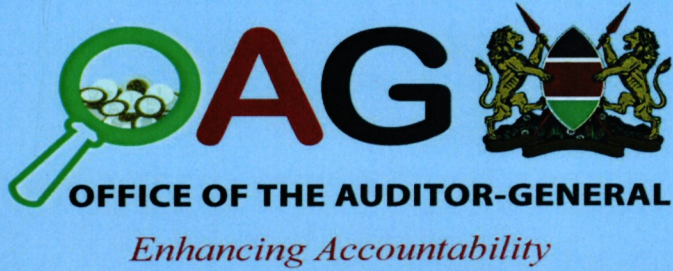



REPUBLIC OF KENYA



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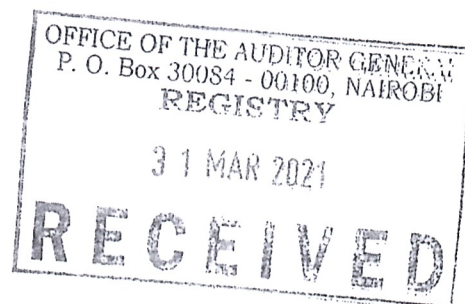
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KENYA INSTITUTE OF MASS COMMUNICATION

**FOR THE YEAR ENDED
30 JUNE, 2020**



KENYA INSTITUTE OF MASS COMMUNICATION
P.O. Box 42422 - 00100, NAIROBI. | Tel: +254 020 6555907 / 6551572 | Cell: 0708 262 895
Email: info@kimc.ac.ke Website: www.kimc.ac.ke

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30 2020

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

**KENYA INSTITUTE OF MASS COMMUNICATION ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

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KENYA INSTITUTE OF MASS COMMUNICATION ANNUAL REPORT AND FINANCIAL
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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

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

(b) Principal Activities

The principal mandate of the institute is;

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

(c) Key Management

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

- i. The Director
- ii. Deputy Director
- iii. Managers and Heads of Departments.

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Director	Hiram Mucheke
2.	Deputy Director	Peter Wakoli
3.	Finance Manager	Jenispher Korir
4.	Head of Procurement	George Miriti

(e) Fiduciary Oversight Arrangements

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

i) Finance and Administration Committee

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

ii). Audit committee

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

KENYA INSTITUTE OF MASS COMMUNICATION ANNUAL REPORT AND FINANCIAL
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iii). Training Committee

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

(f) Institute Headquarters

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

(g) Institute Contacts

Telephone :(254) 206551555
E-mail: info@kimc.ac.ke
Website: www.kimc.ac.ke

(h) Institute Bankers

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

(i) Independent Auditors





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

(j) Principal Legal Adviser




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

KENYA INSTITUTE OF MASS COMMUNICATION ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020





II. THE COUNCIL MEMBERS

	Name	Position	Key qualifications	Work experience
1	 Kathleen Openda D.O.B 1964	Chairperson	<ol style="list-style-type: none"> 1. Bachelor of Arts (BA Honours) 2. Post Graduate Diploma in Broadcast Journalism 	Communications professional with over 20 years background in media practice and relations management, public relations; expertise in aligning organizational branding values and targeted messaging to ensure effective stakeholder engagement. She has also held senior positions in corporate Kenya Including; <ol style="list-style-type: none"> i. Kenya Television Network (KTN) ii. Nation Media Group iii. Barclays Bank of Kenya
2	 Hon. Zebedeo John Opore D.O.B:1947	Member	<ol style="list-style-type: none"> 1. M.Sc. (Development Economics and Project Planning) 2. BA (Economics), BPhil(Economics) 	<ol style="list-style-type: none"> 1. Member of parliament 2. Director KRA 3. Manager; African Retail Traders 4. Principal Planning officer; Kenya Railways Corporation 5. Senior planning officer; Kenya Railways Corporation 6. Planning assistant, planning officer II, Planning Officer I
3	 Dr. Stellah Onyiego D.O.B:1969	Member	<ol style="list-style-type: none"> 1. PhD in Communication Studies 2. Master of Philosophy in Communication Studies 3. Postgraduate diploma in education 4. Bachelor of Arts (BA) 5. Advanced Certificate of Education 	<ol style="list-style-type: none"> 1. Senior Lecturer, Moi University 2. Chief Principal; Kitale Technical Training Institute 3. Senior Principal (STTI) 4. Head of Business Department; Eldoret National Polytechnic 5. Part time lecturer; Moi University 6. Lecturer Eldoret National Polytechnic 7. Assistant Graduate Teacher Moi Girls School 8. Assistant Graduate Teacher-Sigonga Girls High School 9. Assistant Teacher Itibo Boys High School
4	 Mr. Dee Mutisya Kivuva	Member	<ol style="list-style-type: none"> 1. O Levels Certificate 	<ol style="list-style-type: none"> 1. Coordinator Wiper & LDP Parties 2. G.S.U. Officer 3. Public officer Municipal Council of Machakos 4. Director N.G.O Coordination Board 5. Director /Treasurer Ukenyea Trading



KENYA INSTITUTE OF MASS COMMUNICATION ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	D.O.B:1971			<p>Company</p> <p>6. Managing Director Sonata Constructing Company</p> <p>7. Chairman Minaa Investment company</p> <p>8. Chairman Mbooni Boys High School Alumni</p> <p>9. Chairman Sonata Group of Companies</p>
5	 <p>Eng. Edward Musebe Achieng D.O.B February 1966</p>	Member	<ol style="list-style-type: none"> 1. PhD in Strategic Management (to be completed in December 2019) 2. MBA Strategic Management 3. BSc Mechanical Engineering 	<ol style="list-style-type: none"> 1. General manager ADIL 2. New Business Projects Manager Unga Limited 3. Managing Director Amloy Engineering Company 4. Managing Director Chemelil Sugar Company 5. Production Manager East African Cables 6. Engineering Service Manager East African Breweries 7. Plant Maintenance Engineer Magadi Soda Company PLC 8. Maintenance Engineer Nzoia Sugar company
6	 <p>Hon. Salome Wanjiku Kimata D.O.B:1965</p>	Member	<ol style="list-style-type: none"> 1. MBA 2. PgD Leading International Business Development 3. BA Public Administration & Governance 	<ol style="list-style-type: none"> 1. Executive Director; United Disability Empowerment in Kenya (UDEK) 2. MCA; Kiambu County Assembly 3. Chairperson; Selection Panel for the Selection of Chairperson and Members of the National Gender and Equality Commission 4. Chairperson; Disability Civil society Coalition
7	 <p>Mr. Simon Kagiri Kamatu D.O.B:1953</p>	Member	<ol style="list-style-type: none"> 1. MA 	<ol style="list-style-type: none"> 1. Chairman; The 2015 Tea Industry Task Force 2. Member; National Quality Control Laboratory Board

KENYA INSTITUTE OF MASS COMMUNICATION ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020




