

REPUBLIC OF KENYA

Paper Laid



By the Leader of Majority Party, the Hon. Aden Duale on Wednesday, 27/9/2017.



OFFICE OF THE AUDITOR-GENERAL

Amange



REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
KENYA YEARBOOK EDITORIAL BOARD**

**FOR THE YEAR
ENDED 30 JUNE 2016**



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
- 9 JUN 2017
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KENYA YEARBOOK EDITORIAL BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST JUNE 2016

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

Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For year ended 30 June, 2016

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I. KEY BOARD INFORMATION AND MANAGEMENT

(a) Background information

The Kenya Yearbook Editorial Board was established in 2007 under the Ministry of Information, Communication and Technology vide legal notice **No. 187/2007**. The subsidiary legislation, known as the **Kenya Yearbook Order, 2007** was made under section 3(i) of the **State Corporations Act, Cap 446** Laws of Kenya.

(b) Principal Activities

The State Corporation's strategic objectives and principal activities are:

- i) To research and publish the most comprehensive Yearbook in Africa;
- ii) To benchmark the Kenya yearbook with the best yearbooks in the world.
- iii) To convey in the yearbook the immense resources possessed by Kenya and the potential still to be tapped;
- iv) To publish special publications highlighting Kenya's historical experience such as Kenya Cabinets since independence;
- v) To research and publish books on contributions of different individuals /groups in Kenya; and
- vi) To compile and publish sector-specific books and smaller editions of the yearbook for key sectors such as Agriculture, Tourism, Health.

(c) Key Management

As stipulated under paragraph 3(2) of the Kenya Yearbook Order, 2007, the Board consist of:

- A non executive Chairperson,
- The Principal Secretaries representing the Treasury and other Ministries listed in the Legal Notice,
- Three independent board members appointed by name and by notice in the Gazette and
- The chief executive as the secretary

(d) Fiduciary Management

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

No.	Designation	Name
1.	Ag Chief Executive Officer	Edward Mwansi
2.	Finance & Admin Manager	Marie Goretti Wanyonyi
3.	Editorial Manager	Wainainah Kiganya

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(e) Fiduciary Oversight Arrangements

The Board is able to carry out its fiduciary activities through four board committees namely;

1. Full Board
2. Finance
3. Strategy and Publications
4. Human Resource and Administration and
5. Internal Audit

(f) Board Headquarters

P.O. Box 34035-000100
NHIF Building 4th Floor
Ragati Road
Nairobi, KENYA

(g) Board Contacts

Telephone: (254) 2715390
E-mail: info@kenyayearbook.go.ke
Website: www.kenyayearbook.go.ke

(h) Board Banker

Kenya Commercial Bank
Capital Hill Branch
P.O Box 30012 – 00100
NAIROBI
Account No: **1112214119**





(i) Independent Auditors

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



(j) Principal Legal Adviser

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



II. THE BOARD OF DIRECTORS

Passport –Size Photo & Name	Designation	Key Profession/Academic Qualification	Key Qualification and work experience
 Eng. Victor Kyalo	Principal Secretary, Ministry of Information, Communications & Technology	Eng. Victor Kyalo in 1988 -Graduated with a BSc (1st class) Electrical Engineering from the University of Nairobi, Kenya and soon after joined the faculty as an assistant lecturer.	<p>Eng. Victor Kyalo is the Principal Secretary in charge of ICT & Innovation at the Ministry of ICT.</p> <p>Prior to his current position, he was the CEO at the ICT Authority. Before ICT Authority was merged into one entity, he was the Deputy CEO/Programmes Manager at the Kenya ICT Board with a focus on the implementation of core communication infrastructure and e-services in different sectors of the economy.</p>
 Eng. Sammy Tangus	Current Chairman Appointed on 24 th June 2016 to date	BSC. Civil Engineering – University of Nairobi	<p>He was born in 1966. He is a member of the Engineers Board of Kenya (EBK) and a Corporate Member of the Institute of Engineers of Kenya (IEK). Eng. Tangus has worked in government, private and International bodies; gathering experience in administration & technical matters.</p>
 M/s Caroline Nkirote	Director Kenya Yearbook Editorial Board	Nkirote holds masters in arts, (corporate Communication and Bachelor of Arts (Degree in Public Relations and Minor in Marketing).) from Daystar university	<p>Caroline Nkirote is current the Director, Kenya Yearbook Editorial Board. She works for KEPSA as Communications & Media Relations Officer, and has worked for Red dot communication solutions as Marketing Assistant.</p>
 Mr. Wilson Kipkazi	Director Kenya Yearbook Editorial Board	Kipkazi holds a Journalism Degree	<p>Kipkazi is the Director, Kenya Yearbook Editorial Board. He is currently the Chairman of National Council of NGOs Kenya. He has worked as Executive Secretary, Endorois Welfare Council.</p>




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 <p>M/s Nemaisa Kiereini</p>	<p>Director Kenya Yearbook Editorial Board</p>		<p>Nemaisa Kiereini is currently the Deputy CEO of Kenya National Chamber of Commerce and Industry. She has worked as Head of Advocacy and Communication, Kenya Private Sector Alliance, Communications and Data Account Manager, Product and Marketing Manager, Carrier Services, Territory Manager, All in Telkom Kenya - Orange. Project manager ULCH, Zain Kenya</p>
<p>Mr. Julius Otieno Akicho</p>	<p>Alternate Director, Ministry of Information, Communications & Technology</p>	<p>Mr. Akicho is a holder of Bcom and MBA from Kenya Methodist University.</p>	<p>Mr. Otieno Akicho is currently the Principal Internal Auditor.</p>
 <p>Mr. KARANJA KIBICHO</p>	<p>PS, Ministry of Interior and Co-ordination of National Government Harambee House NAIROBI</p>	<p>Dr. Kibicho holds a doctorate in Mechanical Engineering from the University of Cape Town, South Africa, a Masters of Science (MSc) degree in Mechanical Engineering and a Bachelor of Science (BSc) in Mechanical Engineering. He has attended various short courses in management, leadership and capacity development skills. He has also attended short courses in Public Procurement and Disposal Regulations, implementation of ISO 9001:2008, Budgeting and Procurement, and HIV/AIDS in workplaces among others.</p>	<p>Dr. Eng. Karanja Kibicho is the Principal Secretary in the Ministry of Interior and Co-ordination of National Government Harambee House. Before current appointment, he served as the Permanent Secretary in the Ministry of Industrialization.</p>

