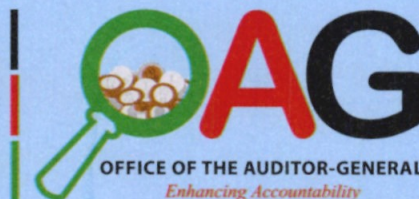


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REPORT

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(HON. KIMANI ICHUNGWAH)

CLERK-AT
THE TABLE:

J. LEMERELLE

THE AUDITOR-GENERAL

ON

COMMUNICATIONS AUTHORITY OF KENYA
STAFF CAR LOAN AND MORTGAGE SCHEME
FUND

FOR THE YEAR ENDED
30 JUNE, 2025



COMMUNICATIONS
AUTHORITY OF KENYA

**COMMUNICATIONS AUTHORITY OF KENYA,
STAFF CAR LOAN AND MORTGAGE SCHEME FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED**

30TH JUNE 2025

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

Communications Authority of Kenya Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements
for the year ended June 30, 2025.

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**Communications of Kenya Staff Car Loan and Mortgage Scheme Fund
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1. Acronyms and Definition of Key Terms

A: Acronyms

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

B: Definition of Key Terms

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

Comparative Year- Means the prior period.

**Communications of Kenya Staff Car Loan and Mortgage Scheme Fund
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2. Key Fund Information and Management

(a) Background information

The Communications Authority of Kenya *Staff Car Loan and Mortgage Scheme Fund (CSS)* was incorporated/ established and derives its authority and accountability from the provisions under Section (84) of the PFM Act 2012 and Regulations 127 of the PFM Regulations, 2015.

The Fund was set in the financial year 2024/25 as a revolving fund pursuant to the Salaries and Remuneration Commission (SRC) Circular Ref. No. SRC/ADM/CIR/1/13 Vol. III of December 17th, 2014 and The National Treasury Letter Ref. No. TNT/ZZ 331/04/G/(60) dated December 13th, 2024, with the objective of providing a loan scheme for the purpose of acquisition of motor car and residential property for staff.

The Fund is wholly owned by Communications Authority of Kenya and is domiciled in Kenya.

(b) Principal Activities

The principal activity of the of the fund is to provide.

- i) Mortgage loans to CA Staff for the sole purpose of:
 - a. Purchasing an existing residential property
 - b. Purchase of land and construction
 - c. Construction, renovation and/or improvement of existing residential property or existing plot/land.
 - d. Takeover loans on existing mortgages or equity release on existing mortgage property/ies.
- ii) Loans for acquisition of motor car for personal use by CA staff.

The Fund is administered by the CA Staff Mortgage and Car Loan Advisory Committee. The Committee is charged with the responsibility of processing loans from applicants in accordance with laid down approved regulations, setting up a revolving Fund for the disbursement of loans and supervising the day-to-day operations of the Fund.

**Communications of Kenya Staff Car Loan and Mortgage Scheme Fund
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(c) Board of Trustees/Fund Administration Committee

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

No.	Designation	Name
1.	Staff House Loans Committee – Chairperson	CS. Lydia Sitienei Director/Legal Services & Corporation Secretary
2.	Staff House Loans Committee – Secretary	CHRP Reginah Jemutai Director/ Human Resources & Administration
3.	Staff House Loans Committee - Member	Mr. Mohammed Haji Director/ Standards & Resource Management
4.	Staff House Loans Committee - Member	Mr. Dominic Ooko Ag. Director/ Finance & Accounts
5.	Staff House Loans Committee – Member	Mr. Rodgers Mumelo
6.	Staff House Loans Committee – Member	Mr. Victor Migwi
7.	Fund Administrator	Mr. David Mugonyi, EBS Director General/CEO

(d) Key Management

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

SN	Position	Name
1	Fund Manager Administrator	Mr. David Mugonyi, EBS Director General/CEO
2	Fund Accountant	Mr. Dominic Ooko Ag. Director/ Finance & Accounts
3.	Director/ Human Resources & Administration	CHRP Reginah Jemutai

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4	Director/Legal Services & Corporation Secretary	CS. Lydia Sitienei
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(e) Fiduciary Oversight Arrangements

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

No.	Designation	Name
1.	Directorate Internal Audit	FCPA Rosalind Murithi Director/ Internal Audit
2.	Staff House Loans Committee – Chairperson	CS. Lydia Sitienei Director/Legal Services & Corporation Secretary
3.	Staff House Loans Committee – Secretary	CHRP Reginah Jemutai Director/ Human Resources & Administration
4.	Staff House Loans Committee - Member	Mr. Mohammed Haji Director/ Standards & Resource Management
5.	Staff House Loans Committee - Member	Mr. Dominic Ooko Ag. Director/ Finance & Accounts
6.	Staff House Loans Committee – Member	Mr. Rodgers Mumelo
7.	Staff House Loans Committee – Member	Mr. Victor Migwi

(f) Registered Offices

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

(g) Fund's Contacts

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

(h) Fund's Bankers

Kenya Commercial Bank
Sarit Centre Branch
P.O. Box 30081 – 00800
Nairobi, Kenya

(i) Independent Auditor

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

(j) Principal Legal Adviser

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

3. The Board of Directors



Mr. Charles Karondo, born in 1991, is the Chairperson of the Board of Directors of the Communications Authority of Kenya (CA) appointed on August 8th, 2025, is an accomplished governance leader with extensive experience and a proven track record in public administration, institutional transformation, and strategic leadership. He has consistently championed governance reforms, organizational efficiency, and advanced citizen-focused service in Kenya's public sector.

He previously served as the Board Chairman of Athi Water Works Development Agency, where he oversaw reforms that enhanced governance and service delivery. His exemplary leadership earned him the Champions of Governance Award – Chairman of the Year by the Institute of Certified Secretaries (ICS).

Mr. Karondo holds a Master's degree in Human Resource Management and a Bachelor of Business Management (HR option). He is an alumnus of the Leadership Development Program at the Kenya School of Government and a Certified Professional Mediator accredited by the Mediation Training Institute, with expertise in negotiation, conflict resolution, and stakeholder engagement. His appointment as Chairman of the Communications Authority of Kenya reflects his proven leadership and commitment to strengthening national institutions. He is dedicated to steering the Authority's governance agenda while supporting Kenya's digital transformation, fostering innovation, and promoting inclusive access to communication services for all citizens.



Ms. Mary W. Mungai, CBS, born 1965, is the immediate former Chairperson of the Board of Directors of the Communications Authority of Kenya (CA) having been appointed on 2nd December 2022 and replaced August 8th, 2025.

