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**KENYA NATIONAL AUDIT OFFICE**

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**REPORT  
OF  
THE CONTROLLER  
AND AUDITOR-GENERAL**

**ON**

**THE FINANCIAL STATEMENTS OF  
KENYA MEDICAL LABORATORY  
TECHNICIANS AND TECHNOLOGISTS  
BOARD FOR THE YEAR ENDED 30 JUNE  
2006**

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**THE KENYA MEDICAL LABORATORY  
TECHNICIANS & TECHNOLOGISTS BOARD**

**FINANCIAL STATEMENTS AND REPORT  
AS AT 30<sup>TH</sup> JUNE 2006.**

**THE KENYA MEDICAL LABORATORY TECHNICIAN**  
**AND TECHNOLOGISTS BOARD.**

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**THE KENYA MEDICAL LABORATORY TECHNICIANS & TECHNOLOGISTS BOARD.**

**1. Establishment of the Board**

The Board was established by an act of parliament, MLTT Act No. 10 of 1999, to amongst other functions to regulate the operations of medical laboratory function in the country.

The first Board was inaugurated in the year 2000.

**Functions of the Board**

The board functions are as enumerated below, and include:

- Regulate the professional conduct of registered laboratory technicians and technologists.
- Licence and regulate business practices of technologists and technicians.
- Approve institutions for training technologists.
- Register technicians and technologists.
- Approve courses of institutions for laboratory technologists and technicians.

2. STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES.

The Board members are required to prepare financial statements, which give a true and fair view of the state of affairs of the Board as at the end of the financial year and of its surplus or deficit for that year. The Board members are required to ensure that the Board maintains proper accounting records which disclose with reasonable accuracy the financial position of the Board. The Board Members are also responsible for safeguarding the assets of the Board.

The Board members accepts responsibility for the 2005/2006 financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgement and estimates, consistent with previous years and in conformity with the International Financial Reporting Standards. The members are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Board as at 30<sup>th</sup> June 2006 and its surplus for the year ended.

The members further confirms the accuracy and completeness of the accounting records maintained by the Board, which have been relied upon on the preparation of the financial statements as well as the adequacy of the systems of internal controls.

Name: DR. FAITH MULI

Name: JOSEPH W. GACHARE

Designation: CHAIRMAN

Designation: REGISTRAR

Signed: 

Signed: 

Date: 27.3.07

Date: 27.03.07

REPUBLIC OF KENYA  
Ministry of Health  
THE KENYA MEDICAL LABORATORY  
TECHNICIANS AND TECHNOLOGISTS BOARD  
P. O. Box 20889 - 00202 NAIROBI





## KENYA NATIONAL AUDIT OFFICE

### REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF KENYA MEDICAL LABORATORY TECHNICIANS AND TECHNOLOGISTS BOARD FOR THE YEAR ENDED 30 JUNE 2006

I have audited the financial statements of Kenya Medical Laboratory Technicians and Technologists Board for the year ended 30 June 2006 in accordance with the provisions of Section 14 of the Public Audit Act, 2003. 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. The financial statements are in agreement with the books of account.

#### **Respective Responsibilities of the Board and the Controller and Auditor General**

The Board is responsible for the preparation of financial statements which give a true and fair view of the Laboratory's state of affairs and its operating results. My responsibility is to express an independent opinion on the financial statements based on my audit.

#### **Basis of opinion**

The audit was conducted in accordance with the International Standards on Auditing. Those standards require that the audit be planned and performed with a view to obtaining reasonable assurance that the financial statements are free from material misstatement. An audit includes an examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. It also includes an assessment of the accounting policies used and significant estimates made by the Board, as well as an evaluation of the overall presentation of the financial statements. I believe the audit provides a reasonable basis for my opinion.

#### **1. Board Members Allowance**

Section 11 of the Medical Laboratory Technicians and Technologists Act, 1999 empowers the Board to appoint such officers and other staff as are necessary for the proper discharge of the Act on such terms and conditions as the Board may determine. However as previously reported, it was observed that the Board has still not appointed the necessary personnel to run the Board, including a Chief Executive. This has resulted in the board members getting involved in the management of the boards affairs leading to payment of allowances for working in various committees totalling Kshs.8,033,132. Although these allowances were

approved by the full Board, failure to appoint officers and other staff to run the board as required by Section 11 has not been explained. In the circumstances, the propriety of Kshs.8,033,132 paid as allowances to Board members could not be confirmed.