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 <p>Mr. Kodeck Makori</p>	<p>Alternate Director, Ministry of Interior and Co-ordination of National Government Harambee House NAIROBI</p>	<p>University of Nairobi – MA International Studies. Kenyatta University – BA (Sociology & History) 1988 – 1989 Strategic Leadership Development Course (SLDP) Kenya School of Government (KSG). Sept- Oct, 2008 Anti Terrorism Executive forum at American University and US State Department Washington (USA) July, Aug, 2007 Senior Management Course at Kenya Institute of Administration Sept – Oct, 2006 Middle Management Course at United Nations & Center of Excellence for Stability Police Units (CoESPU Vicenza, Italy) Administrative Officers Para-Military Course at Administration Police Training College Jan – April, 2003</p>	<p>He has worked in Kenya's Public Service for Nineteen (19) years since joining the service in 1997 as an administrative officer. My first years were spent at the ministries of Research Technical Training and Technology and the Ministry of Education Science and Technology. I also spent six years in field Administration where I worked as District Officer in Kakamega, Mt Elgon, Marakwet, Laikipia, Nakuru and Kericho Districts. In 2007 I was redeployed to Office of the President Headquarters for four years and in 2011-2016 was deployed as Deputy County Commissioner Athi River. Currently Deputy Secretary Ministry of Interior and Co-ordination of National Government, Harambee House, NAIROBI</p>
 <p>Mr. Saitoti Torome</p>	<p>PS, Ministry of Devolution and Planning Harambee House NAIROBI</p>	<p>Mr. Totome is a holder of an MBA in Strategic Management from the University of Nairobi, a Bachelor of Education (Economics and Geography) from Kenyatta University. He is also a Certified Public Secretary of Kenya [CPS (K)] Finalist.</p>	<p>Mr Saitoti Torome is the former Director for Strategy and Development at the Kenya National Bureau of Statistics (KNBS). Prior to joining the Bureau in 2008, Mr Torome had worked in Corporate Strategies Department of the now defunct Kenya Posts and Telecommunications Corporation (KPTC) and later on in Telkom Kenya Ltd since 1991. Mr Torome's hobbies including hiking, reading, participating in community work and socializing. He is married with four children; two sons and two daughters.</p>

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 <p>Mr. Browne Kutswa</p>	<p>Alternate Director, Ministry of Devolution and Planning Harambee House NAIROBI</p>	<p>M.A., Development Studies, Institute of Social Studies (ISS), Netherlands, Post Graduate Diploma, Mass Communications, University of Nairobi, B.A., Government and Literature, University of Nairobi, Strategic Leadership Programme, KIA Government Protocol, Kenya School of Law Induction Course for Administrative Officers, APTC Embakasi,</p>	<p>Mr. Brown is the Communication's Director, Ministry of Devolution and Planning. Deputy Director of Public Communications & Head of the Vice President's Press Service, 2009 – 2013 Principal Information Officer & Head of Vice President's Press Service, 2005 -2008 Chief Information Officer, Presidential Press Service, 2002 -2005 Senior Information Officer, Presidential Press Service, 1997 – 2002 Assistant Secretary, Office of the Attorney General, 1991 Reporter, The Standard Newspaper 1990 -1991</p>
 <p>Colletta Suda, EBS</p>	<p>PS, Ministry of Education, Science and Technology Jogoo House 'B' NAIROBI</p>	<p>Colletta Suda is a holder of BA (Hons) Sociology from the University of Nairobi Columbia Msc Rural Sociology, Columbia Msc Community Development and Columbia PhD Rural Sociology all from University of Missouri, INAUGURAL LECTURE Delivered at the University of Nairobi on 4th October, 2007</p>	<p>Colletta Suda is the Principal Secretary, Science and Technology, Ministry of Education, Science and Technology. She has worked as Secretary Gender and Social development, Ministry of Gender, Children and Social Development, 2002 –to-date: was promoted to Full Professor of Sociology, University of Nairobi. 2002 – 2007: Director, Board of Common Undergraduate Courses, University of Nairobi. 1999- 2002: Director, Institute of African Studies, University of Nairobi</p>
 <p>Mr. Kennedy Buhere</p>	<p>Alternate Director, Ministry of Education, Science and Technology Jogoo House 'B' NAIROBI</p>	<p>Mr. Buhere holds a Masters Degree in Communication Studies and a Bachelor of Arts Degree in Government and Literature from the University of Nairobi. He also holds a Post Graduate Diploma in Journalism and Communications from the Kenya Institute of Mass</p>	<p>Mr. Kennedy Buhere is the Assistant Director, Public Communication Ministry of Education, Science and Technology, Kenya</p>

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Mrs. Fatuma Hirsi
Mohamed

PS, Ministry of
East African
Affairs
Commerce and
Tourism, Utalii
House,
NAIROBI

Hirsi is a Doctor of
Philosophy (PhD),
Communications
Studies from Moi
University
MBA, Management
Strategy & Marketing
Focus from
Strathmore Business
School
PGDPR, Post
graduate Diploma in
Public Relations from
Kenyatta University
BA (Hons), Languages
from University of
Nairobi
Bachelor's degree,
Islamic Studies
Islamic Online
University

Fatuma Hirsi is the Principle Secretary,
Ministry of East African Affairs
Commerce and Tourism, She has broad
experience in international and public
relations, marketing, branding, strategic
communications, and reputation
management. Direct experience with the
United Nations in development and
cooperation programmes. Previously
worked in the postal services, banking,
media (electronic and print) and
telecommunications (fixed and mobile
telephony).
Regional Coordinator, Africa & Least
Developed Countries
Universal Postal Union
Head of Cabinet, Executive Office Strategy
& Communication Directorate, Universal
Postal Union
Board Director, Kenya Power
Managing Consultant, FHM Collaborations
Communications & Marketing Director,
Gargaar International Network
Head of Marketing & Corporate Affairs, Gulf
African Bank
Public Relations
Lecturer Adjunct, United States International
University - Nairobi
Group Corporate Affairs Manager
Nation Media Group
PR Group Leader
Kencell Communications Ltd






Mr. Stanslaus
Apwokha

Alternate
Director,
Ministry of East
African Affairs,
Commerce and
Tourism, Utalii
House
NAIROBI


Mr. Apwokha holds a
Master of Business
Administration (MBA),
Strategic
Management, from
Jomo Kenyatta
University of
Agriculture and
Technology
And a Bachelor of Arts
(B.A.), Sociology and
History, Upper Second
class (Hons)
From the University of
Nairobi

Mr. Stanslaus Apwokha
has worked as Under Secretary,
*Ministry of East African, Commerce &
Tourism*
Under Secretary, Ministry of Regional
Development
Disrict Officer, Office of the President-
Kenya