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

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

She has served as a Board Member in several entities, including as a Board Member of Kenyatta National Hospital for seven (7) years, where she served as Chair of Finance and all Purposes Committee, and as Chair of Corporate Strategy and Enterprise Committee. She currently runs Purma Holdings, a company formed in 1996, among others. She also has interest in the hospitality industry and the real estate.

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Ms. Mungai is also the proprietor of The Glee Hotel, a five-star postmodern hospitality facility in the heart of Kenya's capital, Nairobi, providing a world-class experience. She holds a bachelors degree in business administration from the Kenya Methodist University and a Diploma in Clearing & Forwarding from the Kenya Institute of Clearing and Forwarding. She was replaced on August 8th, 2025



Mr. David Mugonyi, EBS, born in 1972, is the Director General/CEO of the Communications Authority of Kenya, appointed on 15th January 2024. With over 20 years of leadership experience in public service, media, and strategic communications, Mr. Mugonyi previously served as the Head of the Presidential Communication Service, where he played a pivotal role in developing and implementing communication strategies at the highest levels of government.

His expertise in perception and reputation management has been instrumental in shaping effective communication practices. Prior to his role in the Presidential Communication Service, Mr. Mugonyi served as the head of the parliamentary press unit, further honing his skills in strategic communication and media relations. He holds a Master's Degree in International Journalism from City University in the United Kingdom, a Bachelor's Degree in Education from the University of Nairobi, and a Postgraduate Diploma in Mass Communication from the same institution.



Mr. Stephen Motari Isaboke, EBS, born in 1968, is a former technology media, oil & gas, and renewable energy consultant in Kenya and the United Arab Emirates (UAE). He is an experienced and multi-disciplinary business executive with over twenty-five years' leadership in senior management and executive levels.

He has previously served as the Group Executive Director of Regulatory and Government Affairs for the Africa Region at MultiChoice Africa Holdings, based in Dubai, UAE. He has previously held senior leadership positions responsible for Kenya and East Africa for MultiChoice Group, Kenya Shell (Royal Dutch Shell PLC) Sara Lee and Unilever. He has also held non-executive directorships in various companies and served in the management board of the national football team, Harambee Stars.

Mr. Isaboke holds a Bachelor of Commerce B.Com (Hons) degree in Business Administration from the University of Nairobi, a Post-graduate Diploma in Marketing from the Chartered Institute of Marketing (CIM), United Kingdom, and a Master of Business Administration (MBA) degree in strategic management from the University of Nairobi. He is a fellow of the Chartered Institute of Marketing FCIM (UK) and a Member of the Institute of Directors (IoD) Kenya. He was appointed on April 23rd, 2025

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

He serves on the CA Board in his capacity as the Principal Secretary. He holds a PhD degree in Archaeology and Political Studies from Kenyatta University. Prof. Kisiang'ani has over 20 years of work experience and has extensive university experience in teaching History and Political Studies. He was appointed on 2nd November 2022 and replaced on March 30th, 2025.



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

He has several years experience in economic policy analysis particularly on areas related to: International Trade and Finance issues including BoP and exchange rate developments; Monetary policy, real sector and public finance issues; Policy and programme developments originating from multilateral and regional organizations;

Interrelations among macroeconomic accounts as well as macroeconomic modelling and forecasting issues. Dr Kiptoo is an accredited Fellow of the Macroeconomic & Financial Management Institute of Eastern & Southern Africa (MEFMI) in the field of Macroeconomic Management. He is also an Associate of Kenya Chartered Institute of Bankers (A.K.I.B). He was appointed on 2nd November 2022.



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

He has over 16 years of experience and previously served as a non-executive board member at Consolidated Bank of Kenya and Managing Director of the Lake Basin Development Authority (LBDA) since 2019. Dr. Omollo is a statistician and research professional and has previously worked in the non-profit Research and Development organization management industry with a keen focus in Data Management, Statistical Data Analysis, Epidemiology, and Statistical Modeling. He was appointed on 2nd November 2022.

INDEPENDENT BOARD DIRECTORS



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

He joined the defunct Kenya Posts and Telecommunications Corporation (KPTC) in 1985 and later the Postal Corporation of Kenya (PCK) where he served in various managerial positions in operations management, sales and marketing, logistics, strategy, and international postal affairs. In his long experience in the communication sector, spanning a period of over 30 years, he served as a Regional Postal Manager, Head of Courier/EMS, Logistics, and Property Management.

Mr. Langat also served in the international postal affairs where he was the technical advisor to the Chairman of the Universal Postal Union's Council of Administration from 2007 to 2012 and subsequently as advisor to the Director General of the International Bureau of the Universal Postal Union in Bern, Switzerland in 2013.

Mr. Langat was also a member of a Task force appointed to study challenges facing the designated operator (PCK) and recommend to the Minister for ICT a Revamping strategy for the Corporation. He also served as a member of the Steering Committee that was appointed by the Ministry of ICT to spearhead the Setting up of the National Addressing System for Kenya, representing the postal and courier sector until 2018.

He is currently in private business and is also a Board Member of a privately owned tea factory. He was appointed to the CA board on 24th February 2023 for a period of three (3) years. He is the chair of the Finance, Planning and Strategy Committee and a member of the Technical and Broadcasting Standards Committee.



Mr. Okeng'o Joel Nyambane, born in 1989, is a highly motivated and strategic professional with a strong background in law and political science. He holds a Bachelor of Law and Bachelor of Political Science degrees from the Catholic University of East Africa where he developed a comprehensive understanding of legal and political systems.

Throughout his academic career, Mr. Nyambane has demonstrated exceptional dedication and hard work. His ability to think critically and strategically has allowed him to excel in both his studies and his professional pursuits. He is highly skilled in legal research, analysis, and writing, and he possesses a keen understanding of political systems and policies.

In addition to his academic achievements, Mr. Nyambane has a proven track record of success in the workplace. He is a highly effective communicator and collaborator, and he possesses excellent interpersonal skills. His strategic thinking and problem-solving abilities have enabled him to overcome challenges and achieve his goals. Overall, Joel is a highly skilled and dedicated professional with a passion for law and politics. He is committed to making a positive impact on society through his work, and he is constantly seeking new opportunities to learn and grow.

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He was appointed to the CA board on 24th February 2023 for a period of three (3) years. He is the chair of the Board Audit and Risk Assurance Committee and a member of the Technical and Broadcasting Standards Committee.



Ms. Christine Bhoke Nchamah, born in 1979, Ms. Nchamah is a community developer, entrepreneur, and politician with a passion for women's rights and empowerment. She holds a Bachelor of Arts degree in Community Development and a Diploma in Community and Social Development from Kisii University.

