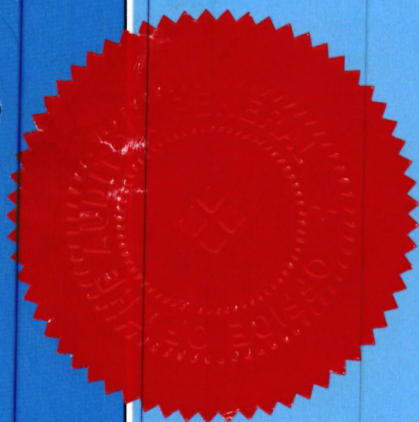


REPUBLIC OF KENYA



**OFFICE OF THE AUDITOR-GENERAL**

*Enhancing Accountability*

**REPORT**

**NATIONAL ASSEMBLY  
PAPERS LAID**

**DATE:** 04 MAR 2021

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TABLED  
**OF**

The Majority Party leader  
Hon. Amos Kimani

BY  
TABLE:

Halima Sheikh

**THE AUDITOR-GENERAL**

**ON**

**STATE DEPARTMENT FOR BROADCASTING  
AND TELECOMMUNICATIONS**

**FOR THE YEAR ENDED  
30 JUNE, 2019**



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**MINISTRY OF INFORMATION COMMUNICATION AND TECHNOLOGY**

**STATE DEPARTMENT FOR BROADCASTING AND  
TELECOMMUNICATIONS**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2019**

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

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**I. KEY ENTITY INFORMATION AND MANAGEMENT**

**(a) Background information**

The state Department for Broadcasting and Telecommunications was established in 2016/2017 Financial Year where the Ministry of Information Communications and Technology was split into two sub-sectors comprising the State Department for Information and Communications Technology and the State Department for Broadcasting and Telecommunications. At cabinet level, the Department is represented by the Cabinet Secretary for Information Communications and Technology, who is responsible for the general policy and strategic direction of the entity.

**(b) Key Management**

The State Department of Broadcasting and Telecommunications day – to – day management is under the following key organs: -

- Broadcasting
- Language management policies
- Public communications
- Promotion of e-government
- ICT training and standards development and administration
- Development of national communications capacity and infrastructure
- Provision of public relations services
- Telecommunication services
- Development of national communication capacity
- Infrastructure and dissemination of public information through Kenya Broadcasting Corporation (KBC)
- Mass media capacity building at Kenya Institute of Mass Communications (KIMC)
- Regulatory services through the Communications Authority of Kenya (CA)
- Postal Corporation of Kenya (PCK)
- National Communications Secretariat (NCS)
- Multimedia Appeals Tribunal
- Kenya Year Book Editorial Board (KYEB)

**State Department for Broadcasting and Telecommunications**  
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**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2019 and who had direct fiduciary responsibility were:

| S/N | Designation                       | Name                     |
|-----|-----------------------------------|--------------------------|
| 1.  | Cabinet Secretary                 | Joseph Mucheru           |
| 2.  | Accounting Officer                | Jerome Ochieng           |
| 3.  | Information Secretary             | Judith Munyinyi          |
| 4.  | Secretary of Administration       | Julian Yiapan            |
| 5.  | Ag Director of Information        | Esther Wanjau            |
| 6.  | Director of Public Communications | Eunice Muthamia          |
| 7.  | Director Government Advertising   | Paul Dickson Gwaro Ogaro |
| 8.  | Chief Finance Officer             | Jim Chira                |
| 9.  | Chief Economist                   | Elkana Onguti            |
| 10. | Deputy Accountant General         | Samson M. Ongalo         |
| 11. | Director HRM/D                    | Miriam W. Gitau          |
| 12. | SCMO                              | Kennedy Omari            |

**(d) Fiduciary Oversight Arrangements**

- Audit and finance committee activities - Office of Internal Auditor General
- Parliamentary committee activities - National Treasury
- Development partner oversight activities - Ernest & Young
- Other oversight activities - Public Accounts Committee

**(e) Entity Headquarters**

P.O. Box 30025 - 00100  
 Teleposta Towers  
 Kenyatta Avenue  
 Nairobi, KENYA

**State Department for Broadcasting and Telecommunications**  
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**(f) Entity Contacts**

Telephone: (254) 020 492000/100  
E-mail: [psbroadcasting@ict.go.ke](mailto:psbroadcasting@ict.go.ke)  
Website: [information.go.ke](http://information.go.ke)

**(g) Entity Bankers**

Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya

**(h) Independent Auditors**

Auditor General  
Kenya National Audit Office  
Anniversary Towers, University Way  
P.O. Box 30084  
GOP 00100  
Nairobi, Kenya

**(i) Principal Legal Adviser**

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

## **II. FORWARD BY THE CABINET SECRETARY**

### **2.0 Introduction**

This report on Financial Statements for the Year ending June 30<sup>th</sup> 2019 focuses on the State Department of Broadcasting and Telecommunications budget performance and achievements of key programmes and projects that were implemented by the State Department and its Agencies. The report highlights the analyses of how the allocated funds were utilized for transparency and accountability as required by the PFM Act. The Report will be used to inform the Medium Term Budget (MTB) for the 2019/20 to 2021/22 Financial Years.

The State Department of Broadcasting and Telecommunications was established in 2016 to spearhead growth and development in Mass Media and Telecommunications subsectors. The Department adopted four strategic objectives that include;

- Formulate, review and implement appropriate information and telecommunications policies, legal, regulatory and institutional frameworks;
- Provide affordable information and communication services;
- Train, build and strengthen mass media skills and capacity; and
- Provide news and information services for informed citizenry.

### **2.1 2018/2019 Budget**

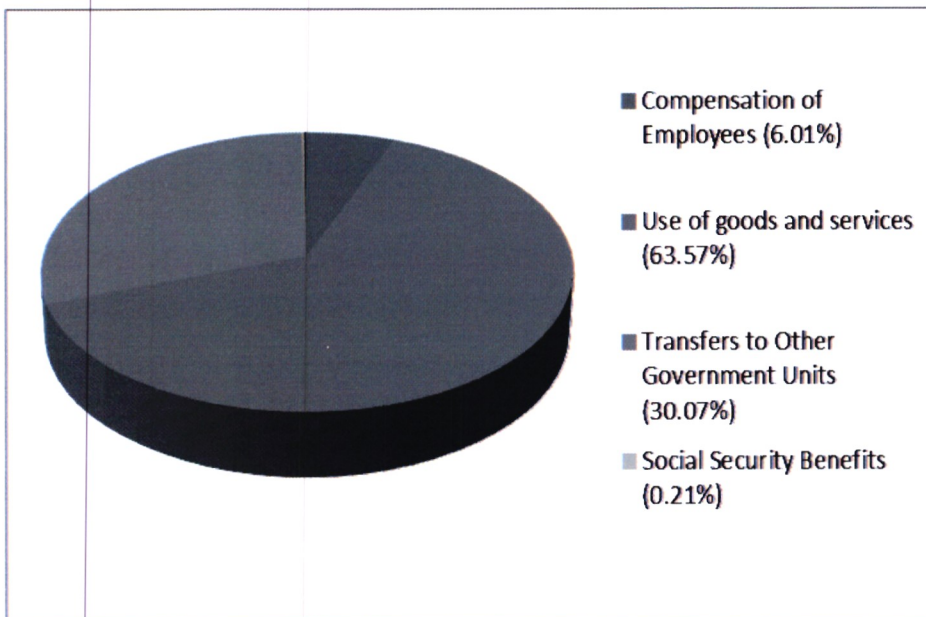
During the 2018/2019 Financial Year, the State Department was allocated KShs 6,128 million consisting of KShs 5,440 Million in Recurrent Vote and KShs 688 Million in Development Vote. However, by 30th June 2019 the Department had absorbed KShs 5,144million which is 84% of the allocated budget where KShs 4,513 million (88%) was utilized in recurrent and KShs 632 million (12%) was utilized under the development vote. The variance is attributed to under collection of AIA and late loading of supplementary II budget onto IFMIS that led to under-utilization in the use of goods and services, acquisition of assets and in social security benefits.

**State Department for Broadcasting and Telecommunications**  
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**2.1.1 Analysis of Approved Budget Vs Actual Expenditure KShs**

| Code | Revenue/Expense Item                | Final Budget         | Actual on Comparable Basis | Budget Utilization Difference | % of Utilization |
|------|-------------------------------------|----------------------|----------------------------|-------------------------------|------------------|
| 21   | Compensation of Employees           | 368,250,000          | 357,230,892                | 11,019,108                    | 97%              |
| 22   | Use of goods and services           | 3,895,659,481        | 3,024,349,426              | 871,310,055                   | 78%              |
| 263  | Transfers to Other Government Units | 1,842,461,500        | 1,747,461,500              | 95,000,000                    | 95%              |
| 27   | Social Security Benefits            | 13,000,000           | 9,290,296                  | 3,709,704                     | 71%              |
| 31   | Acquisition of Assets               | 8,575,000            | 6,090,423                  | 2,484,577                     | 71%              |
|      | <b>Grand Total</b>                  | <b>6,127,945,981</b> | <b>5,144,422,537</b>       | <b>983,523,444</b>            | <b>84%</b>       |

**Chart 2.1.1 State Department Budget allocation by Economic Items**

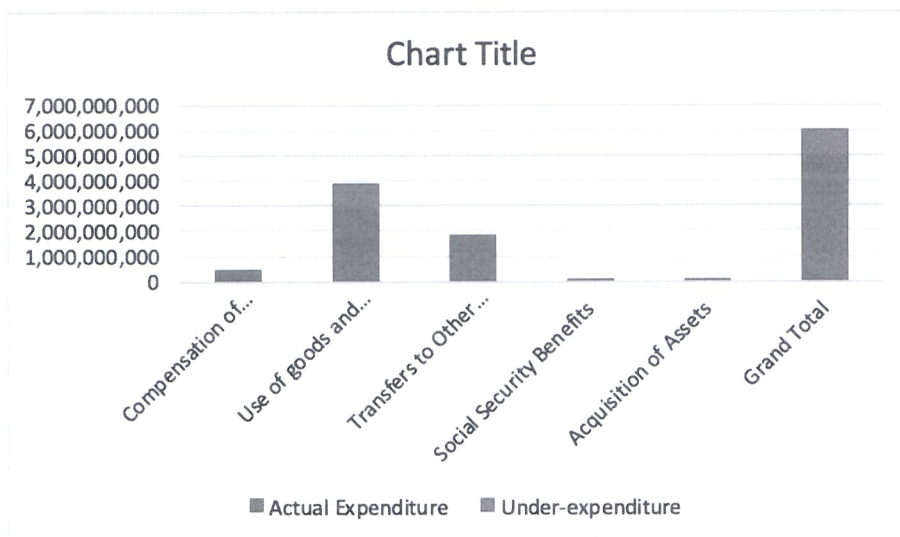


It is observed that the use of goods and services was allocated the largest portion of the budget at 63% with most of it going to the government advertising and strategic government communications services. Compensation to employees took only 6% while transfer to government services took 30%. Social Security Benefits and acquisition of Assets took the lowest at 0.21% and 0.14% respectively.

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**Chart 2.1.2 Budget utilization by Economic Items**

The compensation to employees achieved 97% utilization while acquisition of assets had the lowest at 71%. The table below shows levels of utilization by economic classification.



**2.2 Key Programmes**

The State Department used the funds to implement three major programmes that include;

- i General Administration and Support Services,
- ii Information and Communication Services, and
- iii Mass media skills development.

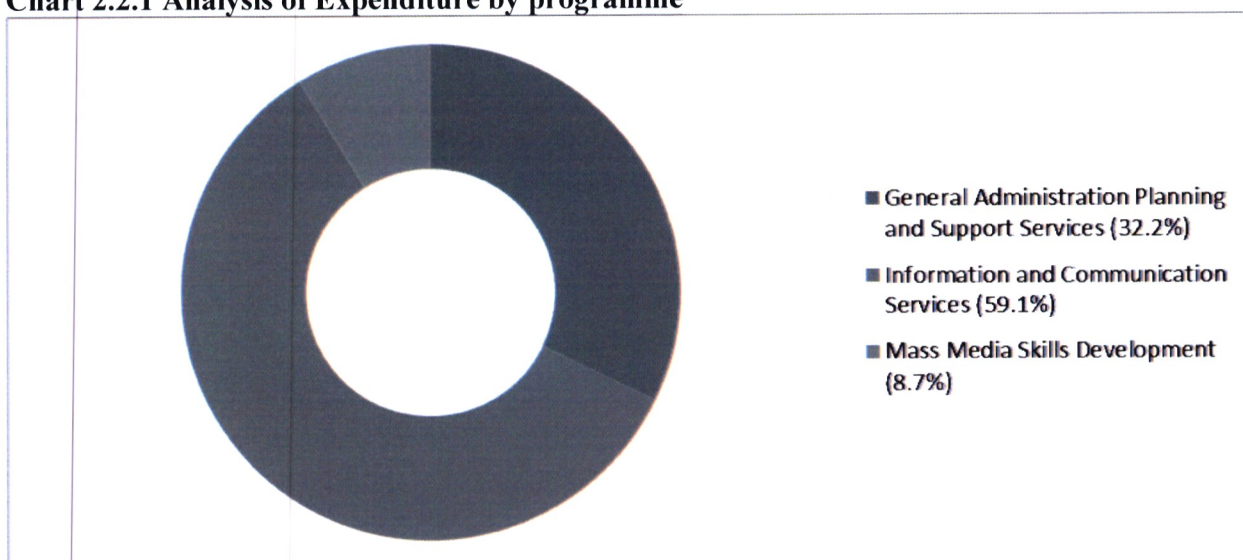
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**Table 2.2.1 Analysis of Budget to Actual Expenditure by programme**

During the year General Administration Planning and Support Services programme took 32.2% of the total allocated budget and attained 97.7% utilization. The information and communication services programme with the highest budget allocation achieved 74% budget utilization which was the lowest utilization level in all the three programmes. The table below summarizes the budget expenditures

| Programmes                                           | Approved Budget Allocation | Actual Payments      | Variance           | % of Utilization |
|------------------------------------------------------|----------------------------|----------------------|--------------------|------------------|
|                                                      | KShs millions              | KShs millions        | KShs millions      |                  |
| General Administration Planning and Support Services | 1,668,407,351              | 1,629,797,066.95     | 38,703,284.05      | 97.7             |
| Information and Communication Services               | 4,005,997,630.00           | 3,061,084,470        | 944,913,960        | 76.4             |
| Mass Media Skills Development                        | 453,541,000.00             | 453,541,000.00       | 0                  | 100              |
| Total                                                | <b>6,127,945,981</b>       | <b>5,144,422,536</b> | <b>983,617,244</b> | <b>83</b>        |

**Chart 2.2.1 Analysis of Expenditure by programme**



**EXPENDITURE BY PROGRAMMES**

**2.3 Key Achievements**

The 2018/19 Financial Year marked the first year of implementation of the Third Medium Term Plan (MTP III) of Kenya Vision 2030. The Broadcasting and Telecommunications sub-sector

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programmes are covered under the enabler and economic pillars of MTP III. The sub-sector under the MTP III targets to enhance universal access to information through development and review policy, legal and institutional frameworks, modernization and expansion of Broadcasting and Telecommunications infrastructure, Promotion of ICT industries and development of ICT and Mass media skills in the country.

**2.3.1 General Administration, Planning and Support Services**

The subsector developed, reviewed and implemented the following policies and legal frameworks

1. National Broadband Strategy 2019/2023
2. Privacy and Data Protection Policy and Bill 2018/2019
3. National ICT Master Plan 2018-2028
4. Mobile Money Inter-operability guidelines for Kenya
5. Digital Economy Blueprint for Kenya

These policies led to the growth of ICT Gross Domestic Product (IGDP) to 11.4 per cent in 2018 compared to 11.0 per cent in 2017. The policies also triggered the growth of proportion of population with mobile telephone and internet connectivity. The Sub-sector planned and allocated frequency spectrum, numbers, domain names and codes to different authorised users for the purpose of improving connectivity and national development. The licensing and roll out of 4G broadband networks by private operators also contributed to the growth of internet connectivity.

The Government also developed a Report on New and Emerging Technologies including Artificial Intelligence and Block chain Technologies to inform policy decisions in the ministry of ICT.

**2.3.2 Information and Communication Services**

The National digital TV coverage increased from 78% to 86% due to the continued roll out of digital TV broadcast infrastructure by both public and private operators. This has improved the household's access to digital broadcast signal especially in unserved and underserved areas. The government has continued to implement the public Digital broadcast infrastructure under the signet by filling in the identified gaps.

The sub-sector continued to license and assigns radio frequency to community broadcasters thereby increasing household's access to radio broadcast signal from 95 in 2017 to 96 in 2018. The national broadcaster KBC continued to implement the migration from Medium Wave to FM Radio

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Transmission projects to improve the quality of service.

The subsector through the media regulatory services was able to resolve most of the reported media disputes. In addition, the subsector monitored media content to conform to set regulatory guidelines, developed Curriculum for middle mass media training colleges and accredited journalists practising in Kenya.

**2.3.3 Mass Media Skills Development**

The State Department also trained over 474 mass media personnel thereby boosting the national talent pool on mass media skills. The department also implemented the modernization programme under Kenya Institute of Mass Communications where Hostels Phase I and II were completed while the improvement of the Catering Unit is currently ongoing.

The analysis of programme expenditure and utilization levels is as shown in the table below.

**2.3.4 Analysis of Programme/Sub Programme Expenditure**

| <b>Table 2.3.1 Programme and Sub-Programme expenditures</b>               |                             |                           |                    |                             |
|---------------------------------------------------------------------------|-----------------------------|---------------------------|--------------------|-----------------------------|
|                                                                           | <b>Approved<br/>2018/19</b> | <b>Actual<br/>2018/19</b> | <b>Variance</b>    | <b>% of<br/>Utilization</b> |
| <b>Programme 1: General Administration, Planning and Support Services</b> |                             |                           |                    |                             |
| S.P 1.1 General Administration, Planning and Support Services             | 1,668,407,351               | 1,629,797,066.95          | 38,610,284.05      | 97.7                        |
| <i>Total for programme 1:</i>                                             | 1,668,407,351               | 1,629,797,066.95          | 38,610,284.05      | 97.7                        |
| <b>Programme 2: Information and Communication Services</b>                |                             |                           |                    |                             |
| S.P 2.1: News And Information Services                                    | 3,577,965,130               | 2,728,051,970             | 849,913,160        | 76.2                        |
| S.P 2.2: Kenya Yearbook Initiative                                        | 143,438,500                 | 98,438,500                | 45,000,000         | 68.6                        |
| S.P 2.3: Media Regulatory Services                                        | 284,594,000                 | 234,594,000               | 50,000,000         | 82.4                        |
| <i>Total for program me 2:</i>                                            | <b>4,005,997,630</b>        | <b>3,061,084,470</b>      | <b>944,913,160</b> | 76.4                        |

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|                                                   |                      |                      |                    |             |
|---------------------------------------------------|----------------------|----------------------|--------------------|-------------|
| <b>Programme 3: Mass Media Skills Development</b> |                      |                      |                    |             |
| S.P3.1: Mass Media Skills Development             | 453,541,000          | 453,541,000.00       | 0                  | 97.4        |
| <i>Total for programme 3</i>                      | 453,541,000          | 453,541,000.00       | 0                  | 97.4        |
| <b>Total for Ministry/Vote</b>                    | <b>6,127,945,981</b> | <b>5,144,422,537</b> | <b>983,523,444</b> | <b>84.0</b> |

## **2.4 Challenges**

The sub-sector faced challenges in implementation of its programmes and projects including inadequate public funding and limited strategic development partners especially in the mass media segment to procure equipment and facilities. This has led to the slow pace in adopting the rapid changes in technology especially in the mass media equipment and facilities.

The ministry has inadequate human capacity in terms of numbers, skills and competencies to manage implement programmes and functions project in given the ever changing technology requiring retraining and hiring of additional staff.

## **2.5 Lessons Learnt**

Competition is good for development as clearly demonstrated by the Telecommunication Sector in Kenya. Competition in the mobile cellular market segment has allowed mobile telephony to spread all over the country allowing Kenyans to communicate easily and carry out their economic activities more effectively. It has also pushed the cost of communication down although not to the expected levels considering the per capita income.

For Kenya to fully utilize ICT as an economic driver there is need to address other support sectors such as energy. The cost and availability of energy in the country has hindered the development of ICT.

## **2.6 Recommendations**

It is recommended that the subsector be adequately funded to enable the achievement of the planned MTP III programmes. For Kenya to benefit from digital dividends as envisaged in the Vision 2030 it is necessary for the government to facilitate development of ICTs industries in the country to increase their contribution to above 10% of the national GDP through employment and wealth

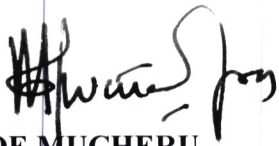
***State Department for Broadcasting and Telecommunications***  
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creation. Investment in creative industry and e-commerce hubs in the country will enable Kenyans to commercialize their innovations and transact online businesses.

**2.7 Conclusion**

In conclusion, it is observed that the subsector has great potential for job and wealth creation with digital broadcasting providing new investment opportunities due to increased demand for broadcast content. The Broadcast Content Policy will ensure 60% of programmes aired in Kenya are locally produced.



**JOE MUCHERU**  
**CABINET SECRETARY**

### **III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES**

Section 81 (1) of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the ***State Department of Broadcasting and Telecommunication*** is responsible for the preparation and presentation of the *entity's* financial statements, which give a true and fair view of the state of affairs of the *entity* for and as at the end of the financial year (period) ended on June 30, 2019. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the *entity*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the ***State Department of Broadcasting and Telecommunication*** accepts responsibility for the *entity's* financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of *entity's* transactions during the financial year ended June 30, 2019, and of the *entity's* financial position as at that date. The Accounting Officer charge of the **State Department of Broadcasting and Telecommunication** further confirms the completeness of the accounting records maintained for the State which have been relied upon in the preparation of the ***State Department's*** financial statements as well as the adequacy of the systems of internal financial control.

***State Department for Broadcasting and Telecommunications***  
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The Accounting Officer in charge of the *State Department of Broadcasting and Telecommunication* confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *entity's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

The *State Department's* financial statements were approved and signed by the Accounting Officer on 30<sup>th</sup> September, 2019.



**ESTHER KOIMETT, CBS**  
**PRINCIPAL SECRETARY**



**CPA. LUCY WANGUI KAMAU**  
**ASSISTANT ACCOUNTANT GENERAL**  
**ICPAK MEMBER NUMBER: 8513**

# REPUBLIC OF KENYA

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## REPORT OF THE AUDITOR-GENERAL ON STATE DEPARTMENT FOR BROADCASTING AND TELECOMMUNICATIONS FOR THE YEAR ENDED 30 JUNE, 2019

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### REPORT ON THE FINANCIAL STATEMENTS

#### **Adverse Opinion**

I have audited the accompanying financial statements of State Department for Broadcasting and Telecommunications set out on pages 16 to 36, which comprise the statement of assets and liabilities as at 30 June, 2019, and the statement of receipts and payments, the statement of cash flow and summary statement of appropriation- recurrent and development combined 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of the State Department for Broadcasting and Telecommunications as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and do not comply with the Public Finance Management Act, 2012.

#### **Basis for Adverse Opinion**

##### **1. Cash and Cash Equivalents**

As disclosed in Notes 11.1 and 11.2 to the financial statements, the statement of assets and liabilities reflects a balance of Kshs.333,544,555 under cash and cash equivalents. The balance includes bank balances of Kshs.70,481,242, Kshs.44,193 and Kshs.262,976,060 under recurrent, development and deposits accounts respectively and cash in hand of Kshs.43,059 as at 30 June, 2019. However, the June 2019 bank reconciliation statement for the recurrent bank account reflects Appropriations- in- Aid receipts in cashbook amounting to Kshs.589,794 dating back to 26 February, 2018 which had not been recorded in the bank statement.

Further, the reconciliation statement reflects payments in bank statement not in cash book totalling Kshs.1,481,502.90 which has been outstanding from as far back as February, 2017.

Consequently, the completeness and accuracy of the cash and cash equivalents balance of Kshs.333,544,555 as at 30 June, 2019 could not be confirmed.

## 2. Accounts Receivables

The statement of assets and liabilities reflects a balance of Kshs.87,012,746 under accounts receivables. The balance, as disclosed in Note 12 to the financial statements, includes government imprests of Kshs.4,575,300 all of which were overdue for surrender. This is contrary to Regulation 93 (5) of the Public Finance Management (National Government) Regulations, 2015 which states that a holder of a temporary imprest shall account or surrender the imprest within 7 working days after returning to duty station. Regulation 93 (6) further provides that in the event the imprest holder fails to account for or surrender the imprest on the due date, the Accounting Officer shall take immediate action to recover the full amount from the salary of the defaulting officer with an interest at the prevailing Central Bank rate.

The balance also includes salary advances of Kshs.500,383 out of which Kshs.366,095 was advanced to two (2) Officers who have since passed on. The recoverability of the advances could therefore, not be confirmed. Further, the receivables balance of Kshs.87,012,746 includes a district suspense balance of Kshs.81,937,063 which is net of Kshs.577,279 whose nature and purpose was not explained. Further, the district suspense balance of Kshs.81,937,063, as disclosed in Annex 5 to the financial statements, includes an amount of Kshs.65,184,350 that dates back to 2015/16 financial year.

In the circumstances, the accuracy and recoverability of the accounts receivables balance of Kshs.87,012,746 as at 30 June, 2019 could not be ascertained.

## 3. Variances between Financial Statements and Trial Balance

The following differences were noted between the figures in the financial statements and the balances in the IFMIS generated Trial Balance:

| Item                     | Financial Statements (Kshs.) | IFMIS Trial Balance (Kshs.) | Difference (Kshs.) |
|--------------------------|------------------------------|-----------------------------|--------------------|
| Imprests                 | 4,575,300                    | 3,641,207                   | 934,093            |
| Debtors and Prepayments  | -                            | 239,450                     | (239,450)          |
| Cash in Hand             | 43,059                       | 9,099,026,108               | (9,098,983,049)    |
| District Suspense        | 81,937,063                   | 49,668,702                  | 32,268,361         |
| Deposit Account          | -                            | 44,582,050                  | (44,582,050)       |
| Other Current Assets     | -                            | 329,670                     | (329,670)          |
| Salary Advance           | 500,383                      | 658,714                     | (158,331)          |
| Development Bank Account | 44,193                       | 365,117,284                 | (365,073,091)      |

| Item                     | Financial Statements (Kshs.) | IFMIS Trial Balance (Kshs.) | Difference (Kshs.) |
|--------------------------|------------------------------|-----------------------------|--------------------|
| Recurrent Bank Account   | 70,481,242                   | 3,989,979,403               | (3,919,498,161)    |
| General Deposits Account | 262,976,060                  | 251,575,352                 | 11,400,708         |

The variances between the two sets of figures have not been explained or reconciled. Consequently, the accuracy and completeness of the financial statements could not be confirmed.

#### 4. Pending Bills

Note 17 to the financial statements indicates that the State Department had Pending Bills amounting to Kshs.777,832,350 as at 30 June, 2019. However, the pending bills figure includes payments totalling Kshs.18,627,280 already made to a media house and captured in the ledger as having been paid though the amount still appeared in the pending bills listing as having not been reconciled. Further, as disclosed in Appendix II to the financial statements, the reported amount for pending bills excludes pending bills of Kshs.249,932,483 which did not have the requisite documentations and Kshs.7,959,592 for which the State Department did not have the budgetary provision. Failure to settle bills in the year in which they relate adversely affects the implementation of the subsequent year's budgeted programmes as the pending bills form a first charge to that year's budget provision.

