

REPUBLIC OF KENYA



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By the leader of  
majority party  
Hon - Aden Duale  
on Tuesday*

OFFICE OF THE AUDITOR-GENERAL

*14.3.2017  
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PARLIAMENT  
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REPORT

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PAPER LAID

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF  
THE GOVERNMENT PRESS FUND

FOR THE YEAR ENDED  
30 JUNE 2016



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THE PRESIDENCY

MINISTRY OF INTERIOR AND CO-ORDINATION OF  
NATIONAL GOVERNMENT

**GOVERNMENT PRESS FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2016

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

**GOVERNMENT PRESS FUND**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2016**



GOVERNMENT OF INDIA

MINISTRY OF DEFENCE

STATEMENT OF WORKS

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**GOVERNMENT PRESS FUND**  
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2016**

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STATEMENT OF FINANCIAL POSITION AS AT 31/12/2012

ASSETS

FIXED ASSETS

INTANGIBLE ASSETS

NET ASSETS

LIABILITIES

STATEMENT OF COMPARISON OF FINANCIAL PERFORMANCE

STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CASH FLOWS

STATEMENT OF FINANCIAL PERFORMANCE

STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CASH FLOWS

**GOVERNMENT PRESS FUND**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2016**

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**KEY INFORMATION AND MANAGEMENT**

**(a) Background information**

The Government Press Fund was established in 1895 in Mombasa by then colonial government to provide essential printed materials, official rubber stamps for the government. It moved to Nairobi on 15th January, 1905 as Kenya – Uganda Press. Later, it was changed again to its present name. In 1988 the Government Press Fund was established under the Exchequer and Audit (Government Press Fund) Regulations, 1988.

**(b) Principal Activities**

The principal activity of the fund is to publish, print and disseminate literary, accountable and educational materials.

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30th June 2016 and who had direct fiduciary responsibility were:

1. Silvester Migwi — Government Printer
2. Geoffrey Runoh — Deputy Government Printer

**(d) Entity Headquarters**

P. O. Box 30128—00100  
Government Press, Haile Selassie Avenue  
Nairobi, Kenya

**(e) Entity Contacts**

Telephone :( 254)–020–2226596/7/8  
E-mail: governmentpress.go.ke  
Website: www.go.ke

**(f) Entity Bankers**

National Bank of Kenya, Harambee Avenue  
P. O. Box 72866—00200, City Square, Nairobi, Kenya

**(g) Independent Auditors**

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

**(h) Principal Legal Adviser**

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

**MANAGEMENT TEAM**



***Silvester N. Migwi***  
***Government Printer***

Mr. Silvester N. Migwi has over 40 years working experience in Printing and Publishing Industry. His wide experience has seen growth and modernization of Government Press.

He has a BA in Business Management and Higher National Diploma in Printing.



***Geoffrey Runoh***  
***Deputy Government Printer***

Mr. Geoffrey Runoh has over 20 years working experience in the Printing and Publishing Industry. He has worked with various State Corporations namely; KNEC as a Senior Examination Secretary and headed the Print and Publications function at the KICD.

He has an MBA in Strategic Management and a Bachelor of Commerce Degree (BCOM) in Management Science, both from the University of Nairobi. He has also undertaken a Bachelor of Philosophy (BPhil) Degree in Printing Technology from the Technical University of Kenya.

**GOVERNMENT PRESS FUND**  
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2016**

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**REPORT OF THE GOVERNMENT PRESS FUND**

The Report together with the Audited Financial Statements for the year ended 30th June, 2016 which show the state of the Government Press Funds' affairs.

***Principal activities***

The principal activities of the Government Press is to publish, print and disseminate literary, accountable and educational materials.

***Results***

The results of the entity for the year ended 30th June, 2016 are set out on page 1.

***Auditors***

The Auditor-General is responsible for the statutory audit of the Government Press Fund in accordance with the Section 14 of the Public Audit Act, 2003.

**By Order of the Accounting Officer**  
**Nairobi**

Date.....

**GOVERNMENT PRESS FUND**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2016**

**STATEMENT OF GOVERNMENT PRESS FUND'S MANAGEMENT RESPONSIBILITIES**

Section 81 of the Public Finance Management Act, 2013, require the Accounting Officer to prepare financial statements in respect of the Government Press Fund, which give a true and fair view of the state of affairs of the Government Press Fund at the end of the financial year and the operating results of the Government Press Fund for that year/period. The Accounting Officer is required to ensure that the Government Press Fund keeps proper accounting records which disclose with reasonable accuracy the financial position of the Government Press Fund. The Accounting Officer is also responsible for safeguarding the assets of the Government Press Fund.