Ms. Christine has a track record of advocating for vulnerable members of society and turning ideas into reality. She served as a board member of Lake Basin Development Authority from 2019-2022 and was the Secretary of Kuria West Constituency from 2013-2022.

In addition, she chaired the Kuria West Women Sacco from 2015-2020. Christine's love for lending a helping hand to the less fortunate in the community is evident in her work.

She was appointed to the CA board on 24th February 2023 for a period of three (3) year. She is the Chair of the People and Culture Committee and a member of the Finance, Planning and Strategy Committee.



Mr. Paul Mureithi, born in 1958, Mr. Mureithi is a board member after being appointed on 17th July 2021. He has 25 years' experience in telecommunications having worked in Telkom Kenya Limited. He has worked in cable network, fiber optic planning and construction in Nairobi Central and Nairobi North region as a Senior Manager.

Mr. Mureithi has a wealth of experience in various Engineering Departments since 1978. He has served as a technical trainee in Kenya Telkom's KRTS and KCCT Communications Engineering Schools, rising through the ranks as Senior Technician, Assistant Engineer, Senior Engineer, Senior Sectional Engineer, and Assistant Manager Engineering in charge of Kiambu County, Westlands, Kileleshwa, Parklands and Muthangari Telephone Exchanges.

He worked in the defunct Kenya Posts and Telecommunications Corporation (KPTC) and Telkom (K) Ltd for twenty-five (25) years.

He is a Director of Tymstar Motors Limited, Tymtrack Limited, Mweiga Homes Limited, Dualway Properties Limited, among others.

He was appointed to the CA board on 24th March 2023 for a period of three (3) years. He is the chair of the Technical and Broadcasting Standards Committee and a member of the Board Audit and Risk Assurance Committee.



Dr. Musangi J. Mutua, born in 1962, Dr. Musangi is an accomplished professional with extensive experience in public sector management, specializing in human capital management and organizational development.

Dr. Musangi J. Mutua was appointed a member of the Board on 27th June 2024. Prior to this appointment, she served as the Chair of Council of Masinde Muliro University of Science and Technology-MMUST between 2020-2023 and the Chair of Council of Pwani University between 2017-2020. She was the inaugural Chair of the Human Resource Committee of the University of Eldoret Council between 2013- 2017 while a member of the Governing Council. Dr. Musangi has a wide experience in Public Sector Management, specifically she is hands-on in matters Human Capital management and Organizational Development having served at the Directorate of Personnel Management-DPM, Post Office Savings Bank- Postbank and the East African Portland Cement Company-EAPCC heading the Human Resource Docket.

Dr. Musangi is well versed with corporate governance having been a member of Board of Directors among others, Central Agricultural Board, Kitui Teachers College and Kitui County Assembly Service Board. She has exceptional skills in Team leadership, Operational and People management.

Dr. Musangi is a Chartered Human Resource Professional- CHRP and holds a PhD in Business Administration specializing in Strategic Management from the University of Nairobi. She holds a Masters in Public Administration, Higher Diploma in Human Resource Management and Bachelor of Arts Degree - BA Government. She has attended programs leading to course certificates in Corporate Governance, Performance Management, Finance for Non-Finance Managers, National Cohesion and National Values, Transformation of Public Sector Management, Labour Laws, Human Resource Development among others. Dr. Musangi has published in the field of Business Process Outsourcing strategy and performance of Kenyan State Corporations among other publications in peer review journals.

Dr. Musangi is a full member of the Institute of Human Resource Management-IHRM and The Kenya Institute of Management-KIM. She is a Human Resources Management Practitioner Certified by the Institute of Human Resource Management-IHRM. Her appointment was revoked on August 8th, 2025. She was a member of the People and Culture Committee and the Board Audit and Risk Assurance Committee.

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

Standards Committee.



Hon. Daniel Kipkogei Rono, born in 1963, was appointed to the Board of Directors of the Communications Authority of Kenya (CA) on 3rd October 2024 for a term of three years. A seasoned Administrator and Director, Hon. Rono boasts over 38 years of experience in leadership and business management spanning public service and the private sector, where is an accomplished entrepreneur.

From 2017 to 2022, Hon. Rono represented Keiyo South Constituency as a Member of the National Assembly (MNA) for a term. He is now the Director of Maestro Properties Limited. He has held other positions including as Chairman of the Board of Directors at the Kenya Medical Supplies Authority (KEMSA), Independent Director of Chemelil Sugar Company, Managing Director of Maestro Properties Limited, Manager at Dubai Bank Ltd, Bay Forex Bureau, Standard Chartered Bank and a secondary school teacher during my entry into the job arena.

Hon. Rono is passionate about leveraging opportunities for investment and wealth creation for the people of Kenya. Between 2015-2016, he served in the caretaker board of the United Assurance while it was under Statutory Management and currently sits on the board of the Africa Merchant Assurance Company Ltd. He holds a Bachelor's Degree in Business Administration from Riara University, a Bachelor's Degree and Diploma in International Hospitality and Management both from the University of Sunderland, and a Diploma in Business Education (Banking, Law and Economics). He was appointed on October 4th, 2024. He is a member of the People and Culture Committee and the Finance, Planning and Strategy Committee.

ALTERNATE BOARD DIRECTORS



Mr. Waweru Kimani, born in 1963, Mr. Kimani is an Alternate Board Director from the Ministry of Information, Communications and the Digital Economy. He has a distinguished career in public service with leadership roles across various government departments. He holds a Bachelor of Arts degree in Public Administration and Political Science from the University of Nairobi and a Master of Business Administration in Strategic Management from Jomo Kenyatta University of Agriculture and Technology. Mr. Kimani served as Deputy Ambassador to Beijing, China, from 2018 to 2022,

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strengthening bilateral relations. Currently, as Director of Administration at the Ministry, he oversees administrative functions and leads initiatives to advance Kenya's digital transformation and economic development. He was appointed to the Board on 9th January 2024. He is a member of the Finance, Planning and Strategy Committee and the Technical and Broadcasting Standards Committee.



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



Mr. Henry Mutwiri Riungu, born in 1969, As a financial professional with over 26 years of experience, Mr. Mutwiri has served in senior positions at the National Treasury, including as a Senior Finance Officer, Deputy Head of the World Bank Division in Resource Mobilization Department, Chief Intergovernmental Fiscal Relations Officer and Chief Investment Officer. He is currently the Assistant Director for Investment in the National Treasury under the Department of Government Investment in Public Enterprises (GIPE) in the Directorate of Public Investment & Portfolio Management (PIPM).