In view of the foregoing, the accuracy, validity, completeness and propriety of the reported pending bills of Kshs.777,832,350 could not be ascertained.

#### 5.0 Unresolved Prior Year Issues

##### 5.1 Cash and Cash Equivalents

As previously reported, the cash and cash equivalents balance of Kshs.58,707,018 reflected in the statement of assets and liabilities as at 30 June, 2018 included bank balances of Kshs.20,020,521 and Kshs.38,659,849 under recurrent and deposits accounts respectively and cash in hand of Kshs.26,648.

The bank reconciliation statement for the recurrent bank account had unrepresented cheques amounting to Kshs.66,491,679 whose clearance status could not be confirmed as the bank statements were not provided. Out of the unrepresented cheques of Kshs.66,491,679, Kshs.241,269 were stale as at 30 June, 2018. Further, the recurrent account bank reconciliation statement reflected payments in bank statements not in cash book totalling Kshs.1,436,558 for which no explanation was provided for non-inclusion in the cash book. Also, the recurrent account reconciliation statement reflected uncredited receipts amounting to Kshs.46,332,522 that had no proof of having been banked as at the time of the audit and no explanation was provided for non-banking of this cash.

As a result, the completeness and accuracy of the cash and cash equivalents balance of Kshs.58,707,018 as at 30 June, 2018 could not be confirmed.

## **5.2 Accounts Payables - Deposits and Retention**

As previously reported, the statements of assets and liabilities reflected a balance of Kshs.38,659,849 under accounts payables as at 30 June, 2018 all of which had been outstanding as at 30 June, 2017 and earlier. The analysis provided in support did not include the date of contract and there were no supporting documents to authenticate the accuracy and validity of each of the disclosed balances.

Further, the cash book for deposits account reflected Kshs.1,740,000 and Kshs.792,440 paid to a media house on 23 November, 2017 and 7 February, 2018 respectively. However, the analysis of accounts payables showed that the payments were made to WASREB: - Kshs.1,740,000, EPZ Authority Kshs.384,000 and Kenya Dairy Board Kshs.408,440.

Consequently, the accounts payables balance of Kshs.38,659,849 as at 30 June, 2018 could not be ascertained.

## **5.3 Use of Goods and Services**

As previously reported, the statement of receipts and payments for the year ended 30 June, 2018 reflected payments of Kshs.1,135,144,411 in respect to use of goods and services. However, during the audit review, payment vouchers were not provided as documentary evidence for the expenditure. Further, the procurement plan for the year was not provided for audit verification. This is contrary to Regulation 115 (2) of the Public Finance Management (National Government) Regulations, 2015 which requires an Accounting Officer to prepare a procurement plan every year as a basis for procurement activities to be undertaken by a government entity in the fiscal year.

Consequently, the accuracy, validity and propriety of the payments of Kshs.1,135,144,411 for use of goods and services could not be confirmed.

## **5.4 Transfers from The National Treasury**

As previously reported, the statement of receipts and payments for the year ended 30 June, 2018 reflected transfers from The National Treasury of Kshs.2,346,558,857 being Exchequer releases. However, bank statements supporting the receipts were not availed and therefore, it was not possible to confirm the actual receipts.

In the circumstances, the transfers from The National Treasury balance of Kshs.2,346,558,857 for the year ended 30 June, 2018 could not be confirmed.

## **5.5 Transfers to Other Government Units**

As previously reported, the transfers to Other Government Units balance of Kshs.1,378,175,000 as at 30 June, 2018 could not be verified as the reported balance for individual Agencies did not agree with the records of the Agency as shown below;

| <b>Agency</b>                            | <b>Balance per<br/>Financial<br/>Statement<br/>Kshs.</b> | <b>Balance per<br/>Agency<br/>Financial<br/>Statements<br/>Kshs.</b> | <b>Difference<br/>Kshs.</b> |
|------------------------------------------|----------------------------------------------------------|----------------------------------------------------------------------|-----------------------------|
| Kenya Broadcasting Corporation           | 854,100,000                                              | 842,500,000                                                          | 11,600,000                  |
| Kenya Year Book Editorial Board          | 59,325,000                                               | 88,075,000                                                           | (28,075,000)                |
| Kenya Institute of Mass<br>Communication | 207,455,000                                              | 207,487,527                                                          | (32,527)                    |

The differences have not been explained or reconciled and under the circumstances, the accuracy and completeness of the transfers to other government units balance of Kshs.1,378,175,000 as at 30 June, 2018 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the State Department for Broadcasting and Telecommunications Management in accordance with ISSAI 130 on 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 adverse audit opinion.

### **Key Audit Matters**

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

### **Other Matter**

#### **Under Collection of Appropriations-In-Aid (AIA)**

The summary statement of appropriations- recurrent and development combined reflects budgeted proceeds from sale of assets of Kshs.1,174,000,000 against actual receipts of Kshs.667,902,570 hence a shortfall of Kshs.506,097,430 or 43%. Included in the budgeted receipts of Kshs.1,174,000,000 is Kshs.1,000,000,000 which was to be collected by the Government Advertising Agency. However, the Agency collected Kshs.497,902,570 or 50% of the target.

Further, the Agency was owed a total of Kshs.893,173,664 by various State Agencies for advertising services rendered for the period 2016/2017 to 2018/19. This outstanding amount was expected to supplement the publicity and advertising budget. However, the recovery has been very slow and the records for the amounts owed were not properly maintained as the balances contained in the schedule provided for audit could not be traced in the ledger. In addition, non-collection of revenue negatively affected implementation of budgeted programmes and activities thereby affecting service delivery to the citizens.

# REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

## Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

## Basis for Conclusion

### 1. Use of Goods

#### 1.1 Failure to Conduct Media Monitoring on Distribution of MyGov Publication

As disclosed in Note 6 to the financial statements, the statement of receipts and payments reflects a balance of 3,024,349,426 in respect of use of goods and services. Included in the balance are payments amounting to Kshs.2,711,653,966 for printing, advertising and information supplies and services out of which Kshs.2,090,141,617 relates to payments made to four (4) local media houses for publication of MyGov Newspaper. However, it was observed that there was a mismatch between the amounts paid to the media houses and their respective market share of print readership as contained in a media monitoring report carried out by a research firm for the fourth quarter of the year 2018 as shown in the table below:

| Media House      | Amount (Kshs.)       | Market Share of Print Readership (%) |
|------------------|----------------------|--------------------------------------|
| Daily Nation     | 272,696,280          | 60                                   |
| The Standard     | 800,996,960          | 34                                   |
| The People Daily | 680,409,600          | 2                                    |
| The Star         | 336,038,777          | 1.5                                  |
| <b>Total</b>     | <b>2,090,141,617</b> |                                      |

In addition, it was noted that the Government Advertising Agency has not carried out a media monitoring exercise to determine the number of copies published and distributed by each media house, which should have formed the basis for any contractual negotiations on amounts to be paid for placing of Government and associated advertising in the print media.

In the circumstances the propriety and value for money on the Kshs.2,090,141,617 paid to the media houses could not be confirmed.

#### 1.2 Uchumi House Office Space

The balance of Kshs.64,866,176 for rentals of produced assets includes an amount of Kshs.7,785,275 paid for lease of office space at Uchumi House for the Department for

Information Services. However, the Lease Agreement between the State Department and the managing agents of the property was not provided for audit verification. Although Management explained that delay in execution of the lease agreement was as a result of variance between the rental charges offered by the landlord and the rate recommended by the State Department for Housing, Urban Development and Public Works, the impasse had not been resolved as at the time the audit report was finalized.

In the circumstances, it was not possible to confirm the validity and propriety of rent payments totalling Kshs.7,785,275 for occupation of Uchumi House.

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

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, based on the audit procedures performed, I confirm that that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

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

### **Responsibilities of Management and those Charged with Governance**

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

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

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

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

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

### **Auditor-General's Responsibilities for the Audit**

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of

the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

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

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

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



**Nancy Gathungu**  
**AUDITOR-GENERAL**

**Nairobi**

**21 December, 2020**

*State Department for Broadcasting and Telecommunications*  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

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**Opinion**


**State Department for Broadcasting and Telecommunications**  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

**V. STATEMENT OF RECEIPTS AND PAYMENTS**

|                                     | Note | 2018-2019            | 2017-2018            |
|-------------------------------------|------|----------------------|----------------------|
|                                     |      | Kshs                 | Kshs                 |
| <b>RECEIPTS</b>                     |      |                      |                      |
| Tax Revenues                        | 1    | 4,000,000            | -                    |
| Transfers from National Treasury    | 2    | 4,519,966,085        | 2,346,558,857        |
| Proceeds from Sale of Assets        | 3    | 667,902,570          | 567,797,103          |
| Other Revenues                      | 4    | 52,300,000           | 12,000,000           |
|                                     |      |                      |                      |
| <b>TOTAL REVENUES</b>               |      | <b>5,244,168,655</b> | <b>2,926,355,960</b> |
| <b>PAYMENTS</b>                     |      |                      |                      |
|                                     |      |                      |                      |
| Compensation of Employees           | 5    | 357,230,892          | 369,948,541          |
| Use of goods and services           | 6    | 3,024,349,426        | 1,135,144,411        |
| Transfers to Other Government Units | 7    | 1,747,461,500        | 1,378,175,000        |
| Other grants and transfers          | 8    | -                    | 1,182,900            |
| Social Security Benefits            | 9    | 9,290,296            | 10,676,277           |
| Acquisition of Assets               | 10   | 6,090,423            | 6,696,518            |
|                                     |      |                      |                      |
| <b>TOTAL PAYMENTS</b>               |      | <b>5,144,422,537</b> | <b>2,901,823,647</b> |
|                                     |      |                      |                      |
| <b>SURPLUS/DEFICIT</b>              |      | <b>99,746,118</b>    | <b>24,532,313</b>    |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30<sup>th</sup> September, 2019 and signed by:

  
**ESTHER KOIMETT, CBS**  
**PRINCIPAL SECRETARY**

  
**CPA. LUCY WANGUI KAMAU**  
**ASSISTANT ACCOUNTANT GENERAL**  
**ICPAK MEMBER NUMBER: 8513**


*State Department for Broadcasting and Telecommunications*  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

**VI. STATEMENT OF ASSETS AND LIABILITIES**

|                                                                   | Note | 2018-2019           | 2017-2018          |
|-------------------------------------------------------------------|------|---------------------|--------------------|
|                                                                   |      | Kshs                | Kshs               |
| <b>FINANCIAL ASSETS</b>                                           |      |                     |                    |
| <b>Cash and Cash Equivalents</b>                                  |      |                     |                    |
| Bank Balances                                                     | 11.1 | 333,501,495         | 58,680,370         |
| Cash Balances                                                     | 11.2 | 43,059              | 26,648             |
| <b>Total Cash And Cash Equivalents</b>                            |      | <b>333,544,555</b>  | <b>58,707,018</b>  |
| Accounts Receivables - Outstanding Imprest and Clearance Accounts | 12   | 87,012,746          | 70,137,700         |
| <b>TOTAL FINANCIAL ASSETS</b>                                     |      | <b>420,557,300</b>  | <b>128,844,718</b> |
| <b>LESS: FINANCIAL LIABILITIES</b>                                |      |                     |                    |
| Accounts Payables - Deposits                                      | 13   | 262,976,060         | 38,659,849         |
| <b>NET FINANCIAL ASSETS REPRESENTED BY</b>                        |      | <b>157,581,240</b>  | <b>90,184,869</b>  |
| <b>Fund balance b/fwd</b>                                         | 14   | <b>90,184,869</b>   | <b>65,652,556</b>  |
| <b>Prior year adjustments</b>                                     | 15   | <b>(32,349,748)</b> | <b>-</b>           |
| <b>Surplus/Deficit for the year</b>                               |      | <b>99,746,118</b>   | <b>24,532,313</b>  |
| <b>NET FINANCIAL POSSITION</b>                                    |      | <b>157,581,240</b>  | <b>90,184,869</b>  |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30<sup>th</sup> September, 2019 and signed by:

  
**ESTHER KOIMETT, CBS**  
**PRINCIPAL SECRETARY**

  
**CPA. LUCY WANGUI KAMAU**  
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**ICPAK MEMBER NUMBER: 8513**

*State Department for Broadcasting and Telecommunications*  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

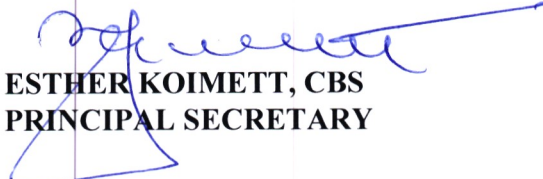
**VII. STATEMENT OF CASHFLOW**


|                                                          | Note | 2018-2019            | 2017-2018            |
|----------------------------------------------------------|------|----------------------|----------------------|
|                                                          |      | Kshs                 | Kshs                 |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>               |      |                      |                      |
| <b>Receipts for operating income</b>                     |      |                      |                      |
| Tax Revenues                                             | 1    | 4,000,000            | -                    |
| Transfers from National Treasury                         | 2    | 4,519,966,085        | 2,346,558,857        |
| Other Revenues                                           | 4    | 52,300,000           | 12,000,000           |
|                                                          |      | <b>4,576,266,085</b> | <b>2,358,558,857</b> |
| <b>Payments for operating expenses</b>                   |      |                      |                      |
| Compensation of Employees                                | 5    | 357,230,892          | 369,948,541          |
| Use of goods and services                                | 6    | 3,024,349,426        | 1,135,144,411        |
| Transfers to Other Government Units                      | 7    | 1,747,461,500        | 1,378,175,000        |
| Other grants and transfers                               | 8    | -                    | 1,182,900            |
| Social Security Benefits                                 | 9    | 9,290,296            | 10,676,277           |
|                                                          |      | <b>5,138,332,114</b> | <b>2,895,127,129</b> |
| <b>Adjusted for:</b>                                     |      |                      |                      |
| Changes in receivables                                   |      | (16,875,046)         | (10,029,841)         |
| Changes in payables                                      |      | 224,316,211          | (3,494,371)          |
| Adjustments during the year                              | 15   | (32,349,748)         | -                    |
|                                                          |      |                      |                      |
| <b>Net cashflow from operating activities</b>            |      | <b>(386,974,611)</b> | <b>(550,092,484)</b> |
| <b>CASHFLOW FROM INVESTING ACTIVITIES</b>                |      |                      |                      |
| Proceeds from Sale of Assets                             | 3    | 667,902,570          | 567,797,103          |
| Acquisition of Assets                                    | 10   | (6,090,423)          | (6,696,518)          |
| <b>Net cash flows from Investing Activities</b>          |      | <b>661,812,147</b>   | <b>561,100,585</b>   |
| <b>CASHFLOW FROM BORROWING ACTIVITIES</b>                |      |                      |                      |
| <b>Net cash flow from financing activities</b>           |      | <b>-</b>             | <b>-</b>             |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>          |      |                      |                      |
| <b>Cash and cash equivalent at BEGINNING of the year</b> |      | <b>58,707,018</b>    | <b>47,698,917</b>    |
| <b>Cash and cash equivalent at END of the year</b>       |      | <b>333,544,555</b>   | <b>58,707,018</b>    |

***State Department for Broadcasting and Telecommunications***  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

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financial statements. The entity financial statements were approved on 30<sup>th</sup> September, 2019 and signed by:

  
**ESTHER KOIMETT, CBS**  
**PRINCIPAL SECRETARY**

  
**CPA. LUCY WANGUI KAMAU**  
**ASSISTANT ACCOUNTANT GENERAL**  
**ICPAK MEMBER NUMBER: 8513**

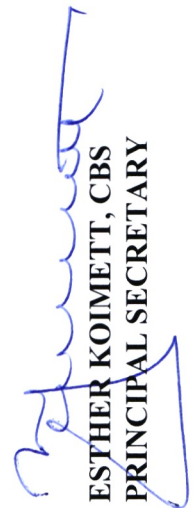
*State Department for Broadcasting and Telecommunications*  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

**VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED**

| Revenue/Expense Item                | Original Budget      | Adjustments          | Final Budget         | Actual on Comparable Basis | Budget Utilisation Difference | % of Utilisation Difference to Final Budget |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------------|-------------------------------|---------------------------------------------|
|                                     | a                    | b                    | c=a+b                | d                          | e=c-d                         | f=d/c %                                     |
| <b>RECEIPTS</b>                     |                      |                      |                      |                            |                               |                                             |
| Tax Receipts                        | 2,000,000            | 2,000,000            | 4,000,000            | 4,000,000                  | 0                             | 100%                                        |
| Exchequer releases                  | 2,505,116,500        | 2,392,529,481        | 4,897,645,981        | 4,519,966,085              | 377,679,896                   | 92%                                         |
| Proceeds from Sale of Assets        | 542,000,000          | 632,000,000          | 1,174,000,000        | 667,902,570                | 506,097,430                   | 57%                                         |
| Other Receipts                      | 6,000,000            | 46,300,000           | 52,300,000           | 52,300,000                 | 0                             | 100%                                        |
| <b>Total Receipts</b>               | <b>3,055,116,500</b> | <b>3,072,829,481</b> | <b>6,127,945,981</b> | <b>5,244,168,655</b>       | <b>883,777,326</b>            | <b>86%</b>                                  |
| <b>Payments</b>                     |                      |                      |                      |                            |                               |                                             |
| Compensation of Employees           | 188,000,000          | 180,250,000          | 368,250,000          | 357,230,892                | 11,019,108                    | 97%                                         |
| Use of goods and services           | 1,626,856,500        | 2,268,802,981        | 3,895,659,481        | 3,024,349,426              | 871,310,055                   | 78%                                         |
| Transfers to Other Government Units | 1,233,737,500        | 608,724,000          | 1,842,461,500        | 1,747,461,500              | 95,000,000                    | 95%                                         |
| Social Security Benefits            | 2,625,000            | 10,375,000           | 13,000,000           | 9,290,296                  | 3,709,704                     | 71%                                         |
| Acquisition of Assets               | 3,897,500            | 4,677,500            | 8,575,000            | 6,090,423                  | 2,484,577                     | 71%                                         |
| <b>Grand Total</b>                  | <b>3,055,116,500</b> | <b>3,072,829,481</b> | <b>6,127,945,981</b> | <b>5,144,422,537</b>       | <b>983,523,444</b>            | <b>84%</b>                                  |
| <b>Surplus/Deficit</b>              | <b>0</b>             | <b>0</b>             | <b>0</b>             | <b>99,746,118</b>          | <b>(99,746,118)</b>           |                                             |

(a) *Under-utilization in use of goods and services, acquisition of assets and social security benefits is due to late loading of supplementary II budget onto IFMIS, it was loaded on 20<sup>th</sup> June 2019; only 6 working days to the end of the financial year, not giving enough time to fully process transactions before the close of the financial year.*

The entity financial statements were approved on 30<sup>th</sup> September, 2019 and signed by:

  
**ESTHER KOIMETT, CBS**  
**PRINCIPAL SECRETARY**

  
**CPA. LUCY WANGUI KAMAU**  
**ASSISTANT ACCOUNTANT GENERAL**  
**ICPAK MEMBER NUMBER: 8513**

**IX. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT**

| Revenue/Expense Item                | Original Budget      | Adjustments          | Final Budget         | Actual on Comparable Basis | Budget Utilisation Difference | % of Utilisation Difference to Final Budget |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------------|-------------------------------|---------------------------------------------|
|                                     | a                    | b                    | c=a+b                | d                          | e=d-c                         | f=d/c %                                     |
| <b>RECEIPTS</b>                     |                      |                      |                      |                            |                               |                                             |
| Tax Receipts                        | 2,000,000            | 2,000,000            | 4,000,000            | 4,000,000                  | 0                             | 100%                                        |
| Exchequer releases                  | 1,817,116,500        | 2,392,529,481        | 4,209,645,981        | 3,887,466,085              | 322,179,896                   | 92%                                         |
| Proceeds from Sale of Assets        | 542,000,000          | 632,000,000          | 1,174,000,000        | 667,902,570                | 506,097,430                   | 57%                                         |
| Other Receipts                      | 6,000,000            | 46,300,000           | 52,300,000           | 12,000,000                 | 40,300,000                    | 23%                                         |
| <b>Total Receipts</b>               | <b>2,367,116,500</b> | <b>3,072,829,481</b> | <b>5,439,945,981</b> | <b>4,571,368,655</b>       | <b>868,577,326</b>            | <b>84%</b>                                  |
| <b>PAYMENTS</b>                     |                      |                      |                      |                            |                               |                                             |
| Compensation of Employees           | 188,000,000          | 180,250,000          | 368,250,000          | 357,230,892                | 11,019,108                    | 97%                                         |
| Use of goods and services           | 1,552,856,500        | 2,268,802,981        | 3,821,659,481        | 3,006,757,259              | 814,902,222                   | 79%                                         |
| Transfers to Other Government Units | 619,737,500          | 608,724,000          | 1,228,461,500        | 1,133,461,500              | 95,000,000                    | 92%                                         |
| Social Security Benefits            | 2,625,000            | 10,375,000           | 13,000,000           | 9,290,296                  | 3,709,704                     | 71%                                         |
| Acquisition of Assets               | 3,897,500            | 4,677,500            | 8,575,000            | 6,090,423                  | 2,484,577                     | 71%                                         |
| <b>Grand Total</b>                  | <b>2,367,116,500</b> | <b>3,072,829,481</b> | <b>5,439,945,981</b> | <b>4,512,830,370</b>       | <b>927,115,611</b>            | <b>83%</b>                                  |
| <b>Surplus/Deficit</b>              | <b>0</b>             | <b>0</b>             | <b>0</b>             | <b>58,538,286</b>          | <b>(58,538,286)</b>           |                                             |

**Notes**

(a) Under-utilization in use of goods and services, acquisition of assets and social security benefits is due to late loading of supplementary II budget onto IFMIS, it was loaded on 20<sup>th</sup> June 2019 only 6 working days to the end of the financial year, not giving enough time to fully process transactions before the close of the financial year and unfunded exchequer requests.

The entity financial statements were approved on 30<sup>th</sup> September, 2019 and signed by:

  
**ESTHER KOIMETT, CBS**  
**PRINCIPAL SECRETARY**



**CPA. LUCY WANGUI KAMAU**  
**ASSISTANT ACCOUNTANT GENERAL**  
**ICPAK MEMBER NUMBER: 8513**


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**X. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT**

| Revenue/Expense Item                | Original Budget<br>a  | Adjustments<br>b | Final Budget<br>c=a+b | Actual on Comparable Basis<br>d | Budget Utilisation Difference<br>e=c-d | % of Utilisation<br>f=d/c % |
|-------------------------------------|-----------------------|------------------|-----------------------|---------------------------------|----------------------------------------|-----------------------------|
| <b>RECEIPTS</b>                     |                       |                  |                       |                                 |                                        |                             |
| Exchequer releases                  | 688,000,000.00        | -                | 688,000,000.00        | 632,500,000.00                  | 55,500,000.00                          | 92%                         |
| <b>Total Receipts</b>               | <b>688,000,000.00</b> | <b>-</b>         | <b>688,000,000.00</b> | <b>632,500,000.00</b>           | <b>55,500,000.00</b>                   | <b>92%</b>                  |
| <b>Payments</b>                     |                       |                  |                       |                                 |                                        |                             |
| Use of goods and services           | 74,000,000.00         | -                | 74,000,000.00         | 17,592,167.55                   | 56,407,832.45                          | 24%                         |
| Transfers to Other Government Units | 614,000,000.00        | -                | 614,000,000.00        | 614,000,000.00                  | -                                      | 100%                        |
| <b>Grand Total</b>                  | <b>688,000,000.00</b> | <b>-</b>         | <b>688,000,000.00</b> | <b>631,592,167.55</b>           | <b>56,407,832.45</b>                   | <b>92%</b>                  |
| <b>Surplus/Deficit</b>              | <b>-</b>              | <b>-</b>         | <b>-</b>              | <b>907,832.45</b>               | <b>(907,832.45)</b>                    |                             |

(a) *Underutilisation of use of goods and services was due to delayed and unfunded Development exchequer requests throughout the financial year.*

The entity financial statements were approved on 30<sup>th</sup> September, 2019 and signed by:

  
**ESTHER KOIMETT, CBS**  
**PRINCIPAL SECRETARY**

  
**LUCY WANGUI KAMAU**  
**ASSISTANT ACCOUNTANT GENERAL**  
**ICPAK MEMBER NUMBER: 8513**

**XI. EXPENDITURE BY PROGRAMMES AND SUB PROGRAMMES**

**BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES**

| Programme/Sub-programme                                          | Original Budget<br>As at 30 <sup>th</sup> June<br>2019<br>Kshs | Adjustments<br>Kshs  | Final Budget<br>As at 30 <sup>th</sup> June<br>2019<br>Kshs | Actual on<br>comparable<br>basis<br>As at 30 <sup>th</sup> June<br>2019<br>Kshs | Budget<br>utilization<br>difference<br>Kshs | % of<br>Utilisation |
|------------------------------------------------------------------|----------------------------------------------------------------|----------------------|-------------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------------------------|---------------------|
| <b>General Administration Planning and Support Services</b>      |                                                                |                      |                                                             |                                                                                 |                                             |                     |
| 0207010000 General Administration, Planning and Support Services | 228,644,044                                                    | 1,439,763,307        | 1,668,407,351                                               | 1,629,797,066.95                                                                | 38,610,284                                  | 97.7                |
|                                                                  | 228,644,044                                                    | 1,439,763,307        | 1,668,407,351                                               | 1,629,797,066.95                                                                | 38,610,284                                  | 97.7                |
| <b>Information and Communication Services</b>                    |                                                                |                      |                                                             |                                                                                 |                                             |                     |
| 0208010000 News and Information Services                         | 3,117,613,956                                                  | 888,383,674          | 4,005,997,630                                               | 3,061,084,470                                                                   | 944,913,160                                 | 76.4                |
|                                                                  | 2,818,988,956                                                  | 758,976,174          | 3,577,965,130                                               | 2,728,051,970                                                                   | 849,913,160                                 | 76.2                |
| <b>0208020000 Brand Kenya Initiative</b>                         |                                                                |                      |                                                             |                                                                                 |                                             |                     |
|                                                                  | 59,325,000                                                     | 84,113,500           | 143,438,500                                                 | 98,438,500                                                                      | 45,000,000                                  | 68.6                |
| 0208030000 ICT and Media Regulatory Services                     | 239,300,000                                                    | 45,294,000           | 284,594,000                                                 | 234,594,000                                                                     | 50,000,000                                  | 82.4                |
| <b>Mass Media Skills Development</b>                             |                                                                |                      |                                                             |                                                                                 |                                             |                     |
| 020901 Mass Media Skills Development                             | 457,450,000                                                    | 3,909,000            | 453,541,000                                                 | 453,541,000                                                                     | -                                           | 100                 |
|                                                                  | 457,450,000                                                    | 3,909,000            | 453,541,000                                                 | 453,541,000                                                                     | -                                           | 100                 |
| <b>TOTALS</b>                                                    | <b>3,803,708,000</b>                                           | <b>2,324,237,981</b> | <b>6,127,945,981</b>                                        | <b>5,144,422,537</b>                                                            | <b>983,523,444</b>                          | <b>84</b>           |

## **XII. SIGNIFICANT ACCOUNTING POLICIES**

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

### **1. Statement of compliance and basis of preparation**

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and applicable government legislations and regulations. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the *State Department for Broadcasting and Telecommunications*. The accounting policies adopted have been consistently applied to all the years presented.