## **2. Budgetary Control**

During the year ended 30 June 2006, the Board operated without an approved budget contrary to requirements of Sections 11 and 12 of State Corporations Act (Cap 446) which requires the approval by the Minister with concurrence of the Treasury. In the absence of such approval, it has not been possible to confirm the propriety of the total income of Kshs.12,652,395 and the total expenditure of Kshs.21,600,363 reflected. The Board was in breach of the law

### **Opinion**

Except for the reservations set out in the foregoing paragraphs, in my opinion, the financial statements when read together with the notes thereon, give a true and fair view of the state of the affairs of the Board as at 30 June 2006 and of its deficit and cash flows for the year then ended and comply with the Medical Laboratory Technicians and Technologists Act 1999.



**P. N. KOMORA**  
**CONTROLLER AND AUDITOR GENERAL**

Nairobi

03 April 2007

**KENYA MEDICAL LABORATORY TECHNICIANS & TECHNOLOGISTS BOARD**

**INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30.06.2006**

	<u>2005 / 2006</u>	<u>2004 / 2005</u>
	KSH.	KSH.
<b>INCOME</b>		
Application	704,250	484,050
Registration	3,773,250	3,764,000
Inspection	2,504,750	1,927,000
Lamination	100	100
Exams	4,617,250	6,891,700
Attachment	72,000	530,100
Cert of practice	761,000	957,050
Other Income	216,900	56,400
Interest Earned	2,895	1,362
	<b><u>12,652,395</u></b>	<b><u>14,611,762</u></b>
<b>LESS EXPENDITURE</b>		
Full Board Allowances	8,972,512	734,050
Registration	511,150	354,757
Education	2,466,781	3,127,174
Standard	1,643,771	2,407,942
Finance & Administration	592,500	1,534,570
Bank Charges	106,323	71,165
Stationery and Office Expenses	1,912,002	1,893,074
Security Costs	429,240	429,240
Professional Audit fees	150,000	100,000
Disciplinary	611,600	
Reesponsibility	891,000	
Depreciation	154,595	176,501
Salaries and Wages	1,474,000	1,228,071
Telephone and Postage	534,050	289,250
Transport & Others	473,509	625,046
Duty allowances	677,330	
<b>TOTAL EXPENDITURE</b>	<b><u>21,600,363</u></b>	<b><u>12,970,840</u></b>
<b>SURPLUS / DEFICIT</b>	<b><u>-8,947,968</u></b>	<b><u>1,640,923</u></b>

**KENYA MEDICAL LABORATORY TECHNICIANS  
AND TECHNOLOGISTS BOARD.**

**BALANCE SHEET AS AT 30TH JUNE 2006.**

		<u>2005/2006</u>	<u>2004/2005</u>
	NOTES	Kshs.	Kshs.
<b><u>NON CURRENT ASSETS</u></b>			
Property, Plant & Equipment	2	<u>879,324</u>	<u>1,003,260</u>
Cash & Bank Balances	3	1,305,880	3,107,146
Debtors & Prepayments	4	<u>1,268,641</u>	<u>716,641</u>
		<b><u>2,574,521</u></b>	<b><u>3,823,787</u></b>
<b><u>CURRENT LIABILITIES.</u></b>			
Creditors & Accruals	5	8,224,496	526,800
		<b><u>8,224,496</u></b>	<b><u>626,800</u></b>
Net Current Assets		-5,649,975	3,196,987
<b>Net Assets</b>		<b><u>-4,770,650</u></b>	<b><u>4,177,318</u></b>
<b>FINANCED BY</b>			
Accumulated Fund		<b><u>-4,770,650</u></b>	<b><u>4,177,318</u></b>

**SIGNED:**

DR. FAITH MULLI ..... Chairman

JOSEPH W. GACHARE ..... Registrar

JAMIN SAKWA ..... Treasurer

D. M. NJUGUNA ..... Member

Date..... 27.03.07 .....



**KENYA MEDICAL LABORATORY TECHNICIANS  
AND TECHNOLOGISTS BOARD.**

**STATEMENT OF CHANGES IN ACCUMULATED FUND FOR THE YEAR  
ENDED 30TH JUNE 2006.**

	<b><u>2005/2006</u></b>	<b><u>2004/2005</u></b>
	<b><u>KSHS.</u></b>	<b><u>KSHS.</u></b>
Bal b/d	4,177,318	2,536,395
Net surplus / deficit for the	-8,947,968	1,640,923
Bal c/d	<b><u>-4,770,650</u></b>	<b><u>4,177,318</u></b>