The Accounting Officer is responsible for the preparation and presentation of the Government Press Fund financial statements, which give a true and fair view of the state of affairs of the Government Press Fund for and as at the end of the financial year ended on 30th June, 2016. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Government Press Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

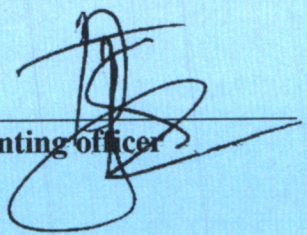
The Accounting Officer accepts responsibility for the Government Press Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act. The Management are of the opinion that the Government Press Fund's financial statements give a true and fair view of the state of Government Press Fund's transactions during the financial year ended 30th June, 2016, and of the Government Press Fund's financial position as at that date. The Accounting Officer further confirms the completeness of the accounting records maintained for the Government Press Fund, which have been relied upon in the preparation of the Government Press Fund's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Accounting Officer to indicate that the Government Press 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 financial statements were approved by the Government Printer on \_\_\_\_\_ and signed on his behalf by:

  
\_\_\_\_\_  
**Government Printer**  
**State Department of Interior**

  
\_\_\_\_\_  
**Accounting officer**

# REPUBLIC OF KENYA

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E-mail: oag@oagkenya.go.ke  
Website: www.kenao.go.ke



P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON THE GOVERNMENT PRESS FUND FOR THE YEAR ENDED 30 JUNE 2016

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Government Press Fund set out on pages 1 to 13, which comprise the statement of financial position as at June 30, 2016, and the statement of financial performance, statement of changes in net assets and statement of cash flows 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.

#### **Management's Responsibility for the Financial Statements**

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 such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The 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.

#### **Auditor-General's Responsibility**

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. The audit was conducted in accordance with International Standards of Supreme Auditing Institutions. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion

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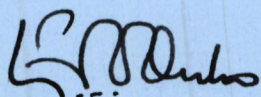
*Report of the Auditor-General on the Financial Statements of the Government Press Fund for the year ended 30 June 2016*

on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of Government Press Fund as at 30 June, 2016, 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.



**FCPA Edward R.O. Ouko, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**10 February 2017**

**GOVERNMENT PRESS FUND**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2016**

**I. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE, 2016**

	Note	2015-2016 KSh.	2014-2015 KSh.
<b>Revenue from exchange transactions</b>			
Rendering of services	3	<u>480,436,318</u>	<u>853,014,156</u>
<b>Total revenue</b>		<b>480,436,318</b>	<b>853,014,156</b>
<b>Expenses</b>			
Cost of printing and other materials	4	<u>(437,468,750)</u>	<u>(475,474,941)</u>
<b>Total Expenses</b>		<b>(437,468,750)</b>	<b>(475,474,941)</b>
<b>Surplus for the period</b>		<b><u>42,967,568</u></b>	<b><u>377,539,215</u></b>

**GOVERNMENT PRESS FUND**  
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2016**

**II. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2016**

Assets	Note	2015-2016	2014-2015
		KSh.	KSh.
<b>Current assets</b>			
Cash and cash equivalents	5	129,595,875	218,395,876
Receivables from exchange transactions	6	53,734,877	12,957,200
Inventories	7	<u>1,050,529,297</u>	<u>959,539,405</u>
<b>Total assets</b>		<b><u>1,233,860,049</u></b>	<b><u>1,190,892,481</u></b>

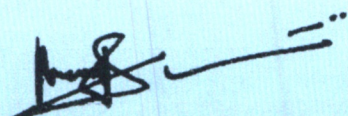
**Equity and Liabilities**

**Capital and Reserve**

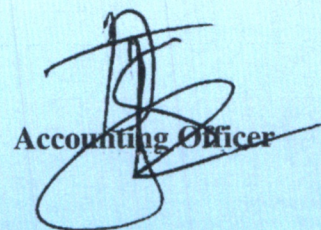
Capital Reserve		30,000,000	30,000,000
Accumulated Surplus		<u>1,203,860,049</u>	<u>1,160,892,481</u>

**Total Equity and Liabilities** 1,233,860,049 1,190,892,481

The Financial Statements set out on pages 1 to 4 were approved by the Government Printer and were signed on his behalf by—



Government Printer



Accounting Officer

Date 29/9/2016

Date.....

The notes set out on page 6 to 12 forms an integral part of the financial statement.