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts.

### **2. Recognition of revenue and expenses**

The *State Department for Broadcasting and Telecommunications* recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the *State Department*. In addition, the *State Department* recognises all expenses when the event occurs and the related cash has actually been paid out by the *State Department*.

### **3. In-kind contributions**

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

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**4. 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.

**5. Accounts Receivable**

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

**6. Accounts Payable**

For the purposes of these financial statements, deposits and retentions held on behalf of third parties has been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Other liabilities including pending bills are disclosed in the financial statements.

**7. Non-current assets**

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the entity fixed asset register a summary of which is provided as a memorandum to these financial statements.

**8. Pending bills**

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the *entity* at the end of the year. Pending bill form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

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**9. Budget**

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *State Department for Broadcasting and Telecommunications* budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates.

**10. Comparative figures**

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

**11. Subsequent events**

Events subsequent to submission of the financial year end financial statements to the National Treasury and other stakeholders with a significant impact on the financial statements may be adjusted with the concurrence of National Treasury.

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**XIII. NOTES TO THE FINANCIAL STATEMENTS**

**1 TAX RECEIPTS**

|                             | <b>2018-2019</b> | <b>2017-2018</b> |
|-----------------------------|------------------|------------------|
|                             | <b>Kshs</b>      | <b>Kshs</b>      |
| Taxes on Goods and Services | 4,000,000        |                  |
| <b>TOTAL</b>                | <b>4,000,000</b> | -                |

**2 EXCHQUER RELEASES**

| <b>Description</b>                     | <b>2018-2019</b>     | <b>2017-2018</b>     |
|----------------------------------------|----------------------|----------------------|
|                                        | <b>Kshs</b>          | <b>Kshs</b>          |
| Total Exchequer Releases for quarter 1 | 338,322,000          | 450,372,725          |
| Total Exchequer Releases for quarter 2 | 722,501,000          | 819,406,132          |
| Total Exchequer Releases for quarter 3 | 1,602,640,250        | 365,650,000          |
| Total Exchequer Releases for quarter 4 | 1,856,502,835        | 711,130,000          |
| <b>TOTAL</b>                           | <b>4,519,966,085</b> | <b>2,346,558,857</b> |

**3 PROCEEDS FROM SALE OF ASSETS**

|                                                               | <b>2018-2019</b>   | <b>2017-2018</b>   |
|---------------------------------------------------------------|--------------------|--------------------|
|                                                               | <b>Kshs</b>        | <b>Kshs</b>        |
| Receipts from the Sale of Inventories, Stocks and Commodities | 170,000,000        | 120,000,000        |
| Disposal and Sales of Non-Produced Assets                     | 497,902,570        | 447,797,103        |
| <b>TOTAL</b>                                                  | <b>667,902,570</b> | <b>567,797,103</b> |

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4 OTHER REVENUES**

|                                                                  | <b>2018-2019</b>  | <b>2017-2018</b>  |
|------------------------------------------------------------------|-------------------|-------------------|
|                                                                  | <b>Kshs</b>       | <b>Kshs</b>       |
| Receipts from Administrative Fees and Charges - Collected as AIA | 12,000,000        | 12,000,000        |
| Other Receipts Not Classified Elsewhere                          | 40,300,000        |                   |
|                                                                  | 0                 |                   |
| <b>TOTAL</b>                                                     | <b>52,300,000</b> | <b>12,000,000</b> |

**5 COMPENSATION OF EMPLOYEES**

|                                            | <b>2018-2019</b>   | <b>2017-2018</b>   |
|--------------------------------------------|--------------------|--------------------|
|                                            | <b>Kshs</b>        | <b>Kshs</b>        |
| Basic salaries of permanent employees      | 234,992,512        | 226,660,824        |
| Basic wages of temporary employees         |                    | 1,297,244          |
| Personal allowances paid as part of salary | 122,238,380        | 141,990,473        |
| <b>TOTAL</b>                               | <b>357,230,892</b> | <b>369,948,541</b> |

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**6 USE OF GOODS AND SERVICES**

|                                                              | <b>2018-2019</b>     | <b>2017-2018</b>     |
|--------------------------------------------------------------|----------------------|----------------------|
|                                                              | <b>Kshs</b>          | <b>Kshs</b>          |
| Utilities, supplies and services                             | 13,435,739           | 18,743,290           |
| Communication, supplies and services                         | 13,465,462           | 15,727,357           |
| Domestic travel and subsistence                              | 38,840,633           | 48,512,326           |
| Foreign travel and subsistence                               | 8,889,522            | 9,458,351            |
| Printing, advertising and information supplies & services    | 2,711,653,966        | 751,688,100          |
| Rentals of produced assets                                   | 64,866,176           | 54,311,538           |
| Training expenses                                            | 25,989,785           | 22,116,564           |
| Hospitality supplies and services                            | 14,951,044           | 26,228,819           |
| Specialised materials and services                           | 26,970,829           | 43,540,855           |
| Office and general supplies and services                     | 12,562,557           | 13,908,789           |
| Other operating expenses                                     | 54,724,829           | 92,835,486           |
| Routine maintenance – vehicles and other transport equipment | 9,100,582            | 15,456,547           |
| Routine maintenance – other assets                           | 12,181,485           | 4,674,875            |
| Fuel Oil and Lubricants                                      | 16,716,817           | 17,941,515           |
| <b>TOTAL</b>                                                 | <b>3,024,349,426</b> | <b>1,135,144,411</b> |

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**7 GRANTS AND TRANSFERS TO OTHER GOVERNMENT ENTITIES**

| Description                                                                         | 2018-2019            | 2017-2018            |
|-------------------------------------------------------------------------------------|----------------------|----------------------|
|                                                                                     | Kshs                 | Kshs                 |
| Transfers to National Government entities                                           |                      |                      |
| (SCOA Codes 2630100, 2630200, 2640400, 2640500, 2649900, 2820100, 2820200, 2820300) | 1,747,461,500        | 1,378,175,000        |
| See attached list                                                                   |                      |                      |
| <b>TOTAL</b>                                                                        | <b>1,747,461,500</b> | <b>1,378,175,000</b> |

The above transfers were made to the following self-reporting entities in the year:

| Description                           | Recurrent KShs       | Development KShs   | Total KShs           | 2017-2018 KShs       |
|---------------------------------------|----------------------|--------------------|----------------------|----------------------|
| <b>Transfers to SAGAs</b>             |                      |                    |                      |                      |
| Kenya Broadcasting Corporation        | 426,888,000          | 364,000,000        | 790,888,000          | 854,100,000          |
| Kenya Institute of Mass Communication | 203,541,000          | 250,000,000        | 453,541,000          | 207,450,000          |
| Kenya Yearbook editorial Board        | 98,438,500           | -                  | 98,438,500           | 59,325,000           |
| Media Council Of Kenya                | 234,594,000          | -                  | 234,594,000          | 137,300,000          |
| National Communications Secretariat   | 170,000,000          | -                  | 170,000,000          | 120,000,000          |
|                                       |                      |                    |                      |                      |
| <b>TOTAL</b>                          | <b>1,133,461,500</b> | <b>614,000,000</b> | <b>1,747,461,500</b> | <b>1,378,175,000</b> |

We have confirmed these amounts with the recipient entities and attached these confirmations as an Appendix 1 to this financial statements.

**8 OTHER GRANTS AND TRANSFERS**

|                                                                  | 2018-2019 | 2017-2018        |
|------------------------------------------------------------------|-----------|------------------|
|                                                                  | Kshs      | Kshs             |
| Membership dues and subscriptions to international organizations |           | 1,182,900        |
|                                                                  |           |                  |
| <b>Total</b>                                                     | <b>-</b>  | <b>1,182,900</b> |

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**9 SOCIAL SECURITY BENEFITS**

|                                            | <b>2018-2019</b> | <b>2017-2018</b>  |
|--------------------------------------------|------------------|-------------------|
|                                            | <b>Kshs</b>      | <b>Kshs</b>       |
| Government pension and retirement benefits | 9,290,296        | 10,676,277        |
| <b>TOTAL</b>                               | <b>9,290,296</b> | <b>10,676,277</b> |

**10 ACQUISITION OF ASSETS**

|                                                              | <b>2018-2019</b> | <b>2017-2018</b> |
|--------------------------------------------------------------|------------------|------------------|
|                                                              | <b>Kshs</b>      | <b>Kshs</b>      |
| <b>Non Financial Assets</b>                                  |                  |                  |
| Overhaul of Vehicles and Other Transport Equipment           | 1,148,955        | 1,188,922        |
| Purchase of Household Furniture and Institutional Equipment  | 119,904          | 60,000           |
| Purchase of Office Furniture and General Equipment           | 2,794,914        | 3,584,896        |
| Purchase of Specialized Plant, Equipment and Machinery       | 775,950          | 956,900          |
| Research, Studies, Project Preparation, Design & Supervision | 1,250,700        | 905,800          |
| <b>TOTAL</b>                                                 | <b>6,090,423</b> | <b>6,696,518</b> |

**11 Bank Accounts**

**11.1 Bank Balances**

| <b>Name of Bank, Account No. &amp; currency</b>                    | <b>2018-2019</b>   | <b>2017-2018</b>  |
|--------------------------------------------------------------------|--------------------|-------------------|
|                                                                    | <b>Kshs</b>        | <b>Kshs</b>       |
| <i>Central Bank of Kenya, Recurrent Account 10003002418, KShs</i>  | 70,481,242         | 20,020,521        |
| <i>Central Bank of Kenya, Development Account 1000302453, KShs</i> | 44,193             | -                 |
| <i>Central Bank of Kenya, Deposit Account 1000302461, KShs</i>     | 262,976,060        | 38,659,849        |
| <b>Total</b>                                                       | <b>333,501,495</b> | <b>58,680,370</b> |

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

11.2 Cash Balances

|                                          | <b>2018-2019</b> | <b>2017-2018</b> |
|------------------------------------------|------------------|------------------|
|                                          | <b>Kshs</b>      | <b>Kshs</b>      |
| Cash in Hand – Held in domestic currency | 43,059           | 26,648           |
| <b>TOTAL</b>                             | <b>43,059</b>    | <b>26,648</b>    |

Cash in hand analysed as follows;

|                           | <b>2018-2019</b> | <b>2017-2018</b> |
|---------------------------|------------------|------------------|
|                           | <b>Kshs</b>      | <b>Kshs</b>      |
| Headquarters, Cash Office | 43,059           | 26,648           |
| Location 1                |                  |                  |
| <b>TOTAL</b>              | <b>43,059</b>    | <b>26,648</b>    |

**12 ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS**

| <i>Description</i>            | <b>2018-2019</b>  | <b>2017-2018</b>  |
|-------------------------------|-------------------|-------------------|
|                               | <b>Kshs</b>       | <b>Kshs</b>       |
| Government Imprests (annex 3) | 4,575,300         | 4,285,307         |
| Salary advances (annex 2)     | 500,383           | 668,043           |
| District suspense (annex 5)   | 81,937,063        | 65,184,350        |
| <b>TOTAL</b>                  | <b>87,012,746</b> | <b>70,137,700</b> |

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**13 ACCOUNTS PAYABLE (Annex 1)**

|                    | <b>2018-2019</b>   | <b>2017-2018</b>  |
|--------------------|--------------------|-------------------|
|                    | <b>Kshs</b>        | <b>Kshs</b>       |
| Deposits (Annex 1) | 262,976,060        | 38,659,849        |
| <b>TOTAL</b>       | <b>262,976,060</b> | <b>38,659,849</b> |

**14 FUND BALANCE BROUGHT FORWARD**

|                                    | <b>2018-2019</b>  | <b>2017-2018</b>  |
|------------------------------------|-------------------|-------------------|
|                                    | <b>Kshs</b>       | <b>Kshs</b>       |
| Bank accounts                      | 58,680,370        | 47,159,622        |
| Cash in hand                       | 26,648            | 539,295           |
| Receivables - Outstanding Imprests | 70,137,700        | 60,107,859        |
| Payables - Deposits                | (38,659,849)      | -42,154,220       |
| <b>TOTAL</b>                       | <b>90,184,869</b> | <b>65,652,556</b> |

**15 PRIOR YEAR ADJUSTMENTS**

| <b>Description of the error</b>      | <b>2018-2019</b>    | <b>2017-2018</b> |
|--------------------------------------|---------------------|------------------|
|                                      | <b>Kshs</b>         | <b>Kshs</b>      |
| Adjustments on bank account balances | (31,112,109)        | -                |
| Adjustments on receivables           | (1,237,639)         | -                |
| <b>TOTAL</b>                         | <b>(32,349,748)</b> | <b>0</b>         |

**16 RELATED PARTY DISCLOSURES**

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.

The following comprise of related parties to the State Department for Broadcasting and Telecommunications

- Key management personnel that include the Cabinet Secretaries and Accounting Officers
- Other Ministries Departments and Agencies and Development Projects;
- State Corporations and Semi-Autonomous Government Agencies.

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**Related party transactions:**

|                                       | <b>2017/2018</b> | <b>2016/2017</b> |
|---------------------------------------|------------------|------------------|
|                                       | <b>Kshs</b>      | <b>Kshs</b>      |
| <b>1. Key Management compensation</b> |                  |                  |
| Cabinet Secretary                     | 0                | 0                |
| Principal Secretary                   |                  |                  |
| <b>Total</b>                          |                  |                  |

In the financial year 2018/19 the Cabinet Secretary salary was paid by the State Department of ICT.

**2. Transfers to State Corporations and Semi-Autonomous Government Agencies**

| <b>Description</b>                    | <b>Recurrent KShs</b> | <b>Development KShs</b> | <b>Total KShs</b>    | <b>2017-2018 KShs</b> |
|---------------------------------------|-----------------------|-------------------------|----------------------|-----------------------|
| <b>Transfers to SAGAs</b>             |                       |                         |                      |                       |
| Kenya Broadcasting Corporation        | 426,888,000           | 364,000,000             | 790,888,000          | 854,100,000           |
| Kenya Institute of Mass Communication | 203,541,000           | 250,000,000             | 453,541,000          | 207,450,000           |
| Kenya Yearbook editorial Board        | 98,438,500            | -                       | 98,438,500           | 59,325,000            |
| Media Council Of Kenya                | 234,594,000           | -                       | 234,594,000          | 137,300,000           |
| National Communications Secretariat   | 170,000,000           | -                       | 170,000,000          | 120,000,000           |
| <b>TOTAL</b>                          | <b>1,133,461,500</b>  | <b>614,000,000</b>      | <b>1,747,461,500</b> | <b>1,378,175,000</b>  |

**17 OTHER IMPORTANT DISCLOSURES**

**PENDING BILLS** – Transactions partially processed in IFMIS that did not get to the final stage of payment due to no exchequer funding, delayed loading of the supplementary II budget and budgetary constraint amounted to Ksh.777,832349.86 and are attached as appendix 2.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**20. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

| <b>Reference No. on the external audit Report</b> | <b>Issue / Observations from Auditor</b> | <b>Management comments</b>                                                                                                                                                                                                        | <b>Focal Point person to resolve the issue (Name and designation)</b> | <b>Status: (Resolved / Not Resolved)</b> | <b>Timeframe: (Put a date when you expect the issue to be resolved)</b> |
|---------------------------------------------------|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|------------------------------------------|-------------------------------------------------------------------------|
| 1.1                                               | Unsupported Adjustments                  | Financial Statements submitted on 30 <sup>th</sup> September 2018 were amended and revised on 24 <sup>th</sup> December 2018, However movement in some accounts between the first set and the revised set have not been supported | SAAG                                                                  | Not Resolved                             |                                                                         |
| 1.2                                               | Inaccuracies in Financial Statements     | The Trial Balance availed for Audit did not agree with the financial statements submitted to Auditor General                                                                                                                      | SAAG                                                                  | Not Resolved                             |                                                                         |
| 2.0                                               | Cash and Cash equivalents                | Bank statements were not availed to resolve bank reconciliation issues                                                                                                                                                            | Cashier                                                               | Not Resolved                             |                                                                         |
| 3.0                                               | Pending Bills                            | Nation Media Group indicated by a demand letter that they were owed less than what was reflected in the pending bills appended                                                                                                    | AAG                                                                   | Not Resolved                             |                                                                         |
| 4.0                                               | Accounts Receivable                      | Outstanding imprests and salary advances were long overdue and as such recoverability of accounts receivable could not be ascertained                                                                                             | Acct II HRMO II                                                       |                                          |                                                                         |
| 5.0                                               | Accounts Payable                         | Payments Vouchers for payments made out of Deposits were not availed for audit                                                                                                                                                    | AAG                                                                   |                                          |                                                                         |

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| <b>Reference No. on the external audit Report</b> | <b>Issue / Observations from Auditor</b> | <b>Management comments</b>                                                                                                       | <b>Focal Point person to resolve the issue (Name and designation)</b> | <b>Status: (Resolved / Not Resolved)</b> | <b>Timeframe: (Put a date when you expect the issue to be resolved)</b> |
|---------------------------------------------------|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|------------------------------------------|-------------------------------------------------------------------------|
| 6.0                                               | Use of Goods and Services                | Payment Vouchers supporting payments made for use of goods and services were not provided, and procurement plan was not provided | SAAG<br>CSCMO                                                         |                                          |                                                                         |
| 7.0                                               | Transfers from National Treasury         | There were no supporting documents for Transfers from the National Treasury                                                      | Cashier                                                               |                                          |                                                                         |
| 8.0                                               | Transfers to other Government Units      | Transfers to other Government units figures did not agree with those reported by the Agencies                                    | SAAG                                                                  |                                          |                                                                         |



**ESTHER KOIMETT, CBS**  
**PRINCIPAL SECRETARY**

**CPA. LUCY WANGUI KAMAU**  
**DEPUTY ACCOUNTANT GENERAL**  
**ICPAK MEMBER NUMBER: 8513**

**State Department for Broadcasting and Telecommunications**

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**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE/DEPOSITS**

| Supplier of Goods or Services                    | Original Amount  | Date Contracted | Amount Paid To-Date | Outstanding Balance June 2019 | Outstanding Balance June 2018 | Comments |
|--------------------------------------------------|------------------|-----------------|---------------------|-------------------------------|-------------------------------|----------|
|                                                  | a                | b               | c                   | d=a-c                         |                               |          |
| <b>Construction of buildings and Civil Works</b> |                  |                 |                     |                               |                               |          |
| 1. BAYER EAST AFRICA                             | 251,000          |                 | 0                   | 251,000                       | 251,000                       |          |
| 2. CACTUS TRADING COMPANY                        | 959,197          |                 | 940,517             | 18,680                        | 18,680                        |          |
| 3. HIGHPOINT AGENCIES                            | 1,923,963        |                 | 1,923,963           | 0                             | -                             |          |
| 4. START GENERAL CONTRACTORS                     | 555,933          |                 | 242,510             | 313,423                       | 313,423                       |          |
| 5. WIDEVIEW TRADERS                              | 602,210          |                 | 0                   | 602,210                       | 602,210                       |          |
| 6. YORK INVESTMENTS                              | 358,355          |                 | 0                   | 358,355                       | 358,355                       |          |
| <b>Sub-Total</b>                                 | <b>4,650,658</b> |                 | <b>3,106,990</b>    | <b>1,543,668</b>              | <b>1,543,668</b>              |          |
| <b>Supply of Services</b>                        |                  |                 |                     |                               |                               |          |
| 7. Anti – Counterfeit Agencies                   | 630,205          |                 | 500,000             | 130,205                       | 130,205                       |          |
| 8. Misc receipt                                  | 11,600           |                 | 0                   | 11,600                        | 11,600                        |          |
| 9. Competition Authority of Kenya                | 483,522          |                 | 0                   | 483,522                       | 483,522                       |          |
| 10. Co-operative Bank of Kenya                   | 75,862           |                 | 0                   | 75,862                        | 75,862                        |          |
| 11. EPZ Authority                                | 918,825          |                 | 384,000             | 534,825                       | 534,825                       |          |
| 12. Higher Education Loans Board                 | 2,136,988        |                 | 0                   | 2,136,988                     | 2,136,988                     |          |
| 13. Insurance Regulatory Authority               | 4,538,300        |                 | 0                   | 4,538,300                     | 4,538,300                     |          |
| 14. Kenya Dairy Board                            | 422,743          |                 | 408,440             | 14,303                        | 14,303                        |          |
| 15. Kenya Re-insurance Corporation               | 1,255,415        |                 | 0                   | 1,255,415                     | 1,255,415                     |          |
| 16. Ministry Of Defence                          | 23,422,112       |                 | 0                   | 23,422,112                    | 23,422,112                    |          |

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|                                            |                    |  |                    |                    |                   |
|--------------------------------------------|--------------------|--|--------------------|--------------------|-------------------|
| 17. National Aids Control                  | 922,671            |  | 0                  | 922,671            | 922,671           |
| 18. National Disaster Management Authority | 657,224            |  | 0                  | 657,224            | 657,224           |
| 19. Post Bank                              | 1,830,861          |  | 0                  | 1,830,861          | 1,830,861         |
| 20. Privatization Commission               | 625,293            |  | 0                  | 625,293            | 625,293           |
| 21. Reinsurance Authority                  | 177,000            |  | 0                  | 177,000            | 177,000           |
| 22. WASREBSVP                              | 3,780,000          |  | 3,480,000          | 300,000            | 300,000           |
| 23. Kenya Commercial Bank                  | 870,000            |  | 0                  | 870,000            | 0                 |
| 24. Office Of the President                | 509,940,922        |  | 286,495,892        | 223,445,030        | 0                 |
| 25. Communications Authority of Kenya      | 2,107,900          |  | 2,106,719          | 1,181              | 0                 |
| <b>Sub-Total</b>                           | <b>554,807,443</b> |  | <b>293,375,051</b> | <b>261,432,392</b> | <b>37,116,181</b> |
| <b>Grand Total</b>                         | <b>559,458,101</b> |  | <b>296,482,041</b> | <b>262,976,060</b> | <b>38,659,849</b> |

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**ANNEX 2 - ANALYSIS OF RECEIVABLES-SALARY ADVANCES**

| Name of Staff           | P/NO       | Original Amount | Date Issued | Amount Paid To-Date | Outstanding Balance Jun-18 | Outstanding Balance Jun-19 | Comments/current status |
|-------------------------|------------|-----------------|-------------|---------------------|----------------------------|----------------------------|-------------------------|
| <b>SALARY ADVANCE</b>   |            | a               | b           | c                   | d=a-c                      |                            |                         |
| 1. BROWN OTUYA          | 1983097434 | 391,800         | 10.03.16    | 32,650              | 359,150                    | 359,150                    | PASSED ON               |
| 2. WILFRED AMOLO OTIENO | 1983091111 | 309,906         | 05.10.15    | 288,412             | 21,494                     | 21,494                     | TRANSFERRED-PRISONS     |
| 3. NYAMBURA CHEGE KIB   | 1985022354 | 91,760          | 04.11.15    | 61,176              | 30,584                     | 30,584                     | TRANSFERRED-ICT DEPT    |
| 4. SAMUEL MUKARA        | 2006001151 | 28,406          | 13/14       | 0                   | 28,406                     | 28,406                     | TRANSFERRED             |
| 5. LUCY NJERI NJORGE    | 1986020949 | 10,144          | 13/14       | 0                   | 10,144                     | 10,144                     | TRANSFERRED             |
| 6. JAPHETH LUILU        | 1991000093 | 11,925          | 07.02.17    | 4,980               | 6,945                      | 6,945                      | PASSED ON               |
| 7. MAROLYNE NGANYI      |            | 43,660          | 06.10.16    | 0                   | 43,660                     | 43,660                     | TRANSFERRED-ICT DEPT    |
| <b>Sub-Total</b>        |            | <b>887,601</b>  |             | <b>387,218</b>      | <b>500,383</b>             | <b>500,383</b>             |                         |

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**ANNEX 3- ANALYSIS OF RECEIVABLES- OUTSTANDING IMPRESTS**

| Trading Partner            | Invoice Date | Invoice Amount | Due Date  | Balance    | Remarks |
|----------------------------|--------------|----------------|-----------|------------|---------|
| ALBERT NGARI GITUKU        | 20-Jan-18    | 900,800.00     | 30-Mar-18 | 800,000.00 |         |
| ANTHONY MWANIKI THUO       | 30-Nov-16    | 37,800.00      | 14-Dec-16 | 37,800.00  |         |
| CALEB OWITI OIKO           | 10-Apr-19    | 69,810.00      | 15-May-19 | 69,810.00  |         |
| CAROLINE WANJIKU WAITI (2) | 3-Mar-18     | 168,216.00     | 3-Mar-18  | 153,216.00 |         |
| CHRIS MAHANDARA LUMASIA    | 22-May-19    | 18,700.00      | 30-Jun-19 | 18,700.00  |         |
| CLEOPHAS OKOTH AWUORO      | 3-Jan-19     | 34,600.00      | 31-Jan-19 | 34,600.00  |         |
| DAVID KORIR CHERUIYOT(2)   | 20-Apr-18    | 14,000.00      | 10-May-18 | 14,000.00  |         |
| DENNIS CHEBITWEY KUKO(2)   | 24-Apr-18    | 128,100.00     | 16-May-18 | 128,100.00 |         |
| DENNIS MANWA MAGOMA        | 4-Sep-18     | 110,500.00     | 30-Sep-18 | 110,500.00 |         |
| DICKSON ONIALA NYANDIGA    | 9-Sep-17     | 349,000.00     | 30-Sep-17 | 30,000.00  |         |
| ELIZABETH WAMBUI MAMBO     | 4-Jun-19     | 17,300.00      | 30-Jun-19 | 17,300.00  |         |
| ELKANAH NYAKUNDI ONG'UTI   | 4-Mar-19     | 31,500.00      | 16-Mar-19 | 31,500.00  |         |
| EMACAR BUGE DANIEL(3)      | 20-May-18    | 80,800.00      | 14-Jun-18 | 80,800.00  |         |
| EMMANUEL SIMIYU MULONGO(5) | 15-Dec-16    | 83,500.00      | 30-Jun-17 | 47,800.00  |         |
| ERICK KIPROTICH BIWOTT     | 11-Jun-19    | 58,300.00      | 30-Jun-19 | 58,300.00  |         |
| EVA ADEKE EWAGATA          | 30-Aug-18    | 25,200.00      | 30-Sep-18 | 25,200.00  |         |
| FRANCIS HWAGA OTIENO       | 2-May-19     | 131,200.00     | 30-May-19 | 131,200.00 |         |
| GLADYS WAMUYU MUNGAI(3)    | 20-Jan-18    | 30,000.00      | 4-Feb-18  | 30,000.00  |         |
| HENRY MASAMBAGA MUNGASIA   | 15-Sep-16    | 617,171.10     | 30-Nov-16 | 617,171.10 |         |
| HILARY OMWAMBA MONGERA     | 5-Oct-18     | 31,800.00      | 11-Oct-18 | 31,800.00  |         |
| HUDSON MORIS NYABWARI      | 18-Mar-19    | 24,500.00      | 31-Mar-19 | 24,500.00  |         |
| HUSSEIN ABDULLAHI HASSAN   | 22-May-19    | 30,200.00      | 30-Jun-19 | 30,200.00  |         |
| IMANI JAPHETH              | 29-Sep-17    | 13,600.00      | 30-Jun-18 | 13,600.00  |         |
| JACOB MUTUA MUNYAO(2)      | 28-Jun-17    | 86,800.00      | 14-Jul-17 | 86,800.00  |         |
| JAPHETH MULINGE LUILU      | 16-Jan-17    | 32,600.00      | 30-Jan-17 | 32,600.00  |         |
| JOHN KIRIA MUGUTEH KINYUA  | 22-May-19    | 25,200.00      | 30-Jun-19 | 25,200.00  |         |
| JOHN PETER OCHANDA         | 22-May-19    | 29,200.00      | 30-Jun-19 | 29,200.00  |         |