8	 Mrs. Beatrice Marshall D.O.B:1969	Member	1. Master of Arts in Mass Communication	1. Global Anchor, Africa Live CGTN 2. Anchor, Talk Africa, CGTN Africa 3. Deputy managing editor KTN 4. Associate Editor, KTN 5. Chief News Anchor, KTN Prime News 6. Diplomatic and Regional affairs Editor (KTN) 7. News Anchor NTV 8. Reporter KBC
9	 Mrs.Regina Bundi D.O.B:07.07.1972	Alternate to PS, Devolution & Planning	1. MBA 2. BA (Sociology)	1. Ministry of Youth Affairs and Sports 2. Ministry of Devolution & Planning 3. Over 10 years in Civil service
10	 Festus Mwanzi Peter D.O.B:03.07.1977	Alternate to PS, The National Treasury	1. B.A (Business studies & Sociology) 2. C.P.A (K)	1. Chief Investment Officer (Government Investment & Public Enterprises) 2. Youth & Gender officer (Makueni County Government) 3. Ministry of Youth affairs (Makueni)
11	 Eng. Alphonse M.Mwaa D.O.B:25.08.1967	Alternate to PS, Ministry of Education, Science and Technology	1. MSC (Building Services Engineering) 2. BSC (Mechanical Engineering)	1. Ministry of Education (Deputy Director, Quality Assurance & Standards) 2. Deputy Director (KITI) 3. Lecturer Various Government Technical Institutes 4. Public Service Institute of Kenya

KENYA INSTITUTE OF MASS COMMUNICATION ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020




12	 <p style="text-align: center;">Miriam Wanjiku Gitau D.O.B: 23.08.1964</p>	Alternate to PS, Ministry of Information, Communication and Technology	<ol style="list-style-type: none"> 1. MBA 2. BA 	<ol style="list-style-type: none"> 1. HR Officer ;Ministry of Trade and Industry 2. Deputy Head of HR Department at the State Law Office 3. Head of HR Kenya Police Department 4. Head of HR Department, Office of Attorney General 5. Director, HR and Administration
13	 <p style="text-align: center;">Hiram Mucheke</p>	Director /CEO	<ol style="list-style-type: none"> 1. PhD (c), Communication 2. M.A (Communication studies) 3. B.A 4. Post Graduate Diploma 	<ol style="list-style-type: none"> 1. 32 years' experience in public service. 2. 5 years -News Editor V.O.K 3. 5 years – Senior Reporter, Presidential Press Service 4. Assistant Editor- in- Chief, KBC 5. Senior Principal Lecturer, KIMC. 6. Editor- in- Chief, KBC 7. Principal, KIMC 8. Current Director, KIMC
14		Corporation secretary		

KENYA INSTITUTE OF MASS COMMUNICATION ANNUAL REPORT AND FINANCIAL
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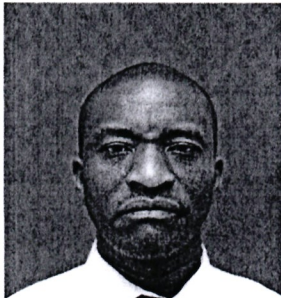
III. MANAGEMENT TEAM

No	Name	Position	Key Qualifications	Main area of responsibility
1.	 Hiram Mucheke	Director/Chief Executive Officer	<ol style="list-style-type: none"> 1. PhD(c), Communication 2. M.A (Communication studies) 3. B.A 4. Post Graduate Diploma 	Overall responsibility for the direction, organization and administration of programmes and other affairs of the Institute
2.	 Peter Wakoli	Deputy Director (Finance & Administration)	<ol style="list-style-type: none"> 1. M.A-(Int. Devt) 2. M.A-Econ 3. B.A-Econ 4. Post Graduate Diploma 	Coordinating the implementation of the Institute's strategic plan, annual departmental plans and performance contracts as well as managing the staff performance appraisal system for the Institute
		Corporation Secretary		
4.	 Jenispher Korir	Finance Manager	<ol style="list-style-type: none"> 1. MBA(Finance) 2. BBM(Finance & Banking) 3. C.P.A (K) 	Provision of Finance and Accounting services to the Institute.
5.			<ol style="list-style-type: none"> 1. M.B.A(HRM) 	Responsible for overall management of human resource in the

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		Human Resource Manager		Institute
	Josyline Kanake			
6.	 Jane Kariuki	Chief Internal Auditor	<ol style="list-style-type: none"> 1. MBA(Finance) 2. B.A (Economics) 3. C.P.A (K) 4. C.I.S.A 	Managing enterprise – wide risks as well as ensuring compliance of the Institute with various statutory and operational requirements
7.		Chief Supply Chain Management Officer		Planning of Supply Chain Management activities
8.	 Godfrey Kareithi	Registrar-Academics	<ol style="list-style-type: none"> 1. M.A(Communication Studies) 2. B.A (Econ) 3. Post Graduate Diploma 	Coordinating Academic activities in Institute
9.		Dean of Students	<ol style="list-style-type: none"> 1. MSC 2. BED (HRM &EDU) 3. Post Graduate Diploma (HRM) 4. Diploma in Special Education. 	Coordinating Student welfare activities in the Institute

KENYA INSTITUTE OF MASS COMMUNICATION ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	Paul Kithure			
10.	 Richard Kembero	Corporate Communications	<ol style="list-style-type: none"> 1. M.A(Communication Studies) 2. B.A (Communication) 3. Post Graduate Diploma 	Assists the Director in the formulation and execution of a sound communication strategy for the Institute

KENYA INSTITUTE OF MASS COMMUNICATION ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

IV. CHAIRPERSON'S STATEMENT

I am pleased to present to you once again, the Annual Report and Financial statements for Kenya Institute of Mass communication for the year ended 30th June 2020. Some of the milestones I wish to highlight include;

Recruitment and Training of students in Mass Communication

The Institute recruited 575 students for various courses in May 2019 and September 2019. In the same year a total of 370 students graduated in July 2019 after successfully completing various Diploma and Certificate courses.

Production and dissemination of products in communication and cinematic arts for education and info-tainment

During the year 80 productions in communication and cinematic arts for education and info-tainment were produced and 60 of them disseminated.

Annual Budget & Strategic Plan

In the current Financial Year 2019/20, the Institute continued to implement its Strategic Plan in consultation with the stakeholders. The Strategic Plan prioritizes: physical infrastructure; human capital; equipment and facilities modernization; modernization of transport and institutional Corporate Social responsibility as the key Institute enablers.

In addition during the year under review, the Institute put in plans necessary arrangements in order to commence short courses in Eldoret Campus following the MoU signed with the County Government of Uasin Gishu in February 2018.

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

The resources received in the FY 2019/20 facilitated the Institute to: train and graduate 370 media practitioners; train 18 officers in short term aptitude courses; capacity build Council members; develop four curricula; procure some broadcast training equipment; fully operationalize the degree programme jointly offered with the University of Nairobi and set up an Animation Lab.

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

On behalf of the KIMC Council, we appeal for an enhanced budgetary support to enable us complete the implementation of the blue print contained in KIMC Strategic Plan 2018-2022.