For over a decade, he was instrumental in reviewing financing and credit agreements for mobilization grants and donations, facilitating and monitoring the implementation of donor-funded projects and undertaking policy analysis on external resources mobilization to inform policy development. He also served as a member of Kenya Negotiating Delegation for external resources with development partners specifically the World Bank.

In his current position as the Assistant Director for Investment in the National Treasury, he is responsible for coordinating the review of state corporations' annual budgets, corporate plans and other strategic undertaking for approval by the National Treasury. He also assists in the evaluation of government investments in public enterprises, managing National Government On-lent and guaranteed loans to state corporations and other entities, including how to manage contingent liabilities and other fiscal risks relating to state corporations and government investments.

He has served as an alternate Board Member in various State Corporations cutting across various sectors namely banking, water, social services, leather processing and regulatory agencies.

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Mr. Mutwiri holds an MBA in Finance from Maseno University, a Post Graduate Diploma in Finance from KCA University and a Bachelor of Commerce degree from the University of Nairobi. He has attended various short-term external trainings on public financial management conducted in Tanzania, Malawi, South Africa, Britain, Denmark, and the United States of America. He was appointed on July 22nd, 2024. He is a member of the Finance, Planning and Strategy Committee and the Board Audit and Risk Assurance Committee.



Ms. Lydia Sitienei is the Director Legal Services and Corporation Secretary. She is a Certified Secretary and a member of the Institute of Certified Secretaries, Member No. 3062.

4. Key Management Team



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



Mr. Christopher Wambua is the Director, Competition Management, Consumer Protection & Corporate Communications. He holds a Master's in International Studies and a Postgraduate Diploma in Mass Communication, a Postgraduate Diploma in Public Relations from CIPR, and a Bachelor's in Education.



Ms. Lydia Sitienei is the Director, Legal Services and Corporation Secretary. She holds a Master's Degree in public policy & management, Bachelor of Laws Degree; Postgraduate Diploma in Law from the Kenya School of Law. She is a member of the Institute of Certified Secretaries of Kenya (ICSK) and the Law Society of Kenya (LSK).



CHRP Reginah Jemutai is the Director, Human Resource & Administration. She holds a Master's degree in Business Administration (Human Resource Management option) and is a Certified Human Resource Professional (Kenya) as well as a member of the Institute of Human Resource Management (IHRM).



FCPA. Rosalind Murithi is the Director, Internal Audit. She holds a Master's of Business Administration in Finance and a Bachelor of Commerce degree. She is a Certified Public Accountant – CPA (K).

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Mr. Christopher Kemei is the Director, Universal Access and Services Strategy and Coordination until December 2024.

He holds an MSc. in Operational Telecommunications and a

BSc. in Physics.



Mr. Matano Ndaro is the Director, Licensing and Compliance. He holds a bachelor's degree in economics and a postgraduate training in ICT Regulation in Developing & Transitional Economies from the University of Westminster in the United Kingdom.



Eng. Leo K. Boruett, Director, Multimedia Licensing and Content Regulation; additionally appointed as Director, Universal Service Fund, effective December 2024.

He holds a BSc. in Electrical and Electronics Engineering, an Executive Master's Degree in Business Administration, and an MSc. in Project Management.



Mr. Mohammed Haji is the Director, Standards and Resources Management. He holds a Bachelor of Technology Degree and a Master of Science Degree in Telecommunications and Information Systems. He is a member of the Engineers Board of Kenya (EBK), the Institute of Engineers of Kenya (IEK), Institute of Electrical and Electronics Engineers (IEEE).



Mr. Dominic Ooko is the Ag. Director, Finance and Accounts. He holds a Bachelor of Commerce and is a member of the Institute of Certified Public Accountants of

Kenya (ICPAK).



Mr. Peter Mwangi is the Director, Supply Chain Management. He holds a Master's degree in Strategic Management and a Postgraduate Diploma in Purchasing and Supplies from the Chartered Institute of Purchasing and Supply (CIPS), UK.



Mr. Martin Mirero is the Director, Information, Communications, and Technology. He holds an MSc in Computer Science (Distributed Information Systems), an MBA, and a BSc in Computer Science (Hons).

He is a member of the Information Systems Audit and Control Association (ISACA) and the Institute of Electrical and Electronics Engineers (IEEE).



Ms. Patricia Muchiri is the Director, Consumer Protection & Advocacy, Public Education and Awareness, until November 2024. She holds a Master's of Science in Marketing and a Bachelor of Arts, Political Science and English Literature.

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Dr. James Njeru is the Director, Research, Planning & Quality Management until May 2025. He holds a PhD in Agricultural Economics.



Dr. Vincent Ngundi is Director, Cyber Security. He holds a Bachelor of Science degree in Computer Science, a Global Executive MBA, and a PhD.



Mr. Peter Ikumilu is the Ag. Director Compliance & Enforcement until May 2025. He holds a Master's degree in Communications Management, an MBA, and a Bachelor of Technology.



Mr. Lukas Musembi is the Ag. Director, Competition Management until May 2025. He holds a Master's degree in Economics and a Bachelor of Arts in Economics.



Mr. Titus Cheptoo is the Ag. Director Monitoring, Inspection & Regional Coordination until May 2025.

He holds a Master's degree in Operational

Communications and a BSc. in Electrical & Electronics Engineering.



Mr. Joseph Kirui is the Ag. Director Research, Planning & Quality Management. He holds an MBA and a Bachelor of Arts in Economics and Philosophy. He is a member of the Institute of

Certified Public Accountants of Kenya (ICPAK).

**Communications of Kenya Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements
for the year ended June 30, 2025.**

5. Chairman's Report

On behalf of the Board of Directors, Management, and staff of the Communications Authority of Kenya (CA), I am pleased to present to you the CA Staff Car Loan and Mortgage Scheme Report for the year ended 30th June 2025.

The National Treasury has funded the scheme to the tune of Kshs. 300 million. The Fund appreciates the support of the Government through the National Treasury. While the initial uptake of the mortgage and car loan facilities has been modest, we anticipate an increase as the Fund continues to review and enhance the product offerings to ensure optimal utilization of the facilities.

The governance and management of the Scheme is as set out in the loan entitlement stipulated in the CA Staff Loan policies and as per the guidelines issued by the Salaries and Remuneration Commission.

The facilities have helped the staff to improve their wellbeing as well as that of their families. Indeed, this has a direct effect in supporting the Government's Big Four Agenda on affordable housing.