**GOVERNMENT PRESS FUND**  
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2016**

**III. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30TH JUNE, 2016**

	Capital reserve	Revenue Reserve	Total Reserve
	KSh.	KSh.	KSh.
<b>Balance as at 1st July, 2013</b>	30,000,000	622,957,218	652,957,218
(Deficit) for the year	-	(24,287,178)	(24,287,178)
<b>Balance as at 30th June, 2014</b>	<b><u>30,000,000</u></b>	<b><u>598,670,040</u></b>	<b><u>628,670,040</u></b>
<b>As at 1st July, 2014</b>	-	184,683,226	184,683,226
	<b><u>30,000,000</u></b>	<b><u>783,353,266</u></b>	<b><u>813,353,266</u></b>
<b>As at 1st July, 2014</b>	30,000,000	783,353,266	813,353,266
Surplus for the Year	-	<u>377,539,215</u>	<u>377,539,215</u>
<b>As at 30th June, 2015</b>	<u>30,000,000</u>	<u>1,160,892,481</u>	<u>1,190,892,481</u>
<b>As at 1st July, 2015</b>	<b>30,000,000</b>	<b>1,160,892,481</b>	<b>1,190,892,481</b>
Surplus for the Year	-	42,967,568	42,967,568
<b>As at 30th June, 2016</b>	<b>30,000,000</b>	<b>1,203,860,049</b>	<b>1,233,860,049</b>

**GOVERNMENT PRESS FUND**  
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2016**

**IV. STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30TH JUNE, 2016**

	2015/2016	2014/2015
	KSh.	KSh.
<b>1. Cash flow from operating activities</b>		
Surplus for the year	42,967,568	377,539,215
<b>Net cash flow before working capital changes</b>	<b>42,967,568</b>	<b>377,539,215</b>
<b>Working capital changes</b>	<b>(90,989,892)</b>	<b>(376,520,734)</b>
Decrease/Increase in inventories	<u>(40,777,677)</u>	<u>97,039,798</u>
Decrease/Increase in Debtors		
<b>Net cash (out flow)/Inflow from operating activities</b>	<b><u>(88,800,001)</u></b>	<b><u>98,058,279</u></b>
<b>2. Cash flow from investing activities</b>		
Net cash (outflow) inflow from investing activities	-	-
<b>3. Cash flows from financing activities</b>		
Increase/(Decreases) in cash and cash equivalents	(88,800,001)	98,058,279
Cash and cash equivalent at the beginning of the period	<u>218,395,875</u>	<u>120,337,596</u>
<b>Cash and cash equivalent at the end of the period</b>	<b><u>129,595,874</u></b>	<b><u>218,395,875</u></b>

**GOVERNMENT PRESS FUND****REPORTS AND FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2016

**V. STATEMENT OF COMPARISON OF ESTIMATE BUDGET AND ACTUAL AMOUNTS**

	<b>Original budget</b>	<b>Adjustments</b>	<b>Final budget</b>	<b>Actual on comparable basis</b>	<b>Performance difference</b>
	<b>2015-2016</b>	<b>2015-2016</b>	<b>2015/2016</b>	<b>2015-2016</b>	<b>2015-2016</b>
<b>Revenue</b>	<b>KSh.</b>	<b>KSh.</b>	<b>KSh.</b>	<b>KSh.</b>	<b>KSh.</b>
Rendering of services	500,000,000	-	500,000,000	480,436,318	19,563,682
<b>Total income</b>	<b>500,000,000</b>	<b>-</b>	<b>500,000,000</b>	<b>480,436,318</b>	<b>19,563,682</b>
<b>Expenses</b>					
Goods and services	500,000,000	-	500,000,000	437,468,750	62,531,250
<b>Total expenditure</b>	<b>500,000,000</b>	<b>-</b>	<b>500,000,000</b>	<b>437,468,750</b>	<b>62,531,250</b>
<b>Surplus for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42,967,568</b>	<b>-</b>

\* During the year under review we missed our revenue target by KSh. 19m which is 4% while our expenditure target was at KSh. 62m which is 12%.

\* The Government Press Fund has no approved budget, however, we have an estimate figure to realize. This figure is factored by the performance contract and the annual procurement plan.

## VI. NOTES TO THE FINANCIAL STATEMENTS

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

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

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

### 2. Summary of significant accounting policies

#### a) Revenue recognition

##### i) Revenue from exchange transactions

##### *Rendering of services*

The Government Press Fund recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

##### *Sale of goods*

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

#### b) Taxes – IAS 12

No taxation is provided for in the financial statements.

#### c) Financial instruments

##### *Financial assets*

##### *Initial recognition and measurement*

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Government Press Fund determines the classification of its financial assets at initial recognition.

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less

**GOVERNMENT PRESS FUND**  
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2016**

impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

**Impairment of financial assets**

The Government Press Fund assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or a group of debtors are experiencing significant financial difficulty.
- Default or delinquency in interest or principal payments.
- The probability that debtors will enter bankruptcy or other financial reorganization.
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults).