.....*Kathleen Openda*.....

Kathleen Openda

Council Chairperson

KENYA INSTITUTE OF MASS COMMUNICATION ANNUAL REPORT AND FINANCIAL
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V. REPORT OF THE CHIEF EXECUTIVE OFFICER

In the Financial year 2019/2020, the Institute intensified implementation of its mandate in line with priorities set out in the Strategic Plan 2018-2022. Highlights of key achievements are presented hereunder.

Academics programmes

During the year under review, the Institute changed the commencement of the Academic year from September to May. During the year, 575 students were admitted to undertake various courses in Diploma, Certificate and Post Graduate Diploma while 370 students graduated having satisfied the board of examiners to be awarded various certificates and diplomas. Six curricula were reviewed during the year to realign the content to emerging issues in the ICT and media sub sector.

Infrastructure

- The 3rd floor of the Tuition block was completed.
- The 405-bed capacity project comprising two hostels and Phase I of the catering unit was completed.
- The Institute obtained the following preliminary approvals for establishing KIMC Eldoret Campus:
 - i. The Parent Ministry and the National Treasury approved establishment of the Campus.
 - ii. The County Government of Uasin Gishu confirmed its commitment to expedite the processing of the title for the parcel Pioneer/Ngeria Block 1 (EATEC 1324)

Status brief on Ownership of land titles

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

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

Institutional Capacity

In the Financial year 2019/2020, the Institute was allocated Kshs. 207.45 M to finance its operations. In the same period the Institute recruited 7 staff members to fill vacancies. At the end of the year staff establishment stood at 96 against a staff establishment of 238. The Institute continued to modernize its operational environment through Automation to enhance efficiency and effectiveness.

Challenges

The Institute faced a number of challenges in the implementation of its mandate. These included inadequate funding, human resources constraints which is currently at 40%, change in technology which has implications on the training equipment, marketability of courses and graduates.

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



Hiram Mucheke
Director/Chief Executive Officer

VI. CORPORATE GOVERNANCE STATEMENT

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

1. The Role of the Council

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

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

2. Council Composition

The Legal Notice provides that the Council of the Institute shall consist of a non-executive Chairman appointed by the President; the Principal Secretaries of the Ministries for the time being responsible for information and communications; finance; culture and heritage; youth and education; the Director, and not more than seven persons appointed by the Minister by virtue of their knowledge or experience and past and current membership to professional organizations dealing with matters relating to culture, national heritage, communications, media, and the performing arts or related fields. As at 30th June 2020, the Council comprised twelve (12) members, of whom the majority, eight (8) in total, are independent non-executives while four (4) are alternate non-executive members. The Council comprises the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively. The non-executive members have diverse skills, experience and backgrounds. They are principally free from any business relationship that could hamper their objectivity or judgment in terms of the business and activities of the Institute. The roles of the Chairperson and the Director (Chief Executive) are separate, with their individual responsibilities clearly defined. The Chairperson is an independent non-executive Council member and is responsible for leading the Council and ensuring its effectiveness. The Chief Executive is responsible for the execution of the Institute's strategy, and the day-to-day business of the Institute. He is supported by the Management Board and the Academic Board, of which he is the Chairperson. The Council is assisted by a competent, suitably qualified and experienced Corporation Secretary whose mandatory duties are formalized and adequately defined according to the role description provided for in the *Mwongozo*.

3. Council Committees

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

KENYA INSTITUTE OF MASS COMMUNICATION ANNUAL REPORT AND FINANCIAL
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a) Finance and Administration Committee

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

The members of the Committee during the year under review were Eng Edward Musebe, Mrs Miriam Gitau, Hon. Salome Kimata and Mrs. Regina Bundi.

b) Training Committee

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

Audit Committee

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

4. Effective meetings

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

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

KENYA INSTITUTE OF MASS COMMUNICATION ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Schedule of Council Members' Attendance at Council and Committee Meetings				
Council/Committee	Council	Finance & Administration Committee	Training Committee	Audit Committee
No. of meetings held				
Ms. Kathleen Openda	6/6			
Eng. Edward Musebe	6/6	7/7		
Hon. Salome Kimata	6/6	7/7		
Mrs. Miriam Gitau	5/6	7/7		
Mrs. Regina Bundi	5/6	7/7		
Dr. Stellah Onyiego	6/6		4/4	
Mrs. Beatrice Marshall	4/6		4/4	
Mr. Dee Mutisya Kivuva	6/6		4/4	
Eng. Alphonse Mwaa	5/6		3/4	
Hon. Zebedeo Opore	6/6			4/4
Mr. Kagiri Kamatu	6/6			4/4
Mr. Festus Mwanzi	6/6			4/4
Dr. Hiram Mucheke	6/6	7/7	4/4	

5. Council Induction and Continuous Skills Development

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

6. Council Evaluation

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

7. Internal Audit Function

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

8. Council Remuneration

Council members are remunerated for their services in accordance with the prevailing Government Circulars. The aggregate amount of Council remuneration is disclosed in Note XVII (o) (iii) on the Financial Statements.

VII. MANAGEMENT DISCUSSION AND ANALYSIS

This discussion and analysis provides an overview of the financial position and results of activities of the Institute for the year ended June 30, 2020. Comparative information for the year ended June 30, 2019, has been provided where applicable. This overview has been prepared by management and should be read in conjunction with the financial statements and the notes that follow this section. Kenya Institute of Mass Communication is a semi-Autonomous Government Agency (SAGA) established under legal notice No. 197 of 2011 (Amended 2012).

KENYA INSTITUTE OF MASS COMMUNICATION ANNUAL REPORT AND FINANCIAL
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The Institute consisting of two major divisions; Academic and Finance and Administration

Academic Division

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

- i. Television and Radio production
- ii. Film and Animation
- iii. Journalism and public relations
- iv. Engineering
- v. Graduate and post graduate

Finance and Administration

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

Financial Highlights

For the fiscal year ended June 30, 2020

- The Institute received Kshs 210.55 M from the exchequer and raised 10.2 M from internal revenue to finance its recurrent operations
- The Institute collected Kshs 54 M from fees and short courses out of which Kshs 10.2 M was appropriated as AIA.
- Total cumulative recurrent expenditure was Kshs 328 M Summary of financial performance is as summarized below;

	FY 2019/20 Kshs 'million'	FY 2018/19 Kshs 'million'
Total revenue	264	291
Total expenses	328	314
Surplus/Deficit	(64)	(24)

Capital Activities

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

Capital additions primarily consist of replacement, renovation and new construction of academic, research and investment in training equipment and information technology.

During the financial year ended 30th June 2020 the projects being undertaken by the Institute received funding in the third quarter.

VIII. CORPORATE SOCIAL RESPONSIBILITY STATEMENT

The Institute is committed to always conducting its affairs in a responsible and sustainable way, and in a manner that is beneficial to all stakeholders, the environment and the wider community. The Institute recognizes three key areas that contribute to corporate social responsibility: the people, the local community and the environment.

