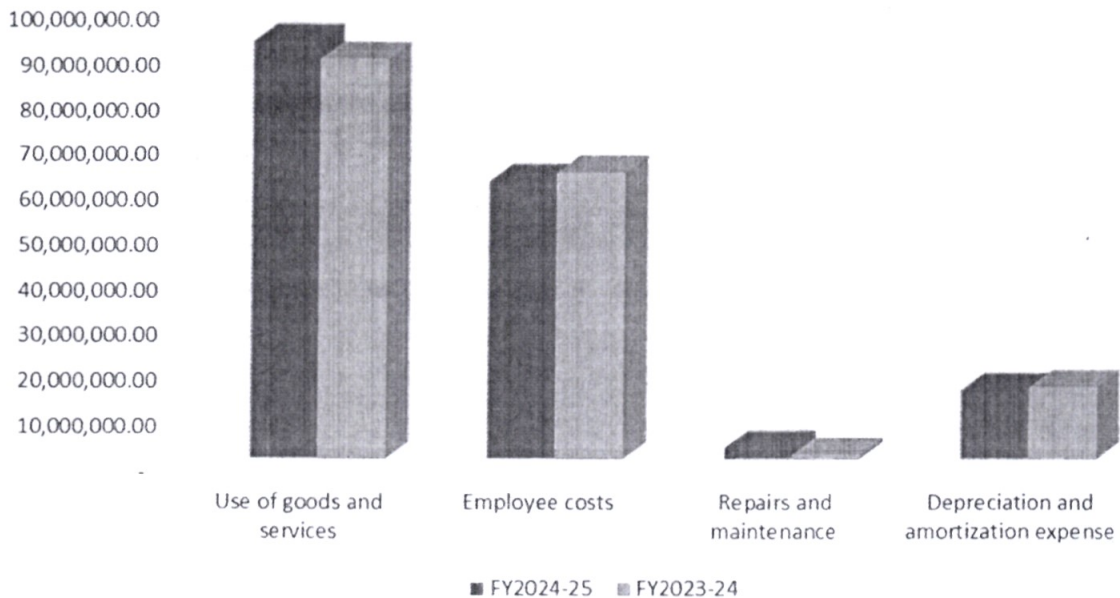
**Annual Report and Financial Statements
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Financial Performance 3-year Budget Comparison (KShs)



The graph below shows that use of goods and services consumed the larger part of the budget followed by employee costs, depreciation and amortization expense and lastly repairs and maintenance, being the least consumer of the budget for the financial year under review.

Statement of Financial Performance - Expenses Comparison in the past two financial years





Annual Report and Financial Statements For the year ended June 30, 2025

7.1 Operational Activities

The ERP system went live after the appointment of an Inspection Committee which carried out the system inspection and issued an inspection report confirming readiness for use⁸. The license obtained at the time was utilized to facilitate staff training across all departments and to enable initial data entry, with all departmental data successfully migrated into the system.

The license has since expired, resulting in the suspension of some system functionalities. In order to resume full operations, the Secretariat needs to procure a new license. The procurement of this license, together with system maintenance, has been provided for in the workplan, in the budget, and in the Procurement Plan for FY2025/26, to ensure operational efficiency and sustainability.

7.1.1 NCS Strategic Plan 2023-2027

The Secretariat finalized its Strategic Plan (2023 – 2027) and is awaiting publication. This Strategic Plan provides a clear roadmap that will enable the Secretariat to continue executing its mandate towards achieving its Vision of being a trusted hub for ICT Advisory Services. Overall, the five-year Plan takes into consideration the critical priority programmes of the Ministry of Information, Communications and the Digital Economy (MICDE) for advisory services touching on ICT policies and plans. In addition, the Strategic Plan will, among other things, ensure that NCS delivers enhanced research-based policies and legal frameworks. To operationalize the Strategic Plan, NCS developed and approved Workplans, a tool that will facilitate monitoring and evaluation of the strategic objectives in the Plan.

7.1.2 Policy, Legal Frameworks

(i) National Broadband Strategy

The Secretariat is spearheading the development of the National Broadband Strategy in partnership with the Communications Authority of Kenya (CA) and other key stakeholders. The National Broadband Strategy (NBS) 2018-2023 is currently expired and the new Strategy shall guide the growth and development of broadband in Kenya. The Strategy shall accelerate broadband penetration and utilization across the country thus leading to enhanced socio-economic transformation by fostering digital inclusion, improving service delivery, and driving economic growth through ICT-enabled innovations.

(ii) National Addressing System of Kenya Policy and Bill

The Secretariat presented the draft National Addressing System of Kenya (NASK) Policy and Bill to the Presidential Economic Council Advisors for information and advice. The Council advised that the Ministry prepares a roadmap for implementation in conjunction with other government agencies as the documents advance to other levels of approval.

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(iii) Kenya Cloud Policy

The Secretariat participated in the validation of the Kenya Cloud Policy. The Policy aims to prioritize the adoption of cloud-based information and communication technologies, covering infrastructure, hardware, software, information security, licensing, storage, data provision, as well as, services such as security, development, virtualization, databases, or any other technology where cloud solutions are deemed equivalent to alternative technological solutions. Cloud computing is increasingly recognized as a vital aspect of digital transformation and innovation. Cloud refers to a network of remote servers that are hosted on the internet and used to store, manage, and process data, rather than relying on a local server or personal computer. Essentially, it allows users and organizations to access computing resources (such as storage, processing power, and software applications) over the internet, rather than having to maintain these resources on physical hardware in-house which is expensive.

Currently, NCS is a member of the Kenya Cloud Policy Multi-Agency Adoption Committee through the Communications Secretary. The Committee is tasked with formulation of implementation guidelines and planning of cloud migration strategies. The Committee is also responsible for ensuring a consistent and secure approach to cloud adoption in collaboration with other agencies.

(iv) National Access to Information Policy

The Secretariat is following the approval process of the Draft National Access to Information Policy that will ensure maximum access to information held by public authorities to all Kenyans to enable the country to transition to a knowledge-based economy. The Draft Policy was submitted to the Ministry and is currently under consideration in the Cabinet Secretary's Office.

(v) National Communication Policy and Government Communication Strategy

A technical committee was constituted to develop the National Communication Policy and the Government Communication Strategy. NCS is part of the membership as well as the Secretariat to the Committee. The Draft Policy was subjected to public participation with the exercise ending on 11th June 2025. The Committee convened and incorporated the stakeholders feedback on the Policy. The final draft was submitted to the Ministry for progression.

(vi) Information Communication and the Digital Economy Sectoral Working Group Report

The Information Communication and the Digital Economy Sectoral Working Group Report was launched by the Cabinet Secretary of Ministry of Information, Communications, and the Digital Economy (MICDE) on 12th September 2024. The Secretariat identified major areas that require policy, legal and regulatory interventions and has prioritized the same for implementation. These include the development of the Government Communications Policy and Strategy, Review of the Postal Corporation of Kenya (PCK) Act, Review of the Kenya Broadcasting Corporation (KBC) Act among others, as per the recommendations.

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(vii) International Telecommunications Week (ITW) Leader's forum 2024

The Secretariat participated in preparation of Kenya's position paper during the International Telecommunications Week (ITW) Leader's forum 2024, that highlighted how Kenya and Africa are overcoming barriers in building sustainable digital infrastructures and the digital transformation landscape.

(viii) The World Radiocommunication Seminar 2024 (WRS-24)

The Secretariat participated in the World Radio communication Seminar 2024 (WRS-24), held in Geneva, Switzerland from 2nd to 6th December 2024 that addressed critical topics related to spectrum management and radiocommunication systems.