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|                                |           |                     |           |                     |
|--------------------------------|-----------|---------------------|-----------|---------------------|
| JONATHAN LEMPAPA SOSYO         | 10-May-18 | 67,200.00           | 1-Jun-18  | 67,200.00           |
| JOYCE LUTOMIA MUTETE           | 5-Oct-18  | 9,800.00            | 11-Oct-18 | 9,800.00            |
| JUSTUS OKARI KINANGA           | 8-Sep-17  | 300,264.40          | 30-Oct-18 | 300,264.40          |
| KINYUNGU MUIIMI KITHENDU       | 21-Jun-19 | 17,700.00           | 30-Jun-19 | 17,700.00           |
| LEAH AUMA AUGO                 | 8-Apr-19  | 85,600.00           | 30-May-19 | 85,600.00           |
| MAROLYNE ESERY NGANYI          | 22-Aug-18 | 10,000.00           | 30-Jun-19 | 10,000.00           |
| MARTIN MUNYI                   | 2-May-19  | 27,200.00           | 30-May-19 | 27,200.00           |
| MAURICE ALUDA NGUNZULU         | 29-Mar-19 | 37,100.00           | 19-Nov-18 | 37,100.00           |
| MELECHEZEDECK ECHAKUTI EJAKAIT | 22-May-19 | 29,200.00           | 30-Jun-19 | 29,200.00           |
| MICHAEL OMONDI OKOTH           | 14-Jun-18 | 53,500.00           | 30-Jun-18 | 53,500.00           |
| MILTON M'MBAYA CHIVELI         | 4-Mar-19  | 24,700.00           | 16-Mar-19 | 10,000.00           |
| MOHAMED ABDULLAHI DAHIR        | 22-May-19 | 32,200.00           | 30-Jun-19 | 32,200.00           |
| NELLY NYANCHOMBA KIBOCHA       | 21-May-18 | 81,250.00           | 17-Jun-18 | 81,250.00           |
| NOOR BASHEY AHMED              | 30-Aug-18 | 25,200.00           | 30-Sep-18 | 25,200.00           |
| ORARE MOSE(3)                  | 18-Oct-17 | 387,000.00          | 18-Nov-18 | 80,000.00           |
| PAUL DICKSON GWARO OGARO       | 22-May-19 | 610,488.00          | 30-Jun-19 | 610,488.00          |
| PETER GITONGA CHARAGU          | 29-Mar-19 | 39,600.00           | 19-Apr-19 | 39,600.00           |
| QUEENSYLVIA ATIENO OGONJI      | 4-Jun-19  | 39,400.00           | 30-Jun-19 | 39,400.00           |
| RACHEL NYABONYI MOTURI         | 4-Oct-18  | 25,200.00           | 30-Oct-18 | 25,200.00           |
| REMDIANA MUIINDE MUTILE(2)     | 15-Oct-17 | 17,080.00           | 30-Jun-18 | 7,000.00            |
| RICHARD MUHAMBE                | 2-May-19  | 27,200.00           | 30-May-19 | 27,200.00           |
| SABINA G KATHENYA              | 16-Aug-16 | 28,000.00           | 31-Aug-18 | 28,000.00           |
| SARAH KAGENDO NJAGI            | 22-May-19 | 28,200.00           | 30-Jun-19 | 28,200.00           |
| SEBASTIAN MUTWIRI MIRITI       | 29-Mar-19 | 39,600.00           | 19-Apr-19 | 39,600.00           |
| SILANTOI LILIAN SHUKURU        | 30-Oct-16 | 54,600.00           | 30-Nov-16 | 54,600.00           |
| SIMON NDUNGU                   | 30-Aug-18 | 39,900.00           | 30-Sep-18 | 39,900.00           |
| VINCENT WEKESA SIKISITO        | 21-Sep-18 | 4,000.00            | 30-Jun-19 | 4,000.00            |
| ZABRON GITHONGO MBURU          | 20-Apr-17 | 56,000.00           | 30-May-17 | 56,000.00           |
|                                |           | <b>5,377,579.50</b> |           | <b>4,575,299.50</b> |

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**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

| <b>Asset class</b>                                          | <b>Historical Cost b/f<br/>(Kshs)<br/>2017/2018</b> | <b>Additions during<br/>the year<br/>(Kshs)</b> | <b>Disposals during the<br/>year<br/>(Kshs)</b> | <b>Historical Cost c/f<br/>(Kshs)<br/>2018/2019</b> |
|-------------------------------------------------------------|-----------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-----------------------------------------------------|
| Land                                                        |                                                     |                                                 |                                                 |                                                     |
| Buildings and structures                                    |                                                     |                                                 |                                                 |                                                     |
| Transport equipment                                         | 304,951,271                                         | 1,148,955                                       | 0                                               | 306,100,226                                         |
| Purchase of Household Furniture and Institutional Equipment | 0                                                   | 119,904                                         | 0                                               | 119,904                                             |
| Office equipment, furniture and fittings                    | 37,074,819                                          | 2,794,914                                       | 0                                               | 39,869,733                                          |
| Purchase of Specialised Plant, Equipment and Machinery      | 0                                                   | 775,950                                         | 0                                               | 775,950                                             |
| ICT Equipment, Software and Other ICT Assets                | 36,142,787                                          | 0                                               | 0                                               | 36,142,787                                          |
| Other Machinery and Equipment                               | 1,213,900                                           | 0                                               | 0                                               | 1,213,900                                           |
| Intangible assets                                           | 1,454,656                                           | 1,250,700                                       | 0                                               | 2,705,356                                           |
| <b>Total</b>                                                | <b>380,837,433</b>                                  | <b>6,090,423</b>                                |                                                 | <b>386,927,856</b>                                  |

*State Department for Broadcasting and Telecommunications*

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**ANNEX 5 – ANALYSIS OF DISTRICT DATA**

| STATION             | BALANCES<br>18/19 | BALANCES<br>17/18 | BALANCES<br>16/17 | BALANCES<br>15/16 | TOTALS TO DATE |
|---------------------|-------------------|-------------------|-------------------|-------------------|----------------|
| BARINGO             | (17,310.00)       | 1,247,851.00      | 999,547.50        | 3,573.00          | 2,233,661.50   |
| DIO BOMET           | 1,234,943.00      | 50,190.00         | 271,687.10        | 73,275.00         | 1,630,095.10   |
| DIO BONDO           | 13,943.00         | 40,062.00         | 89,357.40         | 43,287.00         | 186,649.40     |
| DIO BUNGOMA         | 60,242.85         | 278,172.00        | 1,071,142.00      | 474.00            | 1,410,030.85   |
| DIO BURETI          | -                 | (479,380.00)      | 112.00            | 316,057.00        | (163,211.00)   |
| DIO BUSIA           | 79,663.00         | 69,072.00         | 176,210.80        | 1,200,111.00      | 1,525,056.80   |
| DIO BUTERE MUMIAS   | 2,285.50          | 522.00            | 410,539.00        | 20,236.00         | 433,582.50     |
| DIO EMBU            | 334,783.00        | 43,283.00         | 1,053,653.45      | 757,595.00        | 2,189,314.45   |
| DIO GARISSA         | 1,594,288.00      | 143,000.75        | 1,626,538.55      | 881.00            | 3,364,708.30   |
| DIO GUCHA           | 128,331.70        | 142,133.90        | 45,663.00         | 124.00            | 316,252.60     |
| DIO HOLA/TANA RIVER | 463,533.00        | 81,488.00         | 89,938.00         | 749,398.00        | 1,384,357.00   |
| DIO HOMABAY         | 38,760.00         | 31,296.00         | 60,205.00         | 850,460.00        | 980,721.00     |
| DIO IJARA           | 11,290.00         | 76,434.00         | 54,199.15         | 66,304.00         | 208,227.15     |
| DIO ISIOLO          | 1,452,308.00      | 269,610.85        | 563,978.35        | 483.00            | 2,286,380.20   |

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|                              |              |            |              |            |              |
|------------------------------|--------------|------------|--------------|------------|--------------|
| DIO KAJIADO                  | 87,107.50    | 190,731.00 | 4,754.00     | 806,851.00 | 1,089,443.50 |
| DIO KAKAMEGA                 | 144,460.00   | 132,061.00 | (166,261.45) | 201.00     | 110,460.55   |
| DIO KAPSOWAR/ELGEYO MARAKWET | 11,910.00    | -          | 439,176.00   | 183,575.00 | 634,661.00   |
| DIO KEIYO/ITEN               | 95,202.00    | 35,770.00  | 70,655.00    | 782,203.00 | 983,830.00   |
| DIO KENOL                    | 230,217.00   | 2,465.00   | 11,869.00    | -          | 244,551.00   |
| DIO KERICHO                  | 190,979.00   | 62,484.00  | 901,265.00   | 102.00     | 1,154,830.00 |
| DIO KIAMBU                   | 48,480.00    | 41,317.00  | 125,911.00   | 712,217.00 | 927,925.00   |
| DIO KILIFI                   | 679,603.00   | 431,174.00 | 778,536.00   | 858,970.00 | 2,748,283.00 |
| DIO KIRINYAGA                | 502,023.00   | 5,951.00   | 265,081.00   | 767,834.00 | 1,540,889.00 |
| DIO KISII                    | 1,269,395.00 | 80,532.00  | 434,760.45   | 1,112.00   | 1,785,799.45 |
| DIO KISUMU                   | 143,401.00   | 56,400.40  | 1,318,332.00 | 891,154.00 | 2,409,287.40 |
| DIO KITUI                    | 787,484.00   | 172,867.45 | 1,072,442.00 | 866,227.00 | 2,899,020.45 |
| DIO KURIA WEST               | 4,925.00     | 12,467.00  | 58,752.40    | 63,736.00  | 139,880.40   |
| DIO KWALE                    | 586,573.00   | 748,293.00 | 128,958.00   | 679,650.00 | 2,143,474.00 |
| DIO LAIKIPIA                 | 616,693.00   | 61,452.00  | 126,783.50   | 713,964.00 | 1,518,892.50 |
| DIO LAMU                     | 11,380.00    | 72,177.00  | 80,198.95    | 664,959.00 | 828,714.95   |

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|                           |             |              |              |              |              |
|---------------------------|-------------|--------------|--------------|--------------|--------------|
| DIO MACHAKOS-EASTERN STAR | 638,350.00  | 287,227.00   | 195,831.20   | 1,077,687.00 | 2,199,095.20 |
| DIO MAKUENI               | 91,801.00   | 2,504.00     | 151,714.00   | 284,874.00   | 530,893.00   |
| DIO MALAVA LUGARI         | 314,643.00  | 364,331.00   | 780,673.00   | 296,395.00   | 1,756,042.00 |
| DIO MALINDI               | (40,179.00) | (343,814.25) | 9,899.00     | 122.00       | (373,972.25) |
| DIO MANDERA               | 39,195.50   | (147,335.00) | 67,986.00    | 58.00        | (40,095.50)  |
| DIO MARSABIT              | 51,673.00   | 781,987.00   | 310,918.10   | 752,466.00   | 1,897,044.10 |
| DIO MERU CENTRAL          | 44,780.00   | 674,261.00   | 1,012,577.55 | 720,857.00   | 2,452,475.55 |
| DIO MIGORI                | 39,165.80   | 31,559.40    | 20,935.75    | 475,791.00   | 567,451.95   |
| DIO MOLO                  | -           | 33,517.00    | -            | -            | 33,517.00    |
| DIO MOMBASA               | 85,428.00   | 125,975.00   | 759,115.45   | 900,000.00   | 1,870,518.45 |
| DIO MOYALE                | 24,013.00   | 70,291.00    | 78,356.00    | 596,468.00   | 769,128.00   |
| DIO MT ELGON              | 58,078.00   | 29,266.40    | 374,176.10   | 152,407.00   | 613,927.50   |
| DIO MURANGA               | (98,528.95) | 156,763.00   | 273,225.95   | 1,575,610.00 | 1,907,070.00 |
| DIO MWALA                 | (31,270.00) | 6,000.00     | 371,831.00   | 146,535.00   | 493,096.00   |
| DIO MWINGI                | 15,013.00   | 74,000.00    | 35,495.55    | 2.00         | 124,510.55   |
| DIO NAIVASHA              | 428,643.00  | 28,944.00    | 45,831.00    | 196,483.00   | 699,901.00   |

**State Department for Broadcasting and Telecommunications**  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

|                                    |              |              |            |              |              |
|------------------------------------|--------------|--------------|------------|--------------|--------------|
| DIO NAKURU                         | 141,207.00   | (235,850.00) | 24,355.60  | 1,776,711.00 | 1,706,423.60 |
| DIO NANDI CENTRAL                  | 158,265.00   | 99,203.00    | 200,176.50 | 764,961.00   | 1,222,605.50 |
| DIO NANDI EAST                     | 339,643.00   | 49,476.00    | 51,596.65  | 150,510.00   | 591,225.65   |
| DIO NAROK SOUTH                    | (31,498.00)  | 182,492.00   | 8,642.80   | 791,559.00   | 951,195.80   |
| DIO NGONG                          | 314,643.00   | -            | 360,476.00 | -            | 675,119.00   |
| DIO NYAMBENE/IGEMBE                | 55,653.00    | 307,298.00   | 250,008.50 | 506,637.00   | 1,119,596.50 |
| DIO NYAMIRA                        | 179,767.50   | 30,000.00    | 552,075.00 | 719,701.00   | 1,481,543.50 |
| DIO NYANDARUA                      | (17,558.00)  | 140,505.00   | 739,556.80 | 442,820.00   | 1,305,323.80 |
| DIO NYANDO                         | 2,980.00     | -            | 48,062.00  | 621,310.00   | 672,352.00   |
| DIO NYERI                          | 57,106.70    | 2,725.00     | 79,567.00  | 449,156.00   | 588,554.70   |
| DIO RACHUONYO                      | -            | 122,223.00   | 35,499.25  | 192,811.00   | 350,533.25   |
| DIO SAMBURU                        | 38,843.00    | 667.00       | 251,761.90 | 707,120.00   | 998,391.90   |
| DIO SIAVA                          | 1,600,868.00 | 59,849.50    | 997,455.00 | -            | 2,658,172.50 |
| DIO TAITA TAVETA                   | 21,710.00    | 118,439.00   | 306,013.00 | 891,230.00   | 1,337,392.00 |
| DIO TESO                           | 5,256.60     | 29,246.00    | 376,546.00 | 287,871.00   | 698,919.60   |
| DIO THARAKA NITHI/CHUKA/MERU SOUTH | 324,741.40   | (386,460.00) | 149,108.10 | 710,890.00   | 798,279.50   |

*State Department for Broadcasting and Telecommunications*

**Reports and Financial Statements  
For the year ended June 30, 2019**

|                          |                      |                     |                      |                      |                     |
|--------------------------|----------------------|---------------------|----------------------|----------------------|---------------------|
| DIO THIKA                | (22,261.00)          | 63,897.00           | 367,607.00           | 296,396.00           | <b>705,639.00</b>   |
| DIO TRANS NZOIA          | 29,380.05            | 61,280.00           | 84,938.25            | 762,385.00           | <b>937,983.30</b>   |
| DIO TURKANA              | (75,320.00)          | 169,191.00          | 1,024,478.00         | 772,835.00           | <b>1,891,184.00</b> |
| DIO UASIN GISHU(ELDORET) | 156,583.20           | 31,851.20           | 257,719.95           | 894,463.00           | <b>1,340,617.35</b> |
| DIO VIHIGA               | 1,040,948.05         | 73,133.00           | 608,014.00           | 8,077.50             | <b>1,730,172.55</b> |
| DIO VOI                  | -                    | 11,441.00           | 84,620.40            | 362.00               | <b>96,423.40</b>    |
| DIO WAJIR                | (68,017.00)          | 816,456.00          | 600,057.00           | 708,760.00           | <b>2,057,256.00</b> |
| DIO WEST POKOT           | 32,073.00            | 191,123.00          | 333,093.00           | 819,499.00           | <b>1,375,788.00</b> |
| <b>TOTALS</b>            | <b>16,752,713.40</b> | <b>8,213,539.60</b> | <b>24,443,977.50</b> | <b>32,526,832.50</b> | <b>81,937,063</b>   |

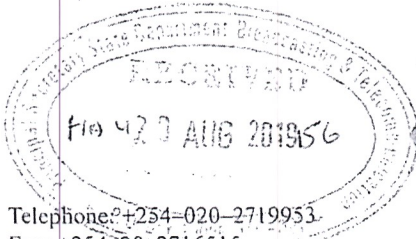
*State Department for Broadcasting and Telecommunications*  
**Reports and Financial Statements**  
**For the year ended June 30, 2019**

**ANNEX 6 – LIST OF SCs, SAGAs AND PUBLIC FUNDS UNDER THE STATE DEPARTMENT FOR BROADCASTING AND TELECOMMUNICATIONS**

| <b>Ref</b> | <b>SC, SAGA or Public Fund's name</b>        | <b>Principal activity of entity</b>             | <b>Accounting Officer</b>    | <b>Amount transferred during the year</b> | <b>Inter- entity reconciliations done?(yes/no)</b> |
|------------|----------------------------------------------|-------------------------------------------------|------------------------------|-------------------------------------------|----------------------------------------------------|
| <b>1</b>   | Kenya Broadcasting Corporation               | Broadcasting                                    | Mr Waithaka Waihenya         | 790,888,000.00                            | yes                                                |
| <b>2</b>   | Kenya Year Book Editorial                    | Publishing                                      | Mr Edward Mwasi              | 98,438,500.00                             | yes                                                |
| <b>3</b>   | Communications Authority Kenya               | Broadcast and Telecommunications regulation     | Mr Francis W Wangusi<br>MBS  | 0                                         | yes                                                |
| <b>4</b>   | National Communications Secretariat          | Development of Communication Policy             | Eng. Daniel O. Obam          | 170,000,000.00                            | yes                                                |
| <b>5</b>   | Kenya Institute of Mass Communication (KIMC) | Education in Broadcasting and Telecommunication | Mr Hiram Muriithi<br>Mucheke | 453,541,000.00                            | yes                                                |
| <b>6</b>   | Postal Corporation of Kenya                  | Provision of Postal and Courier Services        | Mr Dan Kagwe                 | 0                                         | yes                                                |
| <b>7</b>   | Media Council of Kenya                       | Regulation of the Media in Kenya                | Mr David Omwoyo Mwoyo        | 234,594,000.00                            | yes                                                |

***APPENDIX I***

**CONFIRMATION OF  
DISBURSEMENT TO  
SAGAS**



# NATIONAL COMMUNICATIONS SECRETARIAT

*Dec*  
*Muse We de kisa*  
*19/8/2019*

Telephone: +254-020-2719953  
Fax: +254-20-2216515  
Website: www.ncs.go.ke

Transcom House, 9th Floor,  
P.O. Box 10756 - 00100  
G.P.O. Nairobi, Kenya.

NCS/CONF/20.113/Vol.4

When replying please quote:



16<sup>th</sup> August, 2019

*SAAG - BT.*  
*19/8/2019*

Mr. Jerome Ochieng  
Principal Secretary  
State Department ICT  
Ministry of Information, Communications and Technology  
NAIROBI

Attention: CPA SAMSON M. ONGALO

Dear Sir,

RE: DISBURSEMENT OF FUNDS TO THE SAGA FOR FINANCIAL YEAR 2018-19

Reference is made to your letter Ref. No. MIC/ACCT/28/ dated 14<sup>th</sup> August, 2019 on the above subject.

In this regard, the tabulation below shows the amount received as at 28<sup>th</sup> June 2019.

| Confirmation of amounts received by National Communications Secretariat as at 28 <sup>th</sup> June, 2019 |               |                |                |                       |                  |                                                                                                |                             |
|-----------------------------------------------------------------------------------------------------------|---------------|----------------|----------------|-----------------------|------------------|------------------------------------------------------------------------------------------------|-----------------------------|
| Reference Number                                                                                          | Date Received | Recurrent (A)  | Development(B) | Inter-Ministerial (C) | Total(D)=(A+B+C) | Amount Received by National Communications Secretariat Kshs...as at 28 <sup>th</sup> June 2019 | Difference (Kshs) (F)=(D-E) |
| FT18275L00HXP                                                                                             | 2-oct-18      | 42,500,000.00  | -              | -                     | 42,500,000.00    | 42,500,000.00                                                                                  | -                           |
| FT19090ZM4YG                                                                                              | 19-Feb-19     | 85,000,000.00  | -              | -                     | 85,000,000.00    | 85,000,000.00                                                                                  | -                           |
| Total as at 28 <sup>th</sup> June, 2019                                                                   |               | 127,500,000.00 | -              | -                     | 127,500,000.00   | 127,500,000.00                                                                                 | -                           |

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

Head of Accounts Department

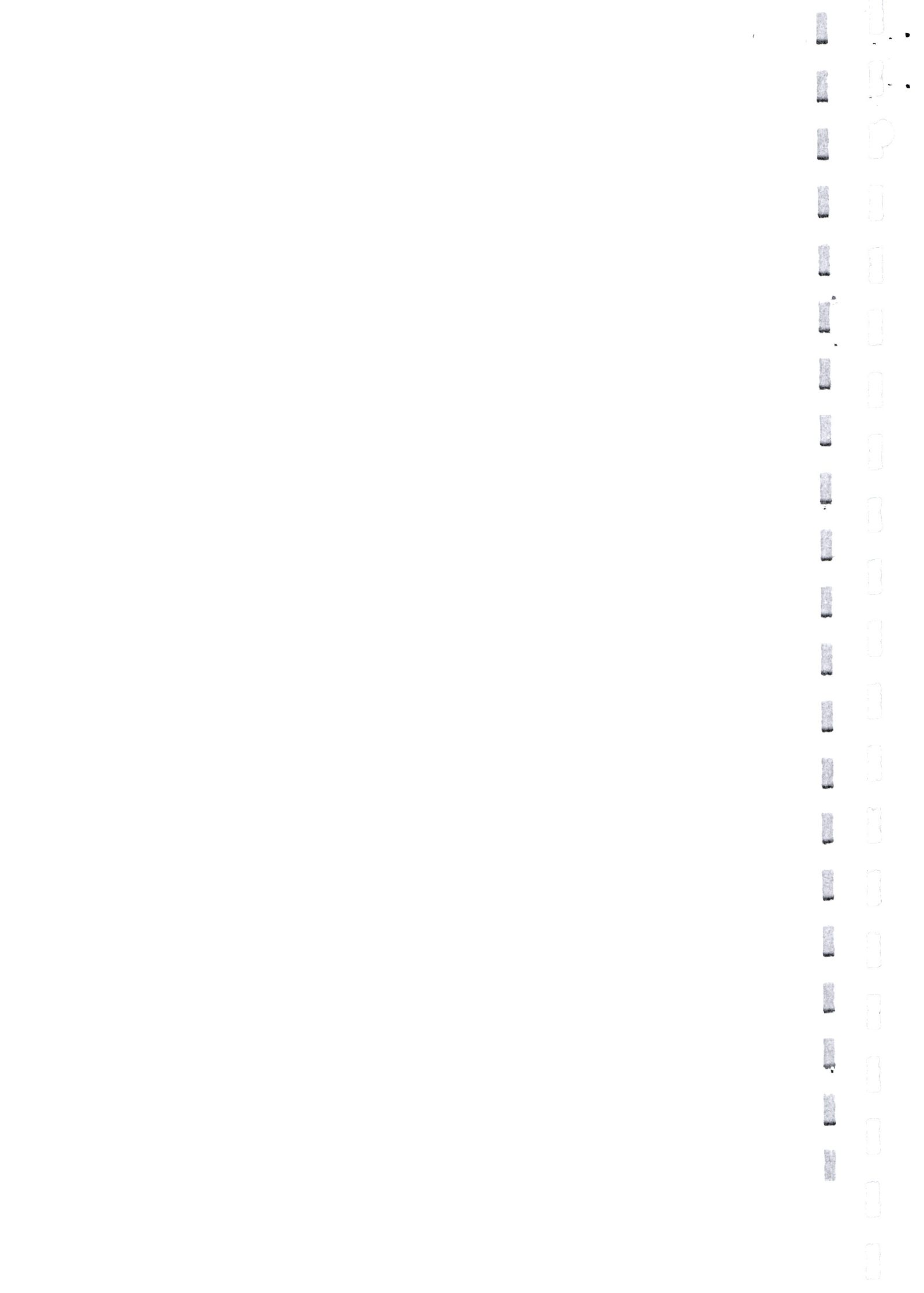
Name: PETER WAMBUSHI Sign: [Signature] Date: 16/08/2019

Kindly note that Kshs. 42,500,000 was received on 1<sup>st</sup> July, 2019 and thus the total amount received by National Communications Secretariat was Kshs 170,000,000.00

Yours faithfully,

*[Signature]*

Daniel O. Obam. HSC  
COMMUNICATIONS SECRETARY



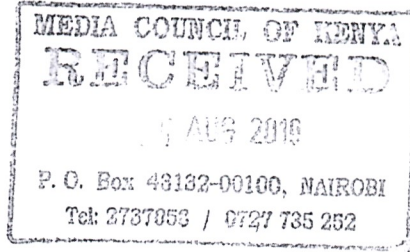


15 AUG 2019

REPUBLIC OF KENYA

MINISTRY OF INFORMATION COMMUNICATIONS AND TECHNOLOGY  
STATE DEPARTMENT OF BROADCASTING AND TELECOMMUNICATION

Telephone Nairobi 254-020-4920000/100  
Telegrams: "Telposta", Nairobi  
Fax: 315147  
When replying please quote  
Ref. No. MIC/ ACC/MCK/TY/1/



Telposta Towers  
P.O. Box 30025  
NAIROBI  
KENYA  
14<sup>th</sup> August, 2019

The Chief Executive Officer  
Media Council of Kenya  
NAIROBI

RE: DISBURSEMENT OF FUNDS TO THE SAGAS FOR FINANCIAL YEAR 2018-19

The Ministry of Information Communication and Technology, State Department of Broadcasting and Telecommunication wishes to confirm the amounts disbursed to you as at 28<sup>th</sup> June 2018 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table and sign and stamp the request in the space provided and return it to this office on or be 19<sup>th</sup> August, 2019.