KENYA INSTITUTE OF MASS COMMUNICATION ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

The People

The Institute continually works to ensure that it offers the best training for its students in order to make them competitive in the job market. The Institute also supports individual growth and development of staff so as to attract and retain talented individuals. A work environment of equal opportunity and non-discrimination is promoted at all times. Further, the Institute is committed to creating a culture of inclusion and diversity and preservation of cultural heritage. The Institute in that regard hosts annual events including:

- i. Cultural Week during which staff, students, other institutions and members of the public are invited to show case their talents and diverse cultures.
- ii. KIMC Film Week during which students and the public screen and showcase individual video productions for the promotion of talent and info-tainment.
- iii. KIMC Open Day during which the Institute showcases all the services it offers to students and members of the public. It involves subject/service talks, information desks, tours and teaching showcase.

The Local Community

The Institute believes in and supports the local community. Through the ECN Community Radio that is operated by the Institute, the Institute is able to make a difference in the local community by airing programmes that promote community development and empowerment especially of the youth. The staff and students also engage in community service and philanthropic activities.

The Environment

The Institute cares for the environment and continually strives to incorporate environmental good practice in the workplace including a commitment to delivering a paperless office, taking a sustainable approach to waste management, improving energy efficiency and reducing carbon emissions. The Institute recognizes its responsibility to conduct its activities in a manner that protects and improves the environment for future generations. In that regard, the Institute works and collaborates with the local authority (Nairobi City County) in promoting a clean environment. In addition, the Institute has provided in its calendar of annual events for an Annual Environmental Day during which students and staff plant trees within the Institute and in the areas surrounding the Institute.

KENYA INSTITUTE OF MASS COMMUNICATION ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

IX. REPORT OF THE COUNCIL

The Council of the Institute submits its report together with the Financial Statements for the year ended June 30, 2020 which show the state of the Institute's affairs.

Principal activities

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

Results

The results of the entity for the year ended June 30, 2020 are set out on page 1-19

Council Members

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

Auditors

The Auditor General is responsible for the statutory audit of the Institute in accordance with Article 229 of the Constitution of Kenya and the Section 23 of the Public Audit Act, 2015.

By Order of the Council

Corporation Secretary

.....

Nairobi

Date:.....

KENYA INSTITUTE OF MASS COMMUNICATION ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

X. STATEMENT OF COUNCILS' RESPONSIBILITIES

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

The Management is responsible for the preparation and presentation of the Institute's financial statements, which give a true and fair view of the state of affairs of the Institute for and as at the financial period ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Institute; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Institute; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Management accepts responsibility for the Institute's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgement and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act 2012 and the State Corporations Act. The Management is of the opinion that the Institute's financial statements give a true and fair view of the state of Institute's transactions during the financial year ended June 30, 2020, and of the Institute's financial position as at that date. The Management further confirms the completeness of the accounting records maintained for the Institute, which have been relied upon in the preparation of the Institute's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

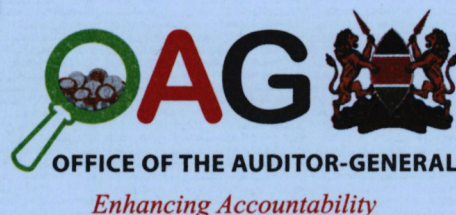
The Institute's financial statements were approved by the Council and signed on its behalf by:



Director/Chief Executive Officer

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KENYA INSTITUTE OF MASS COMMUNICATION FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kenya Institute of Mass Communication set out on pages 1 to 20, which comprise the statement of financial position as at 30 June, 2020, and the statement of financial performance, the statement of cash flows, the statement of changes in net assets and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report the financial statements present fairly, in all material respects, the financial position of the Kenya Institute of Mass Communication as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the State Corporations Act, Cap 446 of Laws of Kenya and Legal Notice No. 197 of November 2011 (Amended 2012) and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Encroachment of Land by a Private Developer

As previously reported, included in the property, plant and equipment balance of Kshs.2,337,772,185 as at 30 June, 2020, is land measuring 1.443 hectares valued at Kshs.1,100,000,000. However, available information indicates that part of the Institute's land used as a walk path linking the Institute's catering unit, male and female hostels has been encroached by a private developer. The proposed development by the developer will cut off the male and female hostels and the catering unit, and thus will affect the students and the Institute adversely as a whole. Evidence available indicates that the matter was reported to the National Land Commission and on 31 January, 2018 the National Land Commission pronounced itself on encroachment on LR No.209/12046. The matter is before the High Court and it is not clear the effect the ruling will have on the property, plant and equipment balance of Kshs.2,337,772,185 as at 30 June, 2020.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Institute of Mass Communication 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 qualified 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

Unresolved Prior Year Matters

Various prior year audit issues remained unresolved as at 30 June, 2020. Management has not provided reasons for the delay in resolving the prior year audit issues. Further, some of the unresolved prior year issues are not disclosed under the progress on follow up of auditor's recommendations section of the financial statements as required by the Public Sector Accounting Standards Board.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Delayed Project - Construction of Kitchen and Dining Hall

As previously reported, on 20 May, 2016 the Institute entered into a Contract with a construction company for construction of a modern kitchen and dining hall at a contract price of Kshs.115,925,052 for a duration of fifty-two (52) weeks ending on 8 June, 2017. Available information indicates that the contract was varied by 25% or Kshs.28,980,902 to Kshs.144,905,954 while the duration was varied by twenty-six weeks (26) ending 7 December, 2017. A hand over was done on 12 September, 2019 and a certificate issued. As at 30 June, 2020, the total contract sum had been paid to the contractor.

However, available evidence revealed that there was a re-adjustment of the drawings which occasioned a financial appraisal by the Project Manager to make the building partially usable. This then resulted to a revision of the builder's works (electrical and mechanical). Additional information indicates that the sub-contractors for the electrical works (Tender No. KIMC/03/2015-2016 for Kshs.3,748,545) and mechanical works (Tender No. KIMC/02/2015-2016 for Kshs.14,800,723) have made claims for breach of contract through letters dated 2 December, 2019 and 28 November, 2019 respectively. This was after the Institute advertised for Phase II of the construction of modern kitchen and dining hall.

The electrical and mechanical works sub-contractors claim they did only 37% (Kshs.1,413,239) and 13% (Kshs.1,917,594) of the works and that the remaining 67% (Kshs.2,335,306) and 87% (Kshs.12,883,129) respectively, was not occasioned by their fault. They also claim their contracts were not terminated yet the same works were being advertised. The two sub-contractors also bid for the works were re-advertised but were unsuccessful.

Consequently, it has not been possible to ascertain whether the Institute obtained value for money for the amount of Kshs.3,330,833 paid to the sub-contractors.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall 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 overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and the Council Members

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

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

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

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

The Council Members are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the Institute 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 going concern 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 Institute's ability to continue as a going concern. 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 Institute to cease to continue as a going concern.