Mr. Charles Karondo
Chairperson of the Board

6. Report of the Fund Administrator

The Communications Authority of Kenya Staff Car Loan and Mortgage Scheme Fund was established and is governed in line with existing Government regulations. In this regard, the Commission hereby presents the Financial Statements of the Staff Car Loan and Mortgage scheme fund for the year ending 30th June 2025. The Financial Statements presented comprises of the statement of financial performance, statement of financial position, statement of changes in net assets and statement of cash flow.

The implementation and administration of the Scheme is overseen by a Staff Mortgage and Car Loan Scheme Advisory Committee in liaison with external professional service providers. The Committee meets regularly to consider loans applications and make recommendations to the Service providers. The National Treasury has funded the scheme since inception to Kshs. 300,000,000 as at date of reporting. So far, the Scheme has facilitated one (1) successful applicant for mortgage. Accordingly, the total amount disbursed during the financial year to facilitate staff mortgage is Kshs. 15,000,000 while car loan was Kshs. Nil.

The scheme continues to meet its objective of creating an enabling environment for optimal productivity by providing a competitive loan scheme for members of Staff. Despite the initial low uptake, we anticipate an increase in the subsequent periods. We encourage all staff members to utilize the facility for improvement of their welfare and to remain resilient and focused in the performance of their duties.



David Mugonyi, EBS

Director General/Fund Administrator

**Communications of Kenya Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements
for the year ended June 30, 2025.**

7. Statement of Performance against Predetermined Objectives

The key strategic objectives are contained in the CA 2023-2027 Strategic Plan. However, to achieve the objective of the Salaries and Remuneration Commission (SRC) circular Ref. No: SRC/ADM/CIR/1/ 13 Vol. III (128) dated 17th December 2014 that initialized the establishment of the fund, the CA 2023-2027 Strategic Plan incorporated the following as one of its strategic objectives.

To attract and retain a productive and motivated human resource. To realize this strategic objective, the Communications Authority of Kenya Staff Car Loan and Mortgage Scheme Fund relied on its strategic plan to guide activities, policy formulation and work plans and made the following progress and achievements towards its targeted objective during FY 2024/2025.

Below we provide the progress on attaining the stated objective:

Key Result Area	Objective	Outcome	Indicator	Performance
Institutional Excellence	Improve Institutional performance	Increased number of staff accessing the mortgage	Percentage of staff retained in CA and number of staff who accessed the mortgage loans	The number of staff who accessed the mortgage and car loans were one (1) in FY 2024/25. This has led to a motivated workforce and retention of staff in CA.

8. Corporate Governance Statement

The CA Staff Car Loan and Mortgage scheme Fund is a revolving fund established pursuant to the Salaries and Remuneration Commission (SRC) circular number SRC/ADM/CIR/1/13 Vol. III (128) dated 17th December 2014 and Section 24 (4)(5)(6)(7) of the Public Finance Management (PFM) Act, 2012 and 127 (1)(2) of the PFM (National Government) Regulations, 2015.

Its mandate is to provide car loans and house mortgage to members of staff. The fund is committed to ensuring compliance with regulatory and supervisory corporate governance requirements. Essential to the establishment of a corporate governance framework in the fund is a formal governance structure with the committee at its apex. The operations of the fund are governed by CA Staff Car Loan and Mortgage Scheme Policy and any other government legislations.

The Staff House Loans Committee

Section 5 of the CA Staff Mortgage Policy provides for appointment of committee and administrator of the fund. The committee is made up of five (5) members including the Chairperson and a Secretary. The committee is responsible for the long-term strategic direction of the fund. The committee exercises leadership, enterprise, integrity and judgment in directing the Fund.

Committee Meetings

The committee meets quarterly or as required to monitor the implementation of the fund's strategic plan and achievement of the targets. The committee also plays an oversight role over all other financial and operational issues.

Statement of Compliance

The committee confirms that the fund has throughout the financial year 2024/2025 complied with all statutory and regulatory requirements and that the fund has been managed in accordance with the principles of good corporate governance.

Internal Control and Risk Management

The committee is responsible for reviewing the effectiveness of the fund's system of internal control, which is designed to provide reasonable, but not absolute, assurance regarding the safeguarding of

**Communications of Kenya Staff Car Loan and Mortgage Scheme Fund
Annual Report and Financial Statements
for the year ended June 30, 2025.**

assets against unauthorized use or disposition and the maintenance of proper accounting records and the reliability of financial information used within the business or for publication. These controls are designed to manage rather than eliminate the risk of failure to achieve business objectives due to circumstances which may reasonably be foreseen and can only provide reasonable and not absolute assurance against material misstatement or loss.

Management Team

The management team headed by the Fund Administrator implements the committee decisions and policies through action plans. The team meets regularly to review these action plans to ensure that the committee's objectives are achieved effectively and efficiently.

9. Management Discussion and Analysis

Operational and financial performance

The Scheme was introduced in December 13th, 2024 and had cash inflows of Kshs 300,000,000 as reported in the period under review.

Fund's key projects or investments decision implemented or ongoing

The Scheme has continued to invest in the mortgage and car loan schemes for the staff. This is intended to provide affordable housing for the staff while at the same time facilitating the staff to conveniently commute to and from work.

Number and amount of Loans issued during the period, loans outstanding at end of the period and loans repaid during the period

There was one successful mortgage application amounting to Kshs. 15 million by the end of the review period. The outstanding loan balance at that time was Kshs. 14,625,000.

Fund's compliance with statutory requirements,

The fund has complied with statutory requirements and there are no non-compliance issues within the period under review.

Risk Management Activities

The Scheme has put in place risk management framework for risk identification and mitigation. Further, it has embedded risk management in all its planning, execution, evaluation and business continuity arrangements. Some of the key risks facing the scheme fund include:

- i) Strategic Risks: These are risks that affect the ability to carry out the long-term goals and objectives of the fund due to inadequate funding.
- ii) Compliance Risks: These are risks associated with non-compliance with applicable laws and regulations could result in litigation and conflict of interest.
- iii) Financial Risks: The risk of financial loss that may include ineffectiveness of internal controls, inadequate funding, inability to service the loans and delay in financial reporting due to

reliance on third party financial information. The delayed funding may also result in the Commission's inability to fund all the applications hence delay in issuing loans and acquisition of the properties.

- iv) Operational Risk: The risk of direct or indirect loss or inability to provide core services especially to stakeholders, resulting from inadequate or failed financial processes, resources and systems.