The seminar included over 900 participants reflecting widespread interest in the ITU's work on global radiocommunications. Issues on the ITU Radio Regulations, global rules for spectrum use, and management of harmful interference was discussed and recommendations made. There was a session on gender inclusion, the Network of Women for WRC-27, emphasized improving gender balance in ICT and radiocommunication sectors. Other discussions covered innovations like 5G broadcast technology, which promises to integrate traditional and modern communication systems effectively, ensuring broad accessibility and efficient spectrum use.

(ix) Session 7 of the Postal Operation and Administration Councils

The Secretariat in collaboration with the Communications Authority of Kenya prepared Kenya's position paper for the Postal Operations Council (POC) and the Council of Administration Session 7 (S7) of the Universal Postal Union (UPU) held on 15th to 27th February 2025 in Berne Switzerland. The meeting discussed various issues as follows

- Progress of Postal standardization activities
- Postal addressing and geographic information system integration activities
- Postal Customs solutions, standards and Capacity building
- Postal Digital Transformation Agenda
- Postal Sustainable Development Activities
- Postal Regulations and Standards
- Report of the state of Postal Sector
- Draft Integrated product plan 2026 to 2029
- UPU International Bureau Financial Performance

To promote the continued evolution of postal financial services, it is recommended that the government expedite the restructuring of PCK to strengthen and make it more competitive to cope with current market trends. Projects and initiatives geared to the development and growth of e-commerce, Digitalization of Postal Services, Development of Fintech, Modernization of Logistic and

Annual Report and Financial Statements For the year ended June 30, 2025

Transport Infrastructure, improving efficiency in delivery, reliability and communication; Real time tracking of parcels, streamlining of returns and customer support should be funded and implemented.

(x) International Mobile Telecommunications (IMT) Working Party 5D meeting

The Secretariat participated in the WP 5D IMT meeting held in Geneva Switzerland from 4th to 13th February 2025. The ITU-R Working Party 5D is an International Telecommunication Union (ITU) forum responsible for the overall radio systems aspect of the terrestrial component of International Mobile Telecommunication (IMT) comprising the current IMT-2000, IMT-Advanced and IMT-2020 (5G) as well as IMT for 2030 (6G) and beyond. The meeting discussed the studies being carried out in preparation for the World Radio Conference 2027 (WRC-27) as per set agenda items in the WRC-23.

Participation in this meeting is to enable the preparation of sound positions to be taken by the government in the WRC-27 based on the outcome of the studies. The critical agenda item 1.13 which is carrying out studies on sharing and allocation of Mobile frequencies to Low Earth Orbiting (LEO) Satellites to enable provision of mobile services direct to mobile device will disruptive the existing licensing of Mobile Network Operator licenses and keen discussions during this meeting is required to safeguard National interest.

(xi) The 2025 Session of the ITU Council meetings

The Secretariat participated in the 2025 Session of the ITU Council which took place at the ITU headquarters in Geneva, Switzerland from 17th to 27th June 2025. The ITU Council is the governing body of the ITU Plenipotentiary conference which is tasked with the role of considering broad telecommunication policy issues in response to the telecommunication environment. The Council organized an AI interactive workshop for delegates in order to provide knowledge and tools necessary to navigate the AI growing role in policy and governance, on the 16th June 2025.

(xii) Participation in the ITU-R WP 5A and TSAG meetings

The Secretariat was part of the Kenya delegation to the ITU-R WP5A and the Telecommunication Standardization Advisory Group (TSAG) which took place in Geneva, Switzerland from 17th to 31st May 2025. The meetings are responsible for land mobile service including wireless access in the fixed service as well as studies related to amateur and amateur-satellite service. The main objective of the meeting is to facilitate, through appropriate studies, equitable access to the radio spectrum by the land mobile and the amateur services, providing benefits that are made possible by implementing radio solutions to the communication needs. WP5A is also very active in the development and standardization of new technologies for land mobile systems.

(xiii) 28th UPU congress and Campaigns

NCS is a member of the Joint National Preparatory Committee on Kenya's participation in the 28th UPU Congress and Campaigns for the re-election of Kenya in the UPU POC.



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(xiv) Other Policy, Legal and Institutional Framework

Currently, the Secretariat is involved in the development, review and implementation of the various policy and legal frameworks as follows: -

- i. e-Commerce Strategy Implementation Committee to oversee the implementation of the Kenya National E-commerce Strategy;
- ii. Media Council of Kenya Act 2023 Review Committee

7.1.3 Major Risks Facing National Communication Secretariat

The Secretariat operates in a rapidly evolving sector which presents challenges and affects operational efficiency. As a result, the Secretariat carried out an analysis of the environment in which it operates using the PESTEL and SWOT analysis and developed annual work plans based on strategic objectives spelt out in the NCS Strategic Plan 2023-2027 to address these challenges.

NCS with the assistance of technical teams from Ministry of Public Service and our parent ministry initiated the review of the NCS HR Instruments for submission for approval of the Public Service Commission vide letters MIIYA/CONF/12/15/0/32 dated 30th August 2022. These Instruments are yet to be approved.

During the year under review, NCS embarked on the exercise to revise its HR Instrument in preparation for re-submission to the Public Service Commission for approval. The revised Instruments will take into consideration the emerging issues within the ICT sector, changes in the legislative environment, and incorporate recommendations from the approved ICT SWG Report dated June 2024, together with changes stipulated in the Circular from the Public Service Commission Ref: No. PSC/GEN/22/11(91) dated 8th August 2023. The approval of the Instruments will among other things, ensure that NCS acquires an optimal staff establishment.

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8. Environmental and Sustainability Reporting

NCS provides quality policy advisory services that fosters an enabling environment for ICT development. During the year under review, the secretariat streamlined its operations by automating an ERP system. The ERP automation will increase operational efficiency, increased productivity and optimize on performance among others.

The core values of NCS are Integrity, Transparency, Patriotism, Inclusivity, and Innovation. NCS therefore, endeavours to develop environmental responsible policies to shield Kenya from the negative impact of an expanding ICT ecosystem and to promote the positive benefits of ICT. Below is the outline of NCS's activities that promote sustainability.

(i) Sustainability Strategy and Profile

Sustainability is entrenched in our Strategic Pillars. To ensure sustainable development and growth, NCS is committed to uphold Environmental, Social and Governance Standards, as well as, good professional practises, that exceed the applicable legal and regulatory requirements. To this end, NCS has adopted all reasonable and practical measures to establish Environmental, Social and Governance objectives and targets, measure progress and report its performance in a bid to accelerate the achievement of the Sustainable Development Goals.

(ii) Environmental Performance Customize to Capture Environmental Issues

In executing its mandate, the Secretariat ensures that all the advisories address issues of environmental sustainability where applicable. NCS was involved in the development of the draft NASK Policy and Bill which provides for spurring economic growth and human development through environmental accountability.

NCS planted a total of 11,000 seedlings in Kabujoi Forest in Nandi County and Kibiri Forest in Vihiga County and as part of the Government's 10 percent national tree cover on restoration and conservation of forests for environmental protection and climate mitigation. Continuous maintenance of the trees and further expansion of their coverage will be undertaken based on the current undertaking.

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The Cabinet Secretary for the Ministry of Information, Communications and the Digital Economy, H.E. Hon. William Kabogo Gitau, together with the Communication Secretary, Eng. George Nyaory, and the Nandi County Head of Forest, participated in a tree-planting exercise at Kabuji in support of the President's target of growing 15 billion trees by 2032, aimed at combating climate change and restoring degraded landscapes.

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Government officials and the community join hands to clear the bush in readiness of planting the trees in Kabujoi forest, Nandi County.