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 <p>Mr. Julius Korir</p>	<p>PS, Ministry of Industry, Investment and Trade State Department of Industry and Enterprise Development NSSF Building, Block A, 22nd Flr</p>	<p>He holds an MBA in International Business and a BSc. in Agricultural Economics.</p>	<p>Mr. Julius Korir is the Principal Secretary, State Department of Industry and Enterprise Development in the Ministry of Industry, Investment and Trade. Prior to his latest appointment, he served as the Industrialization Secretary, Ministry of Industrialization and Enterprise Development. While at the Kenya Investment Authority (KENINVEST), he held the position of Acting Managing Director. Mr. Julius Korir also served at the Export Promotion Council for 15 years rising up to become the General Manager in charge of Trade Information and Business Advisory Services in 2008.</p>
 <p>Mr. Hezekiah Okeyo</p>	<p>Alternate Director, Ministry of Industry, Investment and Trade State Department of Industry and Enterprise Development NSSF Building, Block A, 22nd Flr</p>	<p>Mr. Okeyo has a Masters in Business Administration (MBA-Strategic Management) from Eastern and Southern African Management Institute (ESAMI), Arusha, Tanzania (2012). MSc (Environmental Science & Technology) at the UNESCO-IHE Delft, The Netherlands (2002). <i>BSc (Chemistry, 2nd Class Honours, Upper Division)</i>, University of Nairobi; Kenya (1989).</p>	<p>Director of Industries in charge of Vision 2030 Manufacturing Sector delivery at the Ministry of Industrialization and Enterprise Development Member of the Inter-Ministerial Committee on the development of a National Green Economy Strategy and Implementation Plan Project Manager of the DANIDA Business Sector Programme Support (BSPS), 2006-2012. Task Manager/Coordinator for the formulation of Kenya Private Sector Development Strategy (PSDS) and its Project Implementation Plan (PIP) 2007-2011. The Working Committee on Regulatory Reforms for Business Activity in Kenya established and gazette (Kenya gazette Notice No. 7321 of 23rd September 2005) by the Minister for Finance to facilitate the Regulatory Reforms on Business Licensing in Kenya Member of the United Nations Environment Programme (UNEP) Technical Options Committee (TOC) of the Technology & Economic Assessment Panel (TEAP) under the Montreal Protocol on Substances that deplete the ozone layer.</p>
 <p>Dr. Kamau Thugge</p>	<p>Principal Secretary Ministry of National Treasury</p>	<p>Thugge holds a Bachelors of Arts (Economics) (1980) from Colorado Collage, USA, Master in Economics (1982) from Johns Hopkins University, USA and a Doctor of Philosophy (PhD) in Economics</p>	<p>Dr Thugge is the Principal Secretary Ministry of National Treasury. He has oversight responsibility for the National Treasury. He has previously worked in the Ministry of Finance as Head of Fiscal and Monetary Affairs Department, Economic Secretary and as Senior Economic Advisor. Before joining the Ministry of Finance he worked with the International Monetary Fund (IMF) both in the policy making Departments</p>

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		(1990) from Johns Hopkins University, USA.	and non-policy making Departments as Economist/Senior Economist and Deputy Division Chief.
 <p>Richard Gakunya</p>	Alternate Director, Ministry of National Treasury	Gakunya holds a Master in Economics (1991) from Odessa Institute of National Economy, Ukraine	He has previously worked in the Kenya National Audit Office as an Audit assistant (1983-1986).An Economist in the Ministry of Planning and National Development (1995-2000) and in the Ministry of Finance from 2001 to-date as a senior Economist) in the Economic Affairs Department.

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III. MANAGEMENT TEAM

Passport –Size Photo & Name	Designation	Key Profession / Academic Qualification	Key Qualification and work experience
 Mr. Edward Mwasi	Acting Chief Executive Officer (Since 24 th November 2014) & substantively the Production Manager	Graduate of the University of Nairobi with BA(Design)	Edward Mwasi has over 20 years working experience in Graphic Design and Production. He is currently the Acting Chief Executive Officer of Kenya Yearbook Editorial Board and Production Manager. Previously he worked at Nation Media Group as Chief Graphic Designer
 Ms Marie Goretti Wanyonyi	Finance and Admin Manager	Master of Public Administration, University of Nairobi Bachelor of Commerce-Accounting Option, University of Nairobi CPA K	Ms Marie Goretti Wanyonyi : the Finance and Admin Manager of Kenya Yearbook Editorial Board. She has over 30 years experience in Financial management. Has served in various Senior Management positions in the Public Service such as:- Western Water Services Company as Commercial Manager, Telkom Kenya Limited as Deputy Chief Finance Officer, Kenya Posts and Telecommunications Corporation as Manager, Management Accounting and Office of the Controller & Auditor General as Auditor 1, among others
 Mr. Wainainah Kiganya	Ag. Editorial Manager	Master of Arts in Media Management -Ongoing, Staffordshire University. Bachelor of Arts - Communication, Information Science, Economics, University of South Africa Diploma In Education, Kisii College	Mr. Wainainah Kiganya has over 20 years work experience in journalism. He currently serves as Ag Editorial Manager in Kenya Yearbook Editorial Board. He worked with Nation Media Group and rose to Managing Editor of Taifa leo, (Kenya's only Kiswahili Daily). He was also Pioneer Production Editor of Inside Kenya Today, a weekly newspaper published by the department of information and Public Communication

IV. CHAIRPERSON'S STATEMENT

Given the ever changing local and international communication space, never has there been a greater need to put out information that is not only in sync with realities on the ground, but also Kenya's long term aspirations. In this regard and in line with Government's recognition of the importance of information and communication in national development, the Board exploited available opportunities to produce publications that provide leadership in government communications. Our goal is, to ensure that the citizens and international community understand and appreciate government efforts to achieve its goals, in a bid to make this country a better place.

The Board endeavored to make its contribution in transforming the livelihoods of Kenyans both socially and economically; by availing modern and exclusive information, to help them maximize emerging opportunities. It's our belief that an informed society is better equipped to take advantage of available opportunities and resources to improve its quality of life. Obviously, our success would not be possible without the support of various state, non-state actors and some individuals to whom we wish to convey our heartfelt gratitude.

To further support the various Government ministries and department's efforts, the Board has planned to team up with other ministries and departments in producing comprehensive Sector/County profile publications. The contents of each publication will include the Sector/County profiles, development pillars, strategies and priorities harmonized with the national development goals and highlights of the progress made in implementation. We are also exploring the possibility of assisting other public and private agencies under our customized publishing venture, to produce in-house publications at agreed price.