10. Environmental and Sustainability Reporting

i) Sustainability strategy and profile

The Funds Board of Trustees and Management are committed to the 2030 Sustainable Development Goals (SDGs), focusing on:

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

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

ii) Environmental performance

The Fund supports environmental sustainability through its Environmental Policy by:

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

iii) Employee welfare

The Fund does not directly hire staff but relies entirely on the Authority's established hiring policy and institutional capacity to ensure performance excellence. The Authority's recruitment follows clear policies aligned with the Public Service Commission (PSC) Act and Regulations (2020), which promote gender balance and equitable employment practices. These policies undergo regular reviews to improve inclusivity and effectiveness. The Authority invests in developing employees' skills and

**Communications of Kenya Staff Car Loan and Mortgage Scheme Fund
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for the year ended June 30, 2025.**

managing careers through structured training, regular appraisals, and a fair reward system. Additionally, the Authority is committed to ensuring a safe working environment by adhering to the Occupational Safety and Health Act of 2007 (OSHA) through ongoing safety training, risk assessments, and compliance monitoring.

iv) Corporate Social Responsibility

The fund did not undertake any Corporate Social Responsibility during the year.

11. Report of the Trustees/Fund Administration Committee

The Fund Administration Committee submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the *Fund's* affairs.

i) Principal activities

The principal activity of the Fund is facilitating financing the members of staff to purchase, develop or renovate residential property and acquisition of motor cars for private use.

ii) Performance

The performance of the fund for the year ended June 30, 2025, are set out on pages 1 to 27

iii) The Fund Administration Committee

The members of the Board of Trustees/ Fund Administration committee who served during the year as shown on page v.

iv) Auditors

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

By Order of the Board



David Mugonyi, EBS

Director General/Fund Administrator

12. Statement of Management Responsibilities

Section 84 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a Fund established by the Salaries and Remuneration Commission (SRC) Circular Ref. No. SRC/ADM/CIR/1/13 Vol. III of December 17th, 2014 and The National Treasury Letter Ref. No. TNT/ZZ 331/04/G/(60) dated December 13th, 2024 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the fund, (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 fund; (v) Selecting and applying appropriate accounting policies, and (vi) Making accounting estimates that are reasonable in the circumstances.

The Administrator of the Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2025, and of the Fund's financial position as at that date.

The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control. In preparing the financial statements, the Administrator of the Fund has assessed the Fund's ability to continue as a going concern (*disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements*).

**Communications of Kenya Staff Car Loan and Mortgage Scheme Fund
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Nothing has come to the attention of the Administrator to indicate that the Fund 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 Fund's financial statements were approved by the Board on August 28th, 2025 and signed on its behalf by:



Mr. Charles Karondo
Chairperson of the Fund



David Mugonyi, EBS
Director General/Fund Administrator

REPUBLIC OF KENYA

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REPORT OF THE AUDITOR-GENERAL ON COMMUNICATIONS AUTHORITY OF KENYA STAFF CAR LOAN AND MORTGAGE SCHEME FUND FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Communications Authority of Kenya Staff Car Loan and Mortgage Scheme Fund set out on pages 1 to 26, which

Report of the Auditor-General on Communications Authority of Kenya Staff Car Loan and Mortgage Scheme Fund for the year ended 30 June, 2025

comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Communications Authority of Kenya Staff Car Loan and Mortgage Scheme Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

Basis for Opinion

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

Key Audit Matters

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

Other Information

Management is responsible for the Other Information set out on page iv to xxxi which comprise of Key Fund Information and Management, The Board of Directors, Management Team, Chairman's Statement, Report of the Fund Administrator, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting and Report of the Trustees/Fund Administration Committee. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that nothing 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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and the Trustees

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related

to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

16 December, 2025

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON COMMUNICATIONS AUTHORITY OF KENYA STAFF CAR LOAN AND MORTGAGE SCHEME FUND FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Communications Authority of Kenya Staff Car Loan and Mortgage Scheme Fund set out on pages 1 to 26, which

Report of the Auditor-General on Communications Authority of Kenya Staff Car Loan and Mortgage Scheme Fund for the year ended 30 June, 2025

comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Communications Authority of Kenya Staff Car Loan and Mortgage Scheme Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

Basis for Opinion

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

Key Audit Matters

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

Other Information

Management is responsible for the Other Information set out on page iv to xxxi which comprise of Key Fund Information and Management, The Board of Directors, Management Team, Chairman's Statement, Report of the Fund Administrator, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting and Report of the Trustees/Fund Administration Committee. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that nothing 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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and the Trustees

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related

to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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



FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

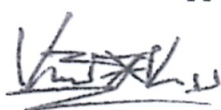
16 December, 2025

**Communications Authority of Kenya Staff Car Loan and Mortgage Scheme Fund
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for the year ended June 30, 2025.**

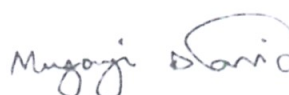
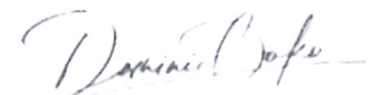
14. Statement of Financial Performance for the year ended 30 June 2025

		FY 2024/25
	Notes	Kshs
Revenue from exchange transactions		
Interest income from Staff Loans	6	57,189
Interest income from Deposits	7	7,116,742
Total revenue		7,173,931
Expenses		
Bank service charges	8	58
Total Expenses		58
Net Surplus for the year		7,173,874

The notes set out on pages 7 to 27 form an integral part of these Financial Statements. The financial statements were approved onAugust 28th, 2025.....by



Chairperson of the Board
Mr. Charles Karondo

Fund Administrator
Mr. David Mugonyi, EBS

Fund Accountant
CPA. Dominic Ooko
ICPAK M/No: 6250

Communications Authority of Kenya Staff Car Loan and Mortgage Scheme Fund
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for the year ended June 30, 2025.

15. Statement of Financial Position as at 30 June 2025

	NOTE	FY 2024/25 Kshs
ASSETS		
Current Assets		
Cash and cash equivalents	9	291,653,139
Short Term Receivables from Staff House Mortgage	10	187,500
Receivables - Related Party	11	244,689
Receivables - From Exchange Transactions	12	463,546
Total Current Assets		292,548,874
Non-Current Assets		
Long Term Receivables from Staff House Mortgage	10	14,625,000
Total Non-Current Assets		14,625,000
TOTAL ASSETS		307,173,874
NET ASSETS		
Accumulated Surplus	13	7,173,874
Mortgage and Car Loan Revolving Fund	13	300,000,000
TOTAL NET ASSETS		307,173,874

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements

The Fund financial statements were approved onAugust 28th, 2025.....by



Chairperson of the Board
Mr. Charles Karondo



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Mr. David Mugonyi, EBS



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Communications Authority of Kenya Staff Car Loan and Mortgage Scheme Fund
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16. Statement of Changes in Net Assets for the year ended 30 June 2025