- 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 Institute 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.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

03 December, 2021

KENYA INSTITUTE OF MASS COMMUNICATION ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

XII. STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30 June 2020

		2019-2020	2018-2019
		Kshs	Kshs
Revenue from non-exchange transactions			
Recurrent grants	2(a)	220,760,201	204,318,995
Revenue from exchange transactions			
Tuition and other related fees	3	44,015,904	88,631,353
Total revenue		264,776,105	292,950,348
Expenses			
Employee costs	4	134,299,783	134,166,949
Administration expense	5	50,665,175	62,073,056
Council expense	6	13,352,131	13,149,943
Repairs and maintenance	7	4,925,262	3,399,355
Academic services	8	58,624,852	56,598,238
Depreciation and amortization expense	9	65,900,424	46,281,775
Audit fees	10	800,000	800,000
Total expense		328,567,626	316,469,317
Surplus/(Deficit) for the period		-63,791,521	(23,518,969)

KENYA INSTITUTE OF MASS COMMUNICATION ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

XIII. STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

STATEMENT OF FINANCIAL POSITION

Total assets			
Current Assets	Notes	2019-2020	2018-2019
Cash and cash equivalents	11	190,424,523	185,374,090
Receivables from exchange transactions	12(a)	149,857	551,977
Prepayment	12(c)	11,539,319	-
Total		202,113,699	185,926,067
Non-current assets			
Property, plant and equipment	9(a)	2,337,772,185	2,257,353,351
Intangible assets	9(b)	1,514,899	2,164,142
Long term receivables from exchange transactions	12(b)	4,664,250	4,221,675
Total		2,343,951,334	2,263,739,168
 		<hr/>	
Total Assets		2,546,065,034	2,449,665,234
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	13	39,584,832	49,402,925
Refundable deposits from customers-caution money	14	3,778,714	2,769,301
Total liabilities		43,363,546	52,172,226
 		<hr/>	
Net assets		2,502,701,488	2,397,493,008
Revenue Reserves	15	-218,974,354	-155,182,834
Capital Revaluation Reserve		2,721,675,842	2,552,675,842
Total net assets and liabilities		2,502,701,488	2,397,493,008

The financial statements set out on pages 1 to 19 were signed on behalf of the council by:



Director/CEO

Hiram Muccheke

Date: 29-03-2021


Head of Finance
Jenispher Korir

ICPAK NO: 9147
Date: 29/03/2021


Chair Person of the Council
Kathleen Openda

Date: 29.03.2021

KENYA INSTITUTE OF MASS COMMUNICATION ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

XIV STATEMENT OF CHANGES IN NET ASSETS

For the year ended 30 June 2020

	Accumulated surplus Kshs	Capital reserve Kshs	Total Kshs
Balance as at 30 June 2018(re-stated)	-131,663,865	2,354,439,632	2,222,775,767
Surplus/Deficit for the period	-23,518,969	-	-23,518,969
Loss in Asset valuation	-	(51,763,790)	(51,763,790)
Adjustments/Restatement	-	250,000,000.00	250,000,000
Balance as at 30 June 2019(re-stated)	(155,182,834)	2,552,675,842	2,397,493,008
Surplus/Deficit for the period	(63,791,521)		-63,791,521
Loss in Asset valuation			-
Development Grant		169,000,000.00	169,000,000.00
Bal. as at 30th June	(218,974,355)	<u>2,721,675,842</u>	<u>2,502,701,488</u>

KENYA INSTITUTE OF MASS COMMUNICATION ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

XIV. STATEMENT OF CASH FLOWS

For the year ended 30 June 2020

	2019-2020	2018-2019
	Kshs	Kshs
Cash flows from operating activities		
Receipts		
Government Grants	389,760,201	454,318,995
Tuition and other related fees	48,237,579	92,853,028
Total receipts	437,997,780	547,172,023
Payments		
Employee costs	134,299,783	134,166,949
Administration expenses	62,204,494	62,073,056
Council expenses	13,352,131	13,149,943
Repairs and Maintenance	4,925,262	3,399,355
Academic services	58,624,852	56,598,238
Audit fees	800,000	800,000
Total payments	274,206,521	270,187,541
Net cash flow from operating activities	163,791,259	276,984,482
Cash flow from investing activities		
Purchase of non-current assets	(153,043,367)	(66,427,711)
Capital works in progress	(5,697,459)	(51,294,808)
Net cash flow used in investing activities	(158,740,826)	(117,722,519)
Net increase/(decrease) in cash & cash equivalent	5,050,433	160,709,163
Cash & Cash equivalent as start of the year	185,374,090	24,664,926
CASH & CASH EQUIVALENT AS AT 30TH JUNE	190,424,523	185,374,090

KENYA INSTITUTE OF MASS COMMUNICATION ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020
XVI. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Original budget 2019-2020 Kshs	Adjustments 2019-2020 Kshs	Final budget 2019-2020 Kshs	Actual comparable basis 2019-2020 Kshs	Performance difference 2019-2020 Kshs
Revenue					
Non-exchange transactions					
Recurrent Grants	196,200,000	14,350,000	210,550,000	210,550,000	-
Development Grants	169,000,000	-	169,000,000	169,000,000	-
Exchange transactions					
Tuition and other related fees	83,000,000	-	83,000,000	44,015,904	-38,984,096
Total revenue	448,200,000	14,350,000	462,550,000	423,565,904	-38,984,096
Expenses					
Compensation to employees	132,995,013	5,300,000	138,295,013	134,299,782.65	3,995,230.35
Council Expenses	14,783,020	-	14,783,020	13,352,131	1,430,889
Administration expenses	65,113,789	9,050,000	74,163,789	50,665,175	23,497,307
Audit fees	800,000	-	800,000	800,000	-
Repairs and Maintenance	6,508,178	-	6,508,178	4,925,262	1,582,916
Academic Services	59,000,000	-	59,000,000	58,624,852	566,930
Capital expenditure	169,000,000	-	169,000,000	125,433,218.00	43,566,782
Total expenditure	448,200,000	14,350,000	462,550,000	388,100,420	74,449,580

Budget notes

- i. Total actual on comparable basis does not tie to the statement of financial performance due to difference in accounting basis, the Institute prepares its budget on cash basis as per Treasury guidelines but the financial statements are on IPSAS accrual.
- ii. Accrued expenses is as summarised below:

Depreciation and Amortization **Kshs** 65,900,424

KENYA INSTITUTE OF MASS COMMUNICATION ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

- i. Capital expenditure items are mainly dependent on the certificates obtained from public works on works certified. During the reporting period the National Treasury released Kshs 169,000,000 as per approved allocation in the financial year 2019/2020

XV. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

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

The financial statements have been prepared on the basis of historical cost, unless stated Otherwise. The cash flow statement is prepared using the direct method. The financial Statements are prepared on accrual basis.

3. ADOPTION OF NEW AND REVISED STANDARDS

- i. **New and amended standards and interpretations in issue but not yet effective in the year 30th June 2020**

Standard	Effective Date and impact
IPSAS 41 Financial Instruments	Applicable: 1st January 2022 The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements than IPSAS 29. The main objective is to improve the relevance of information for financial assets and financial liabilities
IPSAS 42 Social Benefits	Applicable : 1st January 2022 The objective of this standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The main objective is to ensure accurate comparison information relating to social benefits.