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(iii) Employee Welfare

National Communication Secretariat is an equal opportunity employer, and upholds the Constitutional requirements on gender, disability, race, religion, and ethnicity in the recruitment and selection process to attract and retain competent employees required for efficient and effective service delivery. In the PSC annual survey on values and principles of good governance NCS scored 100% in gender representation and also developed internal policies and procedures on Workplace Gender Mainstreaming, Disability Mainstreaming and Occupational Safety and Health (OSH).

Every year, NCS conducts a Training Needs Analysis (TNA) and develops training plans to meet skills gaps identified to ensure staff are equipped with the relevant capacity to deliver on their set targets. These targets are drawn from cascaded activities in the departmental work plans which are mapped against Strategic Plan objectives thereby resulting in meaningful appraisal of performance.

To promote safety and health for its staff and their dependents, NCS has made provisions to cover staff on Work Injury Benefits Act 2007 (WIBA) and also provides medical insurance cover that includes basic health checks on overall wellbeing. NCS has a policy on safety and compliance with Occupational Safety and Health Act (OSHA), 2007.

(iv) Marketplace Practices

a) Responsible Competition Practices

NCS ensures responsible competition practices in procurement processes through promoting fair, equitable, transparent, competitive and cost-effective competition. To achieve this, NCS developed the following internal policies:-

- a. Bribery and Corruption Prevention Procedures Manual,
- b. Whistle Blowers Protection Policy,
- c. Code of Ethics for Persons Participating in Procurement at NCS,
- d. Code of Ethics for Suppliers participating in Procurement and Disposal at NCS
- e. Assets and Liability Management Policy
- f. Service Charter Information

b) Responsible Supply Chain and Supplier Relation.

NCS maintains good business practices by integrating ethical standards in sourcing, building and maintaining strong relationships with suppliers to achieve mutual benefits, honouring suppliers contracts and allowing competitive procurement of Goods, Works and Services.

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In addition, NCS adheres to the legal requirement for Access to Government Procurement Opportunities (AGPO) program founded on Article 227(2) of the Constitution of Kenya, 2010, Section 155, 156 and 157 of the Public Procurement and Assets Disposal Act 2015 and Regulations 2020. The aim of the program is to facilitate youth, women and persons with disability participate in public procurement opportunities. This was made possible by allocating 30% (Ksh.24.1 million) of the budget to the program.

c) Responsible Marketing and Advertisement

Social media is quickly becoming one of the main communication tools of the digital age. It is not only a great tool for individuals but also for organizations and brands. NCS has utilised social media platforms such as X (formally Twitter) and LinkedIn in pursuit of responsible marketing and advertisement that prioritises ethical and social conscious principles. The Secretariat has embraced advertisement of tenders in the dedicated Government tenders' portal (PPIP) and its website.

d) Product Stewardship

NCS works with the approved frameworks to ensure good stewardship.

(v) Corporate Social Responsibility / Community Engagements

During the long rains in the year under review, NCS planted a total of 11,000 seedlings in Kabujoi Forest in Nandi County and Kibiri Forest in Vihiga County and as part of the Government's 10 percent national tree cover on restoration and conservation of forests for environmental protection and climate mitigation.

Continuous maintenance of the trees and further expansion of their coverage will be undertaken as the Secretariat plans to raise the target to at least 100,000 seedlings in the subsequent financial year.

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KFS and NCS teams join hands for tree planting in Kibiri Forest, Vihiga County (Kakamega Forest ecosystem)

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For the year ended June 30, 2025



NCS collaborates with Community Forest Association



Collaborating with the community in clearing the bush in a section of the forest to plant the trees



NCS staff pitting the ground in Kibiri forest



NCS staff planting an Elgon Teak seedling in Kibiri Forest



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The Cabinet Secretary, MICDE, together with the Communication Secretary, NCS, the Nandi County Head of Forest and NCS staff participated in a tree-planting exercise at Kabujoi in support of the President's target of growing 15 billion trees by 2032, aimed at combating climate change and restoring degraded landscapes.

Over the years, the Secretariat has been collaborating with the Kenya Forest Service (KFS) and the Community Forest Association (CFA) in Kakamega, Vihiga and Nandi Counties. NCS will ensure that the trees are well maintained through community involvement in planting short term crops while they care for the trees and keep the grounds away from grazing and vandalism. It was agreed that NCS will be monitoring the seedlings to ensure growth and better survival rates.

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For the year ended June 30, 2025**

9. Report of the Management Team

The Management team submits its report together with Financial Statements for the year ended June 30th, 2025 which shows the state of the National Communication Secretariat's affairs.

i) Principal Activities

The principal mandate of the Secretariat is defined in the KICA,1998, Section,84(2) as to advise the Government on adoption of a Communication policy which:

1. Promotes the benefits of technological development to all users of postal and telecommunication facilities;
2. Fosters national safety and security, economic prosperity and the delivery of critical social services through posts and telecommunications;
3. Facilitates and contributes to the full development of competition and efficiency in the provision of services both within and outside Kenya; and
4. Fosters full and efficient use of telecommunication resources including effective use of radio spectrum by the Government in a manner which encourages the most beneficial use thereof in the public interest.

ii) Results

The results of the Secretariat for the year ended June 30th, 2025, are as set out from page 1 to page 7.

iii) Management Team

The Management Team who served during the year are shown on page ix to page xv. During the year in review, three positions at the management level were vacant. The Position of the Communication Secretary was filled.

iv) Auditors

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

By Order of the Management

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**Eng. George M. Nyaory
COMMUNICATIONS SECRETARY**

**Annual Report and Financial Statements
For the year ended June 30, 2025**

10. Statement of Accounting Officer Responsibilities

Section 81 of the PFM Act, 2012 and Section 14 of the State Corporations Act, require the Accounting Officer to prepare Financial Statements in respect of NCS, which give a true and fair view of the state of affairs of NCS at the end of the Financial Year and the operating results of NCS for that year. The Accounting Officer is also required to ensure that NCS keeps proper accounting records which disclose with reasonable accuracy the financial position of NCS. The Accounting Officer is also responsible for safeguarding the assets of NCS.

The Management Team is responsible for the preparation and presentation of the Secretariat's Financial Statements, which give a true and fair view of the state of affairs of the Secretariat for and as at the end of the Financial Year ended on 30th June, 2025. This responsibility includes:

- i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of NCS;
- 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 Secretariat;
- v) Selecting and applying appropriate accounting policies; and
- vi) Making accounting estimates that are reasonable in the circumstances.

The Management Team accepts responsibility for the Secretariat's Financial Statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with IPSAS, and in the manner required by the PFM Act and the State Corporations Act.

The Management team is of the opinion that the Secretariat's Financial Statements give a true and fair view of the state of NCS transactions during the Financial Year ended 30th June, 2025, and of the Secretariat's financial position as at that date. The Management Team further confirms the completeness of the accounting records maintained for the Secretariat, which have been relied upon in the preparation of the Secretariat's Financial Statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Management Team to indicate that the Secretariat 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 Secretariat's Financial Statements were approved by the Management on 19th August 2025 and signed on its behalf by:

<p align="center">Signature</p> <p>Eng. George M. Nyaory Communications Secretary/CEO National Communication Secretariat</p>	<p align="center"><i>[Signature]</i></p> <p>Stephen M. Isaboke, EBS Principal Secretary, State Department for Broadcasting and Telecommunications Ministry of Information Communication and the Digital Economy</p>
<p>Date: <u>19/08/2025</u></p>	<p>Date: <u>25-08-25</u></p>

REPUBLIC OF KENYA



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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL COMMUNICATION SECRETARIAT FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

An Unmodified 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 Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Communication Secretariat set out on pages 1 to 31, which comprise of the of statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of

changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of 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, the financial statements present fairly, in all material respects, the financial position of the National Communication Secretariat as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Kenya Information and Communications Act, 1998 and the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual of Kshs.222,626,690 and Kshs.212,001,690 respectively, resulting in an under-funding of Kshs.10,625,000 or 5% of the budget. Similarly, the Secretariat spent the amount of Kshs.158,573,189 against actual receipts of Kshs.212,001,690 resulting in an under-utilization of Kshs.53,428,501 or 25% of actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Issues

In the prior year's audit report, several issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during the audit of the Secretariat in 2024/2025 revealed that the matters listed in Appendix 1 remained unresolved as at 30 June, 2025.

