

REPUBLIC OF KENYA



Enhancing Accountability



REPORT

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	09 APR 2025
	Wednesday
TABLED BY:	Han Nham wa Ngũgũ
CLERK AT THE TABLE:	Deputy Majority Party Whip Halima Ahmed

OF

THE AUDITOR-GENERAL

ON

**KENYA INSTITUTE OF MASS
COMMUNICATION**

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



KENYA INSTITUTE OF MASS COMMUNICATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE 2024

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

(Leave this page blank)

**Kenya Institute of Mass Communication
Annual Report and Financial Statements
for the year ended June 30, 2024.**

Table of Contents.....	Page
1. Acronyms and Definition of Key Terms	iii
2. Key Entity Information and Management	iv
3. The Board of Directors/Council	vii
4. Key Management Team	x
5. Chairman’s Statement	xii
6. Report of the Chief Executive Officer	xiv
7. Corporate Governance Statement	xviii
8. Management Discussion and Analysis	xxii
9. Environmental and Sustainability Reporting	xxiv
10. Report of the Board of Directors	xxvii
11. Statement of Directors Responsibilities	xxviii
12. Report of the Independent Auditor for the Financial Statements of Kenya Institute of Mass Communication	xxix
13. Statement of Financial Performance for the year ended 30 June 2024	1
14 Statement of Financial Position as at 30 June 2024	2
15. Statement of Changes in Net Assets for the year ended 30 June 2024	3
16. Statement of Cash Flows for the year ended 30 June 2024	4
17. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2024	5
18. Notes to the Financial Statements	6
19. Appendices	49

**Kenya Institute of Mass Communication
Annual Report and Financial Statements
for the year ended June 30, 2024.**

1. Acronyms and Definition of Key Terms

A: Acronyms

CEO	Chief Executive Officer
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OAG	Office of the Auditor General
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies

B: Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Entity Information and Management

(a) Background information

The Kenya Institute of mass communication was established in 1961. The Institute is domiciled in Kenya with its Branch in Eldoret. Its main purpose was to train electronic engineering and technicians for Kenya Broadcasting Corporation. To ensure that the Institute keeps abreast with media market and personnel training requirements, the Government in the year 2011, transformed KIMC into a semi-Autonomous Government Agency (SAGA) under legal Notice No.197 of 2011.

(b) Principal Activities

The principal mandate of the institute is;

- i. Offer training in communication, info-tainment and cinematic arts
- ii. Produce and disseminate mass media products for training and commercial purposes.

(c) Key Management

The day-to-day management of the Institute is under the following:

No.	Designation	Name
1.	CEO	Peter Wakoli
2.	Academic Registra	Godfrey Kareithi
3.	Head of Finance	Jenispher Korir
4.	Head of Procurement	George Miriti
5.	Human Resource Manager	Lucy Angwenyi
6.	Administration Manager	Brian Atenyo

(d) Fiduciary Management

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

No.	Designation	Name
1.	CEO	Peter Wakoli
2.	Academic Registra	Godfrey Kareithi
3.	Head of Finance	Jenispher Korir
4.	Head of Procurement	George Miriti
5.	Human Resource Manager	Lucy Angwenyi
6.	Administration Manager	Brian Atenyo

Key Entity Information and Management (continued)

(e) Fiduciary Oversight Arrangements

The oversight for financial management is vested in the three board committees and parliamentary oversight committees as discussed below;

i. Audit and risk committee

The responsibilities of the committee include reviewing the financial information of the Institute, monitoring the effectiveness of management information and reviewing the internal control systems, deliberating on significant findings arising from both internal and external audits, and reviewing the overall risks facing the Institute.

ii. Finance and Administration Committee

The committee is responsible for Financial Management and proper resource allocation in the Institute. The Committee's responsibilities include ensuring overall sound financial reporting, Performance contracts, procurement, setting of fees guidelines, budgets and Human Resource issues.

iii. Training Committee

The committee oversees policy issues on admission of students, Quality assurance on Academic standards, development of new courses and academic policy.

iv. Parliamentary Oversight Committee

The committee interrogates, recommends and approves GoK budgetary support of the Institute.

f. Institute Headquarters

P.O. Box 42422-00100
Kenya Institute of Mass Communication
Uholo Road
Nairobi, KENYA

g. Institute Contacts

Telephone :(254)708262895
E-mail: info@kimc.ac.ke
Website: www.kimc.ac.ke

h. Institute Bankers

1. Kenya Commercial bank
Kencom House
P.O.x 48400
G.P.O 00100
Nairobi, Kenya

Key Entity Information and Management (continued)

2.Housing Finance Corporation
Sameer Branch
P.O Box 30088
G.P.O 00100
Nairobi, Kenya

i. Independent Auditors






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

j. Principal Legal Adviser






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

**Kenya Institute of Mass Communication
Annual Report and Financial Statements
for the year ended June 30, 2024.**



3. The Board of Directors/Council

Ref	Directors	Details
1	 Charles Owino Wahong'o Masters in Communications	He was born in 1 st July 1970 He is a communication and Security Expert with over 20 years of experience in communication and Security He is an independent Member He is the Chairperson of the Institute
2	 John Kieru Wambui Masters in Governance and Architecture	He was born in July 1985 He has over 20 years' experience in governance and architecture He is an independent Member Chairs F& A committee
3	 Bevin Bhoke Masters in Corporate Communication	She was born in October 1979 He has over 20 years' experience in communications and public relations She is an independent Member Chairs Audit Committee
4	 Festus Mwanzi Master in Finance	He was born in October 1979 He has over 20 years' experience in Investment and finance he is an Alternate to PS, The National Treasury
5	 <small>Ms. Evelyn Anupi</small> Evelyn Anupi Masters in Education	She was born in October 1971 She has over 20 years' experience in education she is an Alternate to PS, Ministry of Education, Science and Technology






**Kenya Institute of Mass Communication
Annual Report and Financial Statements
for the year ended June 30, 2024.**

6	 <p>Everlyne Koiyan Masters in Communication</p>	<p>she was born in January 1971 she has over 10 years' experience in communication she is Independent Member</p>
7	 <p>Miriam Gitau Masters in Human Resource Management</p>	<p>She was born in October 1964 She has over 30 years' experience in Human resource Management she is an Alternate to PS, Ministry of Information, Communication and Technology</p>
8	 <p>Kizito Chesusio Masters in Communication</p>	<p>He was born in July 1964 He has over 30 years' experience in governance and Communication He is an independent Member Chair Training committee</p>
9	 <p>Rodney Edward Onyango Masters in software engineering</p>	<p>He was born in September 1990 He has over 10 years' experience in software engineering He is an independent Member</p>
10	 <p>Stephen Ng'ang'a Gitau Masters in Banking</p>	<p>He was born in July 1960 He has over 30 years' experience in governance and finance He is an independent Member</p>




**Kenya Institute of Mass Communication
Annual Report and Financial Statements
for the year ended June 30, 2024.**

11.	 Peter Wakoli	Director /CEO He is responsible for the execution of the Institute's strategy, and the day-to-day business of the Institute and Secretary to the Council
12	 Brenda Wasilwa	Corporation Secretary In consultation with the Director, provide secretarial services to the Council and Council committees

4. Key Management Team

Ref	Management	Details
1.	 <p>Peter Wakoli CEO</p>	<p>Responsible for the execution of the Institute’s strategy, and the day-to-day business of the Institute. 2.Secretary to the Council</p>
2	 <p>Brenda Wasilwa Corporation Secretary</p>	<p>In consultation with the Director, provide secretarial services to the Council and Council Committees.</p>
3.	 <p>Jenispher Korir Finance Manager</p>	<p>Provision of Finance and Accounting services to the Institute</p>
4.	 <p>Lucy Angwenyi Human Resource Manager</p>	<p>Responsible for overall management of human resource in the Institute</p>
5.	 <p>Jane Kariuki Chief Internal Auditor</p>	<p>Managing enterprise – wide risks as well as ensuring compliance of the Institute with various statutory and operational requirements</p>

**Kenya Institute of Mass Communication
Annual Report and Financial Statements
for the year ended June 30, 2024.**

6.	 George Miriti Chief Supply Chain Management Officer	Planning of Supply Chain Management activities
7.	 Godfrey Kareithi Registrar-Academics	Coordinating Academic activities in Institute
8.	 Brian Atenyo Administration Manager	Overseeing transport, Hospitality, security, Maintenance, Telephone exchange and Coordinating disaster management and emergency response activities

5. Chairman's Statement

I take great pleasure in presenting to you once again the Annual Report and Financial statements for Kenya Institute of Mass communication for the year ended 30 June 2024. Some of the milestones I wish to highlight include;

Recruiting and Training students in Mass Communication.

To normalize intake, to boost internal revenue generation as guided by the National Treasury and to offload backlog occasioned by COVID 19, the Institute undertook a double intake and recruited 996 students into various courses. In September 2023, a total of 555 were recruited while in May 2024 a total of 441 were recruited. Further the Institute graduated a total of 500 Diploma and Certificate students comprising 459 from Nairobi campus and 41 from Eldoret campus. In the month of November and December 2023.

During the year 34 productions in communication and cinematic arts for education and info-tainment was produced and 15 were disseminated.

Annual Budget & Strategic Plan

In the current Financial Year 2023/24, the Institute continued to implement its Strategic Plan in consultation with the stakeholders. The Strategic Plan prioritizes three strategic interventions:

First, Governance and Accountability. This involves three things; One, transiting the current legal instruments to an Act of Parliament to reposition KIMC as a premier specialised tertiary institution in communication and creative arts. Two, development of forward-looking institutional policy instruments and finally, review for the Kenya Institute of Mass Communication Organisational Structure and staff establishment to:

- i) Harmonize and upgrade faculty to student ratio;
- ii) Develop a structure that is responsive to heightened media demands for media graduates with cutting edge skills;
- iii) Determine a staff establishment that will match training needs in Nairobi and the campuses; and
- iv) Align the Institute's training priorities to government policies and strategies that recognise the Technical and Vocational Education and Training (TVET) sector as a driver in the country's youth skills development and knowledge transfer.