In conclusion I wish to convey special thanks to the Kenya Yearbook Management, fellow Board members and other Stakeholders that have teamed up to sustain the Board activities over the year. The Board will continue to work more closely with our parent Ministry, other government Ministries and departments and other stakeholders to grow its publications and continue to make our contribution to help built the kind of society the Kenyans want.



Eng. Sammy Tangus
Chairman

V. REPORT OF THE CHIEF EXECUTIVE OFFICER

Dissemination on changing events, issues, and characters in the world, is necessary to keep society better informed and therefore empowered. It is through **Responsible Publishing** that people are able to make the best possible decisions about their lives, their communities, their societies, and their governments. The Government affirmed this necessity for dissemination of accurate information to its people, in April 2015, when a new chairperson was appointed by the President to head the Kenya Yearbook Editorial Board (KYEB) and had its Board of Directors reconstituted. Thus, KYEB management commenced the Financial Year (FY) 2015/16, on apposite note certainly assured of the Board's continued existence as a standalone SAGA and put the threat of the Board's merger along with four other state corporations behind us. Steered by the new chair and board members, the Board resumed all its operations in pursuit of fulfilling its mandate.

As I present KYEB financial report for the year ended 30th June 2016, I wish to inform all stakeholders that since FY 2014/15 when the Board was earmarked for merger, the Board's revenue allocation was reduced to a bare minimum to only cater for basic personnel emolument and mandatory pension costs. Consequently, the Board's financial performance over the period was greatly constrained and management decided to supplement the limited financial resources by carrying out customized publishing jobs for other Government agencies at mutually negotiated fees.

2015/16 Performance Review

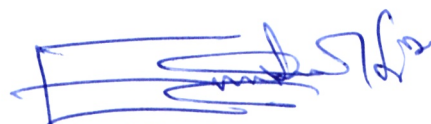
It was a financial period of strong results in the face of challenging global and domestic social, political and economic conditions. However, the Board was able to finalise its annual flagship publication *the Kenya Yearbook* for the periods 2014/15 and 2015/16 up to design and layout stage. The printing and launching stages are to be done in FY 2016/17 when the funds become available. Other completed publications included the Kenya Yearbook Upper and Lower Primary series which have been vetted by the Kenya Institute of Curriculum Development and approved as useful for primary schools education syllabus to promote the Vision 2030 theme among young Kenyans.

Other publications which were finalized over the period include a sector specific publication on higher education titled *University Education and Career Guide* and a biographic publication titled *Top Achieving Women Yearbook*. The *University Education and Career Guide* publication looks at the courses available and delves into the relevance of the university education offered in the East African Countries' institutions in relation to the regional development vis-à-vis the labour market requirements.

Future Outlook

KYEB is geared to partner with Ministries, Departments and other State Agencies and the Counties to produce comprehensive sector specific and County profile publications that can serve to spur development. The Yearbook publications will highlight development pillars, strategies and priorities harmonized with the national and county goals, financial programmes and achievements. We are optimistic that the publications will provide information that will attract investors to the counties and promote national and inter and intra County Investments.

In conclusion, I comment the financial report to all our stakeholders to review, internalize, utilize the information and make their contribution. I wish to thank all those who have worked with us and in particular, the Board of Directors and Management team for their contribution and cooperation during the year.



Edward Mwasi
Ag. Chief Executive Officer

VI. CORPORATE GOVERNANCE STATEMENT

Introduction

Corporate governance is the process by which companies are directed and controlled. The concept of corporate governance has gained prominence and enshrined in codes of best practice developed by Organization for Economic Co-operation and Development (OECD), Commonwealth Association of Corporate Governance (CACG) and the Centre for Corporate Governance in Kenya. The Board recognizes the need to conduct the business and operations of the Board with integrity and in accordance with generally accepted corporate practice, and endorse internationally developed principles of corporate governance. The board members will continue to focus their attention on maintaining the highest standards of corporate governance and business ethics in the Board's operations

Board

The members of the board are shown from page 3. The Board is chaired by a non-executive chairperson appointed by the President. All members of the board have extensive business and administrative experience in private and/or public sectors that are applied in the management of the Board.

The Board is responsible for:

- Determining and protecting the Board's Vision, Mission and Core values;
- Providing strategic direction to the Board and be responsible for the approval of strategic plans;
- Approving the annual budget, procurement plans, strategic plans, performance contract and work plans;
- Monitoring of implementation of the Board's mandate;
- Ensuring the accounts are audited on time and approve the same on annual basis;
- Appointing the Chief Executive Officer and other senior staff in line with the laid down regulations and ensure they receive adequate training and development and ensure a succession plan is in place;
- Establishing an appropriate organizational structure for the Board to facilitate efficient delivery of its mandate;
- Ensuring that adequate technology and systems are in place;
- Assessing the performance of the Board and ensuring it is meeting its targets as stipulated in the performance contract effectively;
- Ensuring that the Board has appropriate risk management, internal control and regulatory compliance procedures in place;
- Monitoring non-financial aspects relating to the business of the Board and ensuring that the right image and character is upheld;
- Comply with laws and regulations and other guidelines issued by the government from time to time.
- Ensure Board meetings are held regularly to review the Board's performance against set targets, approve policies as well as to formulate strategy for the period under review.

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The Board is assisted to carry out its mandate through four committees whose chairpersons report to the Board as described below;

- 1. Finance Committee**
The Board Finance committee is chaired by non-executive board Member and meets at least on quarterly basis. The committee has oversight role of all Financial and Budgetary issues.
- 2. Internal Audit Committee**
The Audit Committee is chaired by a non executive board member and meets at least on quarterly basis. The main responsibilities of the committee are oversight of integrity of financial reporting, internal control, internal and external audit, and compliance with relevant laws and regulations
- 3. Strategy and Publication Committee**
The Strategy and Publication Committee is chaired by a non executive board member. The committee meets at least once every quarter and has oversight over strategy, editorial, production and marketing functions. The committee's responsibilities are to provide strategic and marketing direction and approve budgets of the planned work programmes.
- 4. Human Resources and Administration Committee**
The Committee is chaired by a non executive board member. The committee meets at least once quarterly and oversees human resources and administration issues.

VII. REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2016 which show the state of the Board's affairs.

Principal activities

The principal activities of the Board are:-

- Co-ordinate and implement Government Communications functions in a manner that ensures qualitative and positive presentation of materials that defines Kenya's situation
- Provide guidance in government communication and build framework of partnerships and co-operation between key government communicators
- Promote awareness of opportunities available worldwide and how to gain access to them
- Inform Kenyans of regional, continental and global integration opportunities and initiatives
- Communicate governments policies and programmes
- Underpin the philosophy of openness, accountability and transparency

Results

The results of the Board for the year ended June 30, 2016 are set out on page 18

Directors

The members of the Board of Directors who served during the year are shown from page 3

Auditors

The Auditor general is responsible for the statutory audit of the Kenya Yearbook editorial board's books of account in accordance with Provisions of Article 229 of the Constitution of Kenya and provisions of Section 35 of the Public Audit Act, 2015.