| Confirmation of amounts received by Media Council of Kenya as at 28 <sup>th</sup> June, 2019 |                |                       |                  |                       |                       |                                                                             |                             |
|----------------------------------------------------------------------------------------------|----------------|-----------------------|------------------|-----------------------|-----------------------|-----------------------------------------------------------------------------|-----------------------------|
| Transaction ID                                                                               | Date Disbursed |                       | Develop-ment (B) | Inter-Ministerial (C) | Total (D)=(A+B+C)     | Amount Received by Media Council Kshs..... as at 28 <sup>th</sup> June 2019 | Difference (Kshs) (F)=(D-E) |
| FT18248XQX3L                                                                                 | 5-Sep-18       | 2,500,000.00          | NIL              | NIL                   | 2,500,000.00          | 2,500,000.00                                                                | 0                           |
| FT18250N93SG                                                                                 | 7-Sep-18       | 56,325,000.00         | NIL              | NIL                   | 56,325,000.00         | 56,325,000.00                                                               | 0                           |
| FT183370LKFC                                                                                 | 3-Dec-18       | 2,300,000.00          | NIL              | NIL                   | 2,300,000.00          | 2,300,000.00                                                                | 0                           |
| FT18337HY3PR                                                                                 | 3-Dec-18       | 51,819,000.00         | NIL              | NIL                   | 51,819,000.00         | 51,819,000.00                                                               | 0                           |
| FT19032RZJ5V                                                                                 | 1-Feb-19       | 2,550,000.00          | NIL              | NIL                   | 2,550,000.00          | 2,550,000.00                                                                | 0                           |
| FT19032XZT3X                                                                                 | 1-Feb-19       | 57,451,500.00         | NIL              | NIL                   | 57,451,500.00         | 57,451,500.00                                                               | 0                           |
| FT19135MHPCQ                                                                                 | 15-May-19      | 2,450,000.00          | NIL              | NIL                   | 2,450,000.00          | 2,450,000.00                                                                | 0                           |
| FT19136FVNPM                                                                                 | 16-May-19      | 55,198,500.00         | NIL              | NIL                   | 55,198,500.00         | 55,198,500.00                                                               | 0                           |
| <b>Total</b>                                                                                 |                | <b>230,594,000.00</b> |                  |                       | <b>230,594,000.00</b> | <b>230,594,000.00</b>                                                       | <b>0</b>                    |

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

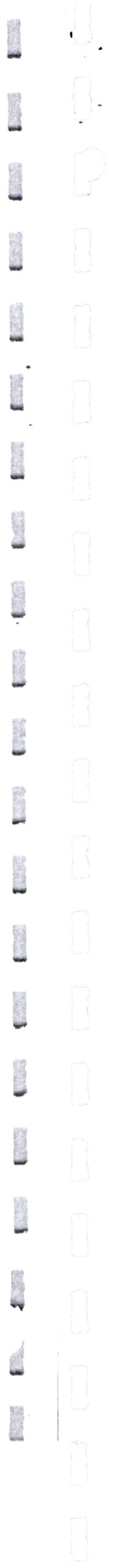
Head of Accountants Department:

Name Samson M. Ongalo Sign [Signature] Date 15/08/2019

[Signature]  
14/08/2019

CPA. SAMSON M. ONGALO  
FOR: PRINCIPAL SECRETARY

cc. Director General Accounting Service and Quality Assurance,  
National Treasury  
NAIROBI



119



REPUBLIC OF KENYA  
MINISTRY OF INFORMATION COMMUNICATIONS AND TECHNOLOGY  
STATE DEPARTMENT OF BROADCASTING AND TELECOMMUNICATION

Telephone Nairobi 254-020-4920000/100  
Telegrams: "Telposta", Nairobi  
Fax; 315147  
When replying please quote  
Ref. No. MIC/ACCT/25/

Telposta Towers  
P.O. Box 30025  
NAIROBI  
KENYA  
14<sup>th</sup> August, 2019

The Director  
Kenya Institute of Mass Communication  
NAIROBI

RE: DISBURSEMENT OF FUNDS TO THE SAGAS FOR FINANCIAL YEAR 2018-19

The Ministry of Information Communication and Technology, State Department of Broadcasting and Telecommunication wishes to confirm the amounts disbursed to you as at 28<sup>th</sup> June 2019 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table and sign and stamp the request in the space provided and return it to this office on or be 19<sup>th</sup> August, 2019.

| Confirmation of amounts received by KIMC as at 28 <sup>th</sup> June, 2019 |                |                       |                       |                       |                       |                                                                                             |                             |
|----------------------------------------------------------------------------|----------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------------------------------------------------------------------------------|-----------------------------|
| Reference Number                                                           | Date Disbursed | Recurrent (A)         | Development (B)       | Inter-Ministerial (C) | Total (D)=CA+B+C      | Amount Received by Kenya Institute of Mass Comm. Kshs..... as at 28 <sup>th</sup> June 2019 | Difference (Kshs) (F)=(D-E) |
| FT183405XP2W                                                               | 6-Dec-18       | 44,953,500.00         |                       |                       | 44,953,500.00         |                                                                                             |                             |
| FT19032MTBQJ                                                               | 1-Feb-19       | 49,839,750.00         |                       |                       | 49,839,750.00         |                                                                                             |                             |
| FT19050W6JFB                                                               | 19-Feb-19      |                       | 64,000,000.00         |                       | 64,000,000.00         |                                                                                             |                             |
| FT190509BGVF                                                               | 19-Feb-19      |                       | 93,000,000.00         |                       | 93,000,000.00         |                                                                                             |                             |
| FT190318FS40                                                               | 31-Jan-19      |                       | 93,000,000.00         |                       | 93,000,000.00         |                                                                                             |                             |
| FT191363M808                                                               | 16-May-19      | 47,885,250.00         |                       |                       | 47,885,250.00         |                                                                                             |                             |
| FT18248RHL9H                                                               | 5-Sep-18       | 48,862,500.00         |                       |                       | 48,862,500.00         |                                                                                             |                             |
| <b>Total</b>                                                               |                | <b>191,541,000.00</b> | <b>250,000,000.00</b> |                       | <b>441,541,000.00</b> | <b>0</b>                                                                                    |                             |

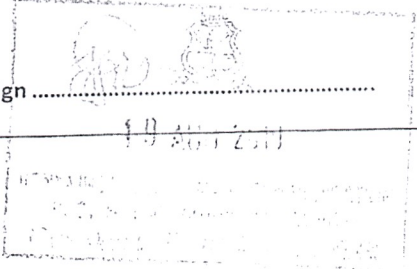
In confirm that the amounts shown above are correct as of the date indicated.

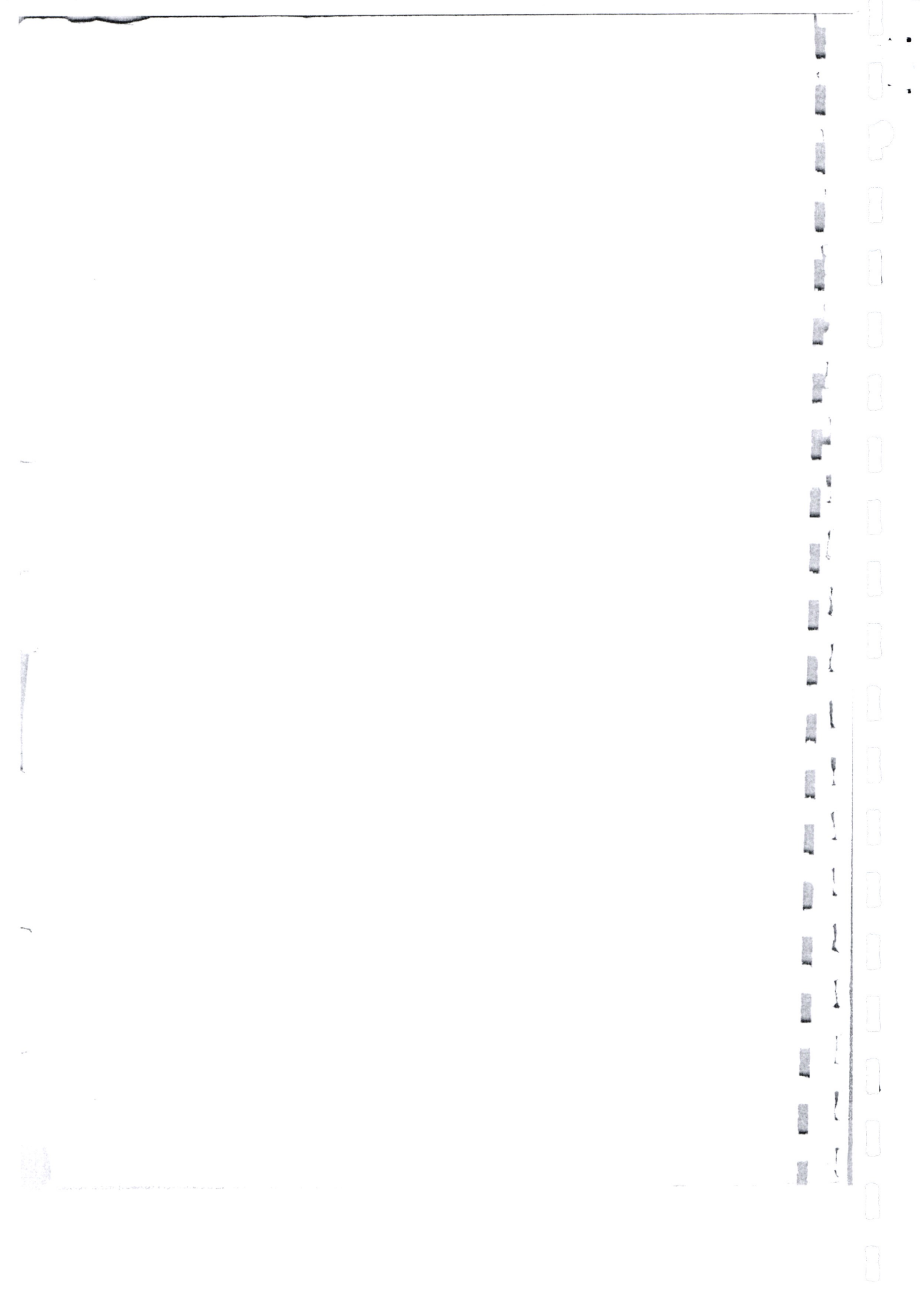
Head of Accounts Department:

Name Jensper Korir Sign [Signature] Date 14/8/2019

CPA: SAMSON M. ONGALO  
FOR: PRINCIPAL SECRETARY

CC. Director General Accounting Service and Quality Assurance,  
National Treasury  
NAIROBI





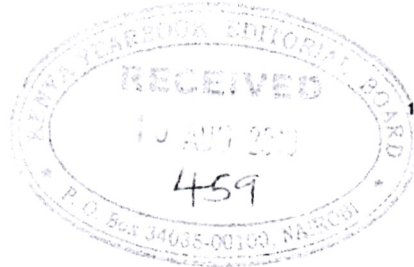


REPUBLIC OF KENYA  
**MINISTRY OF INFORMATION COMMUNICATIONS AND TECHNOLOGY**  
**STATE DEPARTMENT OF BROADCASTING AND TELECOMMUNICATION**

Telephone Nairobi 254-020-4920000/100  
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 When replying please quote  
 Ref. No. MIC/ ACC/KYB/

Telposta Towers  
 P.O. Box 30025  
 NAIROBI  
 KENYA

14<sup>th</sup> August, 2019



The Chief Executive Officer  
 Kenya Yearbook  
NAIROBI

RE: DISBURSEMENT OF FUNDS TO THE SAGAS FOR FINANCIAL YEAR 2018-19

The Ministry of Information Communication and Technology, State Department of Broadcasting and Telecommunication wishes to confirm the amounts disbursed to you as at 28<sup>th</sup> June 2018 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table and sign and stamp the request in the space provided and return it to this office on or before 19<sup>th</sup> August, 2019.

| Confirmation of amounts received by Kenya Yearbook as at 28 <sup>th</sup> June, 2019 |                |                      |                 |                       |                      |                                                                              |                             |
|--------------------------------------------------------------------------------------|----------------|----------------------|-----------------|-----------------------|----------------------|------------------------------------------------------------------------------|-----------------------------|
| Reference Number                                                                     | Date Disbursed | Recurrent (A)        | Development (B) | Inter-Ministerial (C) | Total (D)=CA+B+C     | Amount Received by Kenya Yearbook Kshs..... as at 28 <sup>th</sup> June 2019 | Difference (Kshs) (F)=(D-E) |
| FT182480HSJ3                                                                         | 5-Sep-18       | 14,831,250.00        |                 |                       | 14,831,250.00        | 14,831,250                                                                   | -                           |
| FT18340G86GM                                                                         | 6-Dec-18       | 13,644,750.00        |                 |                       | 13,644,750.00        | 13,644,750                                                                   | -                           |
| FT19032C6V80                                                                         | 1-Feb-19       | 15,127,875.00        |                 |                       | 15,127,875.00        | 15,127,875                                                                   | -                           |
| FT191409Y2MQ                                                                         | 20-May-19      | 14,534,625.00        |                 |                       | 14,534,625.00        | 14,534,625                                                                   | -                           |
| <b>Total</b>                                                                         |                | <b>58,138,500.00</b> |                 |                       | <b>58,138,500.00</b> | <b>58,138,500</b>                                                            | <b>-</b>                    |

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

Head of Accounts Department:

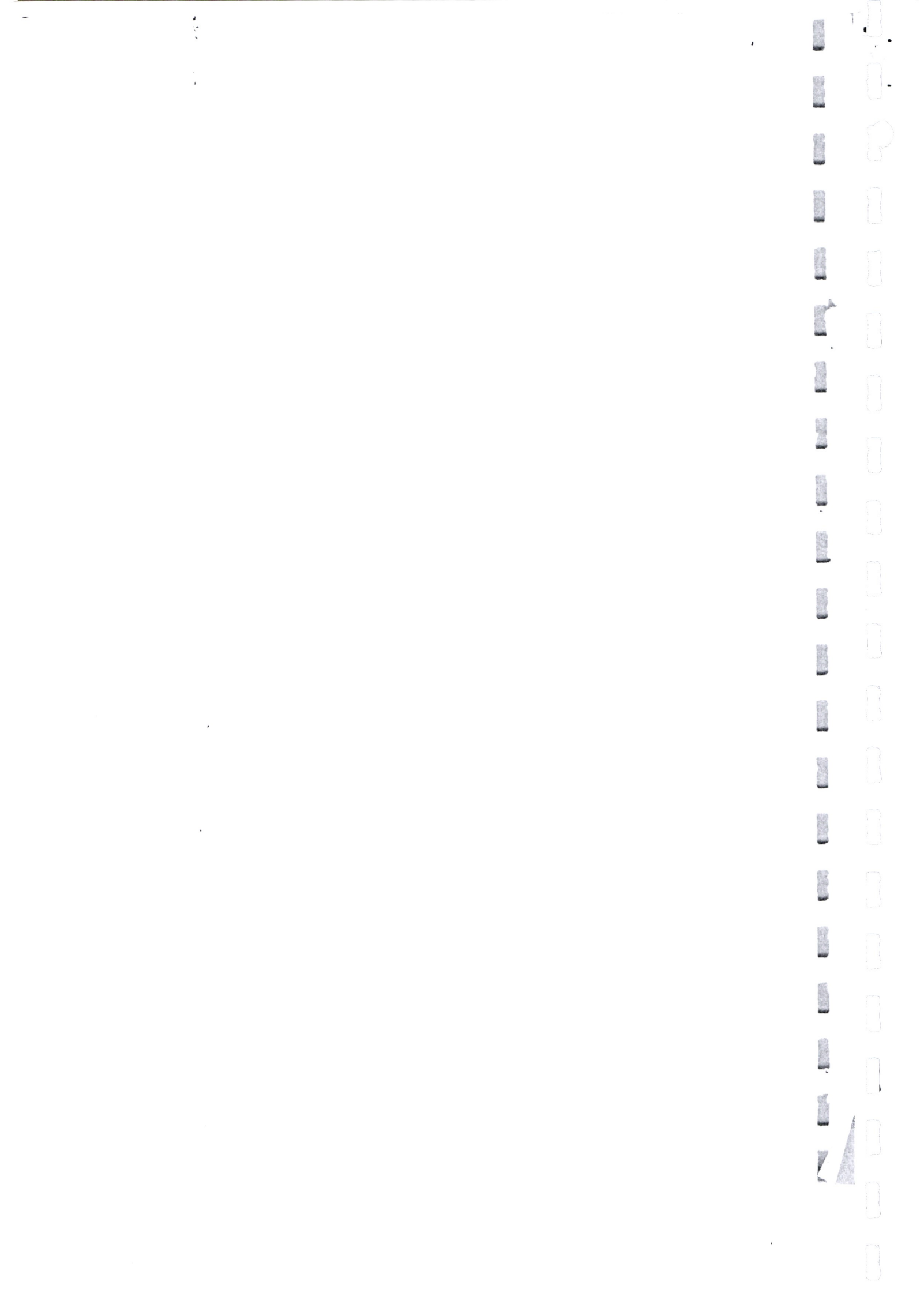
Name Paul Omondi Sign

Date 15/8/2019

CPA, SAMSON M. ONGALO  
 FOR: PRINCIPAL SECRETARY

CC Director General Accounting Service and Quality Assurance,  
 National Treasury  
 NAIROBI

15/8/2019



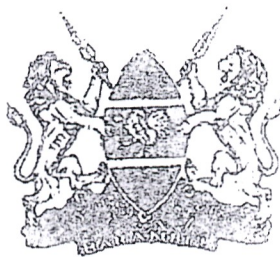
***APPENDIX II***

**PENDING BILLS**

Copy to: Mr. Joe Mucheru, EGH  
Cabinet Secretary,  
Ministry of Information, Communications and Technology  
NAIROBI

Director General Accounting Services and Quality Assurance  
National Treasury  
NAIROBI

① C.F.O.  
1.1.1.9  
*[Signature]*  
23/9/2019



REPUBLIC OF KENYA  
THE NATIONAL TREASURY

TELEGRAPHIC ADDRESS 22921  
FINANCE-NAIROBI  
FAX NO 310833  
TELEPHONE 2252299

② C.F.O.  
Approved for Payment.  
Payment should be  
clear for these items  
that have been cleared  
and do not have  
any queries  
P.O BOX 30007-00100  
NAIROBI *[Signature]*  
21 ST AUGUST 2019  
21/8/2019

The Principal Secretary  
Ministry Of Information, Communication And Telecommunication

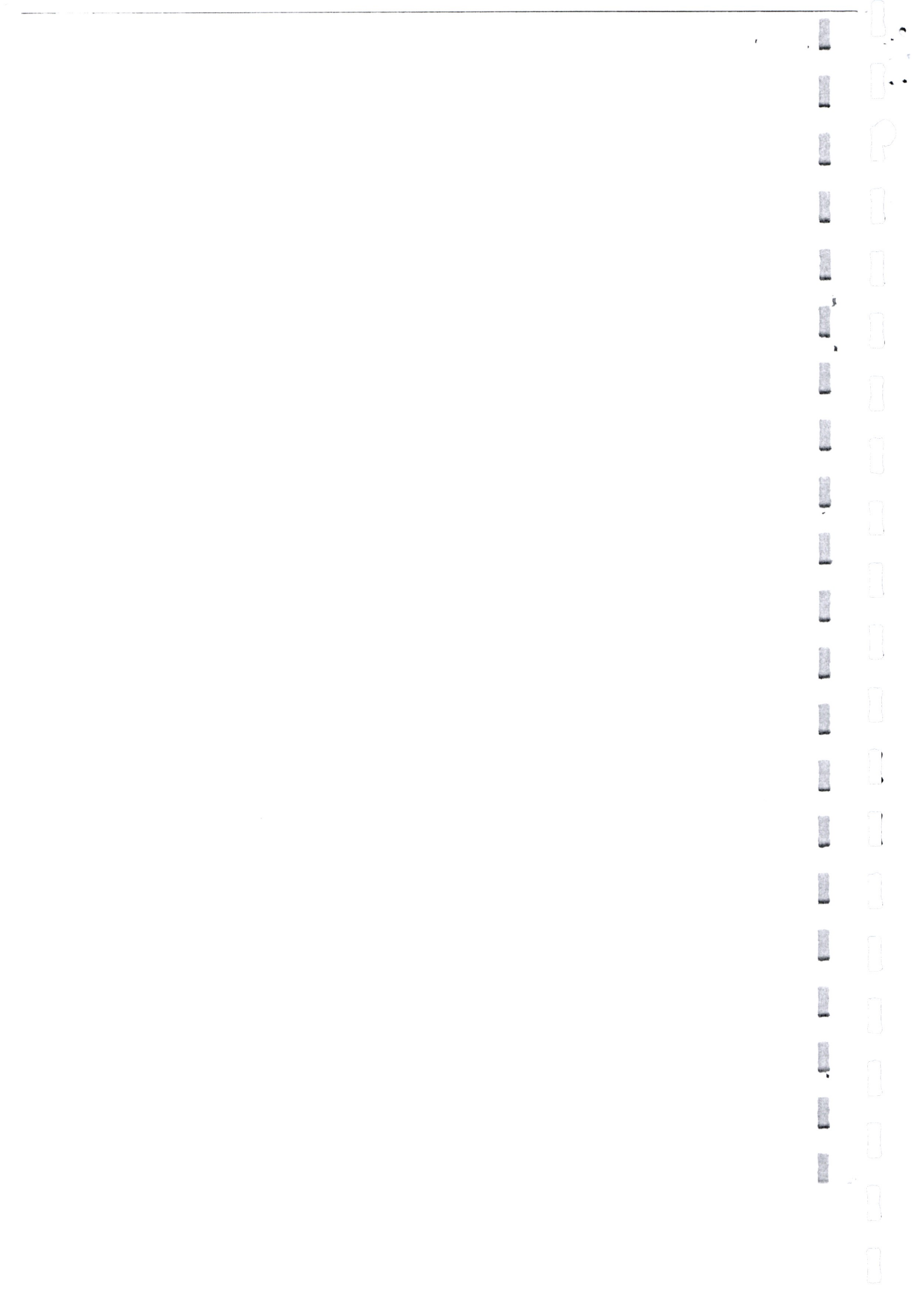
REF: IA/BT/AR/1(39)

# AUDIT REPORT ON PENDING BILLS AS AT 30TH JUNE 2019

Approved by the Accounting officer

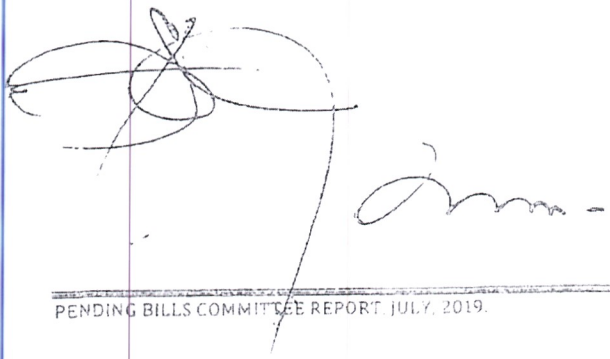
Sign.....*[Signature]*.....

Date.....21/8/2019.....



ACRONYMS

GAA : Government Advertising Agency  
STANDALONE : Bills incurred from running adverts outside MyGov  
MYGOV : Publication that carry public sector advertisements and, editorials  
PDU : Presidential delivery Unit  
AGPO : Access to government procurement opportunities  
Citizen contractor : All suppliers that are not dis advantaged i.e. not part of youth, women, people with disability  
Training : Pending training Costs for the state department civil servants  
Sub Total : Total of a sub-section  
Total : Total of multiple-subsections  
Grand total : Total of the Whole Section.



## 1.0. BACKGROUND

This report was prepared in line with internal audit annual work plan (2019/2020) and The National Treasury's letter Ref: MOF/IAG/080/ (172) dated 4th July, 2019 directing that all pending bills for financial year ending June 2019, be audited by internal auditors and included in the FY 2018/2019 audited financial reports.

The audit exercise of the pending bills for the concluded financial year 2018/2019 was carried out pursuant to the Public Finance Management Act, 2012.

## 2.0 OBJECTIVES

The objective of audit validation exercise are:

- a) To ascertain the exact amounts of pending bills based on actual services rendered or delivery of goods
- b) To scrutinize and authenticate bills based on submitted invoices, and other documents,
- c) Ascertain that the transacting firms were competitively selected in compliance with Public Procurement and Asset Disposal Act, 2015
- d) To ensure that procurement of goods and services adhered to the Public Procurement and Asset Disposal Act, 2015 and;
- e) To make recommendations to the Accounting officer on payment of pending bills and other related issues.

## 3.0 METHODOLOGY

The audit team examined a) relevant documents with a view to confirming whether there was proper contractual relationship between parties, b) the consistency and authenticity of the documents; and c) whether there was actual delivery of goods and service in accordance with the agreed terms. In order to achieve the above, the Committee formed four working groups each having specific duties. The group findings were considered at the plenary.

The Committee, which comprised of officers drawn from the departments of Finance, Accounts, Procurement and Government Advertising Agency, undertook the assignment between July 29 – 2 August, 2019 at the KICD Campus. For a factual, reliable and consistent assessment of the pending bills documents, the Committee developed and adopted two checklists for two classifications of bills: For GAA pending bills, the Committee considered the availability of the following documents:

- Requisition letter
- Space Order(s)
- Evidence of placement of advertisement(s)
- Invoice(s)
- Media contract

For the general merchant/ AGPO bills, the following factors were considered/ ascertained:

- a) that goods and services procured were within the procurement plan
- b) that Requisitions were approved
- c) that Purchase Orders were generated
- d) that approved professional opinion was granted
- e) that Invoice(s)/ delivery note(s) were issued
- f) that Counter Receipt (S13) for goods/ completion certificates were issued
- g) that Inspection and Acceptance Committee certificates were issued

## 4.0 FINDINGS

This section captures findings based on the checklists agreed upon by the team. For ease and logical presentation of the findings, bills have been classified into three categories as below:

- Compliant Bills
- Non-compliant Bills
- Bills to be returned to MDAS

The Committee scrutinized 356 pending bills amounting to Ksh. 1,035,724,424.46. Out of 356 bills verified, 125 bills worth Ksh. 777,832,349.86 were found to be compliant. Another 223 of the verified pending bills amounting to Ksh. 249,932,482.60 were found to be non-compliant due to lack of requisite documents and or failure to undertake reconciliations before the final process of verification is carried out on them. Further, it was deemed necessary that 8 of the non-compliant pending bills totaling Ksh. 7,959,592.00 be returned to the respective MDAs for payment since they had independently requisitioned and consumed the advertisement services.

This report finally suggests the way forward for consideration by the Accounting Officer, including proposals to enhance GAA's effectiveness in service delivery.