Other Information

The Management is responsible for the Other Information set out on page vi to xli which comprise of Key Entity Information and Management, Management Team, Report of the Chief Executive Officer, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Management Team and the Statement of Accounting Officer Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Secretariat'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.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN 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 the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Expired Human Resource Manual and Unapproved Staff Establishment

The Secretariat's Human Resource Manual provided for audit was dated April, 2022 and had exceeded the three(3) year review period as required by Section 1.7 on Review of the Manual thus rendering it expired. Further, the manual and the staff establishment had

not been approved by the Public Service Commission (PSC) as required by Section 4.3 of the Public Service Commission Guidelines for Development and Review of Human Resource Management Instruments in State Corporations (2023) on Staff Establishment which states that each State Corporation will have an approved optimal staff establishment that will form the basis for staffing during the planned period.

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

2. Failure to Migrate and Maintain Payroll Data to the Unified Human Resource Information System

During the year under review, the Secretariat had not migrated its payroll and human resource data to the Unified Human Resource System as directed by the Executive Office of the President Circular Ref. No. OP.CAB. 1/31A dated 4 August, 2022. The Secretariat continued to rely on a manual payroll system. This is contrary to the Government directive requiring state corporations to migrate to the new system by 1 January, 2023.

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

3. Non-Compliance with Circular on Mortgage Schemes

Review of records revealed that the Secretariat applied for a staff mortgage scheme in the year 2020 and an approval was granted by The National Treasury on 27 July, 2022 to operationalize the Mortgage Fund. Further, The National Treasury budgeted and disbursed funds to the Scheme in the 2023/2024 financial year amounting to Kshs.50,000,000. However, the Secretariat was yet to operationalize the mortgage scheme and funds disbursed of Kshs.50,000,000 were deposited in the same bank account used for normal operations. In addition, it was noted that the Secretariat employees are engaged on fixed-term contracts and, therefore, do not qualify for the mortgage benefits as stipulated in Paragraph 1 of the Salaries and Remuneration Commission Circular No. SRC/ADM/CIR/1/13 Vol. III (128) dated 17 December, 2014. The circular clearly states that the mortgage scheme includes public servants who are employed on permanent and pensionable basis.

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

4. Non-Compliance with Optimal Staffing Levels

Review of the human resource records revealed that the Secretariat had a total of seventeen (17) officers in post in the year under review where three (3) officers were technical staff and fourteen (14) were non-technical staff representing 18% and 82% respectively. This is contrary to Paragraph 4.3(i) of the Public Service Commission Guidelines for Development and Review of Human Resource Management Instruments for State Corporations and Public Universities, 2023 which requires organizations to observe 70:30 ratio of technical to administrative support staff.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The Standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

Conclusion

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

Basis for Conclusion

1. Lack of Oversight Body for the Secretariat

As reported earlier, the Secretariat was officially formed through Legal Notice No.22 of February, 1999. During the year under review, the Secretariat operated without an oversight body to oversee the overall strategy direction and approve significant policies.

In the circumstances, the effectiveness of the Secretariat's governance system could not be confirmed.

2. Delayed Implementation of Mortgage Scheme

Note 8 to the financial statements reflects use of goods and services totalling Kshs.88,858,222. Included in this expenditure is a local travel amount of Kshs.23,893,336 out of which an amount of Kshs.1,449,000 was paid to officers on retreat in Naivasha held from 15 to 19 July, 2024 for technical support in the development of guidelines for the operationalization of the National Communication Secretariat House Mortgage Scheme. However, review of the status of the mortgage implementation revealed that there was no remarkable progress despite holding the retreat guided by The National Treasury approval letter Ref. TNT/Zü26/04/A/ (17) dated 27 July, 2022. No explanation was provided for the delay in the implementation of the mortgage scheme.

In the circumstances, the value for money amounting to Kshs.1,449,000 utilized during the retreat could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the Secretariat'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 also 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

07 November, 2025

Appendix 1: Unresolved Prior Year Audit Issues

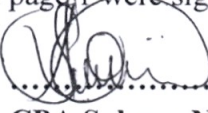

No.	Observations
	Report on Lawfulness and Effectiveness in Use of Public Resources
1	Irregular Procurement of Branded and Non-Branded Items
	Report on Effectiveness of Internal Controls, Risk Management and Governance
1	Lack of Oversight Body for the Secretariat
2	Non-Disposal of Unserviceable Motor Vehicle
3	Use of a Manual Vote Book
4	Failure of Human Resource Management Advisory Committee (HRMAC) to hold Minimum Number of Meetings

**Annual Report and Financial Statements
For the year ended June 30, 2025**

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

	Notes	2024-2025	2023-2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments entities	6	152,000,000	162,500,000
Interest Income	7	3,176,966	2,348,010
Total revenue		155,176,966	164,848,010
Expenses			
Use of goods and services	8	88,858,222	78,984,027
Employee costs	9	57,038,976	63,027,578
Repairs and maintenance	11	2,469,020	910,000
Depreciation and amortization expense	10	15,212,416	15,890,262
Total expenses		163,578,634	158,811,867
Net deficit/surplus for the year		(8,401,668)	6,036,143

The notes set out on pages 16 to 19 form an integral part of these Financial Statements.
The Financial Statements set out on page 1 were signed on behalf of the management by:

<p>..... Eng. George M. Nyaory Communications Secretary National Communication Secretariat</p>	<p style="text-align: center;"></p> <p>..... CPA Salome Nyambura ICPAK M. No.28729 Head of Finance & Accounting National Communication Secretariat</p>	<p style="text-align: center;"></p> <p>..... Stephen M. Isaboke, EBS Principal Secretary State Department for Broadcasting and Telecommunications Min. of Information Communications and the Digital Economy</p>
<p>Date: 19/08/2025</p>	<p>Date: 19/08/2025</p>	<p>Date: 25-08-25</p>

Annual Report and Financial Statements
For the year ended June 30, 2025

13. Statement of Financial Position as at 30 June 2025

Description	Notes	2024-2025 KShs	2023-2024 KShs
Assets			
Current Assets			
Cash and Cash equivalents	12	53,428,501	67,449,724
Receivables from Non-Exchange Transactions	13	54,188,092	41,005,980
Total Current Assets		107,616,593	108,455,704
Non-Current Assets			
Property, Plant and Equipment	14	32,372,671	44,214,285
Intangible Assets	14b	5,199,398	6,236,160
Total Non- Current Assets		37,572,069	50,450,445
Total Assets		145,188,662	158,906,149
Liabilities			
Current Liabilities			
Trade and Other Payables	15	585,707	1,633,434
Current Provisions	17	6,958,311	7,591,804
Total Current Liabilities		7,544,018	9,225,238
Non-Current Liabilities			
Non - Current Provisions	18	7,680,808	11,315,407
Total Non - Current Liabilities		7,680,808	11,315,407
Total Liabilities		15,224,826	20,540,645
Net Assets		129,963,836	138,365,504
Capital and Reserves			
Reserves	19	2,487,000	2,487,000
Capital Fund	19b	8,382,221	8,382,221
Accumulated Surplus	19c	69,094,615	87,496,283
Mortgage Fund	19d	50,000,000	40,000,000
Total Capital and Reserves		129,963,836	138,365,504