By Order of the Board

Edward Mwasi
Ag. Chief Executive Officer
Nairobi

Date: 8th June 2017

VIII. STATEMENT OF DIRECTORS' RESPONSIBILITIES

Section 68 (2) of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, require the Directors to prepare financial statements in respect of the *Board*, which give a true and fair view of the state of affairs of the *Board* at the end of the financial year/period and the operating results of the *Board* for that year/period. The Directors are also required to ensure that the *Board* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *Board*. The Directors are also responsible for safeguarding the assets of the *Board*.

The Directors are responsible for the preparation and presentation of the *Board's* financial statements, which give a true and fair view of the state of affairs of the *Board* for and as at the end of the financial year (period) ended on June 30, 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 *Board*; (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 *Board*; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the *Board'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) accrual method and in the manner required by the PFM Act and the State Corporations Act. The Directors are of the opinion that the *Board's* financial statements give a true and fair view of the state of *Board's* transactions during the financial year ended June 30, 2016, and of the *Board's* financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the *Board*, which have been relied upon in the preparation of the *Board's* financial statements as well as the adequacy of the systems of internal financial control.

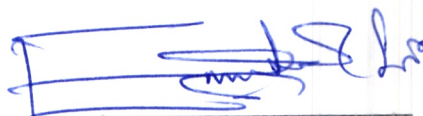
Nothing has come to the attention of the Directors to indicate that the *Board* will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The *Board's* financial statements were approved by the Board on 30th Sept 2016
and signed on its behalf by:



Eng. Sammy Tangus
Chairman



Edward Mwasi
Ag. Chief Executive Officer



OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON KENYA YEARBOOK EDITORIAL BOARD FOR THE YEAR ENDED 30 JUNE 2016

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Kenya Yearbook Editorial Board set out on pages 19 to 37, which comprise the statement of financial position as at 30 June 2016, 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 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 Audit 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 on the effectiveness of the Board'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.

Report of the Auditor-General on the Financial Statements of Kenya Yearbook Editorial Board for the year ended 30 June 2016

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

Basis for Qualified Opinion

Going Concern

During the year under review, the Board incurred a deficit of Kshs.18,856,725 (2014/2015 - deficit Kshs.145,154) thereby increasing accumulated deficit to Kshs.23,279,010 as at 30 June 2016 (2015 – accumulated deficit of Kshs.4,422,285). Further the Board's current liabilities of Kshs.31,051,010 exceed the current assets of Kshs.15,330,459 resulting into a negative working capital of Kshs.15,720,551 as at 30 June 2016. The Board is therefore technically insolvent and may not be able to meet its financial obligations as they fall due. Further, the statement of financial position as at 30 June 2016 reflects negative total net assets of Kshs.12,333,264.

The financial statements of the Board have, therefore been prepared on going concern basis which assumes continued financial support from the government and its creditors.

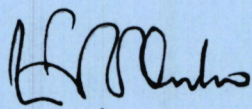
Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis of Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Kenya Yearbook Editorial Board 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 Legal Notice No.187 of 2 November, 2007.

Emphasis of Matter

Contingent Liabilities

As disclosed in note 26 to the financial statements, three officers of the Board were interdicted and subsequently terminated from employment on 11 August 2016. One of the employees has since filed a case in a Court claiming compensation for wrongful dismissal. The matter is still pending in Court and its outcome in the opinion of the Board, has no significant liability. My opinion is not qualified in respect of this matter.



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

Nairobi

15 June 2017

*Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended 30 June, 2016*

X. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2016

		Restated	
		2015-2016	2014-2015
		Kshs	Kshs
Revenue from non-exchange transactions			
Government Grants	3	49,898,400	70,398,400
Other receipt from government	4		15,705,100
		49,898,400	86,103,500
Revenue from exchange transactions			
Other Income	5	1,545,000	755,200
		51,443,400	86,858,700
Expenses			
Board Expenses	6	6,417,214	3,886,018
Employee costs	7	32,561,491	33,294,135
Advertisement Cost	8	1,296,116	1,783,838
Trade shows	9	248,266	432,025
Depreciation and amortization	10&20	1,914,318	2,419,779
Repairs and maintenance	11	830,176	768,948
Travelling & Accommodation	12	1,113,500	729,300
Training and Capacity Building	13	1,749,629	1,490,823
Publishing and printing	14	9,339,493	26,744,861
Administrative Expense	15	6,384,556	7,582,896
Rent expenses	16	8,445,366	7,871,231
		70,300,125	87,003,854
Surplus for the period		(18,856,725)	(145,154)

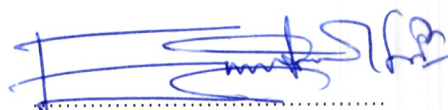
*Kenya Yearbook Editorial Board
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XI. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

		2015-16 Kshs	Restated 2014-15 Kshs
Assets			
Current assets			
Cash and cash equivalents	17	3,498,560	2,443,214
Receivables from exchange transactions	18	5,688,899	7,077,102
Inventories	19	6,143,000	7,409,000
		15,330,459	16,929,316
Non-current assets			
Property, plant and equipment	20	8,333,087	10,114,406
		8,333,087	10,114,406
Total assets		23,663,546	27,043,722
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	21(a)	24,973,505	10,981,856
Provisions	21(b)	6,077,405	9,538,405
		31,051,010	20,520,261
Non-current liabilities			
Non-current provisions	22	4,945,800	-
Total liabilities		35,996,810	20,520,261
Total Net Assets		(12,333,264)	6,523,461
Capital Fund	25	10,945,746	10,945,746
Accumulated deficit	24	(23,279,010)	(4,422,285)
Total net assets and liabilities		(12,333,264)	6,523,461



Eng. Sammy Tangus
Chairperson



Edward Mwasi
Ag. Chief Executive Officer

XII. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2016

	Restated	Restated	
	Capital Fund	Accumulated Surplus/Deficit	Total
	Kshs	Kshs	Kshs
Balance as at 30 .06. 2014	10,945,746	(4,277,131)	6,668,615
Surplus for the period	-	(145,154)	(145,154)
Balance as at 30.06.2015	10,945,746	(4,422,285)	6,523,461
Surplus for the period	-	(18,856,725)	(18,856,725)
Balance as at 30.06.2016	10,945,746	(23,279,010)	(12,333,264)