	Mortgage Fund Kshs	Car Loan Fund Kshs	Accumulated Surplus Kshs	Total Kshs
At July 1, 2024	0	0	0	0
Surplus for the year	0	0	7,173,874	7,173,874
Transfers from CA	250,000,000	50,000,000	0	300,000,000
At 30 June 2025	250,000,000	50,000,000	7,173,874	307,173,874

Communications Authority of Kenya Staff Car Loan and Mortgage Scheme Fund
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17. Statement of Cash Flows for the year ended 30 June 2025

	Notes	FY 2024/25 Kshs
Cash flows from operating activities		
Receipts		
Interest income from Deposits		6,653,196
Total receipts		6,653,196
Payments		
Loan disbursements		15,000,000
Bank service charges	8	58
Total payments		15,000,058
Net cash flows from/ (used in) operating activities	16	(8,346,861)
Cash flows from financing activities		
Transfers from Communications Authority of Kenya		300,000,000
Net cash flows from/ (used in) financing activities		300,000,000
Net increase/(decrease) in cash & Cash equivalents		
Cash and cash equivalents at 1 July	9	0
Cash and cash equivalents at 30 June	9	291,653,139

**Communications Authority of Kenya Staff Car Loan and Mortgage Scheme Fund
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18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Interest income from Staff Loans	60,000		60,000	57,189	2,811	95%
Interest income from Deposits	7,200,000		7,200,000	7,116,742	83,258	99%
Transfers from CA Mortgage	250,000,000		250,000,000	250,000,000	0	100%
Transfers from Car Loan	50,000,000		50,000,000	50,000,000	0	100%
Total Income	307,260,000	0	307,260,000	307,173,931	86,069	100%
Expenses						
Loan disbursement	15,000,000		15,000,000	15,000,000	0	100%
Bank service charges	1,000		1,000	58	943	6%
Fund Administration Expenses	500,000		500,000	0	500,000	0%
Total Expenditure	15,501,000	0	15,501,000	15,000,058	500,943	97%
Surplus/ (Deficit)	291,759,000	0	291,759,000	292,173,874	(414,874)	100%

Budget notes

1. There were no changes between the original and final budget.

Communications Authority of Kenya Staff Car Loan and Mortgage Scheme Fund
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Budget Reconciliation

Description of Particulars	Amount in Kshs
Actual Surplus (Statement of Budget & Actuals)	292,173,874
Adjustments to reconcile to net cash from operating activities	
- Non-cash items (depreciation/provisions etc.)	
- Working capital timing/classification differences	
Less; Transfers from CA (reclass to Financing)	(300,000,000)
Add: Loan Disbursement (reclass to investing)	15,000,000
Net cash from operating activities	7,173,874
Investing activities	
- Increase in Short term receivable Staff Mortgage & Car Loans	(187,500)
- Increase in Long term receivable Staff Mortgage & Car Loans	(14,625,000)
- Increase in Related Party Assets	(244,689)
- Increase in Receivables from Exchange transactions	(463,546)
Net cash used in investing activities	(15,520,735)
Financing activities	
- Receipts into the Mortgage Revolving Fund	250,000,000
- Receipts into the Car Loan Revolving Fund	50,000,000
Net cash from financing activities	300,000,000
Net increase/(decrease) in cash	291,653,139
Opening cash and cash equivalents at 01 July	0
Closing cash and cash equivalents at 30 June	291,653,139

**Communications Authority of Kenya Staff Car Loan and Mortgage Scheme Fund
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19. Notes to the Financial Statements

1. General Information

Communications Authority of Kenya Staff Car Loan and Mortgage Scheme Fund is established by and derives its authority and accountability from the Public Finance Management Act (PFMA) 2012. The Fund is wholly owned by the CA and is domiciled in Kenya. The Fund's principal activity is to provide financing to the members of staff to purchase, develop or renovate residential property and acquisition of motor car for private use.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant, and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Fund. The financial statements have been prepared in accordance with the PFM Act, (include any other applicable legislation), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

**Communications Authority of Kenya Staff Car Loan and Mortgage Scheme Fund
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Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of the Fund. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. The new standard has no impact on the Fund's financial statements.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. The amendments will have an impact on the Fund's disclosures, but not on the measurement, recognition or presentation of any items in the Fund's financial statements.
IPSAS 45: Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.

Communications Authority of Kenya Staff Car Loan and Mortgage Scheme Fund
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Standard	Effective date and impact:
	The amendments will have an impact on the Fund's disclosures, but not on the measurement, recognition or presentation of any items in the Funds's financial statements.
IPSAS 46: Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. 1. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value. The new standard has no impact on the Fund's financial statements.
IPSAS 47: Revenue	<i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that a Fund shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions. The impact for the adoption of the new standards and interpretations on the Fund are still being assessed.
IPSAS 48: Transfer Expenses	<i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers. The impact for the adoption of the new standards and interpretations on the Fund are still being assessed.

**Communications Authority of Kenya Staff Car Loan and Mortgage Scheme Fund
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Standard	Effective date and impact:
IPSAS 49: Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan. The new standard has no impact on the Fund's financial statements.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: - Limited improvements to existing accounting practices for exploration and evaluation expenditures. - Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. - Disclosures that identify and explain the amounts in the Fund's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. The new standard has no impact on the Fund's financial statements.

iii. Early adoption of standards

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

Notes to the financial statements (continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

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 Fund and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions

Interest income

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

Dividends

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

Rental income

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

**Communications Authority of Kenya Staff Car Loan and Mortgage Scheme Fund
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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

b) Budget information

The original budget for the current financial year was approved by the National Treasury on 19th December 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Fund upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund did not record any additional appropriations of on the 2025 budget.

The Fund'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.

c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Fund recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

d) 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.

e) Investment property

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

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day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition.

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

f) Financial instruments

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

**Communications Authority of Kenya Staff Car Loan and Mortgage Scheme Fund
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I. Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

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Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

The fund assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The fund recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in Note 14.