Second, Access and Inclusivity. This includes: (i) Upgrading and modernising of competence-based Infrastructure (ii) Financing support services and (iii) Expanding student enrolment including foreign students.

**Kenya Institute of Mass Communication
Annual Report and Financial Statements
for the year ended June 30, 2024.**

Third, Quality and relevance of service. This involve (i) retaining industry responsive training programmes and curriculum review and development (ii) Institutionalisation of research, innovation, authorship and outreach (iii) Accreditation, quality assurance and standards; and (iv) Institutional rebranding and visibility initiative that will involve two service automation and incubation, mentorship and entrepreneurship of talents.

In addition, during the year under review the Institute put in plans necessary arrangements in order to commence to continue offering module-based courses in Eldoret Campus under the framework provided in the MoU signed with the County Government of Uasin Gishu in February 2018.

The KIMC Council is alive to the fact that resources are limited and should therefore be utilized sustainably and prudently.

The resources received in the FY 2023/24 facilitated the Institute to: train and graduate 500 media practitioners; train 68 officers in short term aptitude courses; capacity build Council members; develop and review curricula; develop the 3rd Institute Strategic Plan for 2023-27, develop 5 institutional policy instruments and fully operationalize the TVET-CDAC based training framework.

The Council and its Committees met regularly as prescribed by their respective mandates and in accordance with the legal and regulatory requirements. The Council was also evaluated in an exercise conducted by the State Corporations Advisory Committee (SCAC).

On behalf of the KIMC Council, we appeal for:

- (i) An enhanced budgetary support to enable us complete the implementation of the blue print contained in KIMC Strategic Plan 2023-2027.
- (ii) Approval to recruit academic staff comprising lecturing and instructing staff.
- (iii) Ring- fencing of training budget for the Institute against Austerity Measures given that technology driven training and student needs are a constant factor that the Institute must on-board.



.....
Silas Otieno Jonyo
Council Chairperson

6. Report of the Chief Executive Officer

In the Financial year 2023/2024, the Institute intensified implementation of its mandate in line with priorities set out in the Strategic Plan 2023-2027. Highlights of key achievements are presented hereunder.

Academics programmes

During the year under review, the Institute changed the commencement of the Academic year from September to May. During the year, 996 students were admitted vide a double intake to undertake various courses in Diploma, Certificate and Post Graduate Diploma while 500 students graduated having satisfied the board of examiners to be awarded various certificates and diplomas. Four curricula were reviewed and two developed during the year to realign the content to emerging issues in the ICT and media sub sector.

Infrastructure

- The works on final floor of tuition block in Nairobi campus was completed and handed over. The facility with a 160-seat facility is now in use.
- The Institute obtained the drawings of the master plan layout and estimates for phase 1 of the vertical infrastructure KIMC Eldoret Campus to be set up on the land donated by the County Government of Uasin Gishu:

Status brief on Ownership of land titles

The Institute has the following land parcels in South B, Nairobi County

- L.R NO.209/3578-Lease title issued on 24th June 2016
- L.R NO.209/3592-Lease title issued on 24th June 2016
- L.R NO.209/3593-Lease title issued on 24th June 2016
- L.R NO.209/3579-Letter of Allotment dated 1st November 2011

Institutional Capacity

In the Financial year 2024/2025, the Institute was allocated Ksh 248 M to finance Recurrent Expenditures. Out of the approved 140.5 M for Development Grant, no amount was received as at close of the financial year.

At the end of the year staff establishment stood at 86 against an approved staff establishment of 300. The Institute continued to modernize its operational environment by on-boarding its core mandate services on e-citizen platform and rolled out a framework for automation to enhance efficiency and effectiveness.

Challenges

The Institute faced a number of challenges in the implementation of its mandate in the FY 2023-24. During the year under review, the Institute experienced the following challenges:

i) Inadequate funding

Over the years, the amount grant from the exchequer has been declining making it difficult to fund some critical programmes especially capital projects.

ii) Rapid technological changes

During the year, the Institute was not able to adopt to rapid technological changes in its operations due to limited funding. This affected the re-engineering of processes towards digitisation of service delivery and modernisation in training.

**Kenya Institute of Mass Communication
Annual Report and Financial Statements
for the year ended June 30, 2024.**

iii) Staff Stagnation

Seventy-one (71) out of eighty-nine (86) members of staff are at the maximum salary points of respective cadres. The seventy-one (71) members who represent eighty percent (80%) of the total staff have stagnated in the same Job Grade for between four (4) and sixteen (16) years. This has been occasioned by non-review of salary beacons. The stagnation has led to loss of seniority and low staff morale.

iv) Staff attrition

Over the years, due to a non-competitive salary structure compared to market salary structure for similar skills, the Institute has suffered a significant staff attrition among the teaching staff. The current Institute salary structure is not able to attract and retain staff with unique and specialised skills set required for delivery of its mandate. The Institute attrition is at an average rate of two (2) officers every year to other Public Agencies that offered more competitive remuneration and benefits. Noting that the in-post staff represent only 28% of the approved staff establishment, the attrition creates an extra burden for the lean in-post staff. The Salaries Remuneration Commission (SRC) approved a two phased basic salary review for Staff of the Institute but was not implemented due to non-release of the approved Grant provided in Supplementary II of budget estimates for FY 2023-24.

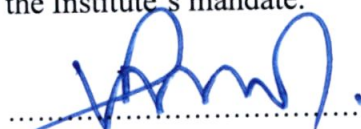
v) Regulatory Framework governing the Institute.

The Institute draws its mandate from Legal notice No. 197 of 2011 (amended 2012). The Legal Notice limits the Institute's capacity in expanding and resourcing for its mandate. Finally, the Legal Notice presents a limited structure that potentially limits efficiency, flexibility and creativity.

There is need to work towards transitioning the Legal Notice to an Act of Parliament to anchor the Institute's mandate in the law so as to position it to perform its rightful role as a centre of excellence in communication and mass media training as envisioned in Medium Term Plans (MTPs III and IV).

The transition from a Legal notice to an Act of parliament is further justified on the grounds that the scope of the Institute mandate has changed over time. For instance, the existing Legal Notice (i) positions the Institute as a single campus Institute, yet the Institute now has two campuses all funded by the National Government and (ii) Mandates the Institute to offer training in communication and the cinematic arts yet the Institute is now also an incubation Centre for regional broadcasting enterprises and Creative Arts' sector.

Finally, I wish to appreciate the Government, Council and staff for the role they play in discharging the Institute's mandate.



Peter W. Wakoli

Director/Chief Executive Officer

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

The Institute performance is summarized in the Annual report submitted to the Cabinet Secretary in accordance with paragraph 25 (1) of the KIMC Order, Legal Notice 197 of 2011 (amended 2012).

For the Kenya Institute of Mass communication to deliver on its mission, targeting production of highly skilled technical and professional personnel through hands-on training for the communication and creative arts sector, it focussed on three strategic pillars provided for in the strategic plan for the financial year 2023 -2024

1. Strengthening governance and accountability.
2. Increasing access and inclusivity/participation.
3. Improving quality and relevance of service.

The Institute develops its annual plan based on the strategic focus areas provided for in its Strategic Plan. The assessment of the performance on each strategic area is a permanent agenda for the Council on quarterly basis. The Strategic Plan focus areas are indicated in the table below:

Strategic Pillars	Objective	Key Performance Indicators	Activities	Achievements
Pillar 1: Governance and accountability	SG 1: Strengthening governance and accountability.	legal framework	KRA 1: Policy and legal framework	ICT infrastructure/policy and Legal Framework
			KRA 2: Financial resources	
			KRA 3: Management and utilisation of ICT infrastructure.	
			KRA 4: Transparency and accountability in service delivery.	
Pillar 2: Access and inclusivity/participation	SG2: Increasing access and inclusivity/participation	Infrastructure and student financial support	KRA 5: Infrastructure development	Infrastructure development
			KRA 6: Student financial support services	
Pillar 3: Quality and relevance	SG 3: Improving quality and relevance of service	Curriculum development and Training	KRA 7: Curriculum and assessment	Curriculum Development
			KRA 8: Lecturers, researchers and training management	

**Kenya Institute of Mass Communication
Annual Report and Financial Statements
for the year ended June 30, 2024.**

Strategic Pillars	Objective	Key Performance Indicators	Activities	Achievements
			KRA 9: Accreditation, quality, assurance and standards	
			KRA 10: Research and innovation	

8. Corporate Governance Statement

The Institute has the Council as the apex decision making organ which sets the direction for good corporate governance underpinned by effective leadership, oversight and management accountability based on a sound and ethical foundation.

1. The Role of the Council

The functions of the Council are provided for in Legal Notice No. 197 of 2011 (Amended 2012) clause 6(1). The Council discharges a number of functions which include administering the property and funds of the Institute in a manner and for purposes that promote the interests of the Institute; ensuring that a proper management structure is in place and that the structure functions to maintain corporate integrity, reputation and responsibility; and ensuring that the Institute complies with all the relevant laws, regulations, governance practices, accounting procedures and auditing standards.