*Kenya Yearbook Editorial Board
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XIII. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016

		2015-16 Kshs	2014-15 Kshs
Net cash flows from operating activities	23	1,188,345	1,267,753
INVESTING ACTIVITIES			
Cash flows from investing activities			-
Purchase of property, plant and Equipment		(133,000)	-
Proceeds from sale of property, plant and Equipment			-
Net increase/(decrease) in cash and cash equivalents		1,055,345	1,267,753
Cash and cash equivalents at 30.06.2015	17	2,443,215	1,175,462
Cash and cash equivalents at 30.06.2016	17	3,498,560	2,443,215

**XIV. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT
FOR THE YEAR ENDED 30 JUNE 2016**

Description	Original Ksh	Adjustments Ksh	Final Budget Ksh	Actual Ksh	Variance Ksh	
GOVERNMENT GRANTS						
Recurrent	41,398,400	(500,000)	40,898,400	40,898,400	-	
Development	9,000,000		9,000,000	9,000,000	-	
Sub Total Budget	50,398,400	(500,000)	49,898,400	49,898,400	-	
Other Government transfers			-	-	-	
TOTAL GRANTS	50,398,400	(500,000)	49,898,400	49,898,400	-	
Other Income	3,700,000	20,172,140	23,872,140	1,545,000	22,327,140	
TOTAL REVENUE	54,098,400	19,672,140	73,770,540	51,443,400	22,327,140	
EXPENDITURE						
Board of Directors Expenses						
CEO Remuneration	5,470,010	(1,000,000)	4,470,010	4,320,000	150,010	
Chairperson Honoraria	1,044,000	-	1,044,000	716,000	328,000	
Sitting allowance	500,000	150,000	650,000	800,000	(150,000)	
Travel and Accommodation	500,000	50,000	550,000	581,214	(31,214)	
Total Board of Directors	7,514,010	(800,000)	6,714,010	6,417,214	296,796	(a)
Staff costs						
Salaries and wages	27,202,000	-	27,202,000	27,406,967	(204,967)	
Staff gratuity	1,000,000	2,500,000	3,500,000	3,496,800	3,200	
Staff pension	1,000,000	500,000	1,500,000	1,553,524	(53,524)	
Staff welfare	40,000	-	40,000	104,200	(64,200)	
Total Payroll costs	29,242,000	3,000,000	32,242,000	32,561,491	(319,491)	(b)
Trade Shows						
Hiring Costs	100,000		100,000	149,700	(49,700)	
Branding	240,000		240,000	98,566	141,434	
Total Trade Shows	340,000	-	340,000	248,266	91,734	(c)
Repairs & Maintenance						
Furniture & Equipment	50,000	-	50,000	441,300	(391,300)	
Motor Vehicles	100,000	-	100,000	388,876	(288,876)	
Total Repairs & Maintenance	150,000	-	150,000	830,176	(680,176)	(d)

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Description	Original	Adjustments	Final Budget	Actual	Variance	
	Ksh	Ksh	Ksh	Ksh	Ksh	
Advertising Expenses	40,000	-	40,000	1,296,116	(1,256,116)	
Total Advertising Expenses	40,000	-	40,000	1,296,116	(1,256,116)	(e)
Travelling & Accommodation						
Travelling	170,000	-	170,000	394,100	(224,100)	
Accommodation	450,000	-	450,000	719,400	(269,400)	
Total Travel & Accommodation	620,000	-	620,000	1,113,500	(493,500)	(f)
Training & Capacity Building						
Performance Contract	350,000	-	350,000	1,167,067	(817,067)	
Training and Subscriptions	646,390	-	646,390	582,562	63,828	
Total T. & Capacity Building	996,390	-	996,390	1,749,629	(753,239)	(g)
Rental Charges						
Premises Rent	-	-	-	6,241,799	(6,241,799)	
Service Charge	-	-	-	1,423,227	(1,423,227)	
Parking Fees	-	-	-	780,340	(780,340)	
Total Rental Charges	-	-	-	8,445,366	(8,445,366)	(h)
Administration Expenses						
Bank Charges & others	10,000	-	10,000	49,767	(39,767)	
Audit Fees	450,000	-	450,000	450,000	-	
Catering & CEO'S Office	500,000	-	500,000	509,949	(9,949)	
Fuel and Lubricants	300,000	-	300,000	359,185	(59,185)	(i)
General Office Supplies	250,000	-	250,000	567,768	(317,768)	(j)
Telephone & Postage	150,000	-	150,000	171,627	(21,627)	
Insurance	276,000	-	276,000	3,756,364	(3,480,364)	(k)
Office Cleaning	500,000	-	500,000	476,336	23,664	
Newspapers and periodicals	60,000	-	60,000	43,560	16,440	(l)
Total Administration Expenses	2,496,000	-	2,496,000	6,384,156	(3,888,556)	
Publishing & Printing Expenses						
Writing, Editing & Consultancy	2,700,000	5,070,000	7,770,000	6,762,363	1,007,367	
Customized publications	-	12,600,000	12,600,000	1,082,710	11,517,290	
Kenya Yearbooks Printing	1,000,000	1,450,000	2,450,000	1,494,420	955,850	
Total Publishing & Printing	3,700,000	19,120,000	22,820,000	9,339,493	13,480,507	m

*Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
For the year ended 30 June, 2016*

Description	Original	Adjustments	Final Budget	Actual	Variance	
	Ksh	Ksh	Ksh	Ksh	Ksh	
Total Recurrent	45,098,400	21,320,000	66,418,400	68,385,807	(1,967,407)	
Development						
Purchase of Furniture	4,000,000	-	4,000,000	-	4,000,000	
ICT infrastructure	900,000	-	900,000	133,000	767,000	
Purchase of equipment	4,100,000	-	4,100,000	-	4,100,000	
Total Development	9,000,000	-	9,000,000	133,000	8,867,000	n
Total Recurrent & Development	54,098,400	21,320,000	75,418,400	68,518,807	6,899,593	

*Kenya Yearbook Editorial Board
Annual Reports and Financial Statements
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Notes on the causes of Budget Versus Actual Variances

The Board's recurrent and development Treasury revenue allocations for the period were not sufficient to meet its total annual fixed costs resulting in negative expenditure variances. Management as challenged by the Parent Ministry strived to grow its internally generated revenue to fund its flagship publications. This was achieved through undertaking customised publication jobs other Government agencies. Detailed notes giving highlights of Budget versus actual revenue and expenditure variances are presented below.