The financial statements set out on page 2 were signed on behalf of the Management by:

<p>..... Eng. George M. Nyaory Communications Secretary National Communication Secretariat</p>	<p>..... CPA Salome Nyambura ICPAK M. No.28729 Head of Finance & Accounting National Communication Secretariat</p>	<p>..... Stephen M. Isaboke, EBS Principal Secretary, State Department for Broadcasting and Telecommunications, Min. of Information Communications & the Digital Economy</p>
<p>Date: 19/08/2025</p>	<p>Date: 19/08/2025</p>	<p>Date: 25-08-25</p>

**Annual Report and Financial Statements
For the year ended June 30, 2025**

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

Description	Revaluation reserve KShs	Accumulated Reserves KShs	Mortgage Fund	Capital Reserve KShs	Total KShs
As at July 1, 2023	2,487,000	121,460,140	0	8,382,221	132,329,361
Surplus/Deficit for the year	0	6,036,143	0	0	6,036,143
Transfer to Mortgage Fund	0	(40,000,000)	40,000,000	0	0
As at June 30, 2024	2,487,000	87,496,283	40,000,000	8,382,221	138,365,504
As at July 1, 2024	2,487,000	87,496,283	40,000,000	8,382,221	138,365,504
Transfer to Mortgage Fund	0	(10,000,000)	10,000,000	0	0
Deficit for the period	0	(8,401,668)	0	0	(8,401,668)
As at June 30 2025	2,487,000	69,094,615	50,000,000	8,382,221	129,963,836

**Annual Report and Financial Statements
For the year ended June 30, 2025**

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

Description	Notes	2024-2025	2023-2024
		KShs	KShs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities	6c	141,375,000	173,875,000
Interest income	7	3,176,966	2,348,010
Total receipts		144,551,966	176,223,010
Payments			
Use of goods and services	8b	92,413,349	88,505,839
Employee costs	9b	61,356,780	63,189,105
Repairs and maintenance	11	2,469,020	910,000
Total payments		156,239,149	152,604,944
Net cash flows from/(used in) operating activities		(11,687,183)	23,618,066
Cash flows from investing activities			
Purchase of PPE	14	(775,000)	(16,479,335)
Intangible Assets	14b	(1,559,040)	-
Net cash flows from/(used in) investing activities		(2,334,040)	(16,479,335)
Net increase/(decrease) in cash & Cash equivalents		(14,021,223)	7,138,731
Cash and cash equivalents at 1st July 2024	12	67,449,724	60,310,993
Cash and cash equivalents at 30th June 2025	12	53,428,501	67,449,724

The financial statements set out on page 4 were signed on behalf of the Management by:

.....
Eng. George M. Nyaory
 Communications Secretary
 National Communication
 Secretariat

.....
CPA Salome Nyambura
 ICPAK M. No.28729
 Head of Finance &
 Accounting National
 Communication Secretariat

.....
Stephen M. Isaboke, EBS
 Principal Secretary,
 State Department for
 Broadcasting and
 Telecommunications
 Ministry of Information,
 Communications and the
 Digital Economy
 Date: 25-08-25

Date: 19/08/2025

Date: 19/08/2025

**Annual Report and Financial Statements
For the year ended June 30, 2025**

16. Statement of Comparison of Budget and Actual amounts for Year Ended 30 June 2025

	Original budget	Adjustments	Final budget	Actual cumulative to date	Performance Difference	% of utilization
Description	Kshs	Kshs	Kshs	Kshs		
	A	B	C=(a+b)	D		f=d/e*100
Budget Carryover		67,449,724	67,449,724	67,449,724	0	100%
Receipts						
GoK Grants	222,000,000	(70,000,000)	152,000,000	141,375,000	10,625,000	93%
Interest Income	-	-	3,176,966	3,176,966	0	100%
Total Income	222,000,000	(2,550,276)	222,626,690	212,001,690	10,625,000	95%
Payments						
Use of Goods and Services	120,990,650	(25,398,190)	95,592,460	92,413,349	3,179,111	97%
Employee costs	79,475,120	(7,475,120)	72,000,000	61,356,780	10,643,220	85%
Repairs and Maintenance	2,534,230	-	2,534,230	2,469,020	65,210	97%
Total Payments	203,000,000		170,126,690	156,239,149	13,887,541	92%
Capital Expenditure	19,000,000	33,500,000	52,500,000	2,334,040	50,165,960	4%
Surplus for the period				53,428,501		
Total OPEX & CAPEX	222,000,000		222,626,690	158,573,189	64,053,501	71%

**Annual Report and Financial Statements
For the year ended June 30, 2025**

Comments on significant underutilization (Below 90%) of utilization and any overutilization (IPSAS 24.14)

*** *Employee Costs (85 < 90%)***

- The year under review came to an end before request for approval for recruitment was granted thus causing the underutilization of employee costs. This in effect, caused a challenge in staffing towards achievement of set strategic objectives.

*** *Capital Expenditure (4 < 90%)***

- The year under review came to an end before NCS could obtain clarification on the provisions in Sec.21 of the draft Mortgage SOP loan limits for staff since NCS employment engagement was on based on Fixed-Term Contract and it was deemed that the SRC limits were pegged on employment terms being Permanent and Pensionable. There was need to align this section with this mode of employment.

**Annual Report and Financial Statements
For the year ended June 30, 2025**

17. Notes to the Financial Statements

1. General Information

National Communication Secretariat (NCS) was established vide the Kenya Information and Communications Act, 1998, Section 84. The core function of the Secretariat is to foster efficient use of ICT resources through provision of quality policy advisory services to the Government. NCS is wholly owned by the Government of Kenya and is domiciled in Kenya.

2. Statement of Compliance and Basis of Preparation

The Secretariat's Financial Statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The Financial Statements are presented in Kenya shillings, which is the functional and reporting currency of NCS. The accounting policies have been consistently applied to all the years presented.

The Financial Statements have been prepared on the basis of historical cost, except for the measurement at re-valued amounts of certain items of property, plant and equipment. The Cash Flow Statement is prepared using the indirect method. The Financial Statements are prepared on accrual basis. NCS also complies with PFM Act 2012, PFM Regulations 2015 and the Kenya Information and Communications Act of 1998.

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43	<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><i>The National Communication Secretariat does not have leases on record in the reporting period and thus shall not be affected by the proposed amendments to the standard.</i></p>

**Annual Report and Financial Statements
For the year ended June 30, 2025**

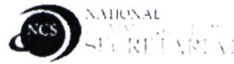
<p>IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations</p>	<p>Applicable 1st January 2025</p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</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><i>The National Communication Secretariat does not have assets held for sale and discontinued operations as such the revision proposed in this amendment shall not impact on the position presented in the Financial Statement.</i></p>
<p>IPSAS 45- Property Plant and Equipment</p>	<p>Applicable 1st January 2025</p> <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>IPSAS 46 Measurement</p>	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul 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>IPSAS 47- Revenue</p>	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>

**Annual Report and Financial Statements
For the year ended June 30, 2025**

<p>IPSAS 48- Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>The National Communication Secretariat does not have transfer expenses and the new standard shall not impact on the position presented in the Financial Statement.</i></p>
<p>IPSAS 49- Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>The National Communication Secretariat does not have retirement benefit plan as such, the standard shall not impact on the position presented in the Financial Statement.</i></p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>The National Communication Secretariat does not have Mineral Resources, as such the standard shall not impact on the position presented in the Financial Statement.</i></p>

iii. *Early adoption of standards*

NCS did not early – adopt any new or amended standards in year 2024/2025.