- ii. **Early adoption of standards**

The entity did not early adopt any new or amended standard in the year 2020

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Revenue Recognition

i) Revenue from non-exchange transactions

a) Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (Cash, goods, Services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

b) Grants from Donors

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

ii). Revenue from exchange transactions

c) Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion when the Outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to Labor hours incurred to date as a percentage of total estimated Labor hours. Where the contract outcome Cannot be measured reliably, revenue is recognized to the extent that the expense incurred are recoverable.

b). Budget Information

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

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

c). Employee Benefits

The Entity provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

KENYA INSTITUTE OF MASS COMMUNICATION ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

d). Non-Current Assets

Non-Current assets are stated at Cost or valuation less Accumulated Depreciation. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value. The Institute is collating Assets transferred from the Parent Ministry.

e). Depreciation

Depreciation is calculated on the cost of the non-current assets on a reducing balance basis at annual rates Estimated to write off these assets over their expected useful life.

The Depreciation rates used are as follows:

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

f). Cash and cash equivalents

Cash and cash equivalents comprise cash in 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 Kenya Commercial bank at the end of the financial year.

g). Intangible Assets

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

The useful life of the intangible assets is assessed as either finite or indefinite

h). Provisions

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

i). Nature and purpose of reserves

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

i. Revenue reserves

This is made up of all accumulated surplus for the year arising from non-Utilization of allocated grants and other income surplus.

KENYA INSTITUTE OF MASS COMMUNICATION ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

ii. Capital Revaluation Reserves.

The purpose of the reserve was to bring into the books the fair market value of all assets of the Institute that were transferred from the parent ministry on transformation to SAGA status. Motor vehicles and tools and equipment's were revalued during the financial year.

j).Changes in accounting policies and estimates.

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

k).Taxation

The Institute is a non-commercial state corporation and is therefore not subject to the corporate tax regime. No corporation tax is therefore provided in these accounts. However the Institute remits all other applicable taxes as and when they fall due.

l).Critical judgments in applying the Institute's Accounting policies

The preparation of the entity's financial statements in conformity with IPSAS requires the use of estimates and assumptions. It also requires management to exercise its judgment in the process of applying the Institute's policies and procedures. Estimates and judgments are continually evaluated and are based on past experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

m).Consumable stores

All consumable stores procured for use in operations are expensed on purchase through the statement of Financial performance. Proper records of receipts and issues of stores items are maintained to avoid abuse. Prior year inventory related to equipment was expensed, these cost has been capitalized and transferred to property, plant and equipment.

n).Comparative figures

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

o).Related party

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise of the members of the Council and the Management team. Remuneration paid to the Council members and senior management was for services rendered during normal business course and were not in any way on favourable terms than would have been on transactions done at an arm's length.

(i)The Institute is related to;

- (a) The National Government
- (b) Ministry of Information, Communications & Technology
- (c) Key Management
- (d) Council Members

ii) Related party transactions

	2019-2020 Kshs	2018-2019 Kshs
Transfers from related parties	379,550,000	441,541,000

KENYA INSTITUTE OF MASS COMMUNICATION ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Transfers to related parties	-	37,521
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(iii) Key Management remuneration

	2019-2020 Kshs	2018-2019 Kshs
Council Members	8,285,143	8,874,943
Key Management	5,066,988	4,275,000

p). Contingent liabilities

The Institute does not recognize a contingent liability, but discloses details of any contingencies unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. The Institute has a pending court case in which a private developer is claiming ownership of a piece of land reserved for sewer amenities passing through the Institute's property.

q). Subsequent events

There has been no event subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2020

r). Financial Risk Management

The Institute's risk management strategy recognizes the various risks the Institute is exposed to including credit risk and liquidity risk. This is based on a clear understanding of the risks and continuous risk assessment, measurement and monitoring. The Institute's overall risk management programme focuses on the unpredictable changes in the business environment and seeks to minimize the potential adverse effects of such risks on its performance. The Council does not hedge any risks but has in place policies that ensure that any credit advanced is at minimum risk.

Credit Risk

Credit risk is the risk that a borrower is unable to meet his financial obligations to the lender. The Institute's credit risk is attributable to its cash and cash equivalents and trade receivables. The amounts presented in the financial statements are net of allowances for doubtful receivables, estimated by the Institute's management based on their assessment of the economic environment. Both bank balances and trade receivables are fully performing and no debt has been impaired.

	Total Amount Kshs	Fully Performing Kshs	Past Due Kshs	Impaired Kshs
As At June 2020				
Receivable from Exchange transactions	149,857	149,857	-	-
Bank Balances	190,424,523	190,424,523	-	-
Total	190,574,380	190,574,380		
As at June 2019				
Receivable from Exchange transactions	551,977	551,977	-	-
Bank Balances	185,374,090	185,374,090	-	-
Total	186,220,442	186,220,442		

KENYA INSTITUTE OF MASS COMMUNICATION ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Liquidity Risk

Prudent liquidity risk management includes maintaining sufficient cash to meet Institute obligations. The ultimate responsibility for liquidity risk management rests with the management which has built an appropriate liquidity risk management framework for management of the Institute's short, medium and long term funding requirements. The Institute manages liquidity risk by maintaining adequate cash reserves to ensure liabilities are paid as they fall due and to cushion against any liquidity risk.

	Less than 1 Month	Between 1-3 Months	Over 5 Months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2020				
Trade payables	-	3,017,344	36,377,013	39,394,357
As at 30th June 2019				
Trade Payables	-	1,139,000	47,865,262	49,004,262

Capital Risk

The objective of the Institute's capital risk management is to safeguard the Institute's ability to continue as a going concern. The Institute's capital structure comprises of revenue and capital reserve.

The entity capital structure comprises of the following funds.

	2019-2020 Kshs	2018-2019 Kshs
Revenue Reserve	(218,974,354)	(155,182,834)
Capital revaluation reserve	2,721,675,842	2,552,675,842
Total Funds	2,502,701,488	2,397,493,008

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

a). The Institute is still collating its Assets transferred from the Parent ministry, the values of these assets may change significantly as some of the equipment such as video cameras has become obsolete due to technological changes. The cost of land may also go up significantly as the general land prices within Nairobi has gone up significantly in the last 5 years since the last valuation was done.

b) . Cost of library books has been recognized in the statement of comprehensive income useful life of library books and its residual value may change based on the assessment of experts employed by the Institute or relevance of the information contained in the books, this may necessitate recognition in the statement of financial position.

6. EVENTS AFTER THE REPORTING PERIOD

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

7. ULTIMATE AND HOLDING ENTITY

The Kenya Institute of Mass Communication is a Semi- Autonomous Government Agency under the Ministry of Information, Communications & Technology, State Department of Broadcasting & Telecommunications. Its ultimate parent is the Government of Kenya.