- a) All current Board members were appointed in the last half of the period under review. The apparent cost saving is because not all the mandated quarterly and full Board Committee meetings were held during the year.
- b) This was as a result of untimely demise of dependant of one of the staff member.
- c) Trade show costs were reduced due to budget constraint.
- d) Frequent repairs carried out on Board's aging furniture and equipment and motor vehicles during the period stretched the maintenance expenses beyond the allocated budget.
- e) The variance noted under advertisements expenses is constituted of complementary publications which were issued mostly to the public officers to market the Board's publications.
- f) Actual expenditure for travelling and accommodation was incurred on air ticket expenses for the ICT officer who is undertaking a master's degree in Korea when he came back to undertake his project assignment. additional local expenses were also to sponsor the Board officers to participate in the retreat for preparation of the Medium Term Budget exercise in Mombasa
- g) Performance contract activities are mandatory. During the year under review, the Board could not fully meet the costs of these activities because of limited budget.
- h) The Board was not allocated revenue to cater for official accommodation (rent) during the financial year. The Board applied repeatedly trough the Parent Ministry for additional funds from Government. However, no additional revenue was received and total annual rent amount **Kshs 8.4 Million** is included in the accrued current liabilities and the pending bills.
- i) This was due to inflation which caused price fluctuation.
- j) This was due to under budgeting
- k) Medical insurance cost of **Kshs.3.7 Million** included in administrative expenses had no budget.
- l) This was as a result of budget constraints leading to reduction of the cost.
- m) As the Board had to meet its signed performance contracts obligations and undertake its mandate, the management decided to grow its internally generated income (AIA) to finance the core publishing activities. The raised AIA over the period was slightly more than the publishing costs and the saving was utilised to finance other budget deficits.
- n) Due to budget constraints the board did not undertake the development activities in order to finance operation and maintenance activities.

NOTES TO THE FINANCIAL STATEMENTS

1. Statement of compliance and basis of preparation

The Board'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 Board. 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 indirect method. The financial statements are prepared on accrual basis.

2. 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 Board and can be measured reliably.

ii) Revenue from exchange transactions

Rendering of services

The Board 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 Board.

b) Budget information

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the Board. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or Board differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

NOTES TO THE FINANCIAL STATEMENTS (CONT...)

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 Board recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. In this regard depreciation is calculated on reducing balance to write off cost or re-valued amount of each asset on its estimated useful life. Full depreciation is charged at the year of purchase and zero at the year of disposal. The annual depreciation rates are:

Motor Vehicles	25%
Furniture.....	12.5%
Computers and Software.....	30%
Partitioning.....	12.5%

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. 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 Board.

e) Receivables

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 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.

f) Provisions

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

g) Capital Fund

Capital Fund comprises of assets acquired from the ministry of information, Communication and Technology at the inception of the Board.

h) Changes in Accounting Policies and Estimates

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

NOTES TO THE FINANCIAL STATEMENTS (CONT...)

i) Employee benefits IPSAS 25

Retirement benefit plans

The Board provides retirement benefits for its employees. The Board operates a defined contribution plans where it pays fixed contributions into a separate Board (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. The entities provide gratuity to it employees who are on three years contract at the end of their term. This expenditure is recognised in the accounts every year.

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. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers 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) Related parties transactions IPSAS 20

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

m) Subsequent events IPSAS 1

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

3. Transfers from other governments – gifts and services-in-kind

	2015/16	2014/15
	Kshs.	Kshs.
Unconditional Grants		
Recurrent Grants	40,898,400	59,398,400
Development Grant	9,000,000	11,000,000
Total government grants	49,898,400	70,398,400

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NOTES TO THE FINANCIAL STATEMENTS (CONT...)

4. Other Government Receipts

	2015/16	2014/15
	Kshs.	Kshs.
Grants for printing Ministry Publication	-	5,000,000
Grant for printing GAA Publications	-	7,800,000
Grant for printing ICTA Strategic Plans	-	2,905,100
Total	-	15,705,100

5. Other Income

	2015-16	2014-15
	Kshs.	Kshs.
Publications sales	57,800	672,200
Sale of tenders	-	19,000
Brand Kenya	591,250	64,000
EPZA	82,500	
ICTA	200,000	
KIMC	613,450	
Central Bank -Income	-	
Central Bank- Provision	-	
Total other income	1,545,000	755,200

6. Board Expenses

	2015/16	2014/15
	Kshs.	Kshs.
CEO Remuneration	4,320,000	2,249,865
Chairperson Honoraria	716,000	713,653
Sitting allowance	800,000	900,000
Travel and Accommodation	581,214	22,500
Total	6,417,214	3,886,018

7. Employee Cost

	2015/16	2014/15
	Kshs.	Kshs.
Salaries and wages	27,406,967	27,869,838
Staff gratuity	3,496,800	3,871,787
Staff pension	1,553,524	1,552,510
Staff welfare	104,200	-
Total Costs	32,561,491	33,294,135

8. Advertisement Cost

	2015/16	2014/15
	Kshs.	Kshs.
Branding	-	139,026
Commissions	1,296,116	1,644,812
Total	1,296,116	1,783,838

Restated

9. Trade Shows

	2015/16	2014/15
	Kshs.	Kshs.
Hiring Costs	149,700	293,000
Branding	98,566	139,025
Total	248,266	432,025

10. Depreciation and amortization Expense

	2015/16	2014/15
	Kshs.	Kshs.
Motor Vehicle	390,400	520,533
Furniture	266,194	304,221
Computers	751,187	1,016,125
Partitioning	506,537	578,900
Total	1,914,318	2,419,779

11. Repairs and Maintenance

	2015/16	2014/15
	Kshs.	Kshs.
Repairs and maintenance	441,300	419,422
Maintenance of motor Vehicle	388,876	349,526
Total repairs and maintenance	830,176	768,948

12. Travelling and Accommodation

	2015/16	2014/15
	Kshs.	Kshs.
Traveling Expenses	394,100	540,000
Accommodation	719,400	189,300
Total	1,113,500	729,300

13. Training and Capacity Building

	2015/16	2014/15
	Kshs.	Kshs.
Performance Contract	1,167,067	660,000
Professional Subscription and Training	582,562	830,823
Total	1,749,629	1,490,823

14. Publishing & Printing Expenses

	2015/16	2014/15
	Kshs.	Kshs.
Kenya Yearbooks Writing, Editing & Consultancy	6,762,363	10,089,995
Inter Ministry Publications	1,082,710	14,807,659
Kenya Yearbooks Printing	1,494,420	1,847,207
Total	9,339,493	26,744,861