The Council has so far developed a number of policy documents including Human Resource Procedures manual, Career Progression guidelines, Institute Knowledge Management Guidelines, Servicing and Maintenance of Assets Manual, Finance Management and Controls, Procurement Manual, Anti-Corruption Policy and the Academic Policy. As a Semi-Autonomous State Agency, the Institute enters into an annual Performance Contract with the Government, which process is overseen by the Council. The Performance Contract mandates the Institute to deliver on numerous strategic deliverable. Accordingly, the Council approves the annual budget that is aligned with the Vision 2030 Medium Term Plans, the 'Big Four' Initiatives and other national priorities.

2. Council Composition

The Legal Notice provides that the Council of the Institute shall Consist of a non-executive Chairman appointed by the President; the Principal Secretaries of the Ministries for the time being responsible for information and communications; finance; culture and heritage; youth and education; the Director, and not more than seven persons appointed by the Minister by virtue of their knowledge or experience and past and current membership to professional organizations dealing with matters relating to culture, national heritage, communications, media, and the performing arts or related fields. As at 30th June 2023, the Council comprises twelve (12) Council members, of whom the majority, eight (8) in total, are independent non-executives while four (4) are alternate non-executive members. The Council comprises the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively. The non-executive members have diverse skills, experience and backgrounds. They are principally free from any business relationship that could hamper their objectivity or judgment in terms of the business and activities of the Institute. The roles of the Chairperson and the Director (Chief Executive) are separate, with their individual responsibilities clearly defined. The Chairperson is an independent non-executive Council member and is responsible for leading the Council and ensuring its effectiveness. The Chief Executive is responsible for the execution of the Institute's strategy, and the day-to-day business of the Institute. He is supported by the Management Board and the Academic Board, of which he is the Chairperson. The Council is assisted by a competent, suitably qualified and experienced Corporation Secretary whose mandatory duties are formalized and adequately defined according to the role description provided for in the *Mwongozo*.

**Kenya Institute of Mass Communication
Annual Report and Financial Statements
for the year ended June 30, 2024.**

3. Council Committees

The Council provides oversight through three main Committees Namely Finance and Administration Committee, Training Committee and Audit Committee. The Committees are each chaired by an independent Council member.

a) Finance and Administration Committee

The Committee performs various roles set out in the Council Charter, including: guiding the preparation of the annual budget; monitoring financial performance against the approved budget, the Institute's strategic plan and priorities; formulating strategies for improving the financial position of the Institute and advice on sourcing and investment of funds; ensuring sound financial management and accounting practice including maintenance of proper books of accounts and preparation of periodical management accounts and annual financial statements; developing fees guidelines and review them regularly; dealing with staff matters including recruitment, staff welfare, training and development, performance management, discipline and separation; guiding the development of the strategic plan and monitor its implementation and overseeing capital planning, construction and maintenance of the real property of the Institute.

The members of the Committee during the year under review were Stephen Nganga, Festus Mwanzi, John Kieru Wambui and Ms. Miriam Gitau

b) Training Committee

The Committee performs various roles set out in the Council Charter, including: developing and overseeing implementation of guidelines on admission of students; monitoring quality assurance and academic standards of the Institute; coordinating the development and review of academic programmes; developing and monitoring the implementation of the academic policies of the Institute; monitoring the adequacy of library and learning facilities at the Institute; formulating policies and procedures for research and innovation; developing a capacity building programme for Council and staff members to ensure improved professional development and services; proposing and building collaborative relationships with strategic partners and stakeholders to promote mutually beneficial exchanges in education, research and training; ensuring the development, maintenance and use of information technology systems and facilities at the Institute; and promoting and supporting student participation in extracurricular activities. The members of the Committee during the year under review were Kizito Chesusio, Evelyn Anupi , Rodney Onyango and Evelyn Koivan

c) Audit Committee

The Committee performs various roles set out in the Council Charter, including: monitoring, recommending and providing advice to the Council on the Integrity of the Financial Statements of the Institute, including the annual and quarterly reports, compliance with accounting standards and the consistency of application of, and any changes in, accounting policies; overseeing the Internal audit function and reviewing the nature, scope and effectiveness of the internal audit work plan and reports; coordinating the auditing of the Institute's books of accounts and financial statements; monitoring the implementation of audit recommendations; reviewing and assessing the effectiveness of the Institute's financial controls and internal control and risk management systems; and reviewing the compliance framework (policies, training, monitoring and audit) at the Institute to ensure adherence to applicable legal and regulatory standards. The members of the Committee during the year under review were ; Bhevin Bhoke, Miriam Gitau, Valentine Khaminwa and Festus Mwanzi.

**Kenya Institute of Mass Communication
Annual Report and Financial Statements
for the year ended June 30, 2024.**

Schedule of Council Members' Attendance at Council and Committee Meetings				
Council/Committee	Council	Finance & Administration Committee	Training Committee	Audit Committee
No. of meetings held as at 30th June 2024				
Kathleen Openda	4			
Charles Owino	5			
Valentine Khaminwa	3			4
Miriam Gitau	9	10		6
John Kieru Wambui	5	5		
Kizito Chesusio	5		3	
Rodney Onyango Edward	7		4	
Stephen Ng'ang'a Gitau	7	6		
Festus Mwanzi	9	10		5
Evelyn Anupi	9	4	4	
Bhevin Bhoke	9			5
Everlyne Koiyan	6		3	
Peter Wakoli	8	6	4	
Gerald Mwangi(Rep. from Inspectorate)	6	2	2	5
John Karanja (Rep.from Inspectorate)	1	4		

Effective meetings

The Council and its Committees meet regularly as prescribed by the respective mandates. The meetings are planned for the financial year in the approved Council calendar. However, special meetings may be convened at the request of the Chairperson, or any independent Council member when necessary.

The table below discloses the number of meetings held and members' attendance during the year. The Council is satisfied that it has discharged its responsibilities in relation to its mandate.

4. Council Induction and Continuous Skills Development

As part of enhancing the Council members' skills, the Institute identifies training requirements for the Council and its Committees. Upon appointment, individual Council members are taken through an induction process organized by the State Corporations Advisory Council (SCAC). Due to budgetary constraints the Institute facilitates one training per Committee in every three-year cycle.

5. Council Evaluation

The Council ensures the evaluation of its own performance and that of its Committees, Chairperson, Council members and the CEO, and provides support for continued improvement in its performance and effectiveness. An annual independent evaluation is conducted to assess the effectiveness of the Council, its committees, and the individual contributions of the members. The process is managed by the State Corporations Advisory Committee (SCAC).

6. Internal Audit Function

The Institute has a fully operational Internal Audit function that is led by a senior member of staff who is a member of the Institute of Certified Public Accountants of Kenya (ICPAK). The Internal Audit office monitors compliance with policies and standards and the effectiveness of internal control structures across the Institute through its audit programmes.

7. Council Remuneration

Council members are remunerated for their services in accordance with the prevailing Government Circulars. The aggregate amount of Council remuneration is disclosed in Note 5 page 24 on the Financial Statements.

9. Management Discussion and Analysis

This discussion and analysis provide an overview of the financial position and results of activities of the Institute for the year ended June 30, 2024. Comparative information for the year ended 30th June, 2024, has been provided where applicable. This overview has been prepared by management and should be read in conjunction with the financial statements and the notes that follow this section. Kenya Institute of Mass Communication is a semi-Autonomous Government Agency (SAGA) established under legal notice No. 197 of 2011 (Amended 2012).

The Institute consisting of two major divisions; Academic and Finance and Administration

Academic Division

The Academic affairs division is organized into five departments, namely;

- i. Television and Radio production
- ii. Film Production
- iii. Journalism and public relations
- iv. Engineering
- v. Post graduate and Research

Finance and Administration

- i. Administration
- ii. Human Resource Management
- iii. Finance and Accounting

Financial Highlights

For the fiscal year ended 30 June , 2022, 30 June 2023 and 30 June , 2024

- The Institute received Kshs 207.5 as at 30 June ,2022 , Kshs 203M as at 30 June 2023, and Kshs 218M 30 June 2023 from the exchequer respectively
- The Institute Collected A.I.A of Kshs 16.7M as at 30 June , 2022 , Kshs 20.5 as at 30 June 2023 and Kshs 30M as at 30 June 2024 from the Appropriation in Aid (A.I.A) respectively
- The Institute also collected Tuition and other related fees of Kshs 111 M as at 30th June 2024 Total cumulative recurrent expenditure was Kshs 348 as at 30 June 2024 , Kshs 349 M as at 30 June 2023 and Kshs 349 M as at 30 June 2022.

The Summary of Financial Performance is as indicated below;

Particulars	FY 2023/2024 Kshs Millions	FY 2022/2023 Kshs Millions	FY 2021/22 Kshs 'million'
Grants (Gok)	245	203	207.5
A.I.A	30	20	16.7
Tuition & other related fees	114	80	126
Total revenue	389	303	351
Reccurent cumulative expenses	327	349	349
Surplus/Deficit	62	(46)	1.3

**Kenya Institute of Mass Communication
Annual Report and Financial Statements
for the year ended June 30, 2024.**

Management Discussion and Analysis(continued)

Deficit /Surplus

The deficit in the financial year 2020/21 was Kshs (56M) it reduced to Kshs (2M) in the year 2021/22 financial year and an increase in the year 2022/2023 due to reduction in grant and in Financial 2023-24 Surplus increased due to Valuation Gain

Capital Activities

One of the critical factors in sustaining the quality of the Institute's academic and research programs is the development and renewal of its capital assets. The Institute continues to implement its long-range plan to modernize its older teaching and research facilities, construct new facilities and fund its deferred maintenance obligations.

Capital additions primarily consist of replacement, renovation and new construction of academic, research and investment in training equipment and information technology. During the financial year ended 30th June 2024, the Institute received only 86% of approved budget being only the recurrent budget in the financial year.