**d) Inventories**

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and condition is accounted for, as follows:

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Government Press Fund.

**e) Provisions**

Provisions are recognized when the Government Press Fund has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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Where the Government Press Fund expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

**f) Contingent liabilities**

The Government Press 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.

**g) Contingent assets**

The Government Press 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 Government Press 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.

**h) Nature and purpose of reserves**

The Government Press Fund creates and maintains reserves in terms of specific requirements.

**i) Changes in accounting policies and estimates**

The Government Press 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.

**j) Cash and cash equivalents**

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

**k) Comparative figures**

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

**l) Significant judgments and sources of estimation uncertainty**

The preparation of the Government Press 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

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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.

***Estimates and assumptions***

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Government Press Fund based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Government Press Fund. Such changes are reflected in the assumptions when they occur.

**m) *Subsequent events***

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June, 2016.

**(n) *Risk Management***

We appreciate the various types of risks that we face as an organization such as security risk, financial risk, technological risk, concentration risk in particular we are concerned about Financial risk with emphasis on debtors. Currently we do not have a risk management policy in place but we are using the best industry practice. At present our debtors stand at KSh. 53m out of this 35 million is owed by one debtor. This presents a risk in that the concentration is too high and in the event that the single debtor does not pay the organisation stands to make a significant loss.

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	2015-2016 KSh.	2014-2015 KSh.
<b>3. Rendering of services</b>		
Proceeds from printing and sale of publications	480,436,318	853,014,156
<b>4. Cost of printing and other materials</b>		
Opening Stock	959,539,405	583,018,672
Add: Purchases	<u>528,458,642</u>	<u>851,995,674</u>
Less: Closing Stock	1,487,998,047	1,435,014,346
Direct Expenditure	<u>(1,050,529,297)</u>	<u>(959,539,405)</u>
<b>5. Cash and cash equivalents</b>	<u><b>437,468,750</b></u>	<u><b>475,474,941</b></u>
Bank	128,928,606	217,854,266
Cash-in-hand and in transit	<u>667,269</u>	<u>541,610</u>
<b>Total cash and cash equivalents</b>	<u><b>129,595,875</b></u>	<u><b>218,395,876</b></u>
<b>6. Receivables from exchange transactions</b>		
IEBC	5,461,757	-
KICD	145,000	-

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JUDICIARY	35,170,920	-
Kenya Revenue Authority	<u>12,957,200</u>	<u>12,957,200</u>
Trade Receivables	<u>53,734,877</u>	<u>12,957,200</u>
<b>7. Inventories</b>		
Publication	202,450,791	171,428,185
Bookshop	3,254,269	3,221,374
CRB	60,990,030	71,221,438
Dispatch	8,588,385	7,323,395
Inventory held in the paper store	398,120,650	434,582,640
Engineering	34,394,859	0
Inventory held in the planning office (WIP)	<u>342,730,313</u>	<u>271,762,373</u>
<b>Total inventories as at the lower of cost and net realizable value</b>	<u><b>1,050,529,297</b></u>	<u><b>959,539,405</b></u>

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**8. Events after the reporting period**

There are no material non-adjusting events after the reporting date.

**9. Voted Provision**

We received from voted account KSh. 816m. KSh. 295m for operation and maintenance, Personal emolument KSh. 373m and Kshs148m for Development respectively. These funds are meant for administrative purpose. Personal emolument utilized KSh. 346m being the largest percentage of the recurrent vote and Development utilized KSh. 80m. Operation and maintenance utilized KSh. 220m. However, there is a component, supplies of production which assist in procuring material of which part of it is used by the office and state functions. Therefore, the voted provision is purely for running the Department operations as it is stated in the Exchequer and Audit Act of 1988 Regulation. The voted provision is recognized and accounted for in the financial accounts of the Ministry of Interior and Co-ordination of National Government.

**10. Capital Reserve Fund**

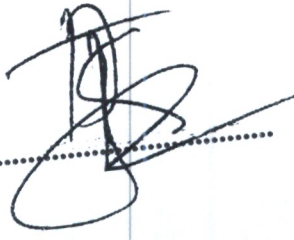
This relates to the initial funds received from the Government of Kenya upon the establishment of the fund in the Exchequer and Audit Act of 1988 Regulations.

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

All audit issues raised by the external auditor were resolved and concluded during the audit process. There are no audit issues that were carried forward.

Government Printer 

Accounting Officer 

Date 29/9/2016

Date.....

**VIII. GLOSSARY OF ABBREVIATIONS**

- IPSAS — International Public Sector Accounting Standards
- KSH. — Kenya Shillings
- PFM — Public Finance Management