**Annual Report and Financial Statements
For the year ended June 30, 2025**

Notes to the Financial Statements (Continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

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 NCS and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

ii) 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.

b) Budget information

The original budget for FY 2024-2025 was approved by the National Assembly on *1st July 2024*. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by NCS upon receiving the respective approvals in order to conclude the final budget.

NCS's budget is prepared on a different basis to the actual income and expenditure disclosed in the Financial Statements. The Financial Statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the Financial Statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the Financial Statements are also made for differences in the formats and classification schemes adopted for the presentation of the Financial Statements and the Approved Budget.

**Annual Report and Financial Statements
For the year ended June 30, 2025**

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

c) Taxes

National Communication Secretariat is a non-profit making semi-autonomous government agency and is thus not subjected to corporate tax.

There is thus no corporate taxation charge recorded in the statement of financial position for the financial year ended 30th June 2025.

Sales tax

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

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

d) 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, NCS recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Depreciation expense for the fixed assets is calculated on straight line basis and the applicable depreciation rates are as shown below:

- | | |
|------------------------------------|---------|
| • Motor Vehicle | -25% |
| • Properties, Plant and Equipment | - 25% |
| • Furniture, Fixtures and fittings | - 12.5% |
| • Computers and ICT Equipment | - 30% |
| • Computer Software | -33.3% |



**Annual Report and Financial Statements
For the year ended June 30, 2025**

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

e) Intangible Assets

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

f) Research and Development Costs

NCS expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when NCS 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. The Secretariat did not have any such costs nor associated development expenditure in the financial year under review.

g) Provisions

Provisions are recognized when NCS 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. Provisions were raised and management determined an estimate based on the information available. Provisions were made for audit fees and staff gratuity accrued for the year. The actual rates were used to calculate the actual rates for gratuity at 31% of the basic salary. Historical costs for the previous financial year were used to calculate the provision for audit fees. Provision for medical ex-gratia assistance was made based on claims received from staff and pending approval.

**Annual Report and Financial Statements
For the year ended June 30, 2025**

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

h) Contingent Liabilities

NCS 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.

i) Contingent Assets

NCS 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 NCS 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.

j) Nature and Purpose of Reserves

National communication secretariat maintains reserves in terms of specific requirements.

i. Revaluation Reserve

NCS has three motor vehicles purchased in the financial year 2006/2007 that were revalued resulting in a gain on revaluation which is recognised in revaluation reserves in the books.

ii. Capital Replacement Reserve

This is the capital that was used to set up and establish NCS when it started operating independent of the parent ministry in the financial year 2005/2006, the reserve is set up to cater for the recognition of the capitalised expenses. There has been no increase in capital reserves from the initial one on establishment.

iii. Accumulated Reserve

This is the reserve that is formed up of the surpluses and deficits accumulated over the years that NCS has been in operation.

k) Changes in Accounting Policies and Estimates

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



Annual Report and Financial Statements For the year ended June 30, 2025

Notes to the Financial Statements (Continued) Summary of Significant Accounting Policies (Continued)

l) Employee Benefits

Retirement Benefit Plans

National Communication Secretariat provides retirement benefits for its employees under defined contribution plans with the National Social Security Fund. In addition, the Secretariat operates a gratuity fund for its employees. The applicable rate is 31% of basic salary and accrued over a period of three years.

m) Related Parties

National Communication Secretariat regards a related party as a person or an NCS with the ability to exert control individually or jointly, or to exercise significant influence over NCS, or vice versa. Members of key management are regarded as related parties and comprise the Communications Secretary, the Experts and the Head of Departments.

n) Cash and Cash Equivalents

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

o) Comparative Figures

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

p) Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the Financial Statements for the year ended June 30, 2025.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of National Communication Secretariat 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.

**Annual Report and Financial Statements
For the year ended June 30, 2025**

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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. National Communication Secretariat 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 NCS. 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 NCS.
- 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 were made for audit fees and staff gratuity accrued for the year. The actual rates were used to calculate the actual rates for gratuity at 31% of the basic salary. Historical costs for the previous financial year was used to calculate the provision for audit fees. Provision for medical ex-gratia assistance was made based on claims received from staff and pending approval.

**Annual Report and Financial Statements
For the year ended June 30, 2025**

Notes to the Financial Statements (Continued)

6. Transfers from State Department for Broadcasting & Telecommunication

Description	2024-2025	2023-2024
	KShs	KShs
Unconditional Grants		
Operational Grant	152,000,000	162,500,000
Total Government Grants and Subsidies	152,000,000	162,500,000

Funding from Communications Authority of Kenya (CA) as per KICA Sec.19(f) to cover operational costs of NCS to enable NCS carry out its mandate in accordance with KICA Sec.84.

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

Name of the Entity Sending the Grant	Amount recognized to Statement of Financial performance	Amount recognised in capital fund	Total transfers 2024-2025	Prior year 2023-2024
	KShs	KShs	KShs	KShs
State Department for Broadcasting and Telecommunications	152,000,000	0	152,000,000	162,500,000
Total	152,000,000	0	152,000,000	162,500,000

c) Cashflows on Transfers from State Department for Broadcasting & Telecommunications

Description	2024-2025	2023-2024
	KShs	KShs
Unconditional Grants		
Accrued Operational Grant Received	40,625,000	52,000,000
Grants received for the year	100,750,000	121,875,000
Total Unconditional Grants	141,375,000	173,875,000

7. Other Income

Description	2024-2025	2023-2024
	Kshs	Kshs
Interest Income	3,176,966	2,348,010
Total other income	3,176,966	2,348,010

**Annual Report and Financial Statements
For the year ended June 30, 2025**

Notes to the Financial Statements (Continued)

8. Use of Goods and Services

Description	2024-2025	2023-2024
	Kshs	Kshs
External Travel Costs and Air Tickets	24,195,530	16,801,581
Training	7,820,379	5,839,885
Local Travel	23,893,336	21,915,715
Stakeholder's Conference	16,136,682	11,871,424
Bank Charges	597,836	473,741
Communication Services	2,332,855	3,338,937
General Supplies & Stationery	999,900	1,588,438
Printing	2,000	681,813
ICT Research	121,999	155,679
Staff Welfare	1,584,800	971,750
Cleaning	1,678,095	1,520,700
Motor Vehicle Running Expenses	3,420,666	4,762,494
Computer Accessories	74,300	37,200
Monitoring and Evaluation	2,536,600	2,198,083
Hospitality	1,010,178	893,901
CSR	1,844,000	3,526,802
Corporate Branding	0	1,308,500
Legal fees	0	958,184
Audit fees	139,200	139,200
Newspaper, Books & Magazines	469,866	0
Total General Expenses	88,858,222	78,984,027

**Annual Report and Financial Statements
For the year ended June 30, 2025**

Notes to the Financial Statements (Continued)

8 (b) General Expenses Cash Flows

Description	2024-2025	2023-2024
	Kshs	Kshs
Use of goods (statement of financial performance)	88,858,222	78,984,027
Audit fees	139,200	139,200
Prepayments	0	(96,600)
Audit fees provision	(139,200)	(139,200)
Outstanding imprest	2,507,400	-
Accrued expenses paid	1,047,727	(337,106)
Other Expenses paid (CAMAT)	0	10,018,518
Imprest surrender	0	(63,000)
Use of goods and services	92,413,349	88,505,839

9. Employee Costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Salaries and wages	38,565,294	46,181,844
Employer contribution to health insurance schemes	10,717,280	8,821,970
Employer contribution to pension schemes	620,291	299,160
Leave Allowance	317,000	272,000
Gratuity	6,819,111	7,452,604
Employee costs	57,038,976	63,027,578

9 b) Employee Costs Cash Flow

Description	2024-2025	2023-2024
	Kshs	Kshs
Salaries and wages	57,038,976	63,027,578
Gratuity paid	11,087,203	7,513,645
Salary advances recovery	49,712	100,486
Gratuity Provision	(6,819,111)	(7,452,604)
Employee costs	61,356,780	63,189,105