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2020

	2019-2020 Kshs	2019-2018 Kshs
2(a) Recurrent grants		
This denotes money received from the Government to support recurrent expenditure of the the Institute.		
Quarter 1	49,050,000	48,862,500
Quarter 2	49,050,000	44,953,500
Quarter 3	49,050,000	49,839,750
Quarter 4	63,400,000	47,885,250
A.I.A	10,210,201	12,777,995
	220,760,201	204,318,995
2(b) Development grants		
This denotes money received from the Government to support development expenditure of the the Institute.		
Quarter 1	-	-
Quarter 2	84,500,000	-
Quarter 3	84,500,000	250,000,000
Quarter 4	-	-
	169,000,000	250,000,000
3 Revenue from exchange transactions		
Tuition and other related fees	44,015,904	88,631,353
Total revenue from exchange transactions	44,015,904	88,631,353
4 Employee costs	Kshs	Kshs
Basic pay	83,409,204	78,576,021
House allowances	28,360,395	28,623,758
Extraneous allowance	409,435	264,745
Commuter allowance	7,632,716	7,688,131
Casual wages	3,062,045	4,600,000
Gratuity & pensions contributions	7,710,039	10,448,612
Other personnel emoluments	3,715,949	3,965,681
Total employee costs	134,299,782	134,166,949

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2020

	2019-2020	2018-2019
	Kshs	Kshs
5. Administration expense		
Utilities supplies - Electricity	9,225,523	7,688,332
Utilities supplies - Water & Sewerage	252,019	1,012,502
Telephone expense	2,275,000	2,313,021
Internet and ICT infrastructure	1,019,222	935,220
Postage & courier services	20,850	9,450
Leased communication lines	-	141,531
Satellite Access Services	278,479	131,434
Local Travelling and subsistence	1,316,556	2,553,708
Foreign travel & accommodation	417,247	333,634
Transport	-	-
Workshop tools & spares	533,952	249,952
Medical Supplies	50,292	168,326
Staff training and development	1,430,719	3,828,016
Printing & publishing	1,002,388	220,160
Subscriptions & periodicals	418,449	431,427
Advertisement and awareness campaigns	1,004,258	373,251
Trade shows and exhibitions	-	-
Specialised materials and Supplies	-	-
Education & Library Supplies	440,645	403,670
General Office expense	878,581	598,921
Supplies & Accessories for computer services	799,638	482,248
Cleaning and Sanitary Services	1,030,550	900,330
Refined fuels and Lubricants for transport	800,000	600,000
Cooking gas	990,000	2,310,000
Contracted Guards & Cleaning Services	7,829,833	7,596,080
Contracted Professional Services	3,508,213	3,042,429
Purchase of uniforms & Graduation Gowns	135,080	286,760
Purchase of Bedding & Linen	-	-
Bank charges and commissions	76,145	334,372
Catering and Hostel Services(students catering)	14,931,535	25,128,282
Total administrative expense	50,665,175	62,073,056
6. Council expenses		
Sitting Allowance	3,700,000	2,818,000
Hospitality & Accommodation	1,146,600	1,879,500
Mileage Reimbursement	1,356,870	869,398.20
Honoraria	1,044,000	957,000
Training	-	1,606,520
Other Allowances	1,037,673	744,525
CEO Salary	5,066,988	4,275,000
Total council expenses	13,352,131	13,149,943.2

KENYA INSTITUTE OF MASS COMMUNICATION ANNUAL REPORT AND FINANCIAL
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2020

	2019-2020 Kshs	2018-2019 Kshs
7 Repairs and maintenance		
Repairs and maintenance equipment & machinery	3,058,464	1,506,939
Repairs and maintenance of motor vehicle	864,296	368,887
Repairs & Maintenance-office furniture	-	110,500
Repairs & Maintenance-Computer & software	500,623	354,718
Repairs and maintenance of buildings	424,538	384,110
Overhaul of plant, machinery & Equipment	-	-
Purchase of workshop tools, spares & Equipment	77,341	477,000
Purchase of ICT & Communications Equipment		197,200
Total repairs and maintenance	4,925,262	3,399,355
8 Academic services		
Teaching & Academic expenses	42,205,597	42,276,313
Student Projects & Supervision	7,869,245	8,257,951
Extra-Curriculum & Students union	5,963,950	4,465,705
Graduation expense	2,586,060	1,598,269
Total academic services	58,624,852	56,598,238
9 Depreciation and amortization		
a).Property, Plant and equipment	65,251,181	45,354,285
b).Intangible assets	649,243	927,490
Total depreciation and amortization	65,900,424	46,281,775
10 Audit fees-Auditor General	800,000	800,000
11 Cash and cash equivalents		
A/C No.1167037944-KCB-Re-current Account	441,171	8,892,337
A/C No.1143244362-KCB-Deposits Account	146,407,271	176,417,098
A/C No.1226683495-KCB-Development Account	43,566,782	57,799
Cash in hand	9,300	6,856
Total cash and cash equivalents	190,424,523	185,374,090
12(a) Receivables from exchange transactions	Kshs	Kshs
Current Receivables		
Staff debtors(Salary advance)	45,157	30,627
Outstanding imprest	104,700	521,350
Total Current receivables	149,857	551,977
12(b) Non-Current Receivables		
Receivables from non-exchange transactions	4,664,250	4,221,675
Total non-Current receivables	4,664,250	4,221,675
12(c) Prepayment		
Prepayment of Insurance Cover	11,539,319	-
Total prepayment	11,539,319	-

KENYA INSTITUTE OF MASS COMMUNICATION ANNUAL REPORT AND FINANCIAL
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2020

		2019-2020	2018-2019
13	Trade and other payables from exchange transactions	Kshs	Kshs
	Contractor's retention	17,107,905	29,794,817
	Pension & Gratuity	13,678,178	13,678,178.00
	Payments due to Part-time lecturers	3,207,819	1,139,000
	Outstanding salaries & wages(WCPS)	3,990,930	3,990,930
	Provision for audit fee	1,600,000	800,000
	Total	39,584,832	49,402,925
14	Refundable deposits from students		
	Student deposits b/f	2,769,301	1,322,101
	Deposits	1,080,500	1,500,000
	Refunds	(71,087)	(52,800)
	Total deposits	3,778,714	2,769,301
15	Revenue reserve		
	Bal b/f	-155,182,834	(131,663,865)
	Adjustment/Restatement		-
	Surplus/deficit for the financial year	(63,791,521)	(23,518,969)
	Bal c/f	(218,974,354)	(155,182,834)
16.	Work in progress		
	Opening work in progress	-	107,315,447
	Additions	6,330,509	51,294,808
	Total	6,330,509	158,610,255
17. Capital Reserve		2019-2020	2018-2019
	Capital revaluation	2,552,675,842	2,354,439,632
	Development Grant	169,000,000	250,000,000
	Loss in valuation of assets	-	(51,763,790)
	Total	2,721,675,842	2,552,675,842

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STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2020