4.1 CATEGORY 1: BILLS THAT ARE COMPLIANT

Category 1 contains compliant bills in respect of GAA and General Merchant claims that were verified on the basis of the established checklists. The payable amounts are consistent and conform to the agreed space order rates. Bills in tables 1, 2 and 3 are from Nation Media Group while bills from table 4 and 5 are from Standard Media Group. Bills in table 6 are from Mediamax - People Daily, Bills from table 7 and 8 are from Royal Media and table 9 contains bills from Maspeedy Logistics and Petty errands which delivered invoices to different government entities. Table 10 contains bills from general merchants and table 11 contains bill relating to training of officers in the State Department

Table I:

| 2016/2017 NATION MEDIA GROUP - STAND ALONE COMPLIANT PENDING BILLS |              |            |          |              |            |                |                        |                                    |
|--------------------------------------------------------------------|--------------|------------|----------|--------------|------------|----------------|------------------------|------------------------------------|
| NO                                                                 | MEDIA HOUSE  | ORDER DATE | ORDER NO | ORDER AMOUNT | INVOICE NO | INVOICE AMOUNT | OBSERVATION AS AT JULY | REASONS FOR NON PAYMENT IN 2018/19 |
| 1                                                                  | NATION MEDIA | 17/11/2016 | 83790    | 216,000.00   | 2488901    | 216,000.00     | COMPLIANT              | LIQUIDITY                          |
| 2                                                                  | NATION MEDIA | 10/11/2016 | 83779    | 177,000.00   | 2487881    | 177,000.00     | COMPLIANT              |                                    |
| SUB TOTAL                                                          |              |            |          |              |            | 393,000.00     |                        |                                    |

Table II

| 2016/2017 NATION MEDIA GROUP - PRODUCTION OF MYGOV |             |            |          |               |            |                |                        |                                                                                                                                             |
|----------------------------------------------------|-------------|------------|----------|---------------|------------|----------------|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| NO                                                 | MEDIA HOUSE | ORDER DATE | ORDER NO | ORDER AMOUNT  | INVOICE NO | INVOICE AMOUNT | OBSERVATION AS AT JULY | REASONS FOR NON PAYMENT IN 2018/19                                                                                                          |
| 3                                                  | NATIONMEDIA | 23/5/2017  | 85291    | 25,288,000.00 | 2515262    | 25,288,000.00  | COMPLIANT              | BUDGETARY CONSTRAINTS<br><br>Credit note amounting to 1,740,000.00 submitted to offset part of the bills<br><br>SUB TOTAL LESS 1,740,000.00 |
| 4                                                  | NATIONMEDIA | 6/6/2017   | 92911    | 25,288,000.00 | 2517406    | 25,288,000.00  | COMPLIANT              |                                                                                                                                             |
| 5                                                  | NATIONMEDIA | 20/6/17    | 93457    | 25,288,000.00 | 2519467    | 25,288,000.00  | COMPLIANT              |                                                                                                                                             |
| SUB TOTAL                                          |             |            |          |               |            | 75,864,000.00  |                        |                                                                                                                                             |

Table III

| 2018/2019 - NATION MEDIAGROUP - PRODUCTION OF MYGOV |             |            |            |               |            |                |                         |                         |
|-----------------------------------------------------|-------------|------------|------------|---------------|------------|----------------|-------------------------|-------------------------|
| NO                                                  | MEDIA HOUSE | ORDER DATE | ORDER NO   | ORDER AMOUNT  | INVOICE NO | INVOICE AMOUNT | OBSERVATION AS AT JULY, | REASONS FOR NON PAYMENT |
| 6                                                   | NATIONMEDIA | 19/03/2019 | 103263     | 21,721,000.00 | 1000099677 | 21,721,000.00  | COMPLIANT               | BUDGETARY CONSTRAINTS   |
| 7                                                   | NATIONMEDIA | 15/04/2019 | 107853     | 27,927,000.00 | 1000106726 | 27,927,000.00  | COMPLIANT               |                         |
| 8                                                   | NATIONMEDIA | 29/04/2019 | 107854     | 27,927,000.00 | 1000109617 | 27,927,000.00  | COMPLIANT               |                         |
| 9                                                   | NATIONMEDIA | 14/05/2019 | 67411      | 9,318,280.00  | 1000112950 | 9,318,280.00   | COMPLIANT               |                         |
| 10                                                  | NATIONMEDIA | 28/05/2019 | 70262      | 9,309,000.00  | 1000116106 | 9,309,000.00   | COMPLIANT               |                         |
| 11                                                  | NATIONMEDIA | 25/06/2019 | 0000076292 | 15,515,000.00 | 1000122942 | 15,515,000.00  | COMPLIANT               |                         |
| SUB TOTAL                                           |             |            |            |               |            | 111,717,280.00 |                         |                         |
| NATION MEDIA TOTAL                                  |             |            |            |               |            | 185,841,280.00 |                         |                         |

Table IV

| STANDARD MEDIA GROUP MYGOV 2018/2019 |             |            |          |               |            |                |                         |                                    |
|--------------------------------------|-------------|------------|----------|---------------|------------|----------------|-------------------------|------------------------------------|
| NO                                   | MEDIA HOUSE | ORDER DATE | ORDER NO | ORDER AMOUNT  | INVOICE NO | INVOICE AMOUNT | OBSERVATION AS OF JULY, | REASONS FOR NON-PAYMENT IN 2018/19 |
| 12                                   | STANDARD    | 10/7/2018  | 395561   | 20,000,000.00 | 80054819   | 20,000,000.00  | COMPLIANT               | BUDGETARY CONSTRAINTS              |
| 13                                   | STANDARD    | 9/01/2019  | 395593   | 15,000,000.00 | 80062395   | 15,000,000.00  | COMPLIANT               |                                    |
| 14                                   | STANDARD    | 14/01/2019 | 395594   | 20,000,000.00 | 80062723   | 20,000,000.00  | COMPLIANT               |                                    |
| 15                                   | STANDARD    | 21/01/2019 | 395595   | 20,000,000.00 | 80062686   | 20,000,000.00  | COMPLIANT               |                                    |
| 16                                   | STANDARD    | 28/01/2019 | 395596   | 20,000,000.00 | 80062740   | 20,000,000.00  | COMPLIANT               |                                    |
| 17                                   | STANDARD    | 4/2/2019   | 395597   | 17,500,000.00 | 8006915    | 17,500,000.00  | COMPLIANT               |                                    |
| 18                                   | STANDARD    | 11/2/2019  | 395598   | 26,434,080.00 | 80064140   | 26,434,080.00  | COMPLIANT               |                                    |
| 19                                   | STANDARD    | 18/02/2019 | 395600   | 23,496,960.00 | 80064141   | 23,496,960.00  | COMPLIANT               |                                    |
| 20                                   | STANDARD    | 25/02/2019 | 415301   | 23,496,960.00 | 80064206   | 23,496,960.00  | COMPLIANT               |                                    |

|                    |          |            |        |               |          |               |           |
|--------------------|----------|------------|--------|---------------|----------|---------------|-----------|
| 21                 | STANDARD | 4/03/2019  | 415302 | 17,622,720.00 | 80065649 | 17,622,720.00 | COMPLIANT |
| 22                 | STANDARD | 11/03/2019 | 415303 | 20,559,840.00 | 80065650 | 20,559,840.00 | COMPLIANT |
| 23                 | STANDARD | 18/03/2019 | 415304 | 20,559,840.00 | 80065651 | 20,559,840.00 | COMPLIANT |
| 24                 | STANDARD | 3/04/2019  | 415306 | 20,559,840.00 | 80066957 | 20,559,840.00 | COMPLIANT |
| 25                 | STANDARD | 22/04/2019 | 415307 | 26,434,080.00 | 80066894 | 26,434,080.00 | COMPLIANT |
| 26                 | STANDARD | 6/05/2019  | 415309 | 5,874,240.00  | 80067791 | 5,874,240.00  | COMPLIANT |
| 27                 | STANDARD | 20/05/2019 | 415310 | 11,748,480.00 | 80068379 | 11,748,480.00 | COMPLIANT |
| 28                 | STANDARD | 3/06/2019  | 415311 | 11,748,480.00 | 80068935 | 11,748,480.00 | COMPLIANT |
| 29                 | STANDARD | 18/06/2019 | 415312 | 8,811,361.00  | 80069153 | 8,811,360.00  | COMPLIANT |
| STANDARD SUB TOTAL |          |            |        |               |          | 329,846,881   |           |

Table V

| MEDIAMAX PENDING PAYMENT MYGOV 2018/2019 |             |            |          |               |            |                |                              |                                    |
|------------------------------------------|-------------|------------|----------|---------------|------------|----------------|------------------------------|------------------------------------|
| NO                                       | MEDIA HOUSE | ORDER DATE | ORDER NO | ORDER AMOUNT  | INVOICE NO | INVOICE AMOUNT | OBSERVATION AS OF JULY, 2019 | REASONS FOR NON-PAYMENT IN 2018/19 |
| 30                                       | MEDIA MAX   | 18/12/2018 | 8968     | 18,931,200.00 | INV48724   | 18,931,200.00  | COMPLIANT                    | BUDGETARY CONSTRAINTS              |
| 31                                       | MEDIA MAX   | 30/04/2019 | 10104    | 21,297,600.00 | INV50939   | 21,297,600.00  | COMPLIANT                    |                                    |
| 32                                       | MEDIA MAX   | 2/04/2019  | 8995     | 18,931,200.00 | INV50499   | 18,931,200.00  | COMPLIANT                    |                                    |
| 33                                       | MEDIA MAX   | 26/02/2019 | 8981     | 18,931,200.00 | INV49906   | 18,931,200.00  | COMPLIANT                    |                                    |
| 34                                       | MEDIA MAX   | 19/02/2019 | 8979     | 18,931,200.00 | INV49679   | 18,931,200.00  | COMPLIANT                    |                                    |
| 35                                       | MEDIA MAX   | 12/02/2019 | 8977     | 21,297,600.00 | INV49544   | 21,297,600.00  | COMPLIANT                    |                                    |
| 36                                       | MEDIA MAX   | 19/03/2019 | 8987     | 16,564,800.00 | INV50168   | 16,564,800.00  | COMPLIANT                    |                                    |
| 37                                       | MEDIA MAX   | 16/04/2019 | 9000     | 21,297,600.00 | INV50586   | 21,297,600.00  | COMPLIANT                    |                                    |
| 38                                       | MEDIA MAX   | 6/11/2019  | 10113    | 7,099,200.00  | INV51570   | 7,099,200.00   | COMPLIANT                    |                                    |
| 39                                       | MEDIA MAX   | 25/06/2019 | 10114    | 11,832,000.00 | INV51775   | 11,832,000.00  | COMPLIANT                    |                                    |
| MEDIAMAX SUB-TOTAL                       |             |            |          |               |            | 175,113,600.00 |                              |                                    |

Table VI

| ROYAL MEDIA - NATIONAL CAMPAIGN COMMISSION STEERING COMMITTEE 2017/2018 |             |            |          |              |            |                |                         |                                    |
|-------------------------------------------------------------------------|-------------|------------|----------|--------------|------------|----------------|-------------------------|------------------------------------|
| NO                                                                      | MEDIA HOUSE | ORDER DATE | ORDER NO | ORDER AMOUNT | INVOICE NO | INVOICE AMOUNT | OBSERVATION AS AT JULY, | REASONS FOR NON-PAYMENT IN 2018/19 |
| 40                                                                      | CITIZEN FM  | 31/03/2017 | 16578    | 1,624,000.00 | 341074     | 1,624,000.00   | COMPLIANT               | BUDGETARY CONSTRAINTS              |
| 41                                                                      | CITIZEN FM  | 17/05/2017 | 16577    | 1,624,000.00 | 344892     | 1,624,000.00   | COMPLIANT               |                                    |
| 42                                                                      | CITIZEN FM  | 14/06/2017 | 16576    | 1,624,000.00 | 346467     | 1,624,000.00   | COMPLIANT               |                                    |
| 43                                                                      | CITIZEN FM  | 30/06/2017 | 1893     | 1,624,000.00 | 346643     | 1,624,000.00   | COMPLIANT               |                                    |
| 44                                                                      | CITIZEN FM  | 27/09/2017 | 16067    | 1,624,000.00 | 351667     | 1,624,000.00   | COMPLIANT               |                                    |
| 45                                                                      | RAMOGI FM   | 26/07/2017 | 3413     | 1,392,000.00 | 348327     | 1,392,000.00   | COMPLIANT               |                                    |
| 46                                                                      | RAMOGI FM   | 30/08/2017 | 3412     | 1,392,000.00 | 348989     | 1,392,000.00   | COMPLIANT               |                                    |
| 47                                                                      | MUSYI FM    | 30/06/2017 | 12944    | 1,624,000.00 | 346556     | 1,624,000.00   | COMPLIANT               |                                    |
| 48                                                                      | MUSYI FM    | 31/07/2017 | 12948    | 1,624,000.00 | 348417     | 1,624,000.00   | COMPLIANT               |                                    |
| 49                                                                      | MUSYI FM    | 14/08/2017 | 12949    | 812,000.00   | 350,085    | 812,000.00     | COMPLIANT               |                                    |
| SUB-TOTAL                                                               |             |            |          |              |            | 14,964,000.00  |                         |                                    |

Table VII

| ROYAL MEDIA GROUP PDU 2018/2019 |                      |            |          |              |         |                |                         |                            |
|---------------------------------|----------------------|------------|----------|--------------|---------|----------------|-------------------------|----------------------------|
| NO                              | MEDIA HOUSE          | DATE       | ORDER NO | ORDER AMOUNT | INVOICE | INVOICE AMOUNT | OBSERVATION AS OF JULY, | REASONS FOR NON-PAYMENT IN |
| 50                              | ROYAL MEDIA SERVICES | 21/02/2019 | 827      | 2,088,000.00 | 384274  | 2,088,000.00   | COMPLIANT               | LIQUIDITY                  |
|                                 |                      | 21/02/2019 | 828      | 2,494,000.00 | 384275  | 2,494,000.00   | COMPLIANT               |                            |
| STANDARD SUB TOTAL              |                      |            |          |              |         | 4,582,000.00   |                         |                            |

Table VIII

| MASPEEDY LOGISTIC & PETTY ERRADS 2017/2018 (RIDER) |    |                          |            |                |    |              |            |                |                              |                                    |
|----------------------------------------------------|----|--------------------------|------------|----------------|----|--------------|------------|----------------|------------------------------|------------------------------------|
| CLIENT                                             | NO | INVOICE DATE             | INVOICE NO | INVOICE AMOUNT | NO | INVOICE DATE | INVOICE NO | INVOICE AMOUNT | OBSERVATION AS AT JULY, 2019 | REASONS FOR NON-PAYMENT IN 2018/19 |
| MASPEEDY LOGISTIC & PETTY ERRADS                   | 50 | 4/7/2017                 | 202        | 3,800.00       | 66 | 11/12/2017   | 218        | 3950.00        | COMPLIANT                    | BUDGETARY CONSTRAINTS              |
|                                                    | 51 | 4/7/2017                 | 203        | 2,250.00       | 67 | 4&5/12/2017  | 219        | 2250.00        | COMPLIANT                    |                                    |
|                                                    | 52 | 6/7/2017                 | 204        | 4,150.00       | 68 | 11&13/12/20  | 220        | 3200.00        | COMPLIANT                    |                                    |
|                                                    | 53 | 17/7/2017                | 205        | 1,500.00       | 69 | 18/12/2017   | 221        | 5150.00        | COMPLIANT                    |                                    |
|                                                    | 54 | 2 & 14/8/2017            | 206        | 4,400.00       | 70 | 20/12/2017   | 222        | 3650.00        | COMPLIANT                    |                                    |
|                                                    | 55 | 21/8/2017                | 207        | 4,450.00       | 71 | 7&9/01/2018  | 223        | 4950.00        | COMPLIANT                    |                                    |
|                                                    | 56 | 21/8/2017                | 208        | 4,400.00       | 72 | 11/1/2018    | 224        | 2100.00        | COMPLIANT                    |                                    |
|                                                    | 57 | 4/09/2017                | 209        | 2,200.00       | 73 | 15/1/2018    | 225        | 1850.00        | COMPLIANT                    |                                    |
|                                                    | 58 | 6&12/09/2017             | 210        | 4,250.00       | 74 | 22/1/2018    | 226        | 2450.00        | COMPLIANT                    |                                    |
|                                                    | 59 | 18&19/09/2017            | 211        | 4,100.00       | 75 | 1/02/2018    | 227        | 3500.00        | COMPLIANT                    |                                    |
|                                                    | 60 | 3/10/2017                | 212        | 5,500.00       | 76 | 6/02/2018    | 228        | 5050.00        | COMPLIANT                    |                                    |
|                                                    | 61 | 3/10/2017                | 213        | 4,950.00       | 77 | 6/02/2018    | 229        | 750.00         | COMPLIANT                    |                                    |
|                                                    | 62 | 9&16/10/2017             | 214        | 6,200.00       | 78 | 12/02/2018   | 230        | 3850.00        | COMPLIANT                    |                                    |
|                                                    | 63 | 23/10/2017               | 215        | 5,350.00       | 79 | 15/02/2018   | 231        | 4000.00        | COMPLIANT                    |                                    |
|                                                    | 64 | 01/11/2017               | 216        | 4,400.00       | 80 | 21/02/2018   | 232        | 4850.00        | COMPLIANT                    |                                    |
|                                                    | 65 | 7/9/13/14/15<br>Nov 2017 | 217        | 4350.00        |    |              |            |                | COMPLIANT                    |                                    |
| SUB- TOTAL                                         |    |                          |            |                |    |              |            | 117,800.       |                              |                                    |

GAA COMPLIANT BILLS AMOUNT KSH. 712,930,460.00

~~XXXXXXXXXX~~

*[Handwritten signature]*

Table XI

| GENERAL MERCHANTS PENDING BILLS FOR FY 2018/2019 AS AT 31TH JULY, 2019 |                                |                                  |                    |                                   |                      |                                                                                                      |
|------------------------------------------------------------------------|--------------------------------|----------------------------------|--------------------|-----------------------------------|----------------------|------------------------------------------------------------------------------------------------------|
| AGPO PENDING BILLS                                                     |                                |                                  |                    |                                   |                      |                                                                                                      |
| NO                                                                     | FIRM                           | DESCRIPTION                      | AMOUNT<br>INVOICED | INVOICE<br>NO.                    | AMOUNT<br>PAYABLE    | REMARKS                                                                                              |
| 81                                                                     | Jimmon Service                 | Cleaning Services                | 191,957.31         | 896                               | 191,957.31           | Budgetary Constraints                                                                                |
| 82                                                                     | B.N. Chege Florist             | Provision of Flowers Services    | 159,800.00         | 302,304,306 & 314                 | 159,800.00           | Time Constraint, Second Supplementary was received late and the Procurement module was closed early. |
| 83                                                                     | Top deck Investment            | Provision of Air Tickets Service | 200,000.00         | 299/301                           | 200,000.00           | Budgetary Constraints                                                                                |
| 84                                                                     | Kamtix Cleaners Co. Ltd        | Cleaning Service                 | 183,744.00         | KCL 466                           | 183,744.00           | Budgetary Constraints                                                                                |
| 85                                                                     | Delight System                 | Supply of Microsoft System       | 2,250,000.00       | 066                               | 2,250,000.00         | Budgetary Constraints                                                                                |
| 86                                                                     | Sunbeam Computer System        | Supply of Desktop Computers      | 6,450,000.00       | 02033                             | 6,450,000.00         | Budgetary Constraints                                                                                |
| 87                                                                     | Seanwills Investments          | Supply of Sony Battery           | 1,170,005.00       | 158                               | 1,170,005.00         | Budgetary Constraints                                                                                |
| 88                                                                     | Olive Tree Media Limited       | Bulk SMS Subscription            | 1,550,200.00       | 1303                              | 1,550,200.00         | Budgetary Constraints                                                                                |
| 89                                                                     | Microscan Technologies         | Supply of Desktop Computers      | 3,920,000.00       | 053                               | 3,920,000.00         | Budgetary Constraints                                                                                |
| 90                                                                     | Jimmon Services                | Cleaning Services                | 191,957.30         | 3013                              | 191,957.30           | Liquidity                                                                                            |
| 91                                                                     | Jalam Supplies                 | Electrical Items                 | 334,815.00         | 1256                              | 334,815.00           | Budgetary Constraints                                                                                |
| 92                                                                     | Vercelli Tours and Travel      | Provision of Air Tickets         | 317,495.00         |                                   | 317,495.00           | Time Constraint, Second Supplementary was received late and the Procurement module was closed early. |
| 93                                                                     | Tones Supplies Ltd             | General Office Supplies          | 1,064,500.00       | 93/94                             | 1,064,500.00         | Budgetary Constraints                                                                                |
| 94                                                                     | Trendz & Future Ventures       | Furniture                        | 348,000.00         | 001                               | 348,000.00           | Budgetary Constraints                                                                                |
| 95                                                                     | Rich Solutions Ltd.            | Electronic Items                 | 1,325,000.00       | 1096                              | 1,325,000.00         | Budgetary Constraints                                                                                |
| 96                                                                     | Zany Enterprises               | Speakers                         | 420,000.00         | 115                               | 420,000.00           | Budgetary Constraints                                                                                |
|                                                                        | <b>Sub Total</b>               |                                  |                    |                                   | <b>20,077,473.61</b> |                                                                                                      |
| CITIZEN CONTRACTORS                                                    |                                |                                  |                    |                                   |                      |                                                                                                      |
| 97                                                                     | Utalii Hotel                   | Conference Services              | 472,500            | 004751                            | 472,500              | Budgetary Constraints                                                                                |
| 98                                                                     | The Pest Exterminator          | Fumigation Service               | 400,000            | 3158                              | 400,000              | Budgetary Constraints                                                                                |
| 99                                                                     | Ministry of Public Works Club  | Conference Services              | 53,550             | 510                               | 53,550               | Budgetary Constraints                                                                                |
| 100                                                                    | Ministry of Public Works Club  | Conference Services              | 85,425.00          | 514                               | 85,425.00            | Budgetary Constraints                                                                                |
| 101                                                                    | Ministry of Public Works Club  | Conference Services              | 33,150             | 513                               | 33,150.00            | Budgetary Constraints                                                                                |
| 102                                                                    | Ministry of Public Works Club  | Conference Services              | 43,350             | 511                               | 43,350.00            | Budgetary Constraints                                                                                |
| 103                                                                    | Ministry of Public Works Club  | Conference Services              | 66,300             | 512                               | 66,300               | Budgetary Constraints                                                                                |
| 104                                                                    | Kenya Power & Lighting         | Electrical Power Service         | 49,121             |                                   | 49,121.00            | Liquidity                                                                                            |
| 105                                                                    | Toyota Kenya Ltd.              | Repair & Service of vehicle      | 88,672             | 91264268                          | 88,672.00            | Budgetary Constraints                                                                                |
| 106                                                                    | Telkom Kenya                   | Telephone Services               | 74,495.25          | AUT01606<br>06/000482<br>8        | 74,495.25            | Liquidity                                                                                            |
| 107                                                                    | Telkom Kenya                   | Telephone Services               | 145,141            | AUT01902<br>06/000703<br>1        | 145,141.00           | Liquidity                                                                                            |
| 108                                                                    | Elevator General Services      | Lift Services                    | 26,261             | 363                               | 26,261.00            | Liquidity                                                                                            |
| 109                                                                    | National Oil Corporation Kenya | Contract for fuel & Lubricants   | 91,500             | NOCK/FC/P<br>F1/4953/2<br>019/5/2 | 91,500.00            | Liquidity                                                                                            |
| 110                                                                    | Toyota Kenya Limited           | Repair & Service of Vehicle      | 26,787             | 91268259                          | 26,787.00            | Liquidity                                                                                            |

|           |                                 |                  |           |           |               |           |
|-----------|---------------------------------|------------------|-----------|-----------|---------------|-----------|
| 111       | Kenya Year Book Editorial Board | My Gov Editorial | 5,760,000 | 0131      | 5,760,000     | Liquidity |
| 112       | Kenya Year Book                 | My Gov Editorial | 5,760,000 | 0154      | 5,760,000     | Liquidity |
| 113       | Kenya Year Book                 | My Gov Editorial | 5,760,000 | 0159      | 5,760,000     | Liquidity |
| 114       | Kenya Year Book                 | My Gov Editorial | 2,320,000 | 0124      | 2,320,000     | Liquidity |
| 115       | Kenya Year Book                 | My Gov Editorial | 5,760,000 | 181       | 5,760,000     | Liquidity |
| 115       | Kenya Year Book                 | My Gov Editorial | 5,760,000 | 194       | 5,760,000     | Liquidity |
| 116       | Kenya Year Book                 | My Gov Editorial | 5,760,000 | 195       | 5,760,000     | Liquidity |
| 117       | Postbank Ltd                    | Rent for DPC     | 1,800,000 | 9407/9373 | 1,800,000     | Liquidity |
| 118       | ICDC                            | Rent for DI      | 1,558,044 |           | 1,558,044     | Liquidity |
| Sub Total |                                 |                  |           |           | 42,761,546.25 |           |

Table X

| OTHERS - (TRAINING)             |                                     |                    |                 |                        |                      |
|---------------------------------|-------------------------------------|--------------------|-----------------|------------------------|----------------------|
| S/NO                            | FIRM                                | DESCRIPTION        | AMOUNT INVOICED | INVOICE NO.            | AMOUNT PAYABLE KSHS. |
| 119                             | University of Nairobi               | Training Services  | 1,500,000.00    | PCIN708989             | 1,500,000.00         |
| 120                             | Kenya School of Government, Nairobi | Training           | 167,620.00      | IO104625               | 167,620.00           |
| 121                             | Mary Malaki                         | Research Allowance | 25,500.00       | Reg.No.,812            | 25,500.00            |
| 122                             | Benedict Wasiche                    | Research Allowance | 63,750.00       |                        | 63,750.00            |
| 123                             | Kenya School of Government, Nairobi | Training           | 120,000.00      | KSG/BAR/TRN/237        | 120,000.00           |
| 124                             | ESAMI                               | Training           | 150,000.00      | ESAMI/TRN/ADM/NBI/2019 | 150,000.00           |
| SUB-TOTAL                       |                                     |                    |                 |                        | 2,026,870.00         |
| OTHER COMPLIANT BILLS SUB TOTAL |                                     |                    |                 |                        | 64,865,889.86        |

GRAND TOTAL COMPLIANT = GAA COMPLIANT + GENERAL MERCHANT COMPLIANT  
= 712,930,460.00 + 64,865,889.86  
= 777,832,349.86

~~\_\_\_\_\_ + \_\_\_\_\_~~  
~~\_\_\_\_\_~~

#### 4.2 CATEGORY 2: NON-COMPLIANT BILLS

Category 2 presents GAA pending bills that did not meet the checklist criteria established by the Committee and especially as regards to the requisite documents necessary for processing payment. The details of the requisite documents that were not available for verification are indicated.