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15. Administrative Expense

	2015/16	2014/15
	Kshs.	Kshs.
Bank charges	49,767	69,675
Consultancy	-	190,000
Audit fees	450,000	450,000
Catering services	509,949	1,389,767
Fuel	359,185	290,000
Office supplies and stationery	567,768	577,189
Telephone	171,627	126,000
Insurance	3,756,364	3,721,559
Cleaning services	476,336	649,547
Newspaper subscription	43,560	119,159
Total	6,384,556	7,582,896

16. Rent Expenses

	2015/16	2014/15
	Kshs.	Kshs.
Premises Rent	6,241,799	5,807,578
Service Charge	1,423,227	1,584,284
Parking Fee	780,340	479,369
Total	8,445,366	7,871,231

17. Cash and Cash Equivalents

	2015-16	2014-15
	Kshs.	Kshs.
Bank	3,465,155	2,422,912
Petty Cash	33,405	20,303
Total cash and cash equivalents	3,498,560	2,443,215

18. Receivables from Exchange Transactions

a) Trade Debtors

	2015/16	2014/15
	Kshs.	Kshs.
ICTA	200,000	
KIMC	613,450	
Central Bank	-	408,500
Bookshops & others	810,280	403,580
Total	1,623,730	812,080

b) Prepayments

	2015/16	2014/15
	Kshs.	Kshs.
Insurance prepaid	118,799	1,531,675
Writers Prepaid	-	665,500
Total	118,799	2,197,175

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c) Deposits

	2015/16	2014/15
	Kshs.	Kshs.
Rent Deposit	1,127,636	1,127,636
Total	1,127,636	1,127,636

d) Others

	2015/16	2014/15
	Kshs.	Kshs.
Staff Debtors	385,717	276,559
Imprest	-	190,985
**Receivables from GOK	2,433,017	2,472,667
Total	2,818,734	2,940,211

Grand Total	5,688,899	7,077,102
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19. Inventories

	2015/16	2014/15
	Kshs.	Kshs.
Kenya Yearbook	4,938,000	6,058,000
CD Copies	995,000	1,021,000
Other publications	210,000	330,000
Total	6,143,000	7,409,000

**Includes the amount advanced to ministry to launch its strategic plan and payment to Director of public communication during the period of kshs.350, 350 and 2,082,667 respectively.

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20. Property, Plant and Equipment

	Motor Vehicle Kshs	Furniture Kshs	Computers & software Kshs	Partitioning Kshs	Total Kshs
COST					
As at 30.06.2014	6,028,405	4,426,164	14,194,506	8,821,672	33,470,747
Additions	-	-	-	-	-
Disposal	-	-	-	-	-
As at 30.06.2015	6,028,405	4,426,164	14,194,506	8,821,672	33,470,747
Balance as at 1. 07.2015	6,028,405	4,426,164	14,194,506	8,821,672	33,470,747
Additions	-	-	133,000	-	133,000
Disposal	-	-	-	-	-
As at 30.6.2016	6,028,405	4,426,164	14,327,506	8,821,672	33,603,747
DEPRECIATION					
As at 30.06.2014	3,946,273	1,992,394	10,807,423	4,190,473	20,936,563
Charge for the year 2014-15	520,533	304,221	1,016,125	578,900	2,419,779
Disposal	-	-	-	-	-
As at 30.06.2015	4,466,806	2,296,615	11,823,548	4,769,373	23,356,342
Balance as at 1.07.2015	4,466,806	2,296,615	11,823,548	4,769,373	23,356,342
Charge for the year 2016	390,400	266,194	751,187	506,537	1,914,318
Disposal	-	-	-	-	-
As at 30.6.2016	4,857,206	2,562,809	12,574,735	5,275,910	25,270,660
NET BOOK VALUE					
As at 30.6.2016	1,171,199	1,863,355	1,752,771	3,545,762	8,333,087
As at 30.06.2015	1,561,599	2,129,549	2,370,958	4,052,299	10,114,406

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21. Trade and other Payables

(a) Payables from Exchange Transactions

	2015-16	2014-15
	Kshs.	Kshs.
Pending Bills	24,973,505	10,981,856

(b) Current Provisions

Description	PAYE	Payroll Liabilities	Pension	Gratuity	Total
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Balance at the Beginning of the year	3,209,518	121,800	-	4,758,087	8,089,405
Additional Provision	1,065,281	-	584,361	-	1,649,642
Provision utilized	(2,038,142)	(60,900)	-	(1,562,400)	(3,661,442)
Transferred to Non- current provision	-	-	-	-	-
Balance as at 30.06.2016	2,236,557	60,900	584,361	3,195,687	6,077,405

22. Non-current Provisions

Description	Gratuity
	Kshs.
At the Beginning of the year	1,449,000
Additional Provision	3,496,800
Transferred from Non- current provision	-
Balance as at 30.06.2016	4,945,800

23. Cash Generated from Operations

	2015-16	2014-15
	Kshs.	Kshs.
(Deficit)/Surplus for the year	(18,856,725)	(145,154)
Adjustments:		
Depreciation	1,914,318	2,419,779
operating cash flows before working capital changes	(16,942,407)	2,274,625
Increase in payables	13,991,649	770,158
Increase/(Decrease) in provisions	1,484,900	(312,374)
Increase in receivables	1,388,203	(3,175,656)
decrease/(increase) in inventories	1,266,000	1,711,000
Total working capital changes	18,130,752	(2,165,854)
Cash generated from operating activities	1,188,345	1,267,753

24. Reserves

Balance at the beginning of the year	(4,422,285)	(4,277,131)
Surplus for the year	(18,856,725)	(145,154)
Balance as at 30 June 2016	(23,279,010)	(4,422,285)

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25. Capital Fund

	2015-16	2014-15
	Kshs.	Kshs.
Initial Investment from the Ministry	10,945,747	10,945,747
Total	10,945,747	10,945,747

**26. Event after reporting date:
Contingent liabilities**

Claims have been made by one of the three former employee of the Board resulting from termination of employment of 11th August, 2016. However, in the opinion of the Board, no significant liability is to crystallise. Furthermore, this cannot be currently established.

Non-adjusting events after reporting date:

The organization was contracted by Central Bank of Kenya to publish CBK @50 books and the contract came into effect on 20th July, 2016. The financial implications of this contract included deferred expenses of **Kshs 9,959,578** and deferred receivable income of **Kshs 21,362,199** which will be recognized in the financial period 2016-17.

27. Reporting Currency

The financial statements are expressed in Kenya Shillings

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		None			

Guidance Notes:

- a) Use the same reference numbers as contained in the external audit report;
- b) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
- c) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Board responsible for implementation of each issue;
- d) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.


Chief Executive Officer

Date 8th June 2017


Chairman

Date 8th June 2017