**Annual Report and Financial Statements
For the year ended June 30, 2025**

Notes to the Financial Statements (Continued)

10. Depreciation Expense

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, plant and equipment	12,616,614	15,890,262
Intangible assets	2,595,802	0
Total depreciation and amortization	15,212,416	15,890,262

11. Repairs and Maintenance

Description	2024-2025	2023-2024
	Kshs	Kshs
Building	1,908,800	810,000
Computer Software	268,720	0
Furniture and Fittings	0	100,000
Others	291,500	0
Total Repairs and Maintenance	2,469,020	910,000

12. Cash and Cash Equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Account	7,936,791	29,782,933
Savings Account	45,491,710	37,666,791
Total Cash and Cash Equivalents	53,428,501	67,449,724

(b) Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2024-2025	2023-2024
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1117340023	7,936,791	29,782,933
Sub- Total		7,936,791	29,782,933
b) Savings Account			
Kenya Commercial Bank	1136088261	45,491,710	37,666,791
Sub- Total		45,491,710	37,666,791
Grand Total		53,428,501	67,449,724

**Annual Report and Financial Statements
For the year ended June 30, 2025**

13. Receivables from Non-Exchange Transactions

Description	2024-2025	2023-2024
	Kshs	Kshs
Receivables from State Dept Broadcasting	51,250,000	40,625,000
Salary Advance	421,872	372,160
Imprests	2,507,400	0
Prepayments	8,820	8,820
Total current receivables	54,188,092	41,005,980

14. Property, Plants and Equipment

COST	Motor vehicles	Furniture fixtures Fittings and Equipment	Computers	Total
	KShs	KShs	KShs	KShs
As At 1st July 2023	19,965,682	55,129,517	23,478,326	98,573,525
Additions	13,518,000	935,500	2,025,835	16,479,335
As at 30th June 2024	33,483,682	56,065,017	25,504,161	115,052,860
Additions	-	50,000	725,000	775,000
As at 30th June 2025	33,483,682	56,115,017	26,229,161	115,827,860
DEPRECIATION				
As At 1st July 2023	15,615,126	21,363,144	17,970,043	54,948,313
Depreciation	5,243,056	6,656,255	3,990,951	15,890,262
As At 30th June 2024	20,858,182	28,019,399	21,960,994	70,838,575
Depreciation for FY 2024/25	3,379,500	6,662,505	2,574,609	12,616,614
As At 30th June 2025	24,237,682	34,681,904	24,535,603	83,455,189
Net Book Values				
As at 30th June 2024	12,625,500	28,045,618	3,543,167	44,214,285
As at 30th June 2025	9,246,000	21,433,113	1,693,558	32,372,671

**Annual Report and Financial Statements
For the year ended June 30, 2025**

Notes to the Financial Statements (Continued)

(b) Intangible Assets

Description	2024-2025	2023-2024
	Kshs	Kshs
Costs		
At the beginning of the year	6,236,160	6,236,160
Additions	1,559,040	-
At the end of the year	7,795,200	-
Amortization	2,595,802	-
NBV	5,199,398	6,236,160

(c) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation & Amortization	NBV
	Kshs	Kshs	Kshs
Motor Vehicles, Including Motorcycles	33,483,682	24,237,682	9,246,000
Computers And Related Equipment	26,229,161	24,535,603	1,693,558
Furniture fixtures Fittings and Equipment	56,115,017	34,681,904	21,433,113
Intangible assets	7,795,200	2,595,802	5,199,398
Total	123,623,060	86,050,991	37,572,069

15. Trade and Other Payables

Description	2024-2025	2023-2024
	Kshs	Kshs
Other payables (Accrued Expenses)	580,478	1,628,205
Government Transfer for CAMAT	5,229	5,229
Total trade and other payables	585,707	1,633,434

16. Government Transfers for CAMAT

Description	2024-2025	2023-2024
	KShs	KShs
Balance Brought Forward	5,229	10,023,747
Additions	-	-
Other Payments	-	(10,018,518)
Balance Carried Forward	5,229	5,229

**Annual Report and Financial Statements
For the year ended June 30, 2025**

Notes to the Financial Statements (Continued)

17. Current Provisions

Description	Gratuity Provision	Audit Fees Provision	Total Provisions
	2024-2025	2024-2025	2024-2025
	Kshs	Kshs	Kshs
Total Provisions	6,819,111	139,200	6,958,311

18. Non – Current Provisions

Description	Gratuity Provision	Audit fees	Ex-Gratia	2024-2025	2023-2024
	Kshs	KShs	Kshs	KShs	Kshs
	Balance b/d	15,166,765	139,200	3,601,246	18,907,211
Provision utilised	(11,087,203)	(139,200)	0	(11,226,403)	(7,652,845)
Total Provision	4,079,562	0	3,601,246	7,680,808	11,315,407

19. Revaluation Reserves

Description	2024-2025	2023-2024
	Kshs	KShs
Balance b/d	2,487,000	2,487,000
Total	2,487,000	2,487,000

19(b) Capital Reserves

Description	2024-2025	2023-2024
	KShs	KShs
Balance b/f	8,382,221	8,382,221
Total	8,382,221	8,382,221

19(c) Accumulated Reserves

Description	2024-2025	2023-2024
	Kshs	Kshs
Balance b/d	87,496,283	121,460,140
Transfer to Mortgage Reserves	(10,000,000)	(40,000,000)
Deficit/surplus for the year	(8,401,668)	6,036,143
Total	69,094,615	87,496,283

**Annual Report and Financial Statements
For the year ended June 30, 2025**

Notes to the Financial Statements (Continued)

19(d) Mortgage Reserves

Description	2024-2025	2023-2024
	Kshs	KShs
Balance b/d	40,000,000	40,000,000
Additions	10,000,000	-
Total	50,000,000	40,000,000

20. Cash Generated from Operations

Description	2024-2025	2023-2024
	KShs	KShs
Deficit for the period before tax	(8,401,668)	6,036,143
Adjusted for:		
Depreciation & Amortization	15,212,416	15,890,262
Current Provisions	6,958,311	7,591,804
Audit fees paid	(139,200)	(139,200)
Gratuity Paid	(11,087,203)	(7,513,645)
Working Capital adjustments		
Increase/(Decrease) in receivables	(13,182,112)	11,434,114
Increase/(Decrease) in payables	(1,047,727)	(9,681,412)
Net cash flow from operating activities	(11,687,183)	23,618,066

21. Employee Benefit Obligations

NCS contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Fund Act. The company's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs.2,160 per employee per month. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred

**Annual Report and Financial Statements
For the year ended June 30, 2025**

Notes to the Financial Statements (Continued)

22. Financial Risk Management

National Communication Secretariat's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Secretariat's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk.

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

i) Credit risk

The Secretariat 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.

Management assesses the credit quality of each staff, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the terms and conditions of service.

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

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
As at 30 June 2025				
Receivables from non-exchange transactions	54,188,092	54,188,092	0	0
Bank balances	53,428,501	53,428,501	0	0
Total	107,616,593	107,616,593	0	0
As at 30 June 2024				
Receivables from non-exchange transactions	41,005,980	41,005,980	0	0
Bank balances	67,449,724	67,449,724	0	0
Total	108,455,704	108,455,704	0	0

The staff under the fully performing category are paying their debts. The credit risk associated with these receivables is minimal.