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II. Financial liabilities

Classification

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

g) Contingent liabilities

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

h) Contingent assets

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

i) Nature and purpose of reserves

The Fund had no reserves for the year.

j) Changes in accounting policies and estimates

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

k) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are

**Communications Authority of Kenya Staff Car Loan and Mortgage Scheme Fund
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translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

l) Related parties

The Fund regards a related party as a person or entity with the ability to exert control individually or jointly, or to exercise significant influence over the Fund, or vice versa. Members of key management are regarded as related parties and comprise the Directors/Trustee, the Fund Managers, and Fund Accountant.

m) 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 various commercial banks at the end of the financial year.

n) Comparative figures

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

o) Events after the reporting period

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

p) Ultimate and Holding Fund

The Fund is established under Section 24 (4) PFM Act under the Communications Authority of Kenya. Its ultimate parent is the Government of Kenya.

q) Currency

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

5. Significant judgments and sources of estimation uncertainty

The preparation of the Fund'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) Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur. (see IPSAS 1.140.)

b) Useful lives and residual values

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

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

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Notes to the Financial Statements (Continued)

6. Interest income on Staff Loans

	FY 2024/25	
Description	Kshs	
Interest Income from Mortgage Loans	57,189	
Total	57,189	-

The interest income relates to the total interest earned on the Mortgage and Car Loans by Staff

7. Interest income on Bank Deposits

	FY 2024/25	
Description	Kshs	
Interest Income on Bank Deposits	8,372,637	-
Withholding Tax on interest income	(1,255,896)	-
Total	7,116,742	-

The interest income relates to the total interest earned on the un-utilized capital sum deposit

8. Bank service charges

	FY 2024/25	
Description	Kshs	
Bank Charges	58	
Total	58	-

9. Cash and Cash Equivalents

	FY 2024/25	
Description	Kshs	
Current Account	2,000	-
Short Term Deposits	291,651,139	-
Total	291,653,139	-

These funds remain available to support ongoing operations and short-term obligations.

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Notes to the Financial Statements (Continued)

9. (b) Detailed Analysis - Bank Accounts

Description	FY 2024/25 Kshs	
Kenya Commercial Bank (A/c Number 1337006025) - KES	291,653,139	-
Total	291,653,139	-

The Scheme bank accounts are held with Kenya Commercial Bank for both Mortgage and Car Loan and funds are disbursed to the loan beneficiaries.

10. Mortgage and Car Loan Receivables

Description	FY 2024/25 Kshs	
Short Tem Receivables from Staff House Mortgage (Within 12 Months)	187,500	-
Total Current Receivables	187,500	-
Long Tem Receivables from Staff House Mortgage	14,625,000	-
Total Long-Term Receivables	14,625,000	-
Total Receivables	14,812,500	-

10. (b) Ageing Analysis Mortgage and Car Loan Receivables

Ageing Analysis from Exchange Transaction	FY 2024/25 Kshs	% of Total
Less than 1 year	187,500	1%
Between 1-2 years	750,000	5%
Over 3 years	13,875,000	94%
Total	14,812,500	100%

11. Receivables - Related Party

Description	FY 2024/25 Kshs	
Remittance Due from CA	244,689	-
Total	244,689	-

Refers to settlements due from payroll recoveries that are reconciled from time to time and settlements effected.

**Communications Authority of Kenya Staff Car Loan and Mortgage Scheme Fund
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Notes to the Financial Statements (Continued)

12. Receivables - From Exchange Transactions

Description	FY 2024/25 Kshs	
Accrued Interest from Bank deposits	545,348	-
Withholding Tax on interest income	(81,802)	
Total	463,546	-

Refers to accrued interest from the Bank Deposits

13. Mortgage and Car Loan Revolving Fund

Description	FY 2024/25 Kshs	
Revolving Fund as at 01 July	0	-
Mortgage Loan Revolving Fund	250,000,000	
Car Loan Revolving Fund	50,000,000	
Sub-Total	300,000,000	-
Accumulated Surplus/Reserves	7,173,874	-
Total Funds	307,173,874	-

14. Financial risk management

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

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

a) Credit risk

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in

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the statement of financial position are net of allowances for doubtful receivables, estimated by the Fund's management based on prior experience and their assessment of the current economic environment.

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

14. (a) Credit Risk

Description	Total Amount Kshs	Fully Performing Kshs
At 30 June		
Receivables from Mortgage Loan	14,812,500	14,812,500
At 30 June 2025	14,812,500	14,812,500

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Fund has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Fund has significant concentration of credit risk on amounts due from xxx.

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

b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Fund Administrator, who has built an appropriate liquidity risk management framework for the management of the Fund's short, medium, and long-term funding and liquidity management requirements. The Fund manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Fund under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

c) Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Fund's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Fund's Finance Department is responsible for the development of detailed risk management policies and for the day-to-day implementation of those policies.

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

d) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs. 3,000,000 (2024/2025). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs. 15,000,000 (2024/2025)

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Notes to the Financial Statements (Continued)

e) Capital risk management.

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

14. (e) Capital Risk

Description	FY 2024/25 Kshs	
Revolving Fund as at 01 July	0	-
Mortgage Loan Revolving Fund	250,000,000	
Car Loan Revolving Fund	50,000,000	
Sub-Total	300,000,000	-
Accumulated Surplus/Reserves	7,173,874	-
Total Funds	307,173,874	-
Less: Cash and Bank Balances	(291,653,139)	
Net debt/(excess cash and cash equivalents)	15,520,735	
Gearing	5%	-

15. Related party transactions

a) Nature of related party relationships

Entities and other parties related to the Fund include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members. The fund/scheme is related to the following entities:

- a) Communications Authority of Kenya
- b) Key management.
- c) Board of Trustees/Committee; etc.

15. (b) Related party transactions

Description	FY 2024/25 Kshs
Transfers from Communications Authority of Kenya	300,000,000
Transfers Due from Communications Authority of Kenya	244,689

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Notes to the Financial Statements (Continued)

16. Cash Generated from Operations

	FY 2024/25 Kshs
Surplus for the year before tax	7,173,874
Adjusted for:	
Depreciation	0
Gains and losses on disposal of assets	0
Contribution to provisions	0
Contribution to impairment allowance	0
Working capital adjustments	0
Increase in Short term receivable Staff Mortgage & Car Loans	(187,500)
Increase in Long term receivable Staff Mortgage & Car Loans	(14,625,000)
Increase in Related Party Assets	(244,689)
Increase in Receivables from Exchange transactions	(463,546)
Total Working Capital adjustments	(15,520,735)
Net cash flow from operating activities	(8,346,861)

17. Events after the Reporting Period

Subsequent to the reporting date June 30th, 2025, a new Chairperson **Mr. Charles Karondo** was appointed for a three-year term commencing on August 8th, 2025, while the appointment of **Dr. Musangi J. Mutua** was revoked. This is a non-adjusting event under IPSAS 14 and does not affect the amounts recognized for the year ended June 30th, 2025.

18. Ultimate And Holding Entity

The CA car and staff car and Mortgage Loan Scheme is a Fund under the sponsorship of Communications Authority of Kenya which is an State Corporation or SAGA

19. Currency

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