##### 4.2.1 PDU NON-COMPLIANT PENDING PAYMENT GAA

Table I

|                                               | MEDIA HOUSE                              | ORDER DATE | ORDER NO. | ORDER AMOUNT         | INVOICE NO. | INVOICE AMOUNT | OBSERVATION AS OF JULY | REMARKS                                       |
|-----------------------------------------------|------------------------------------------|------------|-----------|----------------------|-------------|----------------|------------------------|-----------------------------------------------|
| 1                                             | NATIONMEDIA                              | 12/11/2017 | 97968     | 2,088,000.00         | 2592834     | 2,088,000.00   | NON COMPLANT           | Lack of Requisition Letter from PDU           |
| 2                                             | NATIONMEDIA                              | 8/7/2017   | 7839      | 20,000,000.00        | 90349795    | 20,000,000.00  | NON COMPLANT           |                                               |
| 3                                             | NATIONMEDIA                              | 7/1/2017   | 5893      | 14,546,400.00        | 90296548    | 14,546,400.00  | NON COMPLANT           |                                               |
| 4                                             | NATIONMEDIA                              | 11/24/2017 | 97958     | 2,088,000.00         | 2592735     | 2,088,000.00   | NON COMPLANT           |                                               |
| <b>SUB TOTAL NATION PDU</b>                   |                                          |            |           | <b>38,722,400.00</b> |             |                |                        |                                               |
| 5                                             | STANDARD                                 | 7/1/2017   | 963       | 14,163,600.00        | 80040305    | 14,163,600.00  | NON COMPLANT           | Lack of Requisition Letter from PDU           |
| 6                                             | STANDARD                                 | 7/1/2017   | 960       | 6,124,800.00         | 80040306    | 6,124,800.00   | NON COMPLANT           |                                               |
| <b>SUB TOTAL STANDARD PDU</b>                 |                                          |            |           | <b>20,288,400.00</b> |             |                |                        |                                               |
| 7                                             | MEDIA MAX                                | 20/07/2017 | 5655      | 5,220,000.00         | INV40167    | 5,220,000.00   | NON COMPLANT           | Lack of Requisition Letter from PDU           |
| 8                                             | MEDIA MAX                                | 20/07/2017 | 5656      | 1,160,000.00         | INV40168    | 1,160,000.00   | NON COMPLANT           |                                               |
| <b>SUB TOTAL MEDIA MAX NETORK LTD - PDU</b>   |                                          |            |           | <b>6,380,000.00</b>  |             |                |                        |                                               |
| 9                                             | KISS TV                                  |            |           | 4,500,000.00         | SINVO10283  | 4,500,000.00   | NON COMPLANT           | Lack of Requisition Letter from PDU and Space |
| 10                                            | BAMBA SPORT                              |            |           | 4,500,000.00         | SINVO10140  | 4,500,000.00   | NON COMPLANT           |                                               |
| <b>SUB TOTAL RADIO AFRICA GROUP LTD - PDU</b> |                                          |            |           | <b>9,000,000.00</b>  |             |                |                        |                                               |
| 11                                            | KBC                                      | 8/3/2017   | 38691     | 9,280,000.00         | A19277      | 9,280,000.00   | NON COMPLANT           | Lack of Requisition Letter from PDU           |
| 12                                            | KBC                                      | 11/1/2017  | 39965     | 406,000.00           | A20741      | 406,000.00     | NON COMPLANT           |                                               |
| <b>SUB TOTAL KBC - PDU</b>                    |                                          |            |           | <b>9,686,000.00</b>  |             |                |                        |                                               |
| 13                                            | Star Fm                                  | 7/3/2017   | 55        | 580,000.00           | 1436        | 580,000.00     | NON COMPLANT           | Lack of Requisition Letter from PDU           |
| 14                                            | West TV                                  | 6/30/2017  | 425       | 1,160,000.00         | 10          | 1,160,000.00   | NON COMPLANT           |                                               |
| 15                                            | Good News Broadcasting                   | 6/30/2017  | 106       | 580,000.00           | 2017/102    | 580,000.00     | NON COMPLANT           |                                               |
| 16                                            | Touch Media Africa (Mother and Child TV) | 7/3/2017   | 4011      | 580,000.00           | 23549       | 580,000.00     | NON COMPLANT           |                                               |
| 17                                            | Elimu Digital Media Limited Elimu TV     | 8/2/2017   | 27        | 580,000.00           | 451         | 580,000.00     | NON COMPLANT           | Lack of Requisition Letter from PDU           |
| 18                                            | Kenyatta University                      | 6/30/2017  | 53        | 1,618,200.00         | 10161       | 1,618,200.00   | NON COMPLANT           |                                               |
| 19                                            | Zion Rock Agencies (Utugi TV)            | 7/1/2017   | 73        | 580,000.00           | 27          | 580,000.00     | NON COMPLANT           |                                               |
| 20                                            | Tribune Media Network Limited (Muamba)   | 7/3/2017   | 2         | 580,000.00           | 2           | 580,000.00     | NON COMPLANT           |                                               |
| 21                                            | Around The Globe Ltd                     | 7/1/2017   | 3255      | 580,000.00           | 17/313      | 580,000.00     | NON COMPLANT           |                                               |
| 22                                            | Health TV Africa Limited                 | 7/3/2017   | 117       | 580,000.00           | 4           | 580,000.00     | NON COMPLANT           |                                               |
| 23                                            | New Dawn Africa News Agency (Islamia TV) | 7/1/2017   | 153       | 580,000.00           | 133         | 580,000.00     | NON COMPLANT           |                                               |
| 24                                            | Woni Company Limited                     | 5/19/2017  | 1711      | 1,160,000.00         | W01004      | 1,160,000.00   | NON COMPLANT           |                                               |
| 25                                            | Woni Company Limited                     | 4/28/2017  | 1706      | 580,000.00           | W01003      | 580,000.00     | NON COMPLANT           |                                               |
| 26                                            | Tamaz Comm. ltd (Horizon TV)             | 7/1/2017   | 6         | 696,000.00           | 2           | 696,000.00     | NON COMPLANT           |                                               |
| 27                                            | Royal Media Services Ltd (InooroTV)      | 6/14/2017  | 227       | 1,160,000.00         | 346669      | 1,160,000.00   | NON COMPLANT           |                                               |
| 28                                            | Musline Comm. Ltd (Parastatal)           | 7/1/2017   | 417       | 580,000.00           | 21          | 580,000.00     | NON COMPLANT           | Lack of Requisition                           |
| 29                                            | Threestones Limited                      | 7/1/2017   | 190       | 580,000.00           | 2017/20     | 580,000.00     | NON COMPLANT           |                                               |
| 30                                            | Global Konnect (Farmers TV)              | 7/1/2017   | 105       | 580,000.00           | 108         | 580,000.00     | NON COMPLANT           |                                               |
| 31                                            | Signs Media Kenya Limited                | 7/3/2017   | 5         | 580,000.00           | 3           | 580,000.00     | NON COMPLANT           |                                               |
| 32                                            | Revival Time Media Ltd                   | 7/18/2017  | 51        | 580,000.00           | 1300108     | 580,000.00     | NON COMPLANT           |                                               |

|                                     |                                |           |         |            |          |                      |              |                                                                                                                                                                                   |  |
|-------------------------------------|--------------------------------|-----------|---------|------------|----------|----------------------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| 33                                  | Homeland Media (Kyenitv)       | 7/3/2017  | 235     | 580,000.00 | TVC123   | 580,000.00           | NON COMPLANT | Letter from PDU<br><br>Claim 43 to be certified by the client because variance in dates on Order and Invoice. An indemnity letter also required to declare the error in invoicing |  |
| 34                                  | Kalee Ltd (KassTV)             | 7/1/2017  | 7549    | 580,000.00 | INA22274 | 580,000.00           | NON COMPLANT |                                                                                                                                                                                   |  |
| 35                                  | Fanaka Television Limited      | 7/1/2017  | 10126   | 580,000.00 | 1010     | 580,000.00           | NON COMPLANT |                                                                                                                                                                                   |  |
| 36                                  | Gutherema Investment Ltd (CTN) | 7/3/2017  | 104     | 580,000.00 | 6        | 580,000.00           | NON COMPLANT |                                                                                                                                                                                   |  |
| 37                                  | Moi University                 | 7/10/2017 | 4       | 580,000.00 | 208891   | 580,000.00           | NON COMPLANT |                                                                                                                                                                                   |  |
| 38                                  | Unjiru Television Network(Utv) | 7/2/2017  | UTV/020 | 580,000.00 | UTV/0316 | 580,000.00           | NON COMPLANT |                                                                                                                                                                                   |  |
| 39                                  | PwaniTV                        | 7/3/2017  | 256     | 580,000.00 | 102      | 580,000.00           | NON COMPLANT |                                                                                                                                                                                   |  |
| 40                                  | Outcom media Co. (BugiTV)      | 7/3/2017  | 658     | 580,000.00 | 160417   | 580,000.00           | NON COMPLANT |                                                                                                                                                                                   |  |
| 41                                  | Border Media Group Ltd         | 7/1/2017  | 4       | 580,000.00 | 2        | 580,000.00           | NON COMPLANT |                                                                                                                                                                                   |  |
| 42                                  | Zion Rock Agencies (Kiku)      | 7/3/2017  | 50      | 580,000.00 | 25       | 580,000.00           | NON COMPLANT |                                                                                                                                                                                   |  |
| 43                                  | Zion Rock Agencies (Kiku)      | 8/1/2017  | 31      | 580,000.00 | 26       | 580,000.00           | NON COMPLANT |                                                                                                                                                                                   |  |
| <b>NON-MAINSTREAM PDU SUB TOTAL</b> |                                |           |         |            |          | <b>20,874,200.00</b> |              |                                                                                                                                                                                   |  |

TOTAL FOR PDU = 38,722,400.00+20,288,400.00+6,380,000.00+9,000,000.00+9,686,000.00+ 20,874,200.00  
= 104,951,000.00

#### 4.2.2. OTHER NON-COMPLIANT PENDING PAYMENT GAA

Table II

| NATION STAND ALONE 2016/2017        |              |            |           |              |                  |                     |                         |                                                |
|-------------------------------------|--------------|------------|-----------|--------------|------------------|---------------------|-------------------------|------------------------------------------------|
| SN                                  | MEDIA HOUSE  | ORDER DATE | ORDER NO. | ORDER AMOUNT | INVOICE NO.      | INVOICE AMOUNT      | OBSERVATION AS OF JULY, | REMARKS                                        |
| 44                                  | NATIONMEDIA  | 8/19/2015  | 59928     | 192,000.00   | 2422842          | 192,000.00          | NON-COMPLIANT           | Claim require validation by HELB and CAK       |
| 45                                  | NATIONMEDIA  | 8/19/2015  | 59927     | 97,000.00    | 2542986          | 97,000.00           | NON-COMPLIANT           |                                                |
| 46                                  | NATIONMEDIA  | 11/16/2015 | 92977     | 177,000      | 2435914          | 177,000             | NON-COMPLIANT           | Claims require Validation by IRA, HELB, KIRDI. |
| 47                                  | NATIONMEDIA  | 28/08/2015 | 69962     | 53,999.00    | 2422022          | 53,999.00           | NON-COMPLIANT           |                                                |
| 48                                  | NATIONMEDIA  | 28/08/2015 | 69962     | 108,000.00   | 2422979          | 108,000.00          | NON-COMPLIANT           |                                                |
| 49                                  | NATIONMEDIA  | 13/08/2015 | 92979     | 126,440.00   | 2422020          | 126,440.00          | NON-COMPLIANT           |                                                |
| 50                                  | NATIONMEDIA  | 24/11/2015 | 92976     | 183,744.00   | 2437188          | 183,744.00          | NON-COMPLIANT           |                                                |
| 51                                  | NATION MEDIA | -          | -         | 2,250,000.00 | 12435204/196/179 | 2,250,000.00        | NON-COMPLIANT           |                                                |
| 52                                  | NATIONMEDIA  | 8/19/2015  | 59926     | 177,000.00   | 2422979          | 177,000.00          | NON-COMPLIANT           |                                                |
| 53                                  | NATIONMEDIA  | 13/08/2015 | 92983     | 126,440.00   | 2422022          | 126,440.00          | NON-COMPLIANT           |                                                |
| 54                                  | NATION MEDIA | 19/08/2015 | 59929     | 192,000      | 2422968          | 192,000.00          | NON-COMPLIANT           |                                                |
| 55                                  | NATIONMEDIA  | 20/08/2015 | 59942     | 96,048.00    | 2423544          | 96,048.00           | NON-COMPLIANT           |                                                |
| 56                                  | NATIONMEDIA  | 13/08/2015 | 92982     | 126,440.00   | 2422023          | 126,440.00          | NON-COMPLIANT           |                                                |
| 57                                  | NATIONMEDIA  | 08/10/2015 | 92980     | 412,000.00   | 2430372          | 412,000.00          | NON-COMPLIANT           |                                                |
| 58                                  | NATIONMEDIA  | 07/06/2016 | 81329     | 177,000.00   | 2464896          | 177,000.00          | NON-COMPLIANT           |                                                |
| 59                                  | NATIONMEDIA  | 16/08/2017 | 86248     | 412,00.00    | 86248            | 412,000.00          | NON-COMPLIANT           |                                                |
| <b>NATION MEDIA HOUSE SUB TOTAL</b> |              |            |           |              |                  | <b>4,907,111.00</b> |                         |                                                |

Table III

| STANDARD MEDIA GROUP 2017/2018      |                |            |           |              |             |                   |                              |                                                                                          |
|-------------------------------------|----------------|------------|-----------|--------------|-------------|-------------------|------------------------------|------------------------------------------------------------------------------------------|
|                                     | PAYMENT STATUS | ORDER DATE | ORDER NO. | ORDER AMOUNT | INVOICE NO. | INVOICE AMOUNT    | OBSERVATION AS AT JULY, 2019 | REMARKS                                                                                  |
| 60                                  | STANDARD       | 27/11/2017 | 372586    | 1,740,000.00 | 80045729    | 1,740,000.00      | NON-COMPLIANT                | Panorama inserts during Presidential inauguration.<br><br>Requires requisition           |
| 61                                  | STANDARD       | 19/10/2017 | 10776     | 580,000.00   | 80044259    | 580,000.00        | NON-COMPLIANT                | Requirements: Requisition letter from Office of the President and of transmission report |
| 62                                  | STANDARD       | 19/10/2017 | 2707      | 348,000.00   | 80044388    | 348,000.00        | NON-COMPLIANT                |                                                                                          |
| <b>STANDARD UNPAYABLE SUB TOTAL</b> |                |            |           |              |             | <b>2,668,000.</b> |                              |                                                                                          |

|                  |          |            |          |              |            |                      |               |
|------------------|----------|------------|----------|--------------|------------|----------------------|---------------|
| 115              | The Star | 29/3/2016  | 25143    | 171,007.20   | SINV022708 | 171,007.20           | NON-COMPLIANT |
| 116              | The Star | 16/02/2016 | 25117    | 171,007.20   | SINV022303 | 171,007.20           | NON-COMPLIANT |
| 117              | The Star | 3/5/2016   | 26119    | 190,008.00   | SINV023029 | 190,008.00           | NON-COMPLIANT |
| 118              | The Star | 5/5/2016   | 26122    | 171,007.20   | SINV023082 | 171,007.20           | NON-COMPLIANT |
| 119              | The Star | 5/5/2016   | 26121    | 82,336.80    | SINV023081 | 82,336.80            | NON-COMPLIANT |
| 120              | The Star | 13/08/2015 | 21627    | 126,672.00   | SINV020649 | 126,672.00           | NON-COMPLIANT |
| 121              | The Star | 2/10/2015  | 23378    | 82,336.80    | SINV021064 | 82,336.80            | NON-COMPLIANT |
| 122              | The Star | 26/09/2015 | 23373    | 684,028.80   | SINV021009 | 684,028.80           | NON-COMPLIANT |
| 123              | The Star | 4/12/2017  | 27823    | 342,014.00   | SINV025518 | 342,014.00           | NON-COMPLIANT |
| 124              | The Star | 12/5/2017  | 27825    | 97,875.00    | SINV025689 | 97,875.00            | NON-COMPLIANT |
| 125              | The Star | 22/11/2016 | 26252    | 171,007.20   | SINV025088 | 171,007.20           | NON-COMPLIANT |
| 126              | The Star | 29/7/2016  | P00018   | 50,000.00    | SINV023800 | 50,000.00            | NON-COMPLIANT |
| 127              | The Star | 5/7/2016   | 26818    | 82,336.80    | SINV023575 | 82,336.80            | NON-COMPLIANT |
| 128              | The Star | 5/7/2016   | 26817    | 342,014.00   | SINV023574 | 342,014.00           | NON-COMPLIANT |
| 129              | The Star | 9/7/2016   | 26962    | 684,028.80   | SINV024104 | 684,028.80           | NON-COMPLIANT |
| 130              | The Star | 15/2/2017  | 27714    | 63,336.00    | SINV025225 | 63,336.00            | NON-COMPLIANT |
| 131              | The Star | 23/12/2016 | 26283    | 171,007.20   | SINV025412 | 171,007.20           | NON-COMPLIANT |
| 132              | The Star | 7/1/2017   | 262900   | 82,336.80    | SINV025716 | 82,336.80            | NON-COMPLIANT |
| 133              | The Star | 27/1/2017  | 27803    | 684,028.80   | SINV025783 | 684,028.80           | NON-COMPLIANT |
| 134              | The Star | 14/2/2017  | 27809    | 171,007.20   | SINV025057 | 171,007.20           | NON-COMPLIANT |
| 135              | The Star | 22/09/2016 | 26968    | 82,336.80    | SINV024776 | 82,336.80            | NON-COMPLIANT |
| 136              | The Star | 19/5/2017  | 27828    | 456,019.20   | SINV025786 | 456,019.20           | NON-COMPLIANT |
| 137              | The Star | 26/01/2017 | 27801    | 171,007.20   | SINV025784 | 171,007.20           | NON-COMPLIANT |
| 138              | The Star | 30/09/2016 | 26977    | 342,014.40   | SINV024455 | 342,014.40           | NON-COMPLIANT |
| 139              | The Star | 5/10/2016  | 26978    | 342,014.40   | SINV024492 | 342,014.40           | NON-COMPLIANT |
| 140              | The Star | 7/9/2016   | 26962    | 684,028.80   | SINV024104 | 684,028.80           | NON-COMPLIANT |
| 141              | The Star | 24/09/2016 | 26971    | 684,018.80   | SINV024435 | 684,018.80           | NON-COMPLIANT |
| 142              | The Star | 5/1/2017   | 26289    | 171,007.20   | SINV025715 | 171,007.20           | NON-COMPLIANT |
| 143              | The Star | 18/01/2017 | 26297    | 190,008.00   | SINV025739 | 190,008.00           | NON-COMPLIANT |
| 144              | The Star | 24/01/2017 | 26299    | 684,028.80   | SINV025761 | 684,028.80           | NON-COMPLIANT |
| 145              | The Star | 23/12/2016 | 26282    | 684,028.80   | SINV025413 | 684,028.80           | NON-COMPLIANT |
| 146              | The Star | 28/12/2016 | 26288    | 342,014.40   | SINV025421 | 342,014.40           | NON-COMPLIANT |
| 147              | The Star | 4/11/2016  | 26999    | 342,014.40   | SINV024899 | 342,014.40           | NON-COMPLIANT |
| 148              | The Star | 11/11/2016 | 26276    | 171,007.20   | SINV025310 | 171,007.20           | NON-COMPLIANT |
| 149              | The Star | 13/7/2018  | SO05307  | 467,712.00   | SINV029379 | 467,712.00           | NON-COMPLIANT |
| 150              | The Star | 4/12/2017  | 27823    | 342,014.40   | SINV025518 | 342,014.40           | NON-COMPLIANT |
| 151              | The Star | 15/11/2017 | SO02771  | 1,368,057.60 | SINV027879 | 1,368,057.60         | NON-COMPLIANT |
| 152              | The Star | 2/8/2018   | SO025533 | 169,360.00   | SINV029476 | 169,360.00           | NON-COMPLIANT |
| 153              | The Star | 13/07/2018 | SO05305  | 464,000.00   | SINV029380 | 464,000.00           | NON-COMPLIANT |
| <b>SUB-TOTAL</b> |          |            |          |              |            | <b>15,518,258.00</b> |               |

Table VI

## RADIO AFRICA MEDIA GROUP - BROADCAST CLAIMS

|                               | MEDIA HOUSE | ORDER DATE | ORDER NO | ORDER AMOUNT | INVOICE NO    | INVOICE AMOUNT    | OBSERVATION AS AT JULY, 2019 | REMARKS                                                                                                           |
|-------------------------------|-------------|------------|----------|--------------|---------------|-------------------|------------------------------|-------------------------------------------------------------------------------------------------------------------|
| 154                           | KISS FM     | 4/8/2017   | P017691  | 150,000.00   | SINV010680    | 150,000.00        | NON-COMPLIANT                | Requisition letter from IPOA required.<br>Transmission report and Space Orders (for claims 116-119) also required |
| 155                           | RADIO JAMBO | -          | -        | -            | SINV00523     | 290,000.00        | NON-COMPLIANT                |                                                                                                                   |
| 156                           | CLASSIC 105 | -          | -        | -            | SINV01036     | 208,800.00        | NON-COMPLIANT                |                                                                                                                   |
| 157                           | RADIO JAMBO | -          | -        | -            | SINV004965    | 208,800.00        | NON-COMPLIANT                |                                                                                                                   |
| 158                           | RADIO JAMBO | -          | -        | -            | DSA/2017/0030 | 464,000.00        | NON-COMPLIANT                |                                                                                                                   |
| <b>RADIO AFRICA SUB TOTAL</b> |             |            |          |              |               | <b>1,321,600.</b> |                              |                                                                                                                   |

Table VII

## KBC STAND ALONE 2017/2018

| SN                   | MEDIA HOUSE | ORDER DATE | ORDER NO. | ORDER AMOUNT | INVOICE NO. | INVOICE AMOUNT      | OBSERVATION AS AT JULY, 2019 | REMARKS                                                                        |
|----------------------|-------------|------------|-----------|--------------|-------------|---------------------|------------------------------|--------------------------------------------------------------------------------|
| 159                  | KBC         | 4/3/2016   | 36003     |              | A13677      | 109,000.00          | NON-COMPLIANT                | Requires requisition letters from KNCHR, Ministry of Devolution, KRA and IEBC. |
| 160                  | KBC         | 24/2/2016  | 33925     | 580,000.00   | A13444      | 580,000.00          | NON-COMPLIANT                |                                                                                |
| 161                  | KBC         | 27/11/2017 | 39966     | 232,000.00   | A20742      | 232,000.00          | NON-COMPLIANT                |                                                                                |
| 162                  | KBC         | 19/10/2017 | 41077     | 232,000.00   | -           | 232,000.00          | NON-COMPLIANT                |                                                                                |
| 163                  | KBC         | 4/8/2017   | 40092     | 232,000.00   | A19702      | 232,000.00          | NON-COMPLIANT                |                                                                                |
| 164                  | KBC         | 4/8/2017   | 40091     | 348,000.00   | A19701      | 348,000.00          | NON-COMPLIANT                |                                                                                |
| <b>KBC SUB-TOTAL</b> |             |            |           |              |             | <b>1,044,000.00</b> |                              |                                                                                |

Table IV

| MEDIA MAX STAND ALONE GAA BILLS 2015/2016-2016/2017 |             |            |           |              |             |                |                              |                                                                      |
|-----------------------------------------------------|-------------|------------|-----------|--------------|-------------|----------------|------------------------------|----------------------------------------------------------------------|
| SN                                                  | MEDIA HOUSE | ORDER DATE | ORDER NO. | ORDER AMOUNT | INVOICE NO. | INVOICE AMOUNT | OBSERVATION AS AT JULY, 2019 | REMARKS                                                              |
| 63                                                  | MEDIA MAX   | 31/03/2016 | 9527      | 87,000.00    | INV31253    | 87,000.00      | NON-COMPLIANT                | Claims 63 to 91 lacks requisition letters                            |
| 64                                                  | MEDIA MAX   | 27/07/2015 | 3298      | 126,440.00   | INV25845    | 126,440.00     | NON-COMPLIANT                |                                                                      |
| 65                                                  | MEDIA MAX   | 10/11/2016 | 3231      | 638,000.00   | INV35817    | 638,000.00     | NON-COMPLIANT                |                                                                      |
| 66                                                  | MEDIA MAX   | 01/12/2015 | 8523      | 1,392,000.00 | INV28856    | 1,392,000.00   | NON-COMPLIANT                |                                                                      |
| 67                                                  | MEDIA MAX   | 15/09/2016 | 1598      | 696,000.00   | INV34828    | 696,000.00     | NON-COMPLIANT                |                                                                      |
| 68                                                  | MEDIA MAX   | 7/08/2015  | 7021      | 162,400.00   | INV29540    | 162,400.00     | NON-COMPLIANT                |                                                                      |
| 69                                                  | MEDIA MAX   | 7/08/2015  | 7111      | 324,800.00   | INV26218    | 324,800.00     | NON-COMPLIANT                |                                                                      |
| 70                                                  | MEDIA MAX   | 7/09/2015  | 7713      | 1,392,000.00 | INV27068    | 1,392,000.00   | NON-COMPLIANT                |                                                                      |
| 71                                                  | MEDIA MAX   | 1/04/2016  | 8033      | 182,120.00   | INV31319    | 182,120.00     | NON-COMPLIANT                |                                                                      |
| 72                                                  | MEDIA MAX   | 10/11/2016 | 3230      | 126,440.00   | INV35802    | 126,440.00     | NON-COMPLIANT                |                                                                      |
| 73                                                  | MEDIA MAX   | 11/11/2016 | 3226      | 319,000.00   | INV35845    | 319,000.00     | NON-COMPLIANT                |                                                                      |
| 74                                                  | MEDIA MAX   | 10/11/2016 | 3228      | 467,712.00   | INV35812    | 467,712.00     | NON-COMPLIANT                |                                                                      |
| 75                                                  | MEDIA MAX   | 11/11/2016 | 3227      | 175,392.00   | INV35846    | 175,392.00     | NON-COMPLIANT                |                                                                      |
| 76                                                  | MEDIA MAX   | 11/01/2016 | 7023      | 928,928.00   | INV29459    | 928,928.00     | NON-COMPLIANT                |                                                                      |
| 77                                                  | MEDIA MAX   | 12/11/2015 | 8501      | 63,800.00    | INV28358    | 63,800.00      | NON-COMPLIANT                |                                                                      |
| 78                                                  | MEDIA MAX   | 13/11/2015 | 8506      | 126,440.00   | INV28357    | 126,440.00     | NON-COMPLIANT                |                                                                      |
| 79                                                  | MEDIA MAX   | 6/04/2016  | 8037      | 319,000.00   | INV31367    | 319,000.00     | NON-COMPLIANT                |                                                                      |
| 80                                                  | MEDIA MAX   | 4/03/2016  | 9516      | 126,440.00   | INV30601    | 126,440.00     | NON-COMPLIANT                |                                                                      |
| 81                                                  | MEDIA MAX   | 3/3/2016   | 9514      | 63,800.00    | INV30609    | 63,800.00      | NON-COMPLIANT                |                                                                      |
| 82                                                  | MEDIA MAX   | 4/4/2016   | 8034      | 252,880.00   | INV31334    | 252,880.00     | NON-COMPLIANT                |                                                                      |
| 83                                                  | MEDIA MAX   | 2/3/2016   | 8025      | 252,880.00   | INV30616    | 252,880.00     | NON-COMPLIANT                |                                                                      |
| 84                                                  | MEDIA MAX   | 14/01/2016 | 8542      | 126,440.00   | INV29552    | 126,440.00     | NON-COMPLIANT                |                                                                      |
| 85                                                  | MEDIA MAX   | 28/08/2015 | 7132      | 162,400.00   | INV26673    | 162,400.00     | NON-COMPLIANT                |                                                                      |
| 86                                                  | MEDIA MAX   | 12/11/2015 | 8503      | 467,712.00   | INV28361    | 467,712.00     | NON-COMPLIANT                |                                                                      |
| 87                                                  | MEDIA MAX   | 25/08/2015 | 7126      | 252,880.00   | INV26450    | 252,880.00     | NON-COMPLIANT                |                                                                      |
| 88                                                  | MEDIA MAX   | 25/12/2015 | 7023      | 928,928.00   | INV29414    | 928,928.00     | NON-COMPLIANT                |                                                                      |
| 89                                                  | MEDIA MAX   | 13/11/2015 | 8505      | 730,800.00   | INV28359    | 730,800.00     | NON-COMPLIANT                |                                                                      |
| 90                                                  | MEDIA MAX   | 31/05/2016 | 8035      | 63,800.00    | INV32620    | 63,800.00      | NON-COMPLIANT                |                                                                      |
| 91                                                  | MEDIA MAX   | 7/1/2017   | 1696      | 162,400.00   | INV37280    | 162,400.00     | NON-COMPLIANT                |                                                                      |
| 92                                                  | MEDIA MAX   | 27/01/2017 | 2304      | 63,800.00    | INV37271    | 63,800.00      | NON-COMPLIANT                | Claims 93 and 94 lack Requisition letters and evidence of work done. |
| 93                                                  | MEDIA MAX   | 10/02/2017 | 2315      | 591,600.00   | INV37641    | 591,600.00     | NON-COMPLIANT                |                                                                      |
| 94                                                  | MEDIA MAX   | 13/02/2017 | 2320      | 81,200.00    | INV37642    | 81,200.00      | NON-COMPLIANT                | Claims 95,96 and 97 lack Requisition letters and Transmission Report |
| 95                                                  | MEDIA MAX   | 30/09/2016 | 4074      | 139,200.00   | INV34871    | 139,200.00     | NON-COMPLIANT                |                                                                      |
| 96                                                  | MEDIA MAX   | 30/11/2017 | 5669      | 348,000.00   | INV42096    | 348,000.00     | NON-COMPLIANT                |                                                                      |
| 97                                                  | MEDIA MAX   | 30/11/2017 | 5670      | 232,000.00   | INV42079    | 232,000.00     | NON-COMPLIANT                | Claims 95,96 and 97 lack Requisition letters and Transmission Report |
| 98                                                  | MEDIA MAX   | 24/04/2017 | 687       | 1,150,720.00 | INV38677    | 1,150,720.00   | NON-COMPLIANT                |                                                                      |
| 99                                                  | MEDIA MAX   | 28/07/2015 | 3278      | 493,000.00   | INV25975    | 493,000.00     | NON-COMPLIANT                |                                                                      |
| 100                                                 | MEDIA MAX   | 31/03/2016 | 7964      | 174,000.00   | INV30853    | 174,000.00     | NON-COMPLIANT                |                                                                      |
| SUB-TOTAL                                           |             |            |           |              |             | 14,392,352.00  |                              |                                                                      |