**KENYA MED. LAB. TECHNICIANS AND TECHNOLOGISTS BOARD.**

***CASH FLOW STATEMENT.***

**FOR THE YEAR ENDED 30.06.2006.**

	<b><u>2005 / 2006</u></b>	<b><u>2004 / 2005</u></b>
<b>NET PROFIT BEFORE TAX</b>	-8,947,968	1,663,852
<b><u>ADJUSTMENTS.</u></b>		
Depreciation	154,595	153,572
<b>CASH FLOW FROM OPERATIONS.</b>	<b>-8,793,373</b>	
<b>WORKING CAPITAL CHANGES.</b>		
Increase in Creditors	7,597,696	
Increase in Debtors	<u>-552,000</u>	7,045,696
Provision of audit fees		NIL
		<u>100,000</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES.</b>	<b><u>-1,747,677</u></b>	
Purchase of Fixed Assets	-53,588	-233,995
Decrease / Increase in Cash & Cash Equivalents	-1,801,265	781,036
	<u>3,107,146</u>	<u>2,326,110</u>
Cash & Cash Equivalents at the end of the period	<b><u>1,305,880</u></b>	<b><u>3,107,146</u></b>

**THE KENYA MED.LAB. TECHNICIAN AND TECHNOLOGISTS BOARD.**

**NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2006.**

**1. Accounting Policies.**

The principal accounting policies adopted are as follows: -

**a) Basis of Preparation.**

The financial statements have been prepared under historical cost convention.

**b) Property, Plant and Equipment.**

Depreciation on assets is calculated to write of the cost of valuation in equal annual instalments over their estimated useful lives.

The annual rates in use are:-

	<b>Percentage (%)</b>
• Furniture and office equipment	12.5
• Mobile phones & Computers	30

**(c) Cash and Cash equivalents.**

This include cash in hand and in bank.

**(d) Revenue recognition.**

Revenue is recognised when received.

**THE KENYA MEDICAL LABORATORY TECHNICIANS & TECHNOLOGISTS BOARD.**

e) **Retirement benefit obligation.**

Employee entitlements.

Employees contribute Kshs. 200 to N.S.S.F and the employer pays Kshs. 200

The total amount contributed is Ksh.400.

There is no other pension in place.

f) **Principal activities.**

- Regulate the professional conduct of registered laboratory technicians and technologists.
- Licence and regulate business practices of technologists and technicians.
- Approve institutions for training technologists.
- Register technicians and technologists.
- Approve courses of institutions for laboratory technologists and technicians.

**KENYA MED. LAB. TECHNICIANS AND TECHNOLOGISTS BOARD.**  
**AS AT 30.06.06**

**2 Property, Plant & Equipment**

	FURNITURE & FITTINGS <u>KSH.</u> 12.5%	MOBILE PHONES COMPUTERS <u>KSH.</u> 30%	TOTAL <u>KSH.</u>
<b><u>COSTS:</u></b>			
Balance b/f	852,746	127,585	980,331
Additions in the year	36,288	17,300	53,588
Balance at 30.06.2006	<u>889,034</u>	<u>144,885</u>	<u>1,033,919</u>
Dep. for the year	111,129	43,466	154,595
<b>N.B.V 30.06.2006</b>	<b><u>777,905</u></b>	<b><u>101,419</u></b>	<b><u>879,324</u></b>
<b>N.B.V 30.06.2005</b>	<b>852,746</b>	<b>127,585</b>	<b>980,331</b>

**KENYA MED. LAB. TECHNICIANS AND TECHNOLOGISTS BOARD.**  
**AS AT 30.06.06**

**3 CASH & BANK BALANCES**

	<b><u>2005 / 2006</u></b>	<b><u>2004 / 2005</u></b>
Cash in hand	209,350	25,822
Current Account	767,916	2,328,836.25
Saving Account	<u>328,614</u>	<u>752,488.15</u>
	<b><u>1,305,880</u></b>	<b><u>3,107,146</u></b>

**KENYA MED. LAB. TECHNICIANS AND TECHNOLOGISTS BOARD.**  
**AS AT 30.06.06**

**4 DEBTORS**

<b>K.M.T.C Inspection fees</b>	<b><u>2005 / 2006</u></b>	<b><u>2004/2005</u></b>
Nairobi	184,000	184,000
Nakuru	184,000	184,000
Kitui	184,000	
Kisumu	184,000	
Machakos	184,000	
Mombasa polytechnic	184,000	184,000
Examinations materials	164,641	164,641
	<b><u>1,268,641</u></b>	<b><u>716,641</u></b>

**KENYA MED. LAB. TECHNICIANS AND TECHNOLOGISTS BOARD.**  
**AS AT 30.06.06**

**5 CREDITORS**

	<b><u>2005 / 2006</u></b>	<b><u>2004 / 2005</u></b>
Finance and advertisement	92,800	92,800
Punch Lines	252,000	252,000
Tax arrears	7,629,696	
Accrued Audit fees	250,000	150,000
K.M.T.C		32,000
Prov.for Audit fees		100,000
	<b><u>8,224,496</u></b>	<b><u>626,800</u></b>