10. Environmental and Sustainability Reporting

The Institute exists to transform lives. This is our purpose, the driving force behind everything we do. This is what guides us to deliver our strategy which is founded on Training, Communications and Info-tainment

The Institute is committed to conducting its affairs in a responsible and sustainable way, and in a manner that is beneficial to all stakeholders and the wider community. Below is brief highlight of the Institute Achievements.

i) Sustainability Strategy and Profile

Our sustainability is anchored on our Vision, Mission and Core values which determine the strategic Objectives of the Institute. Our role is to ensure that Training and by extension our various stakeholders are able to grow in a sustainable manner in long term. Our aim is to create value for shareholders and the society a like and in order to achieve on several key areas:

- a) **Economic:** Kenya Institute of Mass Communication continues to contribute to the economy through the remittance of taxes such as pay as you earn (PAYE), withholding tax, with holding vat excise duty and Value added tax (VAT)
- b) **Socio -Economic:** KIMC awarded various tenders to special groups consisting of women, youth and people with disability (PWDs). In addition, sensitization for special groups in order to equip them with skills on how to successfully bid for tender opportunities was done in the Institute. All tenders were published in the Institute website and the public procurement Information portal (PPIP)).

ii) Environmental performance

KIMC invested in indigenous, medicinal and fruit trees that were planted during the rainy season, in an effort to increase National Forest coverage in Kenya, KIMC partnered with local community to plant trees

iii) Employee welfare

The Institute has a human resource management policy and procedures manual seek to assist the Institute in implementing of its strategic plan to be consistent with legal framework governing employer-employee relationship in Kenya and internationally recognized best practice.

Environmental and Sustainability Reporting(continued)

The purpose of the manual is to facilitate the attraction, development and retention of high performing staff. Th policy is reviewed from time to time.

The institute has continued to train staff short courses both held within the Institute and outside the school such as professional bodies in order to improve skills to staff. Further, the Institute has continued to reimburse fees for those who out of their own initiative embark on course relevant to their duties in order to manage careers.

iv) Market place practices

The Institute has ensured that:

- a) **Responsible competition practice:** in order to ensure responsible competition practices with issues like anti-corruption, the Institute has been ensuring that it undertakes all the activities within the Laws of Kenya. Also, in order to ensure fair competition and respect for competitors the school has continued to engage the government for assistance that they may require.
- b) **Responsible supply chain and supplier relations:** The institute has ensured that it complies with public procurement Asset and Disposal Act 2015 while carrying out procurement operations in order to ensure good business practice. Further, the Institute has procurement and procedures manual that guides operations in procurement.
- c) **Responsibility marketing and advertisements:** The institute has been carrying out advertisements on My Gov Platform as well as on its website for new and existing programs.
- d) **Product stewardship ;** in order to protect consumer rights our customers are provided with information regarding the course requirement before admission and during the commencement of the course , Further the Institute ensures confidentiality while interacting with customers

Environmental and Sustainability Reporting(Continued)

iv. Corporate Social Responsibility

The institute participates in many activities in its effort to contribute socially to the society in which it operates.

a) The institute sponsors students during The Kenya Technical Institutions Sports Association (Ketisa) Sports and Games and Disability Access building.

**Kenya Institute of Mass Communication
Annual Report and Financial Statements
for the year ended June 30, 2024.**

11. Report of the Board of Directors

The Council of the Institute submits its report together with the Financial Statements for the year ended June 30, 2024, which show the state of the Institute's affairs.

i. Principal activities

The principal activity of the Institute is to offer training in Mass media, communication and cinematic arts.

ii. Results

The results of the Institute for the year ended 30 June, 2024 are set out on page 1-24


iii. Directors

The members of the Board of Directors who served during the year are shown on page iv to vii

iv. Auditors

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

By Order of the Board


.....

Name : Brenda Wasilwa

Corporation Secretary/Secretary to the Board

12. Statement of Directors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act require the Management to prepare financial statements in respect of the Institute, which give a true and fair view of the state of affairs at the end of the financial period and the operating results for that period. The Management is required to ensure that the Institute keeps proper accounting records which disclose with reasonable accuracy the financial position of the Institute. The Management is also responsible for safeguarding the assets of the Institute.

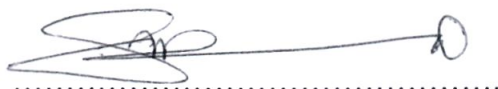
The Management is responsible for the preparation and presentation of the Institute's financial statements, which give a true and fair view of the state of affairs of the Institute for and as at the financial period ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Institute; (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 Institute; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Management accepts responsibility for the Institute's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgement and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act 2012 and the State Corporations Act. The Management is of the opinion that the Institute's financial statements give a true and fair view of the state of Institute's transactions during the financial year ended June 30, 2024 and of the Institute's financial position as at that date. The Management further confirms the completeness of the accounting records maintained for the Institute, which have been relied upon in the preparation of the Institute's financial statements as well as the adequacy of the systems of internal financial control.

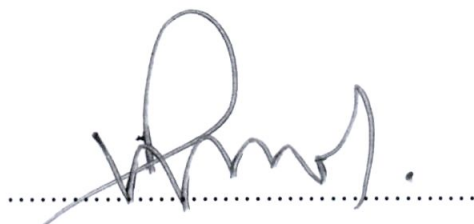
Nothing has come to the attention of the Management to indicate that the Institute will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Institute financial statements were approved by the Board on 18th September 2024 and signed on its behalf by:



Name: Silas Otieno Jonjo
Chairperson of the Board/Council



Name: Peter wakoli
Accounting Officer

REPUBLIC OF KENYA

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



Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON KENYA INSTITUTE OF MASS COMMUNICATION OR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kenya Institute of Mass Communication set out on pages 1 to 49, which comprise of the statement of financial position as at 30 June, 2024, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Kenya Institute of Mass Communication as at 30 June, 2024, and of its financial performance and its cash flows for the year then ended in accordance with the International Public Sector Accounting Standards (Accrual Basis) and comply with the Kenya Institute of Mass Communication Legal Notice No. 197 of 2011 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Encroachment of Land by a Private Developer

As previously reported, the statement of financial position reflects property, plant and equipment balance of Kshs.2,948,443,034 which as disclosed in Note 18 to the financial statements includes a land balance of Kshs.1,796,600,000. However, as previously reported, part of the Institute's land initially used as a walk path linking the catering unit and hostels has been encroached by a private developer. The proposed development, if undertaken, will cut off the hostels and the catering unit from the rest of the Institute's premises. The dispute is currently before the High Court and it was not clear how the outcome of the ruling will affect the property, plant and equipment balance. Further, the original title deed for the institution was not availed for audit verification.

In the circumstances, the ownership and accuracy of the freehold land balance of Kshs.1,796,600,000 could not be confirmed.

2.0 Unreconciled School Fees Balances

The statement of financial performance and as disclosed under Note 6(c) to the financial statement reflects an amount of Kshs.144,346,899 for tuition fees. However, the balance was not supported by a schedule showing the list of students and fees receivables from each.

In the circumstance, the accuracy and completeness of the tuition fees totalling Kshs.144,346,899 could not be confirmed.

Report of the Auditor-General on Kenya Institute of Mass Communication for the year ended 30 June, 2024

3.0 Long Outstanding Receivables

The statement of financial position and as disclosed under Note 16 to the financial statements reflects receivables from non-exchange transactions of Kshs.8,446,961 which has been outstanding for more than three (3) years with no agreed payment plan. In addition, there was no provision for bad and doubtful debts on the same.

In the circumstance, the accuracy, completeness and recoverability of the receivables totalling Kshs.8,446,961 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on a comparable basis of Kshs.342,787,000 and Kshs.389,346,899 resulting to a revenue overcollection of Kshs.46,559,899 or about 14% of the budget. Similarly, the Institute spent Kshs.304,377,260 on recurrent against actual receipts of Kshs.389,346,899 resulting in an under absorption of Kshs.84,969,639 or 22% of the actual receipts.

In the circumstances, the under absorption 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.

Other Matter

Unresolved Prior Year Audit Issues

In the audit report of the previous year, some issues were raised under the Report on Financial Statements. However, the Management has not resolved the issues and explained that the Board was awaiting Public Investment Committee (PIC) invitation.

Other Information

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0 Irregularities in Construction of the Tuition Block

During the financial year under review, Management issued a contract of Kshs.2,436,660 for completion of the tuition block. The tender had been issued before to another contractor at a cost of Kshs.9,315,750. but was said to have not completed the work though a full payment of the contract price was made. However, documentary evidence on the procurement process to engage the new contractor were not provided for audit review. This was contrary to Section 68 of the Public Finance Management Act, 2012 which state that in part "the responsibilities of an Accounting Officer for a national government entity, Parliamentary Service Commission and the Judiciary shall be accountable to the National Assembly and shall ensure that the resources of the entity for which the officer is designated are used in a way that is lawful and authorized; and effective, efficient, economical and transparent

In the circumstances, Management is in breach of the law and value for money on the construction work could not be confirmed.

2.0 Long Outstanding Payables

The Statement of financial position and as disclosed in Note 20 to the financial statement reflects Kshs.14,884,580 in respect to trade and other payables from exchange transactions. Included in the amount is Kshs.11,060,553 in respect to payables which has been outstanding for over two (2) financial years. Failure to settle bills in the year to which they relate adversely affects the implementation of the subsequent year's budgeted programmes as the pending bills form a first charge to subsequent year budget provision.

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

3.0 Staffing

3.1 Non-Compliance with the One-Third of Basic Salary Rule

During the year under review, fourteen (14) employees were paid a net salary which was less than a third (1/3) of their basic pay in the month of June, 2024. This was in contravention of Section 19(3) of the Employment Act, 2007 which provides that the total amount of deductions which may be made by an employer from the wages of his employee at any one time shall not exceed two-thirds of such wages. No explanation was provided for breach of law on payment of salaries and allowances.

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

3.2 Irregular Staff Establishment - Ethnic Imbalance

Review of the Institution staff establishment revealed that one community dominates the staff of the organization at 37% of the total establishment. This is more than the set standard as per the provisions of Section 7(2) of the National Cohesion and Integration Act, 2008 that stipulates that no public establishment shall have more than one third of its staff from the same ethnic community.

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

3.3 Retention of Staff Above Age of 60 Years

Review of June, 2024 payroll revealed that two (2) employees were over the age of 60 years. However, details for the two (2) employees to confirm that they were living with disabilities were not provided for audit review. This is against the Human Resource Policies and Procedures Manual for the Public Service May, 2016 Section AD.21 which states that all officers shall retire from the service on attaining the mandatory retirement age of 60 years and 65 years for persons with disabilities.

In the circumstances, Management was in breach of the human resource policy.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1.0 Poor Management of Assets

Note 18 to the financial statements reflects property, plant and equipment balance of Kshs.2,948,443,034. However, the institution still has a number of buildings with hazardous asbestos roofs which is harmful to human health and there are several unusable vehicles lying in the institution car park without ownership documents and there is no plan on repair or disposal.

Further, the archives hold a huge number of disposable items while others are lying outside the archives without a clear plan of disposal or reuse. In addition, most of the assets are not tagged for easy of identification and verification and the institution's vehicle are registered under GK number plates instead of blue plates for the institutions.

In the circumstances, there were weaknesses on asset management and control.

2.0 Lack of Approved Backup, Recovery and Business Continuity Strategy

Review of the internal controls revealed that the Institute did not have an approved data backup, recovery and business continuity strategy to enable it to continue operating in case of major disruption due to natural or artificial catastrophe.

Further it was not possible to determine the security of data in case of a system failure or data destruction. In addition, the Institution does not have approved ICT policy and IT Steering Committee to guide in the rollout of the ICT systems.

In the circumstances, the adequacy of the internal controls put in place for Management of the institution data and information could not be confirmed.

3.0 Staffing

3.1 Staff Salaries paid outside the Integrated Payroll and Personnel Database (IPPD) System

Note 9 to the financial statement reflects employee costs amounting to Kshs.155,101,004 out of which Kshs.4,762,559 for seven (7) staff for the month of September, 2023 were processed outside the Integrated Payroll and Personnel Database (IPPD) system which seeks to end the practice of unverified employees.

3.2 Discrepancy in the Number of Staff

As at 30 June, 2024, there were eighty (80) staff members as per the payroll of the institution. However, staff bio data (Ethnicity matrix) provided for audit review indicates that all the staffs under contract and permanent terms are eighty-six (86) resulting to discrepancy of six (6) employees.

In the circumstance, the adequacy of the Internal controls in Management of human resources could not be confirmed.

3.3 Understaffing at the Institute

Review of the Institute's approved staff establishment indicated two hundred and fifty-eight (258) employees as the optimal number for effective functioning of the Institute. However, examination of the documents provided for audit revealed that the institution has eighty (80) staff members which represents only 31% of the approved staff establishment, resulting in a deficit of one hundred and seventy-eight (178) employees.

In the circumstances, the Institute may not achieve its objectives and the effectiveness in service delivery could not be achieved.

3.4 Lack of Succession Planning

A review of the staff establishment reveals that forty-five (45) or 52% of the staff are over fifty (50) years of age as shown in the table below: -

S/No	Age Bracket	No. of Staff
1	60 – 65	2
2	55 – 60	30
3	50 - 54	13
4	45 – 49	9
5	40 – 44	13
6	35 – 39	10
7	30 – 34	3

Report of the Auditor-General on Kenya Institute of Mass Communication for the year ended 30 June, 2024

8	25 – 29	4
9	20 – 24	2
	Total	86

In the circumstance, sustainability of quality of services is not assured without proper succession management.

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 the International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control 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 control, risk management and overall governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions ISSAIs. The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error

and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

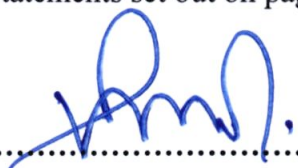
30 December, 2024

**Kenya Institute of Mass Communication
Annual Report and Financial Statements
for the year ended June 30, 2024.**

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

	Notes	2023-24	2022-23
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments entities	6	245,500,000	223,319,997
Revenue from exchange transactions			
Tuition and other related income	7	144,346,899	80,152,865
Total revenue		389,846,899	303,472,862
Expenses			
Use of goods and services	8	68,170,788	65,004,684
Employee costs	9	155,101,004	157,204,689
Board Expenses	10	8,466,019	7,899,617
Depreciation and amortization expense	11	35,296,602	65,775,494
Repairs and maintenance	12	2,373,750	2,030,934
Academic Services	13	57,732,059	49,400,813
Total expenses		327,140,223	349,716,231
Surplus/(deficit) for the period/year		62,706,677	(46,243,369)

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



Name:

Peter Wakoli
Accounting Officer

Date

19/12/2024

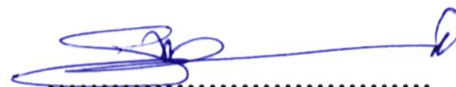


Name:

Jenispher Korir
Head of Finance
ICPAK M/No:

Date

19/12/2024



Name:

Silas Otieno Jonyo
Chairman of the Board

Date

**Kenya Institute of Mass Communication
Annual Report and Financial Statements
for the year ended June 30, 2024.**

15 Statement of Financial Position as at 30 June 2024


	Notes	2023-24	2022-23
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	14	100,010,412	158,223,015
Receivables from Exchange Transactions	15	33,076,510	-
Receivables from Non-Exchange Transactions	16	8,446,961	8,446,961
Prepayment	17	-	12,213,372
Total Current Assets		141,533,883	178,883,348
Non-Current Assets			
Property, Plant and Equipment	18	2,948,443,034	2,349,740,799
Intangible Assets	19	452,211	646,015
Total Non- Current Assets		2,948,895,245	2,350,386,814
Total Assets (A)		3,090,429,128	2,529,270,162
Liabilities			
Current Liabilities			
Trade and Other Payables	20	14,884,580	14,838,379
Refundable Deposits from Customers	21	6,156,914	6,173,114
Total Current Liabilities		21,041,494	21,011,493
Total Liabilities (B)		21,041,494	21,011,493
		3,069,387,634	2,508,258,669
Net Assets (A-B)			
Represented by:			
Reserves	23	3,326,332,804	2,827,910,516
Accumulated Surplus	22	(256,945,170)	(319,651,847)
Net Assets		3,069,387,634	2,508,258,669

The financial statements set out on pages 1 to 51 were signed on behalf of the Board of Directors by:


.....

Name: Peter Wakoli
Accounting Officer

Date 19/12/2024


.....

Name: Jenispher Korir
Head of Finance
ICPAK Member Number:

Date 18/12/2024


.....

Name: Silas Otieno Jonyo
Chairman of the Board

Date 19/12/2024

**Kenya Institute of Mass Communication
Annual Report and Financial Statements
for the year ended June 30, 2024.**

15. Statement of Changes in Net Assets for the year ended 30 June 2024

Description	Ordinary share capital	Revaluation reserve	Retained earnings	Capital/ Development Grants/Fund	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
As at July 1, 2022	-	2,547,267,364	-	-	2,547,267,364
Surplus/ deficit for the year	-	-	-46,243,369	-	-46,243,369
Capital/development grants	-	-	-	7,234,674	7,234,674
Adjustment/ Restatement			-33,076,510		-33,076,510
As at June 30, 2023-Restated	-	2,547,267,364	-79,319,879	7,234,674	2,475,182,159
As at July 1, 2023-Restated	-	2,547,267,364	-79,319,879	7,234,674	2,475,182,159
Revaluation gain	-	621,108,892	-	-	621,108,892
Transfer to revolving fund	-	-89,610,094	-	-	-89,610,094
Surplus/ (deficit) for the year	-	-	62,706,677	-	62,706,677
As at June 30, 2024-Restated	-	3,078,766,162	-16,613,202	7,234,674	3,069,387,634

**Kenya Institute of Mass Communication
Annual Report and Financial Statements
for the year ended June 30, 2024.**

17. Statement of Cash Flows for the year ended 30 June 2024

	Notes	2023-24	2022-23
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities	6	245,500,000	223,319,997
Tuition and other related fees	7	111,270,389	79,478,659
Total receipts		356,770,389	302,798,656
Payments			
Use of goods and services	8	68,170,788	67,404,684
Employee costs	9	155,101,004	157,672,008
Board Expenses	10	8,466,019	7,899,617
Repairs and maintenance	12	2,373,750	2,030,934
Academic Services	13	57,732,059	49,400,813
Total payments		291,843,621	284,408,056
Net cash flows from/(used in) operating activities		64,926,768	18,390,600
Cash flows from investing activities			
Purchase of PPE and Intangible assets		(12,696,140)	(43,300,272)
Net cash flows from/(used in) investing activities		(12,696,140)	(43,300,272)
Cash flows from financing activities			
		-	-
Repayment of borrowings		-	-
Proceeds from issue of shares		-	-
Net cash flows from financing Activities		-	-
Net increase/(decrease) in cash & Cash equivalents		52,230,628	(24,909,672)
Cash and cash equivalents at 1 July	14	47,779,784	183,132,687
Cash and cash equivalents at 30 June		100,010,412	158,223,015

Notes: Funds for mortgage and car loan account are reflected in the financial statements for mortgage and car loan for the period hence reducing the opening cash and cash equivalent for the period respectively

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

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Transfers from Other Governments entities	398,500,000	(153,000,000)	245,500,000	245,500,000	-	100%
Tuition and other related fees	97,287,000	-	97,287,000	111,270,389	(13,983,389)	1%
Total Income	495,787,000	(153,000,000)	342,787,000	356,770,389	(13,983,389)	
Expenses						
Use of Goods and Services	75,185,786		75,185,786	67,370,788	7,814,998	90%
Employee costs	159,625,230		159,625,230	155,101,004	4,524,226	97%
Remuneration of Directors	8,382,072		8,382,072	8,466,019	(83,947)	101%
Repairs and Maintenance	2,694,540		2,694,540	2,373,750	320,790	88%
Academic Services	66,999,372		66,999,372	57,732,059	9,267,313	86%
Capital expenditure	180,500,000	(153,000,000)	27,500,000	11,733,640	15,766,360	42%
Total Expenditure	495,787,000		342,787,000	303,577,260	39,209,740	
Surplus for the period	-	-	-	53,193,129	25,226,351	

Budget notes

1. The under utilization in the use of goods and services was as a result of under expenditure in legal fees which the institute was expected to incur upon finalization of the encroachment court case
2. The under utilization in academic services was as a result of most of the students were on attachment in the last quarter of the financial year hence reducing academic operations and expenses
3. The under utilization in capital expenditure is due to the funding received of 27,500,000 was for modernization of Kimc Film studio 11,733,640 and balance of Kshs 15,766,360 was for the Eldoret Campus construction of tuition block phase 1 the amount was not adequate to start the construction

19. Notes to the Financial Statements

1. General Information

Kenya Institute of Mass Communication (KIMC) is a Semi-Autonomous Government Agency(SAGA) established under Legal Notice No. 197 of 2011 (Amended 2012) with a mandate to Offer training in communication and the cinematic arts.

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *Institute*

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, Legal Notice No. 197 of 2011 (Amended 2012), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

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

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

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>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></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</p>

**Kenya Institute of Mass Communication
Annual Reports and Financial Statements
for the year ended June 30, 2024**

	<p>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><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47- Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
<p>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>

**Kenya Institute of Mass Communication
Annual Reports and Financial Statements
for the year ended June 30, 2024**

IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

iii. Early adoption of standards

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

Notes to the financial statements (continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

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

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods and property) if transfer is free from conditions and it is probable that the economic benefits or services potential related to the assets will flow to the Institute and can be measured reliably. Revenue from donors is recognized when the event occurs and asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, Deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or services potential associated with the asset will flow to the Institute and fair value of the asset can be measured reliably.

ii) Revenue from exchange transactions

iii) Rendering of services

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

Sale of goods

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

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for FY 2023-2024 was approved by the National Assembly in 15th March 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the budget by the Institute upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Institute did not record additional appropriations of on the 2022-2023 budget following the governing body's approval.

The Institute's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas

the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the

approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts as per the statement of financial performance has been presented under section xvii of these financial statements.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

c) Taxes

Current income tax

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

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each

reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Sales tax

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

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

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period.

Investment properties are de-recognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

e) Property, plant and equipment

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

Motor vehicle	25%
Furniture & Fitting	12.5%
Office Equipment & Accessories	12.5%
Computers & Printers	30%
Computer Software	30%
Buildings	2.5%
Land	0%

f) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Institute. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Institute also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Institute will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Institute. Operating lease payments are recognized as an operating

expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

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

h) Research and development costs

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

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Institute determines the classification of its financial assets at initial recognition.

a) Financial assets

Classification of financial assets

The Institute classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the Institute's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Trade and other receivables

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Fair value through surplus or deficit

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

Impairment

The Institute assesses, on a forward-looking basis, the expected credit loss associated with its financial assets carried at amortized cost and fair value through net assets/equity. The Institute recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss.

b) Financial liabilities

Classification

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

j) Inventories

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

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

k) Provisions

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

l) Social Benefits

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

m) Contingent liabilities

The Institute 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.

n) Contingent assets

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

o) Nature and purpose of reserves

The Institute creates and maintains reserves in terms of specific requirements.

p) Changes in accounting policies and estimates

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

q) Employee benefits

Retirement benefit plans

The Institute provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

r) Foreign currency transactions

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

s) Borrowing costs

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

t) Related parties

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

u) Service concession arrangements

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

v) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at 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.

w) Comparative figures

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

x) Subsequent events

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Institute financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period.

However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. State all judgement, estimates and assumptions made:

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Institute 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 Institute. 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:

The condition of the asset based on the assessment of experts employed by the Institute.

- a) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- b) The nature of the processes in which the asset is deployed.

Availability of funding to replace the asset.

Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Notes to the Financial Statements (Continued)

6. Transfers from Other Government entities

Description	2023-24	2022-23
	KShs	KShs
Unconditional Grants		
Operational Grant	218,000,000	223,319,997
Development grants	27,500,00	-
Other Grants	-	-
Total Unconditional Grants	245,500,000	223,319,997
Conditional Grants amortised/ transferred to revenue		
Housing Development Grant	-	-
Infrastructure Grant	-	-
Library Grant	-	-
Facilities Development Grant	-	-
Other Organizational Grants (specify)	-	-
Total Government Grants and Subsidies	245,500,000	223,319,997

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

Name of The Entity Sending the Grant	Amount recognized to Statement of Financial performance. *	Amount deferred under deferred income.	Amount recognised in capital fund.	Total transfers (2023-24)	2022-23
	KShs	KShs	KShs	KShs	KShs
Ministry/State Department	218,000,000	-	27,500,000	245,500,000	223,319,997
Total	218,000,000	-	27,500,000	245,500,000	223,319,997

Kenya Institute of Mass Communication
Annual Reports and Financial Statements
for the year ended June 30, 2024

Notes to the Financial Statements (Continued)

7. Rendering Of Services

Description	2023-24	2022-23
	KShs	KShs
Tuition Fees	144,346,899	80,152,865
Training Fees	-	-
Health services	-	-
Service Fees (specify)	-	-
Quality Assurance	-	-
Others (specify)	-	-
Total Revenue from The Rendering of Services	144,346,899	80,152,865

Note: Receivables on Note 17 has been included in rendering services being outstanding fees for the year

7 (a) . Rendering Of Services

Description	2023-24	2022-23
	KShs	KShs
Tuition Fees	111,270,389	80,152,865
Outstanding fees (receivables)	33,076,510	-
Total Revenue from The Rendering of Services	144,346,899	80,152,865

8. Use of Goods and Services

Description	2023-24	2022-23
	Kshs	Kshs
Electricity	8,267,979	9,407,056
Water	1,379,229	2,957,039
Professional Services	1,673,707	376,705
Subscriptions	398,291	519,517
Advertising	507,159	914,723
Admin Fees	-	-
Audit Fees	800,000	2400,000
Conferences and Delegations	-	-
Consulting Fees	-	-
Consumables	24,028,496	20,483,458
Fuel and Oil	1,940,000	1800,000
Insurance	1,573,768	2,350,330

Kenya Institute of Mass Communication
Annual Reports and Financial Statements
for the year ended June 30, 2024

Description	2023-24	2022-23
	Kshs	Kshs
Legal Expenses	1,673,707	-
Licenses and Permits	1,746,001	1,494,656
Chemicals	-	-
Water Purification Cost	-	-
Postage	-	109,330
Printing and Stationery	720,152	1,592,919
Hire Charges	-	-
Rent expenses	-	-
Security Costs	15,807,474	14,861,808
Sewage Treatment Costs	-	-
Skills Development Levies	-	-
Inventory Scrapping	-	-
Telecommunication	310,720	423,500
Training	2,430,888	478,197
Travel, Subsistence & Other Allowances*	3,280,720	3,018,710
Bank charges	45,691	57,074
Other General Expenses	3,260,514	3,295,638
Total	68,170,788	65,004,684

9. Employee Costs

Description	2023-24	2022-23
	Kshs	Kshs
Salaries and wages	56,742,991	62,472,370
Employer contribution to health insurance schemes	-	-
Employer contribution to pension schemes	11,464,166	8,303,816
Travel, accommodation, subsistence, & other allowances	-	-
Housing benefits and allowances	71,337,992	66,065,810
Overtime payments	-	-
Performance and other bonuses	-	-
Social contributions	-	-
Gratuity	-	-
Other employee related costs *	-	-
Employee costs	155,101,004	157,204,689

**Kenya Institute of Mass Communication
Annual Reports and Financial Statements
for the year ended June 30, 2024**

10. Board Expenses

Description	2023-24	2022-23
	Kshs	Kshs
Chairman/Directors' Honoraria	1,044,000	957,000
Sitting Allowances	5,640,000	3,866,400
Medical Insurance	-	-
Induction and Training	480,000	480,000
Travel and Accommodation	913,636	2,280,100
Other Allowances	388,383	316,117
Total	8,466,019	7,899,617

The variations in board expenses is as a result of term ending of 2 board members in first half of the year and was replaced in last quarter of the year

Notes to the Financial Statements (Continued)

11. Depreciation and Amortization Expense

Description	2023-24	2022-23
	Kshs	Kshs
Property, plant and equipment	35,102,797	65,498,630
Intangible assets	193,805	276,864
Investment property carried at cost	-	-
Total depreciation and amortization	35,296,602	65,775,494

Revaluation of Buildings was undertaken in month of June 2024 hence there was no depreciation charge

12. Repairs and Maintenance

Description	2023-24	2022-23
	Kshs	Kshs
Property and equipment	1,089,112	1,227,210
Investment Property	-	-
Equipment and Machinery	-	-
Vehicles	1,264,918	803,724
Furniture and Fittings	-	-
Computers and Accessories	19,720	-
Others (specify)	-	-
Total Repairs and Maintenance	2,373,750	2,030,934

13. Academic Expenses

Description	2023-24	2022-23
	Kshs	Kshs
Teaching & Academic expenses	44,525,184	36,626,609
Student Projects & Supervision	5,796,945	6,322,900
Extra-Curriculum & Students union	5,220,850	4,523,725
Graduation expense	2,189,080	1,927,579
Total academic services	57,732,059	49,400,813

Kenya Institute of Mass Communication
Annual Reports and Financial Statements
for the year ended June 30, 2024

Notes to the Financial Statements (Continued)

14. Cash and Cash Equivalents

Description	2023-24	2022-23
	Kshs	Kshs
Current Account	11,031,401	4,849
Savings Account	-	-
On - Call Deposits	72,426,904	47,450,031
Fixed Deposits Account		
Others (Specify)	16,552,107	324,904
Mortgage and car loan account	-	110,443,231
Total Cash and Cash Equivalents	100,010,412	158,223,015

Kenya Institute of Mass Communication
Annual Reports and Financial Statements
for the year ended June 30, 2024

Notes to the Financial Statements (Continued)

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2023-24	2022-23
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank		11,031,401	4,849
Equity Bank, etc.		-	-
Sub- Total		11,031,401	4,849
b) On - Call Deposits			
Kenya Commercial Bank		72,426,904	47,450,031
Equity Bank – etc.		-	-
Sub- Total		72,426,904	47,450,031
c) Fixed Deposits Account		-	-
Kenya Commercial Bank		-	-
Bank B		-	-
Sub- Total		-	-
d) Others (Specify)		-	-
Development Account		16,552,107	324,904
Mortgage and Car loan		-	110,443,231
Cash In Transit		-	-
Cash In Hand		-	-
Mobile Money Accounts		-	-
Sub- Total		16,552,107	110,768,135
Grand Total		100,010,412	158,223,015

**Kenya Institute of Mass Communication
Annual Reports and Financial Statements
for the year ended June 30, 2024**

Notes to the Financial Statements (Continued)

15. Receivables from Exchange Transactions

(a) Receivables from Exchange Transactions (Current)

Description	2023-24	2022-23
	Kshs	Kshs
Receivables		
Service, Water and Electricity Debtors	-	-
Other Exchange Debtors	33,076,510	
Total Current Receivables	33,076,510	-

(b) Receivables from Exchange Transactions (Long-term)

Description	2023-24	2022-23
	Kshs	Kshs
Total receivables		
Service, water and electricity debtors	-	-
Other exchange debtors	-	
Less: impairment allowance	-	
Total receivables	-	-
Current portion transferred to current receivables	-	-
Total non-current receivables	-	-
Total receivables (a+b)	33,076,510	-

(c) Ageing analysis for Receivables from exchange transactions

Description	2023-24		2022-23	
	Kshs		Kshs	
	2023-24	% of the total	2023-24	% of the total
Less than 1 year	33,076,510	100%	-	-
Between 1- 2 years			-	
Between 2-3 years	-			
Over 3 years	-	-	-	-
Total (a+b)	33,076,510	100%		

Kenya Institute of Mass Communication
Annual Reports and Financial Statements
for the year ended June 30, 2024

Notes to the Financial Statements (Continued)

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

Impairment allowance/ provision	2023-24	2022-23
	Kshs	Kshs
At the beginning of the year	-	-
Additional provisions during the year	-	-
Recovered during the year	-	-
Written off during the year	-	-
At the end of the year	-	-

16. Receivables from Non-Exchange Transactions

Description	2023-24		2022-23	
	Kshs		Kshs	
Property tax debtors	-	-	-	-
Levies, fines, and penalties	-	-	-	-
Licences, fees and permits	-	-	-	-
Other debtors (non-exchange transactions)	8,446,961		8,446,961	
Less: impairment allowance	-		-	
Total receivables from non- exchange transactions	8,446,961		8,446,961	
Ageing Analysis- Receivables from non-exchange transactions	2023-24	% of the total	2022-23	% of the total
Less than 1 year	-	%	xxx	%
Between 1-2 years	8,446,961	%	8,446,961	%
Over 3 years	-	%	-	%
Total	-	%	-	%

**Kenya Institute of Mass Communication
Annual Reports and Financial Statements
for the year ended June 30, 2024**

Notes to the Financial Statements (Continued)

Receivables from Non-Exchange Transactions (continued)

Description	2023-24	2022-23
	Kshs	Kshs
At the beginning of the year	8,446,961	8,446,961
Additional provisions during the year	-	-
Recovered during the year	-	-
Written off during the year	-	-
At the end of the year	8,446,961	8,446,961

17. Prepayments

Description	2023-24	2022-23
	Kshs	Kshs
prepayments	-	12,213,372
Total		12,213,372

Kenya Institute of Mass Communication
Annual Reports and Financial Statements
for the year ended June 30, 2024

Notes to the Financial Statements (Continued)

18. Property, Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Tools and equipments	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As At 1 July 2022	1,100,000,000	1,101,402,188	16,910,000	37,097,542	34,591,008	366,313,798	49,931,868	2,706,246,404
Additions	-	31,292,042	-	612,000	5,203,580	6,191,650	-	43,299,272
Disposals	-	-	-	-	-	-	-	-
Transfers/Adjustments	-	49,931,868	-	-	-	-	-49,931,868	-
As at 30th June 2023	1,100,000,000	1,182,626,098	16,910,000	37,709,542	39,794,588	372,505,448	-	2,749,545,676
Gain/(Loss) in Valuations	696,600,000	-75,491,108	-	-	-	-	-	621,108,892
Additions	-	-	-	962,500	-	-	11,733,640	12,696,140
Disposals	-	-	-	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-	-	-	-
As at 30th June 2024	1,796,600,000	1,107,134,990	16,910,000	38,673,042	39,794,588	372,505,448	11,733,640	3,383,351,708
Depreciation And Impairment								
At 1 July 2022	-	-165,721,676	-11,558,570	-18,921,804	-20,574,809	-117,529,388	-	-334,307,247
Depreciation	-	-24,174,314	-1,337,608	-2,348,467	-5,766,233	-31,872,008	-	-65,498,630
Impairment	-	-	-	-	-	-	-	-
Transfers/ Adjustments	-	-	-	-	-	-	-	-
As At 30th June 2023	-	-189,895,990	-12,897,178	-21,270,271	-26,341,042	-149,401,396	-	-399,805,877
Depreciation	-	-	-1,003,206	-2,175,221	-4,036,364	-27,888,007	-	-35,102,797
Transfer/Adjustment	-	-	-	-	-	-	-	-
As at 30th June 2024	-	-189,895,990	-13,900,384	-23,445,492	-30,377,405	-177,289,403	-	-434,908,675
Net Book Values								
As at 30th June 2023	1,100,000,000	992,730,108	4,012,823	16,439,271	13,454,545	223,104,052	-	2,349,740,799
As at 30th June 2024	1,796,600,000	917,239,000	3,009,616	15,227,550	9,417,183	195,216,045	11,733,640	2,948,443,033

Kenya Institute of Mass Communication
Annual Reports and Financial Statements
for the year ended June 30, 2024

Notes:

- i. Work in progress is the completion of tuition block fourth floor which was on -going during the year under review. It is expected to be completed and transferred to buildings upon completion.
- ii. Land and buildings were valued by Ministry of lands, Public Works, Housing and Urban Development in June 2024. Due to this, the land and buildings were not depreciated.

Notes to the Financial Statements (Continued)

Valuation

Land and buildings were valued by Ministry of Lands, Public works, Housing and Urban development professional valuers from the government in line with the National Assets and Liabilities Management Policy and Guidelines (issued 30th June 2020). The assets were revalued by Ministry of Lands, Public works, Housing and Urban development professional valuers in June 2024. These amounts were adopted by the Board on August 2024 with concurrence from the National Treasury.

18 (b) 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	NBV
	Kshs	Kshs	Kshs
Land	1,796,600,000	-	1,796,600,000
Buildings	917,239,000	-	917,239,000
Plant And Machinery	223,104,052	27,888,007	195,216,046
Motor Vehicles, Including Motorcycles	16,910,000	13,900,384	3009,616
Computers And Related Equipment	39,795,589	30,377,405	9,418,184
Office Equipment, Furniture, And Fittings	38,672,042	23,445,492	15,227,548
Total	3,031,358,190	95,611,288	2,936,710,394

**Kenya Institute of Mass Communication
Annual Reports and Financial Statements
for the year ended June 30, 2024**

Notes to the Financial Statements (Continued)

19. Intangible Assets

Description	2023-24	2022-23
	Kshs	Kshs
Cost		
At beginning of the year	6,744,139	6,744,139
Additions	-	-
At end of the year	6,744,139	6,744,139
Additions–internal development	-	-
At end of the year	6,744,139	6,744,139
Amortization and impairment		
At beginning of the year	6,098,124	5,821,260
Amortization	193,805	276,864
At end of the year	6,291,929	6,098,124
Impairment loss	-	-
At end of the year	6,291,929	6,098,124
NBV	452,211	646,015

20. Trade and Other Payables

Description	2023-24	2022-23		
	Kshs	Kshs		
Trade payables	11,060,553	11,060,553		
Payments received in advance	-	-		
Employee payables	-	-		
Third-party payments	-	-		
Other payables	3,824,027	3,777,826		
Total trade and other payables	14,884,580	14,838,379		
Ageing analysis: (Trade and other payables)	2023-24	% of the Total	2022-23	% of the Total
Under one year	3,824,027	25%	3,777,82	24%
1-2 years	11,060,553	75%	11,060,553	76%
2-3 years	-		-	-
Over 3 years	-		-	-
Total (tie to above total)	14,884,580		14,838,379	

Kenya Institute of Mass Communication
Annual Reports and Financial Statements
for the year ended June 30, 2024

21. Refundable Deposits and Prepayments from Customers

Description	2023-24		2022-23	
	Kshs		Kshs	
Customer deposits	6,173,114		1165,000	
Prepayments	-		-	
Other deposits	-		5,043,514	
Total deposits	6,173,114		6,173,114	
Ageing analysis: (Refundable deposits)	2023-24	% Of the Total	2022-23	% Of the Total
Under one year		%	xxx	%
1-2 years	6,156,914	100%	6,173,114	100%
2-3 years		%	-	%
Over 3 years	-	%	-	%
Total	6,156,914	6,156,914	6,173,114	6,173,114

22. Accumulated Surplus

Description	2023-24		2022-23	
	Kshs		Kshs	
Accumulated Surplus				
Bal b/f	(319,651,847)		2,756,175,842	
Surplus/deficit for the financial year	62,706,677		(43,286,330)	
Total Accumulated Surplus	(256,945,170)		(319,651,847)	

23. Reserves

Description	2023-24		2022-23	
	Kshs		Kshs	
Reserves				
Re stated -bal b/f	2,794,834,006		2,820,675,842	
Reserves for the year	531,498,798		-25,841,836	
Total Reserves	3,326,332,804		2,794,834,006	

**Kenya Institute of Mass Communication
Annual Reports and Financial Statements
for the year ended June 30, 2024**

24. Cash Generated from Operations

Description	2023-24	2022-23
	Kshs	Kshs
Surplus for the year before tax	30,635,423	(46,243,369)
Adjusted for:		
Depreciation	35,102,797	65,775,494
Non-cash grants received	-	-
Contributed assets	-	-
Impairment	193,805	276,864
Gains and losses on disposal of assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Working capital adjustments		
Increase in inventory	-	-
Increase in receivables	-	1,129,600
Increase in deferred income		6,239,383
Increase in payables	(1,005,258)	(8,787,372)
Increase in payments received in advance	-	-
Net cash flow from operating activities	64,926,767	18,390,600

Notes to the Financial Statements (Continued)

25. Financial Risk Management

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

i) Credit risk

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

Financial Risk Management

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

**Kenya Institute of Mass Communication
Annual Reports and Financial Statements
for the year ended June 30, 2024**

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2024				
Receivables from exchange transactions	33,076,510	33,076,510	-	-
Receivables from non-exchange transactions	8,446,961	8,446,961	-	-
Bank balances	100,010,412	100,010,412	-	-
Total	141,533,883	141,533,883	-	-
As at 30 June 2023			-	-
Receivables from exchange transactions	674,207	674,207	-	-
Receivables from non-exchange transactions	8,446,961	8,446,961	-	-
Bank balances	158,223,015	158,223,015	-	-
Total	167,344,183	167,344,183	-	-

Financial Risk Management

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

ii) Liquidity risk management

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

Kenya Institute of Mass Communication
Annual Reports and Financial Statements
for the year ended June 30, 2024

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2024				
Trade payables	-	-	14,884,580	14,884,580
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	14,884,580	14,884,580
As at 30th June 2023				
Trade payables	-	-	14,038,379	14,038,379
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	14,038,379	14,038,379

Notes to the Financial Statements (Continued)

Financial Risk Management

iii) Market risk

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

a) Foreign currency risk

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

Notes To the Financial Statements (Continued)

Financial Risk Management

iv) Capital Risk Management

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

Description	2023-24	2022-23
	Kshs	Kshs
Revaluation Reserve	3,359,409,314	2,827,910,516
Retained Earnings	(290,021,681)	(319,651,847)
Capital Reserve	-	-
Total Funds	3,069,387,633	2,508,258,669
Total Borrowings	-	-
Less: Cash and Bank Balances	100,010,412	158,223,015
Net Debt/(Excess Cash And Cash Equivalents)	-	-
Gearing	3.25%	6.06%

26. Related Party Disclosures

Nature of related party relationships

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

Government of Kenya

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

Other related parties include:

- i) The Parent Ministry.
- ii) County Governments
- iii) Key management.
- iv) Board of directors.

**Kenya Institute of Mass Communication
Annual Reports and Financial Statements
for the year ended June 30, 2024**

Notes to the Financial Statements (Continued)

Description	2023-24	2022-23
	Kshs	Kshs
Transactions with related parties		
a) Sales to related parties		
Sales of electricity to govt agencies	-	-
Rent income from govt. Agencies	-	-
Water sales to govt. Agencies	-	-
Others (specify) e.g. interest and bank charges	-	-
Total	-	-
B) purchases from related parties		
Purchases of electricity from KPLC	-	-
Purchase of water from govt service providers	-	-
Rent expenses paid to govt agencies	-	-
Training and conference fees paid to govt. Agencies	-	-
Others (specify)	-	-
Total	-	-
b) Grants /transfers from the government		
Grants from national govt	245,500,000	248,000,000
Grants from county government	-	-
Donations in kind	-	-
Total	245,500,000	248,000,000
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for employees	-	-
Payments for goods and services	-	-
Total		
d) Key management compensation		
Directors' emoluments	8,466,019	7,899,617
Compensation to key management	5,111,988	5,111,988
Total	13,558,007	13,011,605

27. Events after the Reporting Period

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

28. Ultimate And Holding Entity

The Institute is a State Corporation under the Ministry of Information Communication and Digital Economy. Its ultimate parent is the Government of Kenya.

29. Currency

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

**Kenya Institute of Mass Communication
Annual Reports and Financial Statements
for the year ended June 30, 2024**

30. Appendices

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

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

Ref. No on the external audit reports	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.Basis of Qualified Opinion 2020/21				
1.0 Proposed Plant and Equipment				
1.1	Encroachment of Land by Private Developer	The matter on encroachment of land still before Court of Appeal	Not resolved	To be resolved in 2025/26 (Quarter 1)
1.Basis of Qualified Opinion 2021/22				
	Encroachment of Land by Private Developer	The matter on encroachment of land still before Court of Appeal	Not resolved	To be resolved in 2025/26 (Quarter 1)
Basis for Qualified Opinion 2022/23				
	Encroachment Of Land by Private Developer	The matter on encroachment of land still before Court of Appeal	Not resolved	To be resolved in 2025/26 (Quarter 1)

.....
Chief Executive Officer

Date:

**Kenya Institute of Mass Communication
Annual Reports and Financial Statements
for the year ended June 30, 2024**

Appendix II: Projects implemented by Kenya Institute of Mass Communication

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

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements. (Yes/No)
KIMC Eldoret Campus	7	-	5	-	No	Yes

**Kenya Institute of Mass Communication
Annual Reports and Financial Statements
for the year ended June 30, 2024**

Appendix IV: Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - must be specific	
MICT-State Department of Broadcasting & Telecommunication	1/7/23	Development	27,500,000	27,500,000					27,500,000
	11/8/23	Recurrent	18,166,666	18,166,666	-	-	-	-	18,166,666
			18,166,666	18,166,666	-	-	-	-	18,166,666
	06/09/23		18,166,666	18,166,666	-	-	-	-	18,166,666
	9/10/23		18,166,666	18,166,666	-	-	-	-	18,166,666
	10/11/23		18,166,666	18,166,666	-	-	-	-	18,166,666
	13/12/23		18,166,666	18,166,666	-	-	-	-	18,166,666
	24/1/24		18,166,667	18,166,667	-	-	-	-	18,166,667
	15/2/24		18,166,668	18,166,668	-	-	-	-	18,166,668

**Kenya Institute of Mass Communication
Annual Reports and Financial Statements
for the year ended June 30, 2024**

	12/3/24		18,166,665	18,166,665	-	-	-	-	18,166,665
	12/4/24		18,166,668	18,166,668	-	-	-	-	18,166,668
	9/5/24		18,166,667	18,166,667	-	-	-	-	18,166,667
	12/6/24		18,166,667	18,166,667	-	-	-	-	18,166,667
	28/6/24		18,166,667	18,166,667	-	-	-	-	18,166,667
	Total		218,000,000						218,000,000
	Grand Total		245,000,000						245,500,000

Kenya Institute of Mass Communication
Annual Reports and Financial Statements
for the year ended June 30, 2024

Appendix V- Inter-Entity Confirmation Letter

Name of Transferring entity; State Department of Broad casting and Digital economy
 Name of Beneficiary entity; Kenya Institute of Mass Communication

Confirmation of Amounts Received by the Institute as at 30th June 2024

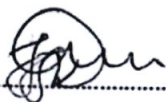
Reference No	Date Disbursed	Reccurent	Developm ent	Inter Ministerial	Total	Amount Received By Kenya Institute of Mass Communication	Difference
		A	B		D=(A+B+C)	E	F= D-E
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
9/8/23	JULY 2023	18,166,666				18,166,666	
1/9/23	AUGUST 2023	18,166,666				18,166,666	
27/9/23	SEPTEMBER 2023	18,166,666				18,166,666	
10/11/23	OCTOBER 2023	18,166,666.70				18,166,666.70	
8/12/23	NOVEMBER 2023	18,166,666.70				18,166,666.70	
29/12/23	DECEMBER 2023	18,166,666.70				18,166,666.70	
8/2/24	JANUARY 2024	18,166,668				18,166,668	
11/3/24	FEBRUARY 2024	18,166,665				18,166,665	
12/4/24	MARCH 2024	18,166,668				18,166,668	
9/5/24	APRIL 2024	18,166,667				18,166,667	
12/6/24	MAY 2024	18,166,667				18,166,667	
28/6/24	JUNE 2024	18,166,667				18,166,667	
TOTAL		218,000,000.10				218,000,000.10	

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

Finance Manager

Name: Jenispher Korir

Signature



Date

09/09/2024

Stamp