9(b) Intangible assets-Software

Description	2019-2020	2018-2019
Cost	Shs	Shs
At the beginning of the year	6,399,139	6,399,139
Additions	-	-
Disposals	-	-
At the end of the year	6,399,139	6,399,139
Amortization and impairment		
At the beginning of the year	(4,234,997)	(3,307,507)
Amortization	(649,243)	(927,490)
At the end of the year	(4,884,240)	(4,234,997)
Net book values	1,514,899	2,164,142

KENYA INSTITUTE OF MASS COMMUNICATION ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

0 KENYA INSTITUTE OF MASS COMMUNICATION
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2020

9(a)

Non-Current Assets

Description	Land	Buildings	Furniture & Fittings	Tools & Equipment	Motor Vehicles	Computers	Work in Progress	Total
	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
Cost								
as at 1st July 2018	1,100,000,000	955,163,694	28,960,208	105,408,866	12,258,287	6,657,289	107,315,447	2,315,763,791
additions	-	-	-	66,001,611	-	558,000	51,294,808	117,854,419
Transfers/loss	-	-	-	(56,415,503)	4,651,713	-	-	(51,763,790)
As at June 2019	1,100,000,000	955,163,694	28,960,208	114,994,974	16,910,000	7,215,289	158,610,255	2,381,854,420
additions	-	-	68,000	144,364,042	-	8,611,325	6,330,509	159,373,876
transfer/additions	-	144,906,395	-	-	-	-	(158,610,255)	(13,703,860)
charge for year	-	-	-	-	-	-	-	-
as at June 2020	1,100,000,000	1,100,070,089	29,028,208	259,359,016	16,910,000	15,826,614	6,330,509	2,527,524,436
Depreciation & impairment								
1st July 2018	-	(69,820,565)	(9,326,219)	-	-	-	-	(79,146,784)
depreciation	-	(22,133,578)	(2,454,249)	(14,374,372)	(4,227,500)	(2,164,587)	-	(45,354,286)
As at June 2019	-	(91,954,143)	(11,780,468)	(14,374,372)	(4,227,500)	(2,164,587)	-	(124,501,070)
Depreciation & impairment								
1st July 2019	-	(91,954,143)	(11,780,468)	(14,374,372)	(4,227,500)	(2,164,587)	-	(124,501,070)
charge for the year	-	(25,202,899)	(2,155,968)	(30,623,081)	(3,170,625)	(4,098,608)	-	(65,251,181)
as at June 2020	1,100,000,000	982,913,047	15,091,772	214,361,563	9,511,875	9,563,419	6,330,509	2,337,772,185
As at June 2019	1,100,000,000	863,209,551	17,179,740	100,620,602	12,682,500	5,050,702	158,610,255	2,257,353,350

KENYA INSTITUTE OF MASS COMMUNICATION ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

APPENDIX 1: 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.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Uncompleted project- Construction of Kitchen/Dining	<p>A.Initial Contract Cost Kshs 115,925,052</p> <p>A. Contract Variation - Cost Contract varied by KShs 28,980,902 or 25% of initial cost due to changes in structural layout and design of the structure involving inclusion of mezzanine floor (which created space for Staff Common Room, offices and Indoor Games Facility. The new changes necessitated additional columns due to increase in height of ground floor columns.</p> <p>B. Duration variation The contract period ending 8th June 2017 was extended for 26 weeks so that the revised completion date would be 7th November 2017. The extension of contract period was occasioned by changes in structural layout and design of the structure. Development funds were not disbursed to the Institute in FY 2017/18. This further affected completion time and costs for the project.</p>	Mr.Peter Wakoli (DD (F&A))	Resolved	

KENYA INSTITUTE OF MASS COMMUNICATION ANNUAL REPORT AND FINANCIAL
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>C. Status of the Project</p> <ul style="list-style-type: none"> ⇒ The project was awarded in phases. ⇒ The first phase which involved completion of structural works and roofing is complete. ⇒ The final phase which involves finishes, mounting of shutters, walling in selected portions, plumbing and electrical works will be complete by 30th May 2020. ⇒ The project will be completed within budgetary ceilings set by The National Treasury [TNT] ⇒ The facility is expected to be ready for use by June 2020 if funding for the last half of the current FY 2019/20 will be disbursed in full and on time 			

KENYA INSTITUTE OF MASS COMMUNICATION ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

APPENDIX 11: PROJECTS IMPLIMENTED BY THE ENTITY

Project Title	Project Number	Donor	Period /Duration	Separate donor reporting required as per donor agreement	Consolidated in these financial statements
405bed capacity five storey hostel		GoK	6 yrs	NO	YES
Modernization of KIMC film		GoK	6 yrs	NO	YES

Status of projects and completion

NO	Project	Total Project Cost	Total Expended to date	% of completion to date	Budget	Actual	Sources of Funds
1.	405bed capacity five storey hostel	500,000,000	449,000,000	90%	51,000,000	51,000,000	GoK
2.	Modernization of KIMC film	405,000,000	287,000,000	71%	118,000,000	118,000,000	GoK

KENYA INSTITUTE OF MASS COMMUNICATION ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

APPENDIX 111: INTER-ENTITY TRANSFERS

ENTITY NAME:		Kenya Institute of Mass Communication		
Break down of Transfers from the State Department of Broadcasting and Telecommunication				
FY 2019/20				
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	<u>Indicate the FY to which the amounts relate</u>
		28/5/2020	49,050,000	2019/2020
		20/5/2020	14,350,000	2019/2020
		31/1/2020	49,050,000	2019/2020
		30/10/2019	49,050,000	2019/2020
		6/9/2019	49,050,000	2019/2020
		Total	210,550,000	
b.	Development Grants**			
		<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	<u>Indicate the FY to which the amounts relate</u>
		19/5/2020	84,500,000	2019/2020
		22/10/2019	84,500,000	2019/2020
		Total	169,000,000	

**In the FY 2019/2020, the institute had an approved development budget of Kshs 169,000,000 which was disbursed in the 2nd & third quarter

KENYA INSTITUTE OF MASS COMMUNICATION ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020
APPENDIX IV: TRANSFER FROM OTHER GOVERNMENT ENTITIES

Name of the MDA Transferring the funds	Date received as per bank statement	Recurrent/Development	Where recorded					Total Transfers during the year
			Total Amount	Statement of financial performance	Capital fund	Deferred income	Receivables	
MICT-State Department of Broadcasting & Telecommunication	30/10/19	Recurrent	49,050,000	49,050,000	-	-	-	2019/2020
"	22/10/19	"	49,050,000	49,050,000	-	-	-	2019/2020
"	31/1/20	"	49,050,000	49,050,000	-	-	-	2019/2020
"	20/5/20	"	14,350,000	14,350,000	-	-	-	2019/2020
"	8/5/20	"	49,050,000	49,050,000	-	-	-	2019/2020
		Total	210,550,000					
"	19/5/20	Development	84,500,000	84,500,000	-	-	-	84,500,000
"	22/10/19	"	84,500,000	84,500,000	-	-	-	84,500,000
		Total	169,000,000	169,000,000				169,000,000