Table V

| RADIO AFRICA MEDIA GROUP - PRINT CLAIMS |             |            |          |              |            |                |                              |                                                                                                                         |
|-----------------------------------------|-------------|------------|----------|--------------|------------|----------------|------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| NO                                      | MEDIA HOUSE | ORDER DATE | ORDER NO | ORDER AMOUNT | INVOICE NO | INVOICE AMOUNT | OBSERVATION AS AT JULY, 2019 | REMARKS                                                                                                                 |
| 101                                     | The Star    | 4/9/2015   | 23216    | 342,014.40   | SINV020827 | 342,014.40     | NON-COMPLIANT                | Clients (MDAs) to provide requisition letters<br><br>The service provider (Radio Africa) to provide original documents. |
| 102                                     | The Star    | 12/11/2015 | 22952    | 171,007.20   | SINV021487 | 171,007.20     | NON-COMPLIANT                |                                                                                                                         |
| 103                                     | The Star    | 13/5/2016  | 25332    | 278,400.00   | SINV023174 | 278,400.00     | NON-COMPLIANT                |                                                                                                                         |
| 104                                     | The Star    | 21/6/2016  | 26145    | 82,336.80    | SINV023507 | 82,336.80      | NON-COMPLIANT                |                                                                                                                         |
| 105                                     | The Star    | 1/6/2016   | 26138    | 82,336.80    | SINV023309 | 82,336.80      | NON-COMPLIANT                |                                                                                                                         |
| 106                                     | The Star    | 17/3/2016  | 25131    | 342,014.00   | SINV022626 | 342,014.00     | NON-COMPLIANT                |                                                                                                                         |
| 107                                     | The Star    | 18/2/2016  | 25119    | 171,007.20   | SINV022333 | 171,007.20     | NON-COMPLIANT                |                                                                                                                         |
| 108                                     | The Star    | 17/2/2016  | 25118    | 82,336.80    | SINV022331 | 82,336.80      | NON-COMPLIANT                |                                                                                                                         |
| 109                                     | The Star    | 3/2/2016   | 25109    | 342,014.40   | SINV022142 | 342,014.40     | NON-COMPLIANT                |                                                                                                                         |
| 110                                     | The Star    | 22/5/2016  | 26144    | 82,336.80    | SINV023503 | 82,336.80      | NON-COMPLIANT                |                                                                                                                         |
| 111                                     | The Star    | 6/6/2016   | 26141    | 82,336.80    | SINV023413 | 82,336.80      | NON-COMPLIANT                |                                                                                                                         |
| 112                                     | The Star    | 12/4/2016  | 26103    | 171,007.20   | SINV022854 | 171,007.20     | NON-COMPLIANT                |                                                                                                                         |
| 113                                     | The Star    | 17/06/2016 | 26142    | 171,007.20   | SINV023489 | 171,007.20     | NON-COMPLIANT                |                                                                                                                         |
| 114                                     | The Star    | 10/3/2016  | 25127    | 342,014.40   | SINV022629 | 342,014.40     | NON-COMPLIANT                |                                                                                                                         |

| NON-MAINSTREAM MEDIA GROUPS STAND ALONE 2017/2018 |                            |               |           |              |          |               |               |                                                                                  |
|---------------------------------------------------|----------------------------|---------------|-----------|--------------|----------|---------------|---------------|----------------------------------------------------------------------------------|
| 165                                               | Heroes Fm And Tv Ltd       | 20/10/2017    | nil       | 174,000.00   | 614/17   | 174,000.00    | NON-COMPLIANT | Requires requisition Letter from Presidency for inauguration services            |
| 166                                               | Sauti Ya Rehema Rtvn       | 20/10/2017    | SYR//2017 | 174,000.00   | 1591     | 174,000.00    | NON-COMPLIANT |                                                                                  |
| 167                                               | SautiYa Mwananchi Radio    | 20/10/2017    | Nil       | 174,000.00   | 23/SYM/  | 174,000.00    | NON-COMPLIANT |                                                                                  |
| 168                                               | Bold Media Ltd             | -             | -         | 1,508,000.00 | 113-2016 | 1,508,000.00  | NON-COMPLIANT | Requires requisition letters from IPOA, IEBC, Ministry of Devolution, KNCHR, KRA |
| 169                                               | Athiani Holdings Ltd       | 8/12/2016     | 2367      | 290,000.00   | -        | 290,000.00    | NON-COMPLIANT |                                                                                  |
| 170                                               | Media Edge Interactive Ltd | 3/9/2015      | /217/09/  | 616,911.00   | -        | 616,911.00    | NON-COMPLIANT |                                                                                  |
| 171                                               | Musilne Comm. Ltd          | 2015          | 412       | 440,800.00   | -        | 440,800.00    | NON-COMPLIANT | Claim 168 has no order Attached.                                                 |
| 172                                               | Liason Media               | 24/11/2015    | 2810      | 696,000.00   | -        | 696,000.00    | NON-COMPLIANT |                                                                                  |
| 173                                               | Qwetu Media                | 5/4/2017      | 563       | 1,856,000.00 | -        | 1,856,000.00  | NON-COMPLIANT |                                                                                  |
| 174                                               | Nam Lolwe FM               | 6 & 13/8/2017 | 1328      | 200,000.00   | 1146     | 200,000.00    | NON-COMPLIANT | Requires requisition letter from IPOA                                            |
| 175                                               | West FM                    | 4/8/2017      | 0448      | 290,000.00   | 6292     | 290,000.00    | NON-COMPLIANT |                                                                                  |
| 176                                               | Radio Akicha               | 4/8/2017      | 001/2017  | 232,000.00   | WCL1011  | 232,000.00    | NON-COMPLIANT |                                                                                  |
| 177                                               | Kass FM                    | 4/8/2017      | 5739      | 282,750.00   | INA22283 | 282,750.00    | NON-COMPLIANT | Documents at DCI                                                                 |
| 178                                               | Sunday Publishers          | 8/7/2016      | 20        | 610,000.00   | 24       | 610,000.00    | NON-COMPLIANT |                                                                                  |
| 179                                               | Sunday Publishers          | 20/7/2016     | 15        | 85,000.00    | 27       | 85,000.00     | NON-COMPLIANT |                                                                                  |
| 180                                               | Mt. Kenya Star             | 19/7/2016     | 41        | 470,000.00   | 125      | 470,000.00    | NON-COMPLIANT | Claim 181 had no Invoice, evidence of work done and requisition letter           |
| 181                                               | Everest Productions EBRU   | 9/11/2015     | 25        | 232,000.00   | -        | 232,000.00    | NON-COMPLIANT |                                                                                  |
| 182                                               | Liason Media               | 5/10/2016     | 2558      | 2,436,000.00 | 16/083L  | 2,436,000.00  | NON-COMPLIANT |                                                                                  |
| NON-MAINSTREAM MEDIA GROUPS SUB-TOTAL             |                            |               |           |              |          | 10,767,461.00 |               |                                                                                  |

Table VIII

| EMERGING CLAIMS |                          |                  |          |              |                      |                          |                                                                                                                                                           |               |                                                                             |
|-----------------|--------------------------|------------------|----------|--------------|----------------------|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------------------------------------------------------------------|
| NO              | MEDIA HOUSE              | ORDER DATE       | ORDER NO | ORDER AMOUNT | INVOICE NO           | INVOICE AMOUNT           | OBSERVATION                                                                                                                                               | STATUS        | REMARKS                                                                     |
| 183             | Standard                 | 16 & 18 Nov 2016 | 370622   | 575,800      | 80030096<br>80030634 | 290,800.01<br>285,000.40 | Witness Protection Agency request posted in Standard Newspaper instead of Nation. Standard is claiming payment but WPA has refused because of the mix up. | NON COMPLIANT | Bill requires Accounting Officer authorization.                             |
| 184             | Radio Kaya               | 2/08/2017        | 1347     | 290,000.00   | 1608                 | 290,000.00               | No requisition, Order and Invoice are copies                                                                                                              | NON COMPLIANT | Not payable until the requisition from NPS and original documents provided. |
| 185             | The Standard             | 1/08/2018        | 395567   | 252,100.00   | 80055698             | 252,099.99               | No requisition from the CABINET AFFAIRS                                                                                                                   | NON COMPLIANT | Not payable until requisition letter from Cabinet Office availed            |
| 186             | The Standard             | 12/07/2018       | 395562   | 407,200.00   | 80054783             | 407,200.00               | No requisition from PSC                                                                                                                                   | NON COMPLIANT | Not payable until the requisition from PSC availed.                         |
| 187             | News Media Communication | 21/01/2016       | 1076     | 5,916,000    | 1076                 | 5,916,000                | Documents availed except                                                                                                                                  | NON-COMPLIANT | Contract requires validation;                                               |

|     |                          |            |       |               |        |               |                                                                                                                                                               |               |                                                                                                                                                                                                                                                           |
|-----|--------------------------|------------|-------|---------------|--------|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 88  | News Media Communication | 28/03/2016 | 1012  | 4,575,000     | 1012   | 4,575,000     | Certificate of Registration by Registrar of Societies. Client- National Land Commission. Print-run date within contract framework                             | NON-COMPLIANT | Accounts to certify if payment was made;<br><br>Certificate of registration required;<br><br>Requisition letter requires validation.                                                                                                                      |
| 89  | News Media Communication | 4/03/2016  | 1004  | 3,875,000     | 1004   | 3,875,000     |                                                                                                                                                               |               |                                                                                                                                                                                                                                                           |
| 90  | News Media Communication | 06/01/2017 | 1074  | 1,740,000     | 1074   | 1,740,000     |                                                                                                                                                               |               |                                                                                                                                                                                                                                                           |
| 91  | News Media Communication | 3/04/2017  | 1128  | 5,296,000     | 1128   | 5,296,000     | DOCUMENTS AVAILABLE except certificate of registration by Registrar of Societies. Client- National Land Commission. Print-run date outside contract framework | NON-COMPLIANT | Print-run date outside the contract framework that was submitted/attached                                                                                                                                                                                 |
| 92  | News Media Communication | 2/05/2018  | 1141  | 6,960,000     | 1141   | 6,960,000     |                                                                                                                                                               |               |                                                                                                                                                                                                                                                           |
| 93  | Royal Media S.           | 15/12/2015 | 14486 | 696,000.00    | 312162 | 678,182.40    | Client: Cooperative University                                                                                                                                | NON-COMPLIANT | Require requisition letters from all the clients.<br><br>Transmission report and original Documents also required from Royal Media Group<br><br>Claim 210, 211, 221 and 222 have original documents but lack requisition letters from consumer of service |
| 94  | Royal Media S.           | 15/12/2015 | 14119 | 147,900.00    | 313734 | 147,900       | Client: Cooperative University                                                                                                                                |               |                                                                                                                                                                                                                                                           |
| 95  | Royal Media S.           | 15/12/2015 | 14120 | 147,900.00    | 313996 | 147,900       | Client: Cooperative University                                                                                                                                |               |                                                                                                                                                                                                                                                           |
| 96  | Royal Media S.           | 26/08/2015 | 12823 | 13,224,000.00 | 305328 | 13,224,000.00 | Client: Department of Defense                                                                                                                                 |               |                                                                                                                                                                                                                                                           |
| 97  | Royal Media S.           | 10/08/2016 | 15245 | 3,718,813.85  | 334125 | 3,718,813.85  | Client: Department of Defense                                                                                                                                 |               |                                                                                                                                                                                                                                                           |
| 98  | Royal Media S.           | 09/09/2016 | 15242 | 1267,288.40   | 334128 | 1267,288.40   | Client: Department of Defense                                                                                                                                 |               |                                                                                                                                                                                                                                                           |
| 99  | Royal Media S.           | 02/11/2016 | 14625 | 754,000.00    | 333590 | 754,000.00    | Client: ICT Authority                                                                                                                                         |               |                                                                                                                                                                                                                                                           |
| 100 | Royal Media S.           | 28/11/2016 | 19106 | 464,000.00    | 334115 | 464,000.00    | Client: ICT Authority                                                                                                                                         |               |                                                                                                                                                                                                                                                           |
| 201 | Royal Media S.           | 06/12/2016 | 08072 | 348,000.00    | 335908 | 348,000.00    | Client: Independent Policing Oversight Authority                                                                                                              |               |                                                                                                                                                                                                                                                           |
| 102 | Royal Media S.           | 04/08/2017 | 23795 | 278,400.00    | 350004 | 278,400.00    | Client: Independent Policing Oversight Authority                                                                                                              |               |                                                                                                                                                                                                                                                           |
| 103 | Royal Media S.           | 04/05/2017 | 15952 | 519,744.00    | 144714 | 519,744.00    | Client: Kenya National Bureau of Statistics                                                                                                                   |               |                                                                                                                                                                                                                                                           |
| 104 | Royal Media S.           | 22/04/2016 | 15568 | 29,000.00     | 320050 | 29,000.00     | Client: Kenya National Human Rights Commission                                                                                                                |               |                                                                                                                                                                                                                                                           |
| 105 | Royal Media S.           | 15/05/2018 | 29675 | 464,000.00    | 365502 | 464,000.00    | Client: Kenya Post Office Savings Bank                                                                                                                        |               |                                                                                                                                                                                                                                                           |
| 206 | Royal Media S.           | 15/05/2018 | 12828 | 348,000.00    | 365370 | 348,000.00    | Client: Kenya Post Office Savings Bank                                                                                                                        |               |                                                                                                                                                                                                                                                           |
| 107 | Royal Media S.           | 26/02/2018 | 13623 | 986,000.00    | 360060 | 986,000.00    | Client: Kenya Urban Roads Authority                                                                                                                           |               |                                                                                                                                                                                                                                                           |

|                                  |                |            |         |              |         |                      |                                                 |
|----------------------------------|----------------|------------|---------|--------------|---------|----------------------|-------------------------------------------------|
| 208                              | Royal Media S. | 13/09/2016 | 14544   | 382,623.68   | 3289589 | 382,623.68           | Client:Ministry of Devolution                   |
| 9                                | Royal Media S. | 07/02/2018 | 15992   | 696,000.00   | 359986  | 696,000.00           | Client:Ministry of Education                    |
| 210                              | Royal Media S. | 27/11/2017 | 0502    | 580,000.00   | 355178  | 580,000.00           | Client:Ministry of Information                  |
| 1                                | Royal Media S. | 27/11/2017 | 0503    | 464,000.00   | 355181  | 464,000.00           | Client:Ministry of Information                  |
| 212                              | Royal Media S. | 11/10/2016 | 2708    | 348,000.00   | 331862  | 348,000.00           | Client:Ministry of Livestock and Fisheries      |
| 213                              | Royal Media S. | 02/12/2016 | 14495   | 116,000.00   | 335918  | 116,000.00           | Client:Multimedia University                    |
| 4                                | Royal Media S. | 29/01/2016 | 14489   | 1,316,667.00 | 314471  | 1,316,667.00         | Client:National Disaster Operations Centre      |
| 5                                | Royal Media S. | 02/08/2017 | 16082   | 696,000.00   | 349933  | 696,000.00           | Client:National Police Service                  |
| 216                              | Royal Media S. | 02/08/2017 | 23811   | 348,000.00   | 350147  | 348,000.00           | Client:National Police Service                  |
| 7                                | Royal Media S. | 17/02/2017 | 23706   | 348,000.00   | 340065  | 348,000.00           | Client:Office of Director of Public Prosecution |
| 218                              | Royal Media S. | 17/02/2017 | 08545   | 348,000.00   | 340376  | 348,000.00           | Client:Office of Director of Public Prosecution |
| 219                              | Royal Media S. | 17/02/2017 | 0000090 | 348,000.00   | 340334  | 348,000.00           | Client:Office of Director of Public Prosecution |
| 0                                | Royal Media S. | 17/02/2017 | 0000089 | 348,000.00   | 340844  | 348,000.00           | Client:Office of Director of Public Prosecution |
| 21                               | Royal Media S. | 19/10/2017 | 0034    | 580,000.00   | 353570  | 580,000.00           | Client:Office of the President                  |
| 22                               | Royal Media S. | 19/10/2017 | 0033    | 348,000.00   | 355087  | 348,000.00           | Client:Office of the President                  |
| 23                               | Royal Media S. | 14/06/2017 | 0227    | 1,160,000.00 | 346669  | 1,160,000.00         | Client: Presidential Delivery Unit              |
| <b>EMERGING CLAIMS SUB TOTAL</b> |                |            |         |              |         | <b>61,689,619.73</b> |                                                 |

GAA TOTAL NON – COMPLIANT 238,822,602.60

Table IX

| GENERAL MERCHANT; CITIZEN CONTRACTORS NON-COMPLIANT |                                 |                      |                 |                                 |                      |                                                   |
|-----------------------------------------------------|---------------------------------|----------------------|-----------------|---------------------------------|----------------------|---------------------------------------------------|
| NO                                                  | FIRM                            | DESCRIPTION          | AMOUNT INVOICED | INVOICE NO.                     | AMOUNT PAYABLEKSHS.  | REMARKS                                           |
| 1                                                   | Morendat Resort                 | Conference Services  | 336,650.00      | M04027                          | 336,650 .00          | Original documentation to be availed or indemnity |
| 2                                                   | Sawela Lodge                    | Conference Services  | 530,600.00      | M04027                          | 530,600 .00          | Lack Approved requisition                         |
| 3                                                   | Professional Marketing Services | Consultancy Services | 11,109,880.00   | Professional Marketing Services | 11,109,880           | Has contract variations                           |
| <b>CITIZEN CONTRACTORS SUB TOTAL</b>                |                                 |                      |                 |                                 | <b>11,109,880.00</b> |                                                   |

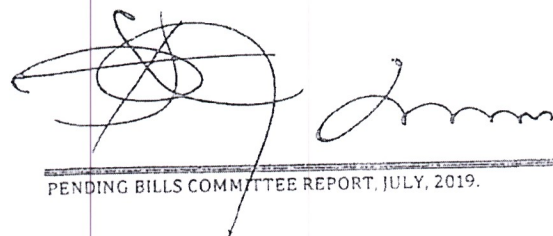
GRAND TOTAL NON – COMPLIANT KSHS.249,932,482.60

### 5.0 CATEGORY 3: BILLS TO BE RETURNED TO MDAS

The Committee noted that some bills were signed between specific SAGAs and the media houses and had been sent to GAA for payment. GAA does not have the advertising budgetary provisions for these SAGAs. These bills need to be redirected to the responsible entities for payment.

Table 1: BILLS TO BE RETURN TO MDAS

| NO               | MEDIA HOUSE            | ORDER DATE | ORDER NO | ORDER AMOUNT | INVOICE NO | INVOICE AMOUNT      | OBSERVATION                                                                                           | STATUS        | REMARKS                                                                       |
|------------------|------------------------|------------|----------|--------------|------------|---------------------|-------------------------------------------------------------------------------------------------------|---------------|-------------------------------------------------------------------------------|
| 1                | KTN HOME               | 27/11/2017 | 10292    | 464,000.00   | 80045554   | 464,000.00          | No requisition from the ICTA, No transmission Report.                                                 | NON-COMPLIANT | Return to client (ICTA) for payment.                                          |
| 2                | THE STANDARD           | 24/08/2016 | 359591   | 160,892.00   | 80025483   | 160,892.00          | No requisition from National Youth Council, Space order is a Copy                                     | NON-COMPLIANT | Return to client (National Youth Council) for payment.                        |
| 3                | E.A Manufacturers Ltd  | 29/10/2018 | 079      | 59,044.00    | N/A        | N/A                 | No invoice attached, No evidence of work done. Exemption sought and granted for placement and payment | NON-COMPLIANT | Return to client (KEBS) for payment.                                          |
| 4                | Standard               | N/A        | N/A      | N/A          | N/A        | N/A                 | Client- (Huduma Kenya Secretariat).                                                                   | NON-COMPLIANT | Return to client (Huduma Kenya Secretariat) for payment.                      |
| 5                | Contact Publishers Ltd | 27/09/2017 | 2503     | 272,217.00   | N/A        | N/A                 | No requisition from Kenya Utalii College, No invoice attached, No evidence of work done.              | NON-COMPLIANT | Return to client (KENYA UTALII COLLGE) for payment.                           |
| 6                | NTV- NATION MEDIA      | 30/06/2015 | 9903     | 6,124,800    | 90157047   | 6,124,800           | No requisition from National Anti-Corruption Steering Committee                                       | NON-COMPLIANT | Return to client (NACSC) for payment, we don't have their advertising Budget. |
| 7                | THE STANDARD           | 6/11/2015  | 34221    | 453,600.00   | 80009640   | 453,600.00          | No requisition from Post Bank, Order is a copy and not certified.                                     | NON-COMPLIANT | Return to client (POSTBANK).                                                  |
| 8                | THE STANDARD           | 11/10/2016 | 366292   | 756,300.00   | 80028149   | 756,300.00          | No requisition from National Research Fund                                                            | NON-COMPLIANT | Return to client (National Research Fund).                                    |
| <b>SUB TOTAL</b> |                        |            |          |              |            | <b>7,959,592.00</b> |                                                                                                       |               |                                                                               |



## 6.0 SUMMARY OF PENDING BILLS

Table 1

| NO. | CLAIM STATUS                                              | NUMBER OF CLAIMS | AMOUNT           |
|-----|-----------------------------------------------------------|------------------|------------------|
| 1.  | Compliant claims- outstanding 2018/2019 (FY)              | 80               | 688,410,979.86   |
| 2.  | Compliant Claims – pending as on or before 2017/2018 (FY) | 45               | 89,421,370.00    |
| 3.  | Non-Compliant claims                                      | 223              | 249,932,482.60   |
| 4.  | Claims to be returned to MDAs                             | 8                | 7,959,592.00     |
|     | <b>Total</b>                                              | 356              | 1,035,724,424.46 |

## 7.0 OBSERVATIONS

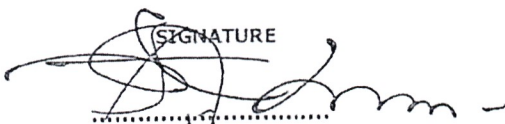
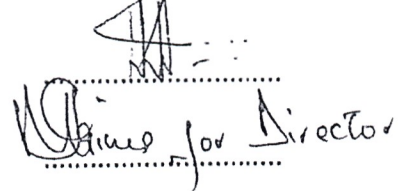
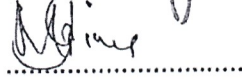
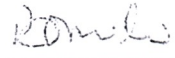
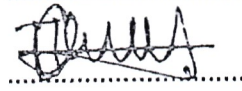

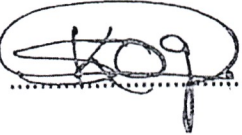
1. Some pending bills were supported by copies of the requisite documents. The Committee agreed that the documents should be certified by both the consumer of service and service provider and that indemnity letter(s) should be provided.
2. All the claims relating to the Presidential Delivery Unit (PDU) did not have a requisition letter and were therefore ineligible for payment.
3. Some service providers submitted claims that were requisitioned outside the contract period and thus not compliant for payment.
4. Some bills could not be verified because key documents are still with the DCI.
5. Some bills were not paid from the Supplementary Estimates II due to budget constraints and liquidity issues.

## 8.0 RECOMMENDATIONS

1. The Audit team recommends that:
  - a) **125 bills under Category 1 totaling Ksh 777,832,349.86** to form first charge against FY2019/2020 budget.
  - b) 223 bills totaling Ksh. 249,932,482.60 itemized in **Category 2** be processed for payment subject to provision of the requisite documents/certification.
  - c) **8 claims** for MDA's whose advertisement budget is not part of GAA's budgetary provisions **be settled by the respective MDAs.**
  - d) **A policy direction be sought from National Treasury** regarding payment of advertisement expenses for Public Commissions. This is because the advertisement spend for Commissions is the highest compared to other MDA advertisement spend
2. There is need for capacity building for GAA staff in technical areas such as media buying, media production, planning and decision making.
3. GAA needs a legal and administrative framework to create institutional legitimacy in order to operate effectively.
4. Government should fund editorial content on MyGov since it is part and parcel of the publication
5. The National Treasury should adequately fund GAA by aligning ministerial advertising budgets with actual spend.
6. The entire national government and county governments should progressively advertise through GAA
7. A request be made to the National Treasury to consider adding more time for the procurement module whenever supplementary budgets/exchequer is released late to enable the procurement department to utilize budgetary allocations
8. Budget Implementation Committee to handle pending payment issues including claims currently categorized as non-compliant but which, in the course of the financial year, may become compliant upon submission of requisite documents.

9.0 DISCUSSION WITH MANAGEMENT

We, the undersigned, do hereby confirm that this report was discussed and agreed upon by all members.

| NAME                      | POSITION             | SIGNATURE                                                                             |
|---------------------------|----------------------|---------------------------------------------------------------------------------------|
| 1. Mr. Jim Maina Chira    | - CFO                |     |
| 2.                        |                      |                                                                                       |
| 3. CPA Samson Ongalo      | - Head of Accounts   |     |
| 4. Mr. P.D. Gwaro Ogaro   | - G.A.A              |                                                                                       |
| 5. Mr. Joseph Kimani      | - Procurement Office |    |
| 6. Mr. Kennedy Nyama      | - Finance            |    |
| 7. Ms. Immaculate Maima   | - G.A.A              |    |
| 8. Ms. Beldine Omolo      | - Finance            |   |
| 9. Mr. Johnpaul Manyuanda | - G.A.A              |  |
| 10. Ms. Miriam Kundu      | - Procurement        |  |

**Stephen Kogi**  
**Internal Auditor In charge**  
**State Department for Broadcasting and Telecommunication**  
**Ministry of Information Communication and Technology**