**Annual Report and Financial Statements
For the year ended June 30, 2025**

Notes to the Financial Statements (Continued)

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with NCS Management, who have built an appropriate liquidity risk management framework for the management of NCS's short, medium and long-term funding and liquidity management requirements. NCS manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by NCS 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.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2024				
Trade payables			1,628,205	1,628,205
Deferred Income		-	5,229	5,229
Provisions		-	139,200	139,200
Employee benefit obligation		-	18,768,011	18,768,011
Total		-	20,540,645	20,540,645
As at 30 June 2025				
Trade payables	-	-	580,478	580,478
Deferred Income	-	-	5,229	5,229
Provisions	-	-	139,200	139,200
Employee benefit obligation	-	-	14,499,919	14,499,919
Total	-	-	15,224,826	15,224,826

iii) Market risk

NCS Management has put in place an internal audit function to assist it in assessing the risk faced by NCS on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect NCS's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. NCS Management is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to NCS's exposure to market risks or the manner in which it manages and measures the risk.



**Annual Report and Financial Statements
For the year ended June 30, 2025**

Notes to the Financial Statements (Continued)

Financial Risk Management

a) Foreign currency risk

NCS 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.

b) Interest rate risk

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

Management of interest rate risk

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

iv) Capital Risk Management

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

	2024-2025	2023-2024
	Kshs	Kshs
Revaluation Reserve	2,487,000	2,487,000
Retained Earnings	8,382,221	8,382,221
Capital Reserve	69,094,615	87,496,283
Mortgage Fund	50,000,000	40,000,000
Total Funds	129,963,836	138,365,504

23. Related Party Disclosures

Nature of related party relationships

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

**Annual Report and Financial Statements
For the year ended June 30, 2025**

Notes to the Financial Statements (Continued)

Government of Kenya

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

24. Events after the Reporting Period

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

25. Ultimate And Holding Entity

NCS is a Semi-Autonomous Government Agency under the Ministry of Information, Communication and the Digital Economy. Its ultimate parent is the Government of Kenya.

26. Currency

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



**Annual Report and Financial Statements
For the year ended June 30, 2025**

27. Appendix

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)
Budgetary Control and Performance	<p>The summary statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.277,159,003 and Kshs.236,534,003 respectively, resulting in underfunding of Kshs.40,625,000 or 15% of the approved budget. Similarly, the Secretariat spent Kshs.83,929,059 or 35% of actual receipts.</p> <p>The under-funding and underutilization affected the planned activities and may have impacted negatively on service delivery to the public.</p>	NCS is working closely with the parent ministry to minimize underfunding. Additionally, the Secretariat will align its budget effectively to ensure full utilisation in achieving proper service delivery to the public.	Resolved
Lack of oversight body for the Secretariat	The National Communication Secretariat was officially formed through Legal Notice No. 22 of February 1999. During the year under review, the Secretariat operated without an oversight body to	The Draft amendment review Bill of Kenya Information and Communication Act (KICA) has provisioned for restructuring of NCS and is being processed by the Ministry	Not resolved

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)
	<p>oversee strategy direction and approve significant policies.</p> <p>In absence of an oversight body the effectiveness of governance system of the Secretariat could not be confirmed.</p>	of Information Communications and the Digital Economy.	
Irregular Procurement of Branded and Non-Branded Items	<p>The Secretariat floated request for quotations to various suppliers for procurement of branded and non-branded items for the HR department. However, all the responsive bidders were awarded separately per single item contrary to awarding the lowest bidder for the consolidated items of Kshs.1,398,500. This is contrary to the provisions of the Public Procurement and Disposal Act of 2015 Section 106 (3) which provides that the successful quotation shall be the quotation with the lowest price that meets the requirements set out in the request for quotations.</p> <p>In the circumstances, Management was in breach of the law.</p>	The Management will actively ensure compliance with the laws going forward	Resolved
Non-Disposal of Unserviceable Motor Vehicle	The Statement of financial position reflects property, plant and equipment balance of Kshs.44,214,285 as disclosed in Note 14 to the financial statements.	The process of disposing of motor vehicles commences as follows:-	Resolved

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)
	<p>However, review of the balance revealed that one motor vehicle which was fully depreciated and declared for disposal was still included in the asset register at Kshs. Nil value. No explanation was provided for the delay in the disposal.</p> <p>In the circumstances, the adequacy of the internal control and asset management could not be confirmed.</p>	<ul style="list-style-type: none"> i. Disposal Committee was formed (letter of appointment attached) ii. Valuation report from the chief Mechanical and Transport Engineer from Min. Of Transport was done (attached is a copy of the Report) iii. The Disposal Plan for the financial year includes the disposal of motor vehicles hence the disposal will be completed within this financial year (attached) 	
Use of a Manual Vote Book	<p>During the year under review, the Secretariat maintained a manual system for the budgetary control instead of the automated integrated Financial Management Information System (IFMIS) for allocation and reallocation of funds despite having an operational Enterprise Resource Planning (ERP) System. No explanation was provided as to why the above system was not fully operationalised.</p>	<p>NCS will endeavour to fully utilise the ERP system in its budget processes and related expenditures once it is fully commissioned.</p>	Resolved

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)
	In the circumstances, adequacy of internal controls surrounding the budgeting and allocation of resources process could not be confirmed.		
Failure of Human Resource Management Advisory Committee (HRMAC) to hold minimum number of meetings	<p>Section A.13(2) of the Human Resource Policies and Procedures Manual for the Public Service 2016 provides that HRMAC shall meet at least once in each month. However, a review of human resource records revealed that the (HRMAC) did not hold any meetings during the year under review as required. Despite the omission, some officers were irregularly appointed in acting capacities whose recommendation ought to have emanated from the HRMAC. It is not clear how this was achieved in the absence of meetings by the HRMAC members.</p> <p>In the circumstances, the effectiveness of HRMAC human resource oversight role could not be confirmed.</p>	The committee going forward will endeavor to hold regular meetings as required by the law	Resolved



Communications Secretary
 Date: ...19/08/2025.....

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Appendix II: Projects implemented by National Communication Secretariat

Due to the nature of the mandate of the NCS, there were no projects that were implemented by NCS in the year 2024/2025.

Appendix III: Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent /Development/Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - Other Income	
Ministry of Information Communications and the Digital Economy: State Department for Broadcasting and Telecommunications	09/07/2024	Recurrent	40,625,000	0	-	40,625,000	-	-	
	08/11/2024	Recurrent	50,375,000	50,375,000	-	-	-	-	
	24/03/2025	Recurrent	25,187,500	25,187,500	-	-	-	-	
	16/05/2025	Recurrent	25,187,500	25,187,500	-	-	-	-	
Total			141,375,000	100,750,000	-	40,625,000	121,875,000	-	141,375,000



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Appendix IV: Reporting of Climate Relevant Expenditures

National Communication Secretariat
 Telephone Number: +254 20 2719953
 Email Address: info@ncs.go.ke
 CHRP Sally Mbaya

Name and contact details of contact person (in case of any clarifications): **CHRP Sally Mbaya, Tel: +254 20 2719953**

Project Name	Project Description	Project Objectives	Project Activities	Quarter				Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
Tree Planting	Restoring of tree coverage in Vihiga and Nandi Counties. Facilitate and supervise planting of 11,000 indigenous trees	Arrest deforestation Improve clean air and water retention Promote tree planting as a lifestyle among the community Improve NCS visibility to the General Public	Site clearing Cutting stakes Staking out Pitting Planting Beating up Seedlings				√	CSR Budget	Kenya Forest Services and the Community Forest Association (CFA)



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Appendix V: Disaster Expenditure Reporting Template

Date:						
Entity:						
Period to which this report refers (FY)	Year 2024/25				Quarter: 4 th	
Name of Reporting Officer	Kevin O. Nyapere					
Contact details of the reporting officer:	Email: info@ncs.go.ke				Telephone: +254 20 2719953	
Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments