

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

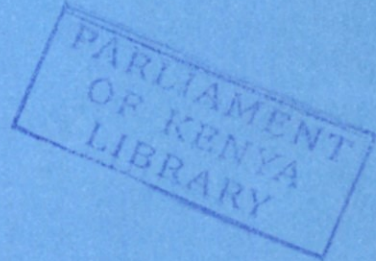
THE NATIONAL ASSEMBLY
PAPERS LAID

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THE AUDITOR-GENERAL

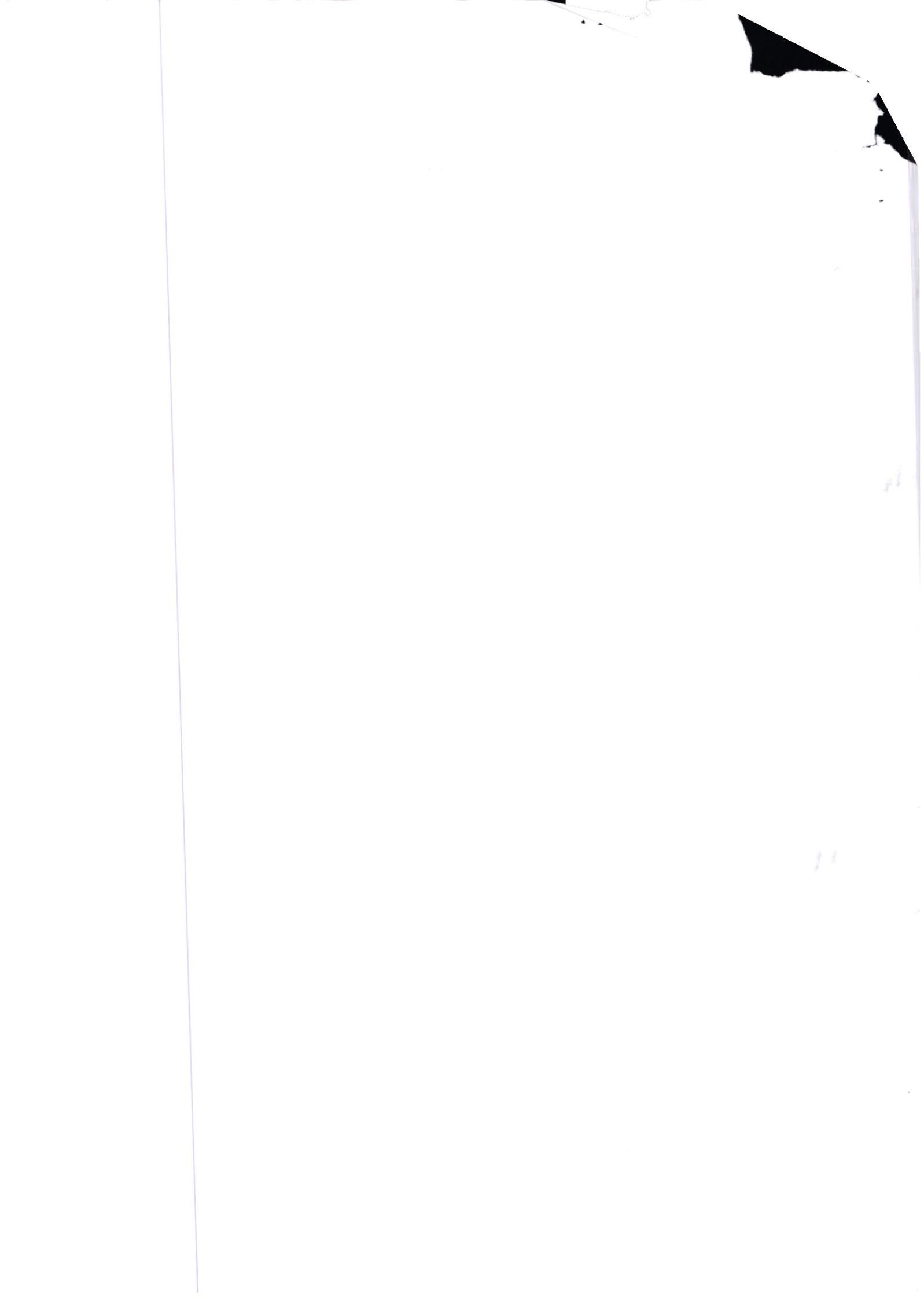
Hon. Owen Baya, MP
Deputy Leader, Majority Party
Kisumu mwalu

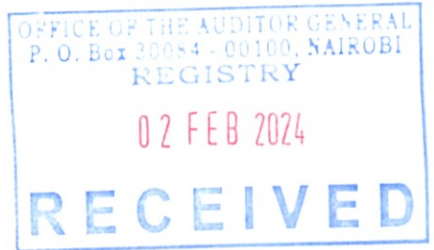
ON



**NATIONAL QUALITY CONTROL
LABORATORY**

**FOR THE YEAR ENDED
30 JUNE, 2023**





REPUBLIC OF KENYA
MINISTRY OF HEALTH

ANNUAL REPORT AND FINANCIAL STATEMENT
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2023



NATIONAL QUALITY CONTROL LABORATORY

P. O. Box 29726 - 00202 (KNH) Nairobi

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NATIONAL QUALITY CONTROL LABORATORY
Annual Report and Financial Statements
For the year ended June 30, 2023.

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1. Key Entity Information and Management

(a) Background Information

The National Quality Control Laboratory (NQCL) was established under section 35D of the Pharmacy and Poisons Amendment Act of 1992 (Cap 244, Laws of Kenya) on the 28th October, 1992 and came into operation on 06th November, 1992. The Laboratory is domiciled in Kenya with no branches currently.

(b) Principal Activities

The Laboratory, under the Pharmacy and Poisons Amendment Act of 1992 (Cap 244, Laws of Kenya), has the following mandate:

1. Examine and test medicines and any material or substance from which or with which and the manner in which medicines may be manufactured, processed or treated and ensure the quality control of medicines and medicinal substances;
2. Perform chemical, biological, biochemical, physiological and pharmacological analysis and other pharmaceutical evaluation;
3. Test, on behalf of the Government, of locally manufactured and imported medicines or medicinal substances with a view to determine whether such medicines or medicinal substances comply with Cap 244;
4. To provide advisory services to the Ministry of Health on medicines quality standard;
5. Carry out Good Manufacturing Practices (GMP) inspections in pharmaceutical manufacturing industry premises and issue certificates of compliance on the same.

(c) Key Management

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

- The director / CEO who is also the accounting officer.
- Management

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Director / CEO	Dr. Serah Muteru
2.	Head Of Quality assurance	Kennedy Ruto
3.	Head of Wet Chemistry	Dr. Peter Ngumo
4.	Head Client Services Unit	Dr. Rebecca Manani
6.	Head of Procurement	Enock Mukangai
7.	Head Internal Audit	Peter Shibira
8.	Head Biological Analysis	Ruth Ndanyo
9.	Ag Chief Finance Officer	Merceline Adhiambo

(Include all positions regarded as top management in your organisation as per your organisational structure).

(e) Fiduciary Oversight Arrangements

Here, provide a high-level description of the key fiduciary oversight arrangements covering (say):

- *Audit and Risk Committee*

No.	Designation	Name
1.	Head Internal Audit	Peter Shibira
2.	Head of Quality Assurance and risk management	Kennedy Ruto

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(f) **Entity Headquarters**

P.O. Box 29726 -00202
KNH Complex
Hospital Road
Nairobi, KENYA

(g) **Entity Contacts**

Telephone: (254)- 020 - 3544525/30
E-mail: info@nqcl.go.ke
Website: www.nqcl.go.ke

(h) **Entity Bankers**

National Bank
Hill Plaza Branch
P.O. Box 45219 - 00100
NAIROBI, KENYA

(i) **Independent Auditors**

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

(j) **Principal Legal Adviser**

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

2. The Board of Directors

Ref	Directors	Details
1.		
2.		
3.		






The NQCL Board of Management was degazetted by the president in October 2020 and has not been constituted since.

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3. Management Team

	Key manager's passport-size photo	Name – Designation	Professional/ Academic Qualification	Main Responsibility
1.		Dr. Serah Muteru - Assistant Chief Pharmacist	Msc, BPharm; MPSK	Ag. Director.
2.		Dr. Mathayo Kwena–Assistant Chief Pharmacist	Msc, BPharm; MPSK	Head Instrumentation Unit
3.		Dr. Rebecca Manani Assistant Chief Pharmacist	Msc; BPharm; BPharm; MPSK	Head Documentation Unit
4.		Dr. Peter Ngumo - Assistant Chief Pharmacist	PhD, MPharm, BPharm; MPSK	Head Wet Chemistry Unit
5.		Kennedy Rutto	BSc. Chemistry	Quality Assurance

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3. Chairman's Statement

The Board of management was disbanded in October 2020.

4. Report of the Chief Executive Officer




The National Quality Control Laboratory is a Semi-Autonomous Government Agency established under CAP 244 Sec. 35D Laws of Kenya (1992 Amendment). It was recognized as a Semi-Autonomous Government Agency (SAGA) in the Ministry of Health on 11th February, 2016. Further, the State Corporations Advisory Committee (SCAC) categorised it in category PC 4B and advised the Ministry of Health to embark on the activity of categorization.

The Laboratory continues to receive its budgetary allocation through the Ministry of Health under the Vote Head 1081000900. The NQCL generates income from sample analysis fees of drugs for Government institutions as well as private pharmaceutical firms. The income generated supplements the recurrent and development budget the Government gives to the Laboratory through the Ministry of Health.

The funds generated and allocated are utilized for the procurement of chemicals, reagents, glassware, related apparatus and additional equipment and also for remuneration of contracted staff members. These items are vital in ensuring the institution continues to meet the current good practices for pharmaceutical quality control laboratories and the ISO 17025:2017 accreditation for testing laboratories Kenya Accreditation Services.

The Laboratory has two categories of staff among its personnel. The first category comprises of civil servants deployed to the institution by the Ministry of Health. This includes pharmacists, accounts assistant, supply chain management assistant and biomedical engineers. The second category consists of staff contracted by the Board of Management for a renewable three-year contract. These include laboratory technicians, accounts assistant, supply chain management assistants, an executive secretary, laboratory assistants and a documentation clerk. The laboratory also engages interns and students on attachment who gain on the job learning as part of the Government policy on training.

In the financial year under review, the laboratory was not able to utilize its allocation for the vote head from The National Treasury through the Ministry of Health where the vote head is administered at the headquarters at Afya house. The Director of NQCL has little or no control over this vote head despite being the authorized Authority to Incur Expenditure (AIE) Officer.

6.		Ruth Ndanyo	MSc. Molecular Biology	Head of Biological Unit		
7.		Enock Mukangai	Diploma in Supply Chain management	Head of Procurement		
8.		Merceline Adhiambo	MBA - Finance, BCOM -Accounting	Finance		

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For the year ended June 30, 2023.**

administered at the headquarters at Afya house. The Director of NQCL has little or no control over this vote head despite being the authorized Authority to Incur Expenditure (AIE) Officer.

Previous experience has shown that when approved budgetary allocations are channeled through the Vote Head 1081000900 at the Ministry of Health, a number of items requested for procurement as per the approved budget and procurement plan remain as pending bills as a result of lack of compliance with the allocated budget lines. The Laboratory requires budgetary support be channeled directly to its account to continue performing its core functions.

Further, there exists no linkage between the PPB (appointing authority) and the NQCL Board of Management. The role of Pharmacy and Poisons Board (PPB) ends at appointment level of the Board of Management and subsequently, the Board of Management operates on its own with no reporting mechanism or responsibility to the appointing authority (PPB), no financial support from the appointing authority and minimal statutory responsibility and consultation with the Ministry of Health. Consequently, NQCL experiences inadequate funding for its operations.

A proposal has been made for an approval of organization structure for the two (2) institutions that should be put in place to serve the interests of the MOH and in particular support the Universal Health Coverage (UHC) and attainment of WHO Global Bench-marking Tool Maturity Level 3. It proposed that the PPB uses an approved structure and have a line item for the NQCL in its budget, which will appear as a subvention.

The Laboratory further faces challenges in the course of implementing its mandate. The fragmentation of testing in Kenya has resulted in a drastic drop in samples and revenue. The mandate of keeping a data bank on the quality of medicines should be enforced by having all quality control laboratories in the country work under the collaboration of NQCL to ensure a single data stream. This will also steady the stream of analysis samples coming to NQCL which is its current source of income.



Dr. Serah Muteru
Ag. Director,

Date 30/06/2023

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5. Statement of Performance against Predetermined Objectives for FY 2022/23

National Quality Control Laboratory has 5 strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY 2022- FY 2027. These strategic pillars/ themes/ issues are as follows:

Pillar /theme/issue 1: Delivering on the laboratory's core mandate

Pillar/theme/issue 2: Enhancing the governance structures

Pillar/theme/issue 3: Investing in human resource

Pillar/theme/issue 4: Developing institutional infrastructure & profile

Pillar/theme/issue 5: Mobilizing resources for sustainability

National Quality Control Laboratory (*NQCL*) develops its annual work plans based on the above *five* pillars/Themes/Issues. Assessment of the Board's performance against its annual work plan should be done on a quarterly basis that is when the board is appointed. Currently the reports are done quarterly but through the M.O.H. NQCL achieved its performance targets set for the FY 2022-2023 period for its five strategic pillars, as indicated in the diagram below:

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Strategic Priority	Strategic Objectives	Key Strategies	Achievements
Delivering on the laboratory's core mandate	1. Broaden the offering of HPTs' quality testing	Expansion of offering to cover all Health Products and Technologies (to include medical devices, herbal products, vaccines, and other biologics).	National Quality Control Laboratory is in the process of acquiring necessary resources in preparation to start testing Vaccines from BIOVAX Ltd.
	2. Grow the market share of HPTs (including medical devices) in the country tested by NQCL to 100% by the end of the plan period (samples tested on behalf of Government).	Spearhead is an enabling operating context for NQCL to be the go-to option for HPTs testing.	This financial year NQCL was able to test 93% of total samples that were brought for testing as at 30th June 2023. NQCL is now working towards getting all HPTs to be tested here.
	3. Establish a Training and Research hub to position NQCL as a regional trends' setter (centre of excellence).	Establish a Training and Research Unit	NQCL has started by offering training to university students and also to other east African countries Like Uganda. Research department has also been established in the organization structure.
	4. Establish and implement a database/knowledge repository for the quality of HPTs in the country	Partner with relevant stakeholders (Ministry of Health (PPB, KEMSA, programs) and other entities to ensure coverage of full scope (analysis, GMP and database maintenance)	This is in the process. NQCL is in the process of receiving A grant from world Bank, under the Africa East Health Emergency Preparedness Response and Resilience Project - KENYA P180127 to establish a database on the quality of HPTs in the country.
Enhancing the governance structures	1. To improve decision-making and effective implementation of NQCL's mandate	Operationalize NQCL as a state corporation under MoH.	We did some follow up with SCAC concerning the categorization of NQCL as a SAGA. In the process we realised that NQCL was categorised IN 2016 and even given a copy of the letter of categorization. Using that letter the director is now making follow ups with the MOH to form a committee to operationalize the categorization.
		Build the capacity of the Board in line with the Mwongozo code.	There is no board of directors at NQCL.
Investing in the human resource	1. Attract and retain highly skilled staff	Update and implement an appropriate organisation structure	Africa East Health Emergency Preparedness Response and Resilience Project - KENYA P180127 has funded employment of 22 staff at NQCL and hire consultants in the area of vaccines testing.

		Review, update and implement a scheme of service	Human Resource instruments already written and in the process of signing. This will improve the scheme of service.
		Enhance staff capacity and skills	We have allocated some funds on staff training from Exchequer and also expecting more training funds from World Bank.
		Increase staff engagement and motivation	When the HR instruments are fully signed and implemented, there will be an increase in salary and job security. This will motivate staff. NQCL has acquired a few new equipment that makes the staff work faster and this also motivates them.
	2. Promote a strong value-based and performance-driven organisational culture	Initiate culture formation interventions	Have prepared and started having monthly staff meetings where issues on performance are discussed.
		Mainstream M & E in NQCL's management practices	This in process
		Align GoK performance contract goals to the SP	This is in process
Developing institutional infrastructure and profile	1. Construct and equip an ultra-modern laboratory/campus.		NQCL is partnering with USTDA to do a feasibility study on NQCL and write BQs for renovations and construction of a new lab.
		Construct and equip the ultra-modern campus with the mobilised resources.	
	2. Enhance the institutional Information Communication and Technology (ICT) capacity	Automate NQCL's operations (Enterprise Resource Planning (ERP) system, Laboratory Information Management System (LIMS).	This is process. A procurement plan for next financial year was approved including purchase of ERP.
	3. Enhance NQCL's official transport capacity	Acquire 4 motor vehicles	Purchase of motorvehicle has been included in the procurement plan for World bank project, and it is in the process.
	4. Improve NQCL's corporate image	Rebrand NQCL	This is yet to be done
		Conduct sensitization and public awareness campaigns	This is yet to done
		Develop and implement risk-management systems	This is already happening through QA department
Mobilising resources for sustainability	1. Pursue the Laboratory's autonomy in financial allocation as a State Corporation	Lobby with relevant decision-makers towards the full implementation of CAP 244 (SCAC, PBB, MoH, etc) for financial autonomy.	NQCL participated in the MTEF last financial year and we have presented our budget. M.O.H has allocated some funds to NQCL for the current financial year.

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		Establish 's own governance structures that enable operating as a state corporation	We have a new organization structure with all relevant positions and also We have written the HR instruments which are awaiting approval.
	2. Expand the client base and decentralised services	Collaborate with PPB to establish regional (county) presence.	This is yet to begin
	3. Increase revenue by 30% annually YoY	Improve the quality of rendered services.	This year the was reduction in turnaround time by 52.5%. That shows that there is improvement in services delivery
		Conduct a pricing review.	This is already done. The new prices were gazette.
		Leverage existing data on quality of pharmaceuticals through publications.	This is yet to begin
		Accelerate marketing of the laboratory services.	This is yet to begin
	4. Mainstream partnerships and collaborations' development at NQCL	Establish strategic partnerships and collaborations	We already have two partners on board. World Bank through the Africa East Health Emergency Preparedness Response and Resilience Project - KENYA P180127, which is funding NQCL to achieve ML3. The second partner is USTDA this one is funding NQCL to come with the BQs for revocations and construction of the new Laboratory.



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6. Corporate Governance Statement

Number of Board Meetings Held

Currently there is no board of Directors and therefore no board meetings held in the last financial year.

Process of Appointment and Removal of Directors

Cap 244 Laws of Kenya Section 35F allows for the creation of a Board of Directors for the Laboratory. The board should consist of (9) nine members and the Chairperson to be appointed by the president of the Republic of Kenya. A member of the BOD appointed shall hold office for three years but shall be eligible for re-appointment, but not for more than 2 terms. A quorum of the BOD shall be five members and the members shall meet not less than four times each calendar year.

Board Remuneration

Each member shall receive a sitting allowance of Kshs. 15,000 up effective 01st January 2020, less tax for every meeting and a further allowance for lunch of Kshs. 2,000 when required. The Director shall be the secretary of the Board of Management.

Roles and Functions of the Board

Section 35G highlights the functions of the BOD, which include:

- a. Administer the property and funds of the Laboratory in such manner and for such purposes as shall, in their opinion, promote its best interests;
- b. Receive, on behalf of the Laboratory, grants-in-aid, gifts, donations, fees, subscriptions or other moneys and make disbursements therefrom;
- c. Make regulations governing the appointment, conduct and discipline of employees of the Laboratory;
- d. In consultation with the Cabinet Secretary (CS) Health, draw up a scheme of service for employees of the Laboratory;
- e. Administer the approved terms and conditions of service, including appointments, dismissals, remuneration and retiring benefits of employees of the Laboratory; and
- f. Appoint such employees upon terms and conditions to be laid down by them, after consultation with the CS Health, as it considers necessary for the proper and efficient administration of the Laboratory.

Training and Induction

We expect a new board to be recruited competitively as governed by SCAC. The BOD will embark on training its members on the Mwongozo Code of Governance, which is anchored in the Constitution of Kenya, 2010.

Ethics and Conduct

National Quality Control Laboratory was categorised as PC 4B by SCAC in the year 2016. Currently it is recognized as a Semi – Autonomous Government Agency that performs a regulatory duty on medicines and health technologies under the Ministry of Health. As a testing and inspecting facility, the Laboratory continues to uphold its corporate values of Staff, Environment, Integrity & Patriotism, Technology, Standards, Commitment to customer services, Quality Service and Team & Individual Productivity.

Conflict of Interest

To avoid conflicts of interest, pressures and influences, the BOD will be bound by the provisions of Public Officers Ethics Act Cap 183 and the Laboratory's conflict of interest policy. Two core concepts are embodied in these regulations; BOD members shall not use public office for private gain nor act impartially and give preferential treatment to any private organization or individual. A conflict of interest form within the quality management system of the Laboratory is available to document this when necessary.

7. Management Discussion and Analysis

For the last three financial years NQCL has improved on its AIA collection NQCL has registered a steady increase in AIA collected yearly. Due increased revenue, NQCL has been able to meet its financial obligations and reduced its pending bills as compared to last financial year. NQCL has also managed to remit all statutory deductions including withholding VAT on time.

During this financial year, there were no major projects, only one minor project of laboratory renovations which were done successfully.

The major projects are expected to start in the next financial year. These include upgrading of NQCL by World Bank - Africa East Health Emergency Preparedness Response and Resilience Project, at a cost of USD 10 million. Another upcoming Project is the construction and equipping of

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NQCL by the Government of Kenya at a cost of Kes 10 billion. There is also a USTDA Project to write BQs and renovate the laboratory at an estimated cost of Kes. 160 million.

In the Kenya Kwanza government manifesto, manufacturing has been given priority. One of the items mentioned is manufacturing of pharmaceuticals and medical supplies. It is on that note that BIOVAX has been established, and it has a mandate to produce vaccines locally. When the vaccines will be produced, the lot release must be tested and the testing agency is NQCL. Therefore, NQCL future developments include attainment of Maturity Level 3 in preparedness to test locally produced vaccines.

As NQCL works towards attaining its best, there are challenges and risks the organisation is likely to face. The risks that may be faced are Legal risk, Governance risk, operations risks and financial risks. For the last 2 years NQCL has operated without a board of directors. Some of the contracts for contracted staff have ended and since there is no board it is difficult to make a decision. This poses governance and legal risks to the entity. Lack of Board of directors created a gap in oversight at NQCL. This has led to NQCL not receiving grants from MOH hence creating risk that is in turn affecting operations and performance. With the expanded scope of testing the locally manufactured vaccines, NQCL will require an increase in exchequer budget allocation to be able to meet its financial obligations in future. Due to financial constraints, NQCL has not implemented any investment decision.

Environmental and Sustainability Reporting

National Quality Control Laboratory to protect the lives of Kenyans by testing all Health Products and technologies on behalf of the government. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant services, and improving service delivery.

i) Sustainability strategy and profile

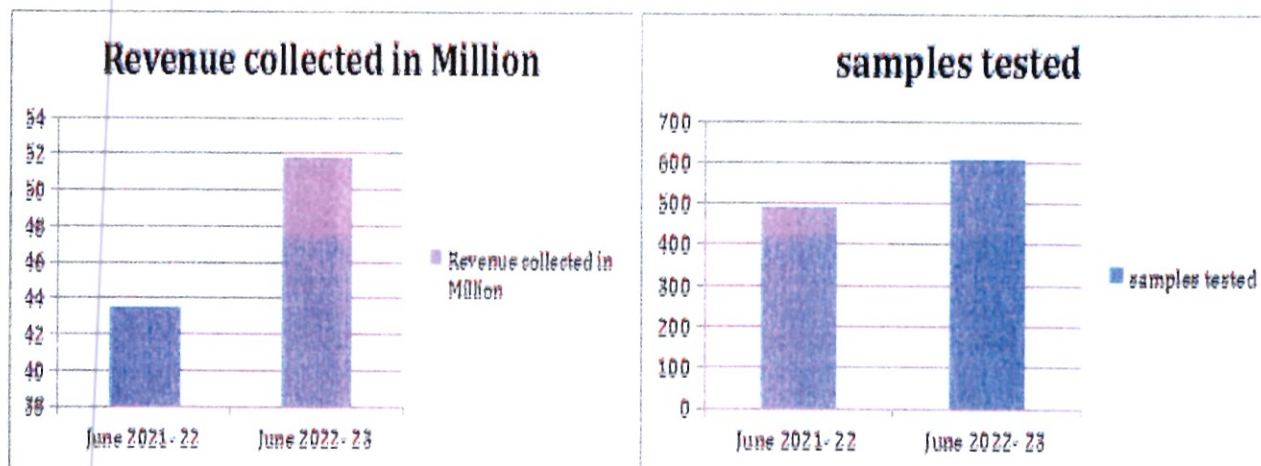
National Quality Control Laboratory being a government entity, our first sustainability strategy is participating in the government budgeting process (MTEF) so that we also receive some budget allocation from the government. Our second sustainability strategy is writing proposals for funding from development partners. These may come as grants or credits. One of our latest is the World

Bank - Africa East Health Emergency Preparedness Response and resilience Project. Then we have another strategy of generating income from our activities. NQCL intends to expand its revenue base by producing Reference Standards and selling to other Laboratories instead of buying. Apart from that NQCL intends to expand its offices to other regions this will help increase our client base hence increasing revenue. This has been articulated in the strategic plan.

But as NQCL plans for all these strategies, there are factors that may influence the strategy either positively or negatively. Some of the factors include political good will and stability. For NQCL to enter into an agreement with development partners the parliament must approve. Failure to do so NQCL cannot go ahead. Another thing that may affect our sustainability priorities is the national income. For us to get exchequer allocation the government must be having income. Lack of government income means that we will not receive allocation hence affecting our sustainability. The National Quality Control Laboratory purchases some goods and services internationally. This is done in foreign currency, therefore inflation hikes the prices beyond imagination and this affects our service delivery and sustainability. Then finally our sustainability strategy will depend on the GDP. When the GDP is good it means people will spend more hence encouraging investments. Some of the investments may include construction of drug and vaccines companies like BIOVAX. This creates business for NQCL hence improving sustainability.

Our key achievements include acquisition of Land worthy Kes 3.5 Billion for construction of the state of art laboratory, partnering with World Bank to upgrade NQCL at a cost of USD 10 million and USTDA to write BQs and renovation of our laboratory at a cost of Kes 160 million. Our operations have also improved significantly. This financial year, NQCL has registered an increase of 24% of samples tested. That has translated to an increase in revenue collected by 17.96%. This improvement was brought about by an increase in the number of samples brought to the laboratory. A total 645 samples were brought for testing compared to 613 for previous year, which is equivalent to 5% increase. The staff at NQCL did their best to test 607 samples out of the 645 that were brought as compared to 533 samples tested last financial year, over 613 total samples brought for testing. Their effort led to a reduction of turnaround time by 52.5%. Lastly, National Quality Control Laboratory has managed to write its Human Resource Instruments and they are awaiting approval when the board of directors is finally appointed.

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Some of our failures include Lack of enough staff members. NQCL has been unable to employ enough staff and even the few employed are not fairly remunerated. This is due to the lack of the Board of Directors. Another failure is lack of substantive office holders and non-optimal rationalized management posts in the organization structure.

ii) **Environmental performance**

National quality control laboratory being a health products and technologies testing lab, environmental safeguards must be in place. The laboratory has made sure the environment is safe by subscribing to the WHO prequalification guidelines for Good Practices for Pharmaceutical Quality Control Laboratories. In addition to that, NQCL has also received ISO / IEC 17025 accreditation as a testing facility. However NQCL is having a challenge of not having an incinerator and therefore incineration services are contracted through Pharmacy and Poisons Board. For further clarification on environmental performance, refer to Standards Operating Procedures attached. (Annex 1)

iii) **Employee welfare**

Most of the staff at NQCL was hired on contract basis using a scheme of service. The two thirds rule was observed because we have 13 female employees against 16 Male employees. The staff improves their skills through attending on job training and also attending seminars. A staff training schedule is in place to make sure that at least each employee gets some on job training. Also online training is encouraged since it is cheap and affordable. To motivate staff members, staff appraisal

has been introduced and using the appraisal report the management will be able to reward and reprimand where necessary. NQCL being a testing laboratory, a quality assurance department that takes care of documenting possible risks in the lab. The risks are communicated and mitigated.

Marketplace practices-

The organization should outline its efforts to:

a) **Responsible competition practice.**

Explain how the organization ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors.

Procurement is done based mostly on quotation basis. This promotes competition and the suppliers with the best prices win. Pre-qualification of suppliers and even opening and awarding of quotations are done by a committee of several members which minimizes the possibility of corruption. National Quality Control Laboratory does not have political involvement since it is a public institution.

b) **Responsible Supply chain and supplier relations**

Explain how the organization maintains good business practices, treats its own suppliers responsibly by honoring contracts and respecting payment practices.

Even though funds are not always available, National quality Control Laboratory treats its suppliers responsibly by paying them whenever funds are available. NQCL also avoids unnecessary over staying with its bills.

c) **Responsible marketing and advertisement**

d) National Quality Control Laboratory has an official Website where one can get information concerning it. The website is open to the public at any time.

e) **Product stewardship**

NQCL tests Medicines and health products and technologies to ensure that all the medicines in our hospitals and pharmacies are of good quality and standards. The tests are done to protect and ensure the safety of the citizens against poor quality medicines.

iv) **Corporate Social Responsibility / Community Engagements**

National Quality Control Laboratory being a testing lab, it offers corporate social responsibility/ community engagements by offering free training services to the university students and other regional laboratory staff NQCL also offers training to staff from our neighbouring countries like Uganda on how to achieve World Health Organization Prequalification. Students from local

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universities and neighbouring countries come to train free of charge. That is how NQCL does its corporate social responsibility.



Uganda National Drug Authority staff came to NQCL for training on W.H.O prequalification on 27th February 2023.

The Training was offered by Pharmacists and Laboratory Analysts.

8. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2023, which show the state of the *Entity's* affairs.

i) Principal activities

The principal activities of the Entity are;

- Examine and test medicines; on behalf of the Government, locally manufactured and imported medicines or medicinal substances;
- Perform chemical, biological, biochemical, physiological, pharmacological analysis and other pharmaceutical evaluation;
- Provide advisory services to the Ministry of Health on medicines quality standards; and
- Carry out Good Manufacturing Practices (GMP) inspections in pharmaceutical manufacturing industry premises and issue certificates of compliance on the same.

The Laboratory has also expanded its testing capacity to include the testing of medical devices such as male & female latex condoms, gloves, needles and syringes.

ii) Results

The results of the Entity for the year ended June 30, 2023, are set out on page 27 to 37

iii) Directors

National Quality Control Laboratory does not have a board, we looking forward to getting one appointed.

iv) Surplus remission

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per cent of its surplus funds reported in the audited financial statements after the end of each financial year.

NQCL remitted Kshs Nil (FY 2022 Kshs Nil. The Entity did not make any surplus during the year (FY 2023 Kshs Nil) and hence no remittance to the Consolidated Fund.

v) Auditors

The Auditor-General is responsible for the statutory audit of the *Entity* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or XYZ Certified Public

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Accountants were nominated by the Auditor General to carry out the audit of the NQCL for the year/period ended June 30, 2023, in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

.....
SERAH MUCERU

Name

FOR.

Corporate Secretary/Secretary to the Board

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Approval of the financial statements

The Laboratory's financial statements are approved and signed on behalf of the Chairperson of the Board by the Ag. Director and Secretary to the Board of Directors.

SERAH MUTERU



Name

Name: Dr. Serah Muteru

FOR

Chairperson of the Board/Council

Accounting Officer

9. Statement of Directors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and Pharmacy and Poisons Amendment Act of 1992 (Cap 244, Laws of Kenya) require the Directors to prepare financial statements in respect of that Laboratory, which give a true and fair view of the state of affairs of the Laboratory at the end of the financial year and the operating results of the Laboratory for that year/period. The Directors are also required to ensure that the Laboratory keeps proper accounting records which disclose with reasonable accuracy the financial position of the Laboratory. The Directors are also responsible for safeguarding the assets of the Laboratory. .

The Directors are responsible for the preparation and presentation of the Laboratory's financial statements, which give a true and fair view of the state of affairs of the Laboratory for and as at the end of the financial year ended on June 30, 2023. 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 Laboratory; (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 Laboratory; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

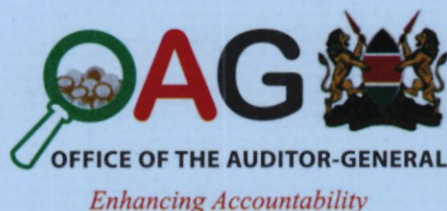
The Directors accept responsibility for the Laboratory's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgement and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Pharmacy and Poisons (Amendment) Act of 1992 (Cap 244, Laws of Kenya). The Directors are of the opinion that the Laboratory's financial statements give a true and fair view of the state of Laboratory's transactions during the financial year ended June 30, 2023, and of the Laboratory's financial position as at that date.

The Directors further confirms the completeness of the accounting records maintained for the Laboratory, which have been relied upon in the preparation of the National Quality Control Laboratory'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 Laboratory will not remain a going concern for at least the next twelve months from the date of this statement.

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR GENERAL ON NATIONAL QUALITY CONTROL LABORATORY FOR YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of National Quality Control Laboratory set out on pages 26 to 105, which comprise of the statement of financial position as at 30 June, 2023, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget

and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of National Quality Control Laboratory as at 30 June, 2023, 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 do not comply with the Public Finance Management Act, 2012 and Section 35D of the Pharmacy and Poisons Amendment Act, 1992.

Basis of Adverse Opinion

1. Inaccuracies in the Financial Statements

The financial statements presented for audit had the following presentation inaccuracies;

- 1.1 The statement of financial performance reflects use of goods and services amount of Kshs.27,403,011 while the trial balance reflects Kshs.22,995,189 resulting to unreconciled variance of Kshs.4,407,822;
- 1.2 The statement of financial position reflects total net assets balance of Kshs.3,519,469,271 while casting revealed Kshs.3,584,669,085 resulting to unexplained variance of Kshs.65,199,814;
- 1.3 The statement of cash flows reflects cash and cash equivalent balance as at 30 June, 2023 of Kshs.6,139,602 while casting revealed Kshs.1,257,653 resulting to unreconciled variance of Kshs.4,881,949 and
- 1.4 Note 33 to the financial statements on property, plant and equipment reflects Kshs. Nil opening net book value as at 1 July, 2022 while the 2021/2022 financial year audited financial statements reflects Kshs.55,836,318 resulting to unexplained variance Kshs.55,836,318.

In the circumstances, the accuracy and completeness of the above balances included in these financial statements could not be confirmed.

2. Inaccurate Recognition of Transactions

The statement of financial performance reflects use of goods and services amount of Kshs.27,403,011 out of which Kshs.6,894,532 relates to chemicals and Kshs.567,425 relates to general expenses incurred in previous years but disclosed in the current year while current year general expenses of Kshs.1,801,886 have been omitted. This was contrary to the accrual accounting principles, which requires transactions and events to be recognized when they occur, and not necessarily when cash is received or paid.

In the circumstances, accuracy and completeness of use of goods and services amount of Kshs.27,403,011 could not be confirmed.

3. Unconfirmed Receivables From Exchange Transactions Balance

The statement of financial position reflects receivables from exchange transactions of Kshs.38,956,694 as disclosed in Note 29(b) to the financial statements. However, the following unsatisfactory matters were noted;

- i. Review of the debt movement schedule for sixty-two (62) debtors revealed receivables balance of Kshs.34,742,630 while the disclosed balance was Kshs.33,126,793 resulting to unreconciled variance of Kshs.1,615,837;
- ii. Two (2) debtors with a payable balance of Kshs.474,325 were disclosed as receivables at Kshs.644,200 resulting to unreconciled and explained variance Kshs.1,118,525;
- iii. The receivable balance includes Kshs.4,449,104 for three (3) debtors while confirmation through circularization revealed Kshs.746,440 resulting to unreconciled and explained variance Kshs.3,702,664;
- iv. Receivables from exchange transactions includes Kshs.18,900,233 which was not supported by invoices, certificates of analysis and customer ledgers indicating the services rendered.

In the circumstances, the accuracy, completeness and recoverability of receivables from exchange transactions balance of Kshs.38,956,694 could not be confirmed.

4. Unconfirmed Inventories Balance

The statement of financial position reflects inventories balance of Kshs.42,067,221 as disclosed in Note 31 to the financial statements. However, stock cards indicating receipts and issuance of each stock item were not maintained and the inventories balance was not supported by signed inventory stock take report.

In the circumstances, the accuracy and completeness of the inventories balance of Kshs.42,067,221 could not be confirmed.

5. Unsupported Revalued Assets Balance

Note 33 (b) to the financial statements reflects property, plant and equipment balance of Kshs.3,532,121,156 out of which Kshs.3,500,000,000 relates to two parcels of land measuring 9.558036 acres. It was noted that in the valuer's assumptions each acre was valued at Kshs.450,000,000 translating to Kshs.4,301,116,200 but a final value was given at Kshs.3,500,000,000 resulting to unexplained variance of Kshs.801,116,200. Further, the values of office furniture, equipment and intangible assets of Kshs.32,121,156 were not supported by valuation report and assumptions on how values were arrived at. This was contrary Paragraph 92 (c) of International Public Sector Accounting Standards (IPSAS) 17 which states that if a class of property, plant and equipment is stated at

revalued amounts, the methods and significant assumptions applied in estimating the assets' fair values shall be disclosed.

In the circumstances, the accuracy and completeness of property, plant and equipment balance of Kshs.3,532,121,156 could not be confirmed.

6. Unconfirmed Payments Received in Advance-Analysis Fee Balance

Note 36 to the financial statements reflects payments received in advance – analysis fee balance of Kshs.33,820,334 out of which Kshs.16,241,121 was not supported by client ledgers or evidence to show that the amount was received in the Laboratory's bank account. Further, four (4) customers with a balance of Kshs.4,014,440 were circularized and confirmed a balance of Kshs.875,700 resulting to an unexplained variance of Kshs.3,138,740.

In the circumstances, the accuracy and completeness of payments received in advance – analysis fee balance of Kshs.33,820,334 could not be confirmed

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

Emphasis of Matter

Material Uncertainty Relating to Going Concern

The statement of financial performance reflects a deficit of Kshs.12,651,885 from a deficit of Kshs.1,085,488 reported in financial year 2021/2022 leading to a decline in the revenue reserves by Kshs.13,737,373. In addition, the Laboratory has been reporting deficit for the last three (3) consecutive years and if the trend continues into the foreseeable future, the Laboratory may not be able to meet its obligations as and when they fall due.

In the circumstances, the Laboratory's sustainability of examining and testing health products is heavily dependent on continued support by the Government, donors and creditors.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board reporting templates.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Unapproved Over Expenditure

The statement of comparison of budget and actual amounts reflects total expenditure of Kshs.65,374,815 against an approved budget of Kshs.51,300,000 resulting to unapproved over expenditure of Kshs.14,074,815. This was contrary to Regulation 43 (b) of the Public Finance Management (National Government) Regulations, 2015 which states that, "An Accounting Officer shall ensure that public funds entrusted to their care are properly safeguarded and are applied for purposes for only which they were intended and appropriated by the National Assembly;"

In the circumstances, Management was in breach of law.

2. Expired Inventories

During the year under review, it was noted that expired chemicals amounting to Kshs.2,119,247 were still being held in the stores, some having expired twelve (12) years back. This was contrary to Regulation 140(1) of the Public Finance Management (National Government) Regulations, 2015 which states that 'Accounting Officer shall be responsible for the proper custody, care and use of government inventories under their control'.

In the circumstances, Management was in breach of law.

3. Long Outstanding Receivables

Note 29 (b) to the financial statements reflects receivables from exchange transactions balance of Kshs.38,956,694 out of which Kshs.6,013,120 is owed by Kenya Medical Supplies Authority (KEMSA). The amount has been outstanding for more than sixteen (17) years but has not been recognized in KEMSA books of accounts. In addition, Kshs.25,598,599 are receivables outstanding for more than two (2) years with no agreed payment plan. This was contrary to Regulation 83(2)(g) of the Public Finance Management (National Government) Regulations, 2015, which states that it is the responsibility and duty of the accounting officer to pursue debtors with appropriate sensitivity and rigour to ensure that amounts receivable by the government are collected and banked promptly.

In the circumstances, Management was in breach of law.

4. Delayed Release of Tested Samples

The statement of financial performance reflects rendering of services amount of Kshs.51,780,907 which is generated from testing samples and issuing certificates of analysis. The sample receiving register included four hundred and fifty-six (456) samples which were tested and certificates issued after the required timelines, with delays ranging from forty-eight (48) days to four hundred and seventy-seven (477) days. An additional ten (10) samples had not been tested for over one year after receipt. This was contrary to Paragraph 2.1 of the Guidelines for Submitting Samples to the National Quality Control Laboratory, 2017 which requires samples be tested within forty-two (42) working days from the date of receipt.

In the circumstances, Management was in breach of law.

5. Irregular Cash Purchases

The statement of financial performance reflects use of goods and services amount of Kshs.27,403,011 as disclosed in Note 16 to the financial statements. The amount includes consumables of Kshs.1,563,675 being cash advanced to employees to purchase various items and which did not meet the set criteria on low value procurement. This was contrary to the second schedule (Threshold matrix under low value procurements) of the Public Procurement and Asset Disposal Regulations, 2020 which sets the maximum low value procurement at Kshs.50,000 per item per financial year.

In the circumstances, Management was in breach of the law.

6. Lack of Assets Register

Note 33 (b) to the financial statements reflects property, plant and equipment balance of Kshs.3,532,121,156 out of which Kshs.1,387,000 was for various assets which were aggregated without giving details of the individual asset name, tag number and specific asset location. It was therefore not possible to identify specific assets for physical verification. In addition, the property, plant and equipment balance excludes a list of one hundred and thirty (130) medical equipment of unknown value. Further, Management did not maintain an asset register detailing all assets contrary to Regulation 143(1) of the

Public Finance Management (National Government) Regulations, 2015 which requires an Accounting Officer to maintain a register of assets under his or her control.

In the circumstances, Management was in breach of the law.

7. Lack of an Imprest Register

Note 16 to the financial statements reflect use of goods and services amount of Kshs.27,403,011. Included in this amount is travel, subsistence and other allowances of Kshs.6,807,067 which relates to temporary imprests issued to staffs on different occasions. However, during the year under review, the Laboratory did not maintain an imprest register indicating the staff details, imprest amount issued, date issued, due date, surrendered amount and the amount outstanding. This is contrary to Regulation 91, 92 and 93 of the Public Financial Management (National Government) Regulations, 2015 which requires imprest be issued to employees which is to be surrendered within 7 days after return from the official duty.

In the circumstances, Management was in breach of the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

Lack of Board of Directors

The statement of financial performance reflects total expenses of Kshs.87,320,375. However, during the year under review the Laboratory operated without a Board of Directors which was revoked vide Gazette Notice No.8095 of 16 October, 2020 and no new board has been appointed for the last three (3) years.

In the circumstances, the functions spelt out in Section 35G of the Pharmacy and Poisons Act Cap 244 were not performed and operations were undertaken without a supervisory organ.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Laboratory's ability to continue sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Laboratory or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and review of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate.


As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Laboratory's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Laboratory to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Laboratory to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

06 February, 2024

NATIONAL QUALITY CONTROL LABORATORY
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11. Statement of Financial Performance for the year ended 30 June 2023

	Notes	2022- 2023	2021-2022
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments entities	6	0.00	15,718,423.00
Levies, Fines, and penalties	7	0.00	0.00
Public contributions and donations	8	22,887,583.00	25,971,618.10
Property taxes revenue	9	0.00	0.00
Licences and permits	10	0.00	0.00
		22,887,583.00	41,690,041.10
Revenue from exchange transactions			
Rendering of services	11	51,780,907.00	43,894,205.00
Sale of goods	12	0.00	0.00
Rental revenue from facilities and equipment	13	0.00	0.00
Finance income	14	0.00	0.00
Other income	15	0.00	0.00
Total revenue		74,668,490.00	85,584,246.10
Expenses			
Use of goods and services	16	27,403,011.00	15,718,423.00
Employee costs	17	50,307,323.00	33,936,278.00
Board Expenses	18	0.00	0.00
Depreciation and amortization expense	19	0.00	8,252,762.90
Provision for Bad debts			303,971.40
Provision for Audit fees & Consultancy			684,000.00
Repairs and maintenance	20	9,610,041.00	4,801,539.00
Contracted services	21	0.00	0.00
Grants and subsidies	22	0.00	0.00
General expenses(Admin & Reagents)		0.00	22,297,014.00
Finance costs		0.00	116,974.00
Total expenses		87,320,375.00	86,669,733.70
Other gains/(losses)		(12,651,885.00)	(1,085,487.60)
Gain on sale of assets	24	0.00	0.00
Gain on foreign exchange transactions	25	0.00	0.00
Unrealized gain on fair value of investments	26	0.00	0.00
Impairment loss	27	(0.00)	0.00
Surplus before tax		(12,651,885.00)	(1,085,487.60)
Taxation	27	(0.00)	(0.00)
Surplus/(deficit) for the period/year		(12,651,885.00)	(1,085,487.60)
Remission to National Treasury	51	0.00	0.00

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Net Surplus for the year		(12,651,885.00)	(1,085,487.60)
Attributable to:			
Surplus/(deficit) attributable to minority interest		0.00	(0.00)
Surplus attributable to owners of the controlling Entity		0.00	0.00
		0.00	0.00

The notes set out on pages 38 to 98 form an integral part of these Financial Statements.

The Financial Statements set out on pages 27 to 37 were signed on behalf of the Board of Directors by:


Accounting Officer

Name: Dr. Serah Muteru

Date: 30/06/2023


Head of Finance

Name: Merceline Adhiambo

ICPAK Member Number:

Date: 30/06/2023

Chairman of the Board

Name: SERAH MUTERU

Date: 30/June/2023

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12. Statement of Financial Position as at 30 June 2023

	Notes	2022 -2023	2021-2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	28	6,139,602.00	13,909,538.0
Receivables from Exchange Transactions	29(a)	38,956,694.00	28,758,091.9
Receivables from Non-Exchange Transactions	30	40,000.00	464,000.0
Inventories	31	42,067,221.00	53,516,257.00
Investments	32	0.00	0.00
Total Current Assets		87,203,517.00	96,647,886.90
Non-Current Assets			
Property, Plant and Equipment (Land, Equipment, Computers, Printers & F&F)	33	3,532,121,156.00	55,836,318.20
Deferred Income GTZ Donated assets			22,414,194.50
Investments	32	0.00	0.00
Intangible Assets (LIMS)	34	0.00	0.00
Investment Property	35	0.00	
Receivables from Exchange Transactions	29(b)		
Total Non- Current Assets		3,532,121,156.00	78,250,52.70
Total Assets		3,619,324,673.00	174,898,399.60
Liabilities			
Current Liabilities			
Trade and Other Payables	36	33,820,334.00	45,240,837.20
Refundable Deposits from Customers	37	0.00	0.00
Current Provision	38	0.00	0.00
Finance Lease Obligation	39	0.00	0.00
Current Portion of Borrowings	43	0.00	0.00
Deferred Income	40	0.00	0.00
Employee Benefit Obligation	41	835,254.00	5,709,901.00
Taxation	52	0.00	
Total Current Liabilities		34,655,588.00	50,950,738.2


**Annual Report and Financial Statements
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	Notes	2022 -2023	2021-2022
		Kshs	Kshs
Non-Current Liabilities			
Non-Current Employee Benefit Obligation	41	0.00	0.00
Non-Current Provisions	42	0.00	0.00
Borrowings	43	0.00	0.00
Service Concession Liability	44	0.00	0.00
Deferred Tax Liabilities	53	0.00	0.00
Total Non- Current Liabilities		0.00	0.00
Total Liabilities		34,655,588.00	50,950,738.20
Net Assets			
Reserves- Revaluation		3,532,121,156.00	88,393,583.7
equity reserve		60,459,312.00	0.00
Accumulated Surplus		4,740,502.00	44,742,988.2
Capital Fund-Deficit for the year		(12,651,885.00)	(9,188,910.6)
Total Net Assets		3,519,469,271.00	123,947,661.3
Total Net Assets and Liabilities		3,619,324,673.00	174,898,399.6

The financial statements set out on pages 27 to 37 were signed on behalf of the Board of Directors by:


Name: Dr Serah Muteru
Accounting Officer

Date: 30/06/2023


Name: Merceline Adhiambo
Head of Finance
ICPAK Member Number:

Date: 30/06/2023

Name : SERAH MUTERU
FOR Chairman of the Board

Date 30 June 2023

13. Statement of Changes in Net Assets for the year ended 30 June 2023

	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retaine d earnings	Proposed dividends	Capital/ Develop ment Grants/ Fund	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at July 1, 2022	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Issued new capital	0.00	-	-	-	-	-	0.00
Revaluation gain	-	3,532,121,156.00	(60,459,312.00)	-	-	-	3,471,661,844.00
Transfer of excess depreciation on revaluation	-	(0.00)	-	0.00	-	-	-
Deferred tax on excess depreciation	-	0.00	-	-	-	-	0.00
Fair value adjustment on quoted investments	-	-	0.00	-	-	-	0.00
Surplus/ deficit for the year	-	(12,651,885.00)	-	0.00	-	-	(12,651,885.00)
Capital/development grants received during the year	-	-	-	-	-	0.00	0.00
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	0.00	-	(0.00)	-
Dividends paid	-	-	-	-	(0.00)	(0.00)	(0.00)
Interim dividends paid	-	-	-	(0.00)	-	-	(0.00)
Proposed final dividends	-	-	-	(0.00)	0.00	0.00	-
As at June 30, 2023	0.00	3,519,469,271.00	(60,459,312.00)	0.00	0.00	0.00	3,459,009,959.00

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	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Proposed dividends	Capital/Development Grants/Fund	Total
As at July 1, 202	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Issue of new share capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Revaluation gain	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfer of excess depreciation on revaluation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred tax on excess depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fair value adjustment on quoted investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Surplus/ deficit for the year	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital/development grants received during the year	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfer of depreciation/amortisation from capital fund to retained earnings	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividends paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interim dividends paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Proposed final dividends	0.00	0.00	0.00	0.00	0.00	0.00	0.00
As at June 30, 2023	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Note:

1. For items that are not common in the financial statements, the Entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.

Annual Report and Financial Statements**For the year ended June 30, 2023.**

2. Prior year adjustment should have an elaborate note describing what the amounts relate to. In such instances a restatement of the opening balances needs to be done.

NOTE/ MOVEMENT

Equipment valuation

	Item	amount
Closing as at 30 June 2022	Equipment	88,393,584.00
Opening Balance 1 st July 2023	Equipment	88,393,584.00
Revaluation		27,934,272.00
Error (equity reserve)		(60,459,312.00

14. Statement of Cash Flows for the year ended 30 June 2023

		2022-2023	2021-2022
	Notes	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities		0.00	15,718,423.00
Levies, fines, and penalties		0.00	0.00
Public contributions and donations		22,887,583.00	25,971,618.10
Property taxes revenue		0.00	0.00
Licences and permits		0.00	0.00
Rendering of services		51,780,907.00	43,894,205.00
Sale of goods		0.00	0.00
Rental revenue from facilities and equipment		0.00	0.00
Finance income		0.00	0.00
Other income		0.00	0.00
Total receipts		74,668,490.00	85,584,246.10
Payments			
Use of goods and services		27,403,011.00	30,517,411.00
Employee costs		50,307,323.00	33,936,278.00
Board Expenses		00.00	00.00
Repairs and maintenance		9,610,042.00	4,801,539.00
Contracted services		0.00	0.00
Grants and subsidies		0.00	0.00
Total payments		87,320,375.00	69,255,228.00
Net cash flows from/(used in) operating activities	45	(12,651,885.00)	16,329,018.10
Cash flows from investing activities			
Purchase of PPE and Intangible assets		(0.00)	(26,051,726.00)
(Increase)/ Decrease in Non – Current receivables		0.00	63,405,635.2
(Increase)/ Decrease in inventories		(0.00)	(72,592,314.2)
(Increase) / Decrease in payables		0.00	12,791,053.2
(Increase)/ Decrease in payables- Staff Gratuity			(3,791,918.8)
Net cash flows from/(used in) investing activities		0.00	(26,239,270.50)
Cash flows from financing activities			
(Decrease)Increase in deposits- prepayments			3,996,128.0
Proceeds from borrowings		0.00	0.00
Repayment of borrowings		(0.00)	(0.00)


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		2022-2023	2021-2022
	Notes	Kshs	Kshs
Proceeds from issue of shares		0.00	0.00
Net cash flows from financing Activities		0.00	3,996,128.00
Net increase/(decrease) in cash & Cash equivalents		(12,651,885.00)	(5,914,124.40)
Cash and cash equivalents at 1 July	28	13,909,538.00	19,823,662.40
Cash and cash equivalents at 30 June	28	6,139,602.00	13,909,538.00

The financial statements set out on pages 27 to 37 were signed on behalf of the Board of Directors by:

Name: Dr. Serah Muteru
Accounting Officer

Date: 30/06/2023


Name: Merceline Adhiambo
Head of Finance

ICPAK M/No:

Date: 30/06/2023

Name:
Chairman of the Board

Date

NATIONAL QUALITY CONTROL LABORATORY

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15. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2023

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Transfers from Other Governments entities	0.00	-	0.00	0.00	(0.00)	0.00
Levies, Fines and Penalties	0.00	(0.00)	0.00	0.00	(0.00)	0.00
Public Contributions and Donations	0.00	(0.00)	0.00	0.00	(0.00)	0.00
Property Taxes Revenue	0.00	-	0.00	0.00	0.00	0.00
Licences and Permits	0.00	-	0.00	0.00	0.00	0.00
Rendering of Services	51,300,000.00	(0.00)	51,300,000.00	51,780,907.00	(480,907.00)	-0.94
Sale of Goods	0.00	-	0.00	0.00	(0.00)	0.00
Rental Revenue from Facilities and Equipment	0.00	-	0.00	0.00	0.00	0.00
Finance Income	0.00	0.00	0.00	0.00	(0.00)	0.00
Agency Income	0.00	0.00	0.00	0.00	(0.00)	0.00
Other Income	0.00	0.00	0.00	0.00	(0.00)	0.00
Total Income	51,300,000.00	(0.00)	51,300,000.00	51,780,907.00	(480,907.00)	-0.94

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	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
Expenses						
Use of Goods and Services	18,276,150.00	0.00	18,276,150.00	27,403,011.00	(9,126,861.00)	21.93
Employee costs	26,523,773.41	(0.00)	26,523,773.41	28,361,763.00	(1,837,990.00)	18.55
Remuneration of Directors	0.00	(0.00)	0.00	0.00	(0.00)	0.00
Depreciation and Amortisation expense	0.00	0.00	0.00	0.00	0.00	0.00
Repairs and Maintenance	6,500,076.59	0.00	6,500,076.59	9,610,042.00	(3,109,965.00)	16.37
Contracted Services	0.00	0.00-	0.00	0.00	(0.00)	0.00
Grants and Subsidies	0.00	0.00-	0.00	0.00	0.00	0.00
Total Expenditure	51,300,000.00	(0.00)	51,300,000.00	65,374,815.00	(14,074,815.00)	19.48
Surplus for the period	0.00	0.00	0.00	(12,651,885.00)		0.00
Capital Expenditure	0.00	0.00	0.00	0.00	0.00	0.00

BUDGET NOTES

1. Use of Goods and Services

This budget line recorded a 21.93% over utilisation; this was due to increase in dollar rates which hiked the cost of goods.

Another cause was pending bills. There were pending bills from previous years which were settled in the current year, hence leading to over utilisation of the budget.

2. Employee costs

The reasons why employee costs went up were payment of gratuity which was brought forward as payable from the previous financial year. Secondly, contracts for 5 staff were ending in December 2022 and the management expected the board to be available to employ the staff on a permanent and pensionable basis. But that did not happen yet the budget for the five staff was up to December 2022. This created a deficit of six months' salary for 5 staff whose contracts were renewed.

3. Repairs and maintenance

These costs went up due to increased demand for services which increased calibration and maintenance equipment in order to meet the demand. Previous year NQCL managed to test a total of 489 samples but this year they tested 607.

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16. Notes to the Financial Statements

1. General Information

The National Quality Control Laboratory is established by and derives its authority and accountability from Section 35D of the Pharmacy and Poisons Act Cap 244 of the Laws of Kenya. The National Quality Control Laboratory is wholly owned by the Government of Kenya and is domiciled in Kenya. The National Quality Control Laboratory's principal activity is to examine and test medicines for quality and carrying out Good Manufacturing Practices inspections in pharmaceutical manufacturing industry premises.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at revalued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Laboratory's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Notes of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Laboratory.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2022.

IPSASB deferred the application date of standards from 1st January 2022 owing to Covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an NQCL's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful</p>

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Standard	Effective date and impact:
Benefits	<p>representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the NQCL.</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the National Quality Control Laboratory's financial performance, financial position and cash flows.</p> <p>Although NQCL has a social responsibility of offer free training services, was not quantified in terms of finances.</p>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p>This standard was not used since NQCL did not borrow funds.</p>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> ● <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p>

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Standard	Effective date and impact:
	<ul style="list-style-type: none"> ● <i>IPSAS 39: Employee Benefits</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. ● IPSAS 29: Financial instruments: Recognition and Measurement Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of NQCL.</p> <p>The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.</p> <p>This standard was not applied since NQCL did not have any lease during the financial year.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>The standard was not applied during the financial year 2022- 2023.</p>

iii. Early adoption of standards



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4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

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

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 National Quality Control Laboratory and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

The National Quality Control Laboratory 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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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 National Quality Control Laboratory.

Interest income

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

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the National Quality Control Laboratory's right to receive payments is established.

Rental income

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

b) Budget information

The original budget for FY 2022-2023 was approved by the Laboratory Management and forward to MOH. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the National Quality Control Laboratory upon receiving the respective approvals in order to conclude the final budget. Accordingly, the National Quality Control Laboratory recorded additional appropriations of nil on the 2022-2023 budget following the governing body's approval.

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Budget information (continued)

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

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actual as per the statement of financial performance has been presented under section 17 of these financial statements.

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the National Quality Control Laboratory operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable Entity and the same taxation authority.

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- ii) When receivables and payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a useful period. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of recognition. Transfers are made to or from investment property only when there is a change in use.

e) 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 National Quality Control Laboratory recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Summary of Significant Accounting Policies (Continued)

f) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the National Quality Control Laboratory. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The National Quality Control Laboratory also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the National Quality Control Laboratory will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the National Quality Control Laboratory. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term. However during the financial year 2022- 2023 NQCL did not have leased obligation.

g) Intangible assets

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

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

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

h) Research and development costs

The National Quality Control Laboratory expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the National Quality Control Laboratory can demonstrate:

- I. The technical feasibility of completing the asset so that the asset will be available for use or sale
- II. Its intention to complete and its ability to use or sell the asset
- III. How the asset will generate future economic benefits or service potential
- IV. The availability of resources to complete the asset
- V. The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

i) **Financial instruments**

a) **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 National Quality Control Laboratory 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 impairment. A mortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are

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an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Held-to-maturity.

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the National Quality Control Laboratory has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are 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. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The National Quality Control Laboratory assesses at each reporting date whether there is objective evidence that a financial asset or financial assets is impaired. A financial asset or an Entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition 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 Entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

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

b) **Financial liabilities**

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The National Quality Control Laboratory determines the classification of its financial liabilities at initial recognition. All financial

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liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process. 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.

j) 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 conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) 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 *Entity*.

k) Provisions

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

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

l) Contingent liabilities

The Entity 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.

m) Contingent assets

The Entity 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 Entity 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.

n) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. Revaluation reserve is maintained for the purpose revaluing assets that belong to NQCL.

o) Changes in accounting policies and estimates

The Entity 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 (Continued)

Summary of Significant Accounting Policies (Continued)

p) Employee benefits

Retirement benefit plans

The *Entity* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

q) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of the financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

r) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance, however NQCL did not borrow any funds during the financial year.

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

s) Related parties

NQCL 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 directors, the CEO and senior managers.

t) Service concession arrangements

NQCL analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the *Entity* recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price.

In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the *Entity* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

u) 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 authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

v) Comparative figures

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

w) 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 June 30, 2023.

5. Significant Judgments and Sources of Estimation Uncertainty

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

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 Entity 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 Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

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Notes to the Financial Statements (Continued)

Significant Judgments and Sources of Estimation Uncertainty (Continued)

Useful lives and residual value

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

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Notes to the Financial Statements (Continued)

6. Transfers from Other Government entities

Description	2022-2023	2021-2022
	KShs	KShs
Unconditional Grants		
Operational Grant	0.00	0.00
Other Grants	0.00	0.00
Total Unconditional Grants	0.00	0.00
Conditional Grants		
National Housing Grant	0.00	0.00
National Infrastructure Grant	0.00	0.00
Provincial Health Grant	0.00	0.00
Social Services Grant	0.00	0.00
Basic Services Subsidy	0.00	0.00
Transportation Fund (International Funding)	0.00	0.00
Other Organizational Grants	0.00	0.00
Total Government Grants And Subsidies	0.00	

(Explain the purpose of funding)

b) Transfers from Ministries, Departments and Agencies (MDAs)

Name Of The Entity Sending The Grant	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Amount recognised in capital fund.	Total transfers 2022-23	Prior year 2021-2022
			KShs	KShs	KShs
	KShs	KShs			
Ministry/State Department	0.00	0.00	0.00	0.00	15,718,423.00
Xxx Ministry	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	15,718,423.00

(Ensure that the amount recorded above as having been received from the Ministry fully reconciles to the amount recorded by the sending Entity Ministry. An acknowledgement note/receipt should be raised in favour of the sending Ministry. The details of the reconciliation have been included under appendix)

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Notes to the Financial Statements (Continued)

7. Levies, Fines and Penalties

Description	2022-2023	2021-2022
	Kshs	Kshs
Fuel Levy	00.00	00.00
Other Levies (Specify)	0.00	0.00
Fines	0.00	0.00
Penalties	0.00	0.00
Total	0.00	0.00

(Provide brief explanation for this revenue)

8. Public Contributions and Donations

Description	2022-2023	2021-2022
	Kshs	Kshs
The Green Belt Movement	0.00	0.00
Health Donations	0.00	0.00
Research Donations	0.00	0.00
Other Public Donations (Donations)	22,887,583.00	25,971,618.00
Total Transfers and Sponsorships	22,887,583.00	25,971,618.000
Reconciliation Of Public Contributions and Donations		
Balance Unspent at Beginning of The Year	0.00	0.00
Current Year Receipts	0.00	0.00
Conditions Met - Transferred to Revenue	0.00	0.00
Conditions To Be Met - Remain Liabilities	0.00	0.00

(Provide brief explanation for this revenue)

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Notes to the Financial Statements (Continued)

9. Property Taxes Revenue

Description	2022-2023	2021-2022
	KShs	KShs
Taxable Land and Buildings		
Residential	0.00	0.00
Commercial	0.00	0.00
State	0.00	0.00
Penalties	0.00	0.00
Sub- Total Property and Taxes	0.00	0.00
Income Forgone	(0.00)	(0.00)
Total Property Taxes Revenue	0.00	0.00

(Provide brief explanation for this revenue)

10. Licences, Fees and Permits

Description	2022-2023	2021-2022
	Kshs	Kshs
Licences	0.00	0.00
Fees	0.00	0.00
Permits	0.00	0.00
Total	0.00	0.00

(Provide brief explanation for this revenue)

11. Rendering Of Services

Description	2022-2023	2021-2022
	KShs	KShs
Waste Management (Solid Waste)	0.00	0.00
Waste Management (Sewerage & Sanitation)	0.00	0.00
Service Fees	51,780,907.00	43,894,205.00
Water Quality	0.00	0.00
Quality Assurance	0.00	0.00
Total Revenue from The Rendering Of Services	51,780,907.00	43,894,205.00

This is the amount charged for testing medicines and HPTs for clients. Certificates of Analysis are issued after the tests are completed.

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Notes to the Financial Statements (Continued)

12. Sale of Goods

Description	2022-2023	2021-2022
	Kshs	Kshs
Sale of goods		
Sale of electricity	0.00	0.00
Sale of water	0.00	0.00
Sale of books	0.00	0.00
Sale of publications	0.00	0.00
Other (include in line with your organization)	0.00	0.00
Total revenue from the sale of goods	0.00	0.00

13. Rental Revenue from Facilities and Equipment

Description	2022-2023	2021-2022
	Kshs	Kshs
Operating Lease Revenues	0.00	0.00
Staff Houses	0.00	0.00
Contingent Rentals*	0.00	0.00
Total Rentals	0.00	0.00

14. Finance Income

Description	2022-2023	2021-2023
	Kshs	Kshs
Cash investments and fixed deposits	0.00	0.00
Interest income from Treasury Bills	0.00	0.00
Interest income from Treasury Bonds	0.00	0.00
Interest from outstanding debtors	0.00	0.00
Total finance income	0.00	0.00

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Notes to the Financial Statements (Continued)

15. Other Income

Description	2022-2023	2021-2022
	Kshs	Kshs
Insurance recoveries	0.00	0.00
Bulk infrastructure levies	0.00	0.00
Infrastructure improvement fee	0.00	0.00
Income from sale of tender	0.00	0.00
Services concession income	0.00	0.00
Skills development levy	0.00	0.00
Agency fee	0.00	0.00
Total other income	0.00	0.00

16. Use of Goods and Services

Description	2022-2023	2021-2022
	Kshs	Kshs
Electricity	942,023.00	15,718,423.00
Water	0.00	0.00
Security	0.00	0.00
Professional Services	0.00	0.00
Subscriptions	662,270.00	0.00
Advertising	0.00	0.00
Admin Fees-bank charges, office expenses	118,698.00	116,974.00
Audit Fees	1,380,000.00	0.00
Conferences and Delegations	0.00	0.00
Consulting Fees	230,000.00	0.00
Consumables	1,563,675.00	0.00
Fuel and Oil	10,020.00	0.00
Insurance	2,092,084.00	0.00
Legal Expenses	0.00	0.00
Licenses and Permits	0.00	0.00
Chemicals	11,121,099.00	0.00
Water Purification Cost	0.00	0.00
Postage	0.00	0.00
Printing and Stationery	0.00	0.00
Hire Charges	0.00	0.00

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Description	2022-2023	2021-2022
	Kshs	Kshs
Rental	0.00	0.00
Security Costs	0.00	0.00
Sewage Treatment Costs	0.00	0.00
Skills Development Levies	0.00	0.00
Inventory Scrapping	0.00	0.00
Telecommunication	899,478.00	0.00
Training	802,705.00	00.00
Travel, Subsistence & Other Allowances*	6,807,067.00	0.00
Other General Expenses	773,892.00	22,297,014.00
Total	27,403,011.00	38,132,411.00

17. Employee Costs

Description	2022-2023	2021-2022
	Kshs	Kshs
Salaries and wages	11,883,900.00	6,869,559.00
Employer contribution to health insurance schemes	151,200.00	59,200.00
Employer contribution to pension schemes	00.00	00.00
Travel, accommodation, subsistence, & other allowances	1,335,000.00	1,610,000.00
Housing benefits and allowances	4,027,950.00	5,273,200.00
Overtime payments	31,417.00	5,663.00
Performance and other bonuses	00.00	00.00
Social contributions	00.00	00.00
Gratuity	8,002,486.00	5,989,305.00
Other employee *6 MOH Staff Salaries and NQCI Extraneous, risk & leave allowances	24,875,370.00	14,129,351.00
Employee costs	50,307,323.00	33,936,278.00

Other employees' related costs include amounts paid; 6 MOH staff salaries paid by MOH, extraneous, risk and leave allowances.

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18. **Board Expenses**

Description	2022-2023	2021-2022
	Kshs	Kshs
Chairman/Directors' Honoraria	0.00	0.00
Sitting Allowances	0.00	0.00
Medical Insurance	0.00	0.00
Induction and Training	0.00	0.00
Travel and Accommodation	0.00	0.00
Other Allowances	0.00	0.00
Total	0.00	0.00

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Notes to the Financial Statements (Continued)

19. Depreciation and Amortisation Expense

Description	2022-2023	2021-2022
	Kshs	Kshs
Property, plant and equipment	0.00	8,252,762.90
Intangible assets	0.00	0.00
Investment property carried at cost	0.00	0.00
Total depreciation and amortisation	0.00	8,252,762.90

20. Repairs and Maintenance

Description	2022-2023	2021-2022
	Kshs	Kshs
Property	0.00	0.00
Investment Property – Earning Rentals	0.00	0.00
Equipment and Machinery	0.00	0.00
Vehicles	0.00	0.00
Furniture and Fittings	0.00	0.00
Computers and Accessories	0.00	0.00
Others	9,610,042.00	4,801,539.00
Total Repairs and Maintenance	9,610,042.00	4,801,539.00

21. Contracted Services

Description	2022-2023	2021-2022
	Kshs	Kshs
Actuarial Valuations	0.00	0.00
Investment Valuations	0.00	0.00
Property Valuations	0.00	0.00
Total Contracted Services	0.00	0.00

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22. Grants and Subsidies

Description	2022-2023	2021-2022
	Kshs	Kshs
Community Development	0.00	0.00
Education Initiatives and Programs	0.00	0.00
Social Development	0.00	0.00
Community Trust	0.00	0.00
Sporting Bodies	0.00	0.00
Total Grants and Subsidies	0.00	0.00

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Notes to the Financial Statements (Continued)

23. Finance Costs

Description	2022-2023	2021-2022
	Kshs	Kshs
Borrowings (amortized cost)*	0.00	0.00
Finance leases (amortized cost)	0.00	0.00
Unwinding of discount	0.00	0.00
Interest on bank overdrafts	0.00	0.00
Interest on loans from commercial banks	0.00	0.00
Total finance costs	0.00	0.00

**Borrowing costs that relate to interest expense on acquisition of non-current assets and do not qualify for Capitalization as per IPSAS 5: on borrowing costs should be included under this note.)*

24. Gain on Sale of Assets

Description	2022-2023	2021-2022
	Kshs	Kshs
	0.00	0.00
Property, plant and equipment	0.00	0.00
Intangible assets	0.00	0.00
Other assets not capitalized	0.00	0.00
Total gain on sale of assets	0.00	0.00

25. Unrealized Gain on Fair Value Investments

Description	2022-2023	2021-2022
	Kshs	Kshs
Investments at Fair Value	0.00	0.00
Total Gain	0.00	0.00

26. Impairment Loss

Description	2022-2023	2021-2022
	Kshs	Kshs
Property, Plant and Equipment	0.00	0.00
Intangible Assets	0.00	0.00
Total Impairment Loss	0.00	0.00

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Notes to the Financial Statements (Continued)

27. Taxation

Description	2022-2023	2021-2022
	Kshs	Kshs
Current income tax charge	0.00	0.00
Tax charged on rental income	0.00	0.00
Tax charged on interest income	0.00	0.00
Deferred tax: [note 53]		
Original and reversal of temporary differences	0.00	0.00
Income tax expense reported in the statement of financial performance	0.00	0.00

28. Cash and Cash Equivalents

Description	2022-2023	2021-2022
	Kshs	Kshs
Current Account	6,139,602.00	13,909,538.00
Savings Account	0.00	0.00
On - Call Deposits	0.00	0.00
Fixed Deposits Account	0.00	0.00
Staff Car Loan/ Mortgage	0.00	0.00
Others(Specify)	0.00	0.00
Total Cash And Cash Equivalents	6,139,602.00	13,909,538.00

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Notes to the Financial Statements (Continued)

28 (a) Detailed Analysis of the Cash and Cash Equivalents

		2022-2023	2021-2022
Financial Institution	Account number	Kshs	Kshs
a)	Current Account		
	National Bank of Kenya	6,139,602.00	14,031,687.10
	Equity Bank, etc.	0.00	0.00
	Sub- Total	6,139,602.00	14,031,687.10
b)	On - Call Deposits		(3731)
	Kenya Commercial Bank	0.00	0.00
	Equity Bank – etc.	0.00	0.00
	Sub- Total	0.00	13,909,538
c)	Fixed Deposits Account		
	Kenya Commercial Bank	0.00	0.00
	Bank B	0.00	0.00
	Sub- Total	0.00	0.00
d)	Staff Car Loan/ Mortgage		
	Kenya Commercial Bank	0.00	0.00
	Bank B	0.00	0.00
	Sub- Total	0.00	0.00
e)	Others(Specify)	0.00	0.00
	Cash In Transit	0.00	0.00
	Cash In Hand	0.00	0.00
	Mobile Money Accounts	0.00	0.00
	Sub- Total	0.00	0.00
	Grand Total	6,139,602.00	13,909,538.00

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Notes to the Financial Statements (Continued)

29 Receivables from Exchange Transactions

29(a) Receivables from Exchange Transactions (Current)

	2022-2023	2021-2022
Description	Kshs	Kshs
Receivables		
Service, Water and Electricity Debtors	0.00	0.00
Other Exchange Debtors- AIA Fees	31,330,377.00	21,131,775.00
Total Current Receivables	31,330,377.00	21,131,775.00

29(b) Receivables from Exchange Transactions (Long-term)

	2022-2023	2021-2022
Description	Kshs	Kshs
Total receivables		
Service, water and electricity debtors	0.00	0.00
Other exchange debtors- AIA Fees	7,626,317.00	7,626,317.00
Less: impairment allowance	(0.00)	(0.00)
	0.00	0.00
Current portion transferred to current receivables	(0.00)	(0.00)
Total non-current receivables	7,626,317.00	7,626,317.00
Total receivables (a+b)	38,956,694.00	28,758,092.00

29 (c) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

	2022-2023	2021-2023
Impairment allowance/ provision	Kshs	Kshs
At the beginning of the year	0.00	0.00
Additional provisions during the year	0.00	0.00
Recovered during the year	(0.00)	(0.00)
Written off during the year	(0.00)	(0.00)
At the end of the year	0.00	0.00

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Notes to the Financial Statements (Continued)

30 Receivables from Non-Exchange Transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
Property tax debtors	0.00	0.00
Levies, fines, and penalties	0.00	0.00
Licences, fees and permits	0.00	0.00
Other debtors (non-exchange transactions)	40,000.00	464,000.00
Less: impairment allowance	(0.00)	(0.00)
Total current receivables	40,000.00	464,000.00

30 (b) Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

Description	2022-2023	2021-2022
	Kshs	Kshs
At the beginning of the year	0.00	0.00
Additional provisions during the year	0.00	0.00
Recovered during the year	(0.00)	(0.00)
Written off during the year	(0.00)	(0.00)
At the end of the year	0.00	0.00

31 Inventories

Description	2022-2023	2021-2022
	Kshs	Kshs
Consumable stores	40,291,570.00.	44,232,314.00
Medical supplies	1,775,651.00	9,283,943.00
Spare parts and meters	0.00	0.00
Water for distribution	0.00	0.00
Other goods held for resale	0.00	0.00
Catering	0.00	0.00
Less: allowance for impairment	(0.00)	(0.00)
Total inventories at the lower of cost and net realizable value	42,067,221.00	53,516,257.00

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Notes to the Financial Statements (Continued)

32 Investments

Description	2022-2023	2021-2022
	Kshs	Kshs
a) Investment in Treasury bills and bonds		
Financial institution		
CBK	0.00	0.00
CBK	0.00	0.00
Sub- total	0.00	0.00
b) Investment with Financial Institutions/ Banks		
Bank x	0.00	0.00
Bank y	0.00	0.00
Sub- total	0.00	0.00
c) Equity investments (specify)		
Equity/ shares in Entity xxx	0.00	0.00
Sub- total	0.00	0.00
Grand total	0.00	0.00

d) Movement of Equity Investments

Impairment allowance/ provision	2022-2023	2021-2022
	Kshs	Kshs
At the beginning of the year	0.00	0.00
Purchase of investments in the year	0.00	0.00
Sale of investments during the year	(0.00)	(0.00)
Increase /(decrease) in fair value of investments	0.00	0.00
At the end of the year	0.00	0.00

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e) Shareholding in other entities

For investments in equity share listed under note 32 above, list down the equity investments under the following categories

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding			
	%	%	%	Kshs	Kshs	Kshs
Entity A	000	000	000	0.00	0.00	0.00
Entity B	000	000	000	0.00	0.00	0.00
Entity C	000	000	000	0.00	0.00	0.00
	000	000	000	0.00	0.00	0.00

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Notes to the Financial Statements (Continued)

33 Property, Plant and Equipment

	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Other Assets Lab Equipment	Capital Work in progress	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As At 1st July 2022	0.00	0.00	0.00	0.00	0.00	88,393,583.70	0.00	88,393,583.70
Revaluation	3,500,000,000.00	0.00	0.00	920,200.00	3,266,684.00	27,934,271.52	0.00	3,532,121,155.00
Disposals	(0.00)	(0.00)	(0.00)	-	0.00	(0.00)	(0.00)	(0.00)
Transfers/Adjustments	0.00	0.00	(0.00)	0.00	(0.00)	(0.00)	0.00	(60,459,312.00)
As At 30th June 2023	3,500,000,000.00	0.00	0.00	920,200.00	3,266,684.00	27,934,271.52	0.00	3,560,055,421.52
Additions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disposals	(0.00)	(0.00)	0.00-	-	0.00	(0.00)	(0.00)	(0.00)
Transfer/Adjustments	(0.00)	(0.00)	0.00	0.00	(0.00)	(0.00)	0.00	(0.00)
As At 30th June 2023	3,500,000,000.00	0.00	0.00	920,200.00	3,266,684.00	27,934,271.52	0.00	3,532,121,155.52
Depreciation And Impairment								
As At 1st July 2022	0.00	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Depreciation	0.00	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Impairment	0.00	(0.00)	-	-	-	(0.00)	-	(0.00)
Transfers/ Adjustments	0.00	(0.00)	0.00	0.00	(0.00)	(0.00)	0.00	(0.00)
As At 30th June 2023	3,500,000,000.00	0.00	0.00	920,200.00	3,266,684.00	(0.00)	0.00	3,532,121,155.52
Depreciation	0.00	(0.00)	(0.00)	(0.00)	0.00	(0.00)	(0.00)	0.00
Disposals	0.00	0.00	-	-	0.00	0.00	0.00	0.00

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	Land	Buildings	Motor vehicles	Furniture and fittings	Computers	Other Assets Lab Equipment	Capital Work in progress	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Impairment	0.00	(0.00)	(0.00)	-	0.00	(0.00)	-	0.00
Transfer/Adjustment	0.00	0.00	(0.00)	(0.00)	0.00	(0.00)	(0.00)	0.00
As At 30th June 2023	3,500,000,000.00	0.00	0.00	920,200.00	3,266,684.00	27,934,271.52	0.00	3,532,121,155.52
Net Book Values								
As At 30th June 2022	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
As At 30th June 2023	3,500,000,000.00	0.00	0.00	920,200.00	3,266,684.00	27,934,271.52	0.00	3,532,121,155.52

NATIONAL QUALITY CONTROL LABORATORY**Annual Report and Financial Statements****For the year ended June 30, 2023.****Notes to the Financial Statements (Continued)****Valuation**

Land and buildings/ Equipment (be specific) were valued in line with the National Assets and Liabilities Management Policy and Guidelines (Issued 30th June 2020). These amounts were adopted on 16/8/2023.

33 (b) Property, Plant and Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	3,500,000,000.00	0.00	3,500,000,000.00
Buildings	0.00	0.00	0.00
Plant And Machinery- Lab Equipment	27,934,271.52	0.00	27,934,271.52
Motor Vehicles, Including Motorcycles	0.00	0.00	0.00
Computers And Related Equipment - Plus LIMs	3,266,684.00	0.00	3,266,684.00
Office Equipment, Furniture, And Fittings	920,200.00	0.00	920,200.00
Total	3,532,121,155.52		3,532,121,155.52

Property plant and Equipment includes the following assets that are fully depreciated:

	Cost or valuation	Normal annual depreciation charge
Plant and Machinery	0.00	0.00
Motor Vehicles including Motorcycles	0.00	0.00
Computers and Related Equipment	0.00	0.00
Office Equipment, Furniture And Fittings	0.00	0.00
Total	0.00	0.00

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Notes to the Financial Statements (Continued)

34 Intangible Assets

Description	2022-2023	2021-2022
	Kshs	Kshs
Cost		
At beginning of the year	0.00	0.00
Additions	0.00	0.00
At end of the year	0.00	0.00
Additions–internal development	0.00	0.00
At end of the year	0.00	0.00
Amortization and impairment		
At beginning of the year	0.00	0.00
Amortization	0.00	0.00
At end of the year	0.00	0.00
Impairment loss	0.00	0.00
At end of the year	0.00	0.00
NBV	0.00	0.00

35 Investment Property

Description	2022-2023	2021-2022
	Kshs	Kshs
At beginning of the year	0.00	0.00
Additions	0.00	0.00
Disposal during the year	(0.00)	(0.00)
Depreciation	(0.00)	(0.00)
Impairment	(0.00)	(0.00)
At end of the year	0.00	0.00

(This note applies to investment property held at cost. For investment property held at fair value, changes in fair value should go through the statement of financial performance).

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Notes to the Financial Statements (Continued)

36 Trade and Other Payables

Description	2022-2023	2021-2022
	Kshs	Kshs
Trade Payables	0.00	11,385,829.00
Payments received in advance- Analysis fee	33,820,334.45	32,754,220.00
Employee Payables	0.00	416,788.00
Third-party payments	0.00	
Other Payables -OAG	0.00	684,000.00
Total trade and other Payables	33,820,334.45	45,240,837.00

37 Refundable Deposits and Prepayments from Customers

Description	2022-2023	2021-2022
	Kshs	Kshs
Customer deposits	0.00	0.00
Prepayments	0.00	0.00
Other deposits	0.00	0.00
Payments received in advance	0.00	0.00
Total deposits	0.00	0.00

38 Current Provisions

Description	Leave provision	Bonus provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance b/f	0.00	0.00	0.00	0.00	0.00
Additional provisions	0.00	0.00	0.00	0.00	0.00
Provision utilized	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Change due to discount and time value for money	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Transfers from non -current provisions	0.00	0.00	0.00	0.00	0.00
Total provisions year end	0.00	0.00	0.00	0.00	0.00

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Notes to the Financial Statements (Continued)

39 Finance Lease Obligation

Description	2022-2023	2021-2022
	Kshs	Kshs
At the start of the year	0.00	0.00
Discount interest on lease liability	0.00	0.00
Paid during the year	(0.00)	(0.00)
At end of the year	0.00	0.00

Maturity Analysis

Period	Amount
Year 1	0.00
Year 2	0.00
Year 3	0.00
Year 4	0.00
Year 5 And Onwards	0.00
Less: Unearned Interest	(0.00)
	0.00

Analysed as:

Description	Amount
Current	0.00
Non- Current	0.00
Total	0.00

40 Deferred Income

Description	2022-2023	2021-2022
	Kshs	Kshs
National Government	0.00	0.00
International Funders	0.00	3,557,424
Public Contributions and Donations	0.00	
Total Deferred Income	0.00	3,557,424

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The deferred income movement is as follows:

	National government	International funders	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance Brought Forward	0.00	3,557,424	0.00	0.00
Additions	0.00	0.00	0.00	0.00
Transfers To Capital Fund	(0.00)	(0.00)	(0.00)	(0.00)
Transfers To Income Statement	(0.00)	(0.00)	(0.00)	(0.00)
Other Transfers - Error	(0.00)	(3,557,424)	(0.00)	(0.00)
Balance Carried Forward	0.00	0.00	0.00	0.00

41 Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Benefits	2022-2023	2021-2022
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	0.00	0.00	0.00	835,253.54	1,554,071 253,546
Non-Current Benefit Obligation	0.00	0.00	0.00	0.00	3,902,283
Total Employee Benefits Obligation	0.00	0.00	0.00	835,253.54	5,709,901

Retirement benefit Asset/ Liability

National Quality Control Laboratory doesn't have a defined benefit scheme since there are no permanent and pensionable employees. The few permanent and pensionable staff at NQCL are deployed from the Ministry of Health, and the rest are on contract basis. The Contracted staff are paid gratuity of 31% of their basic salary at the end of the contract. As at 30th June every employee whose contract had come an end was paid his/ her gratuity a part form a few whose contract are supposed to end in September and December 2023.

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Notes to the Financial Statements (Continued)

	2022-2023	2021-2022
Discount Rates	0%	0%
Future Salary Increases	0%	0%
Future Pension Increases	0%	0%
Mortality (Pre- Retirement)	0%	0%
Mortality (Post- Retirement)	0%	0%
Withdrawals	0.00	0.00
Ill Health	0.00	0.00
Retirement	N/A	

Recognition of Retirement Benefit Asset/ Liability

a) Amounts recognized under other gains/ Losses in the statement of Financial Performance:

	2022-2023	2021-2022
Description	Kshs	Kshs
The return on defined plan assets	0.00	0.00
Actuarial gains/ losses arising from changes in demographic assumptions	0.00	0.00
Actuarial gains/ losses arising from 0020 changes in financial assumptions	0.00	0.00
Actuarial gains and losses arising from experience adjustments	0.00	0.00
Others (specify)	0.00	0.00
Adjustments for restrictions on the defined benefit asset	0.00	0.00
Remeasurement of the net defined benefit liability (asset)	0.00	0.00

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Notes to the Financial Statements (Continued)

b) Amounts recognized in the Statement of Financial Position

	2022-2023	2021-2022
Description	Kshs	Kshs
Present value of defined benefit obligations(a)	0.00	0.00
Fair value of plan assets(b)	(0.00)	(0.00)
Funded status(=a-b)	0.00	0.00
Restrictions on asset recognized	0.00	0.00
Others	0.00	0.00
Net asset or liability arising from defined benefit obligation	0.00	0.00

The Entity also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Entity's obligation under the scheme is limited to Voluntary contributions legislated from time to time and is currently at KShs. 200. 00 per employee per month. Other than NSSF NQCL does not maintain a defined contributory plan or a defined benefit plan as it is yet to adopt its scheme of service. This because some staff are posted here from the Ministry of Health while the others are contracted, interns or casuals.

42 Non-Current Provisions

Description	Long service leave	Bonus Provision	Gratuity provisions	Other Provisions	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
balance at the beginning of the year	0.00	0.00	0.00	0.00	0.00
additional provisions	0.00	0.00	0.00	0.00	0.00
provision utilised	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
change due to discount and time value for money	0.00	0.00	0.00	0.00	0.00
less: current portion	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
balance at the end of the year	0.00	0.00	0.00	0.00	0.00

(NB: The current portion deducted in this note should tie to line on current portion transferred from non-current provisions under note 38)

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Notes to the Financial Statements (Continued)

43 Borrowings

Description	2022-2023	2021-2022
	Kshs	Kshs
a) External borrowings		
Balance at beginning of the year	0.00	0.00
External borrowings during the year	0.00	0.00
Repayments of during the year	(0.00)	(0.00)
Balance at end of the year	0.00	0.00
b) Domestic borrowings		
Balance at beginning of the year	0.00	0.00
Domestic borrowings during the year	0.00	0.00
Repayments during the year	(0.00)	(0.00)
Balance at end of the year	0.00	0.00
Balance at end of the period- domestic and External borrowings c = a+b	0.00	0.00

The analyses of both external and domestic borrowings are as follows:

	2022-2023	2021-2022
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From 'X Organisation'	0.00	0.00
Sterling Pound Denominated Loan From 'Y Organisation'	0.00	0.00
Euro Denominated Loan From Z Organisation'	0.00	0.00
Domestic Borrowings		
Kenya Shilling Loan From KCB	0.00	0.00
Kenya Shilling Loan From Barclays Bank	0.00	0.00
Kenya Shilling Loan From Consolidated Bank	0.00	0.00
Total Balance At End Of The Year	0.00	0.00

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Notes to the Financial Statements (Continued)

Description	2022-2023	2021-2022
	Kshs	Kshs
Short Term Borrowings (Current Portion)	0.00	0.00
Long Term Borrowings	0.00	0.00
Total	0.00	0.00

(NB: the total of this statement should tie to note 43 totals. Current portions of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed).

44 Service Concession Arrangements

Description	2022-2023	2021-2022
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	0.00	0.00
Accumulated depreciation to date	(0.00)	(0.00)
Net carrying amount	<u>0.00</u>	<u>0.00</u>
Service concession liability at beginning of the year	0.00	0.00
Service concession revenue recognized	(0.00)	(0.00)
Service concession liability at end of the year	<u>0.00</u>	<u>0.00</u>

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Notes to the Financial Statements (Continued)

45 Cash Generated from Operations

	2022-2023	2021-2022
	Kshs	Kshs
Surplus for the year before tax	(8,725,391.03)	
Adjusted for:		
Depreciation	0.00	8,252,763
Non-cash grants received	(0.00)	(0.00)
Contributed assets	(0.00)	(0.00)
Impairment	0.00	0.00
Gains and losses on disposal of assets	(0.00)	(0.00)
Contribution to provisions	0.00	0.00
Contribution to impairment allowance	0.00	0.00
Finance income	(0.00)	(0.00)
Finance cost	0.00	116,974
Working capital adjustments		8,369,737
Increase in inventory -d	11,449,036.00	(40,262,805.7)
Increase in receivables	(11,709,477.00)	(10,132,378.2)
Increase in deferred income	0.00	3,557,423.6
Increase in payables -d	(11,505,418.00)	12,791,053.2
Increase in payments received in advance - d	(342,912.00)	0.00
Net cash flow from operating activities	(21,619,759.00)	(25,980,941.5)

46 Financial Risk Management

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

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

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i) **Credit risk**

The Entity has exposure to credit risk, which is the risk that a counter party will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Entity's management based on prior experience and their assessment of the current economic environment.

Financial Risk Management

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

	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2023				
Receivables from exchange transactions	38,956,694.05	33,265,252.05	7,626,317.00	0.00
Receivables from non-exchange transactions	40,000.00	40,000.00	0.00	0.00
Bank balances	6,139,602.11	6,139,602.11	0.00	0.00
Total	45,136,296.16	39,444,854.16	7,626,317.00	0.00
As at 30 June 2022				
Receivables from exchange transactions	28,758,091.9	21,131,774.9	7,626,317.00	0.00
Receivables from non-exchange transactions	464,000.00	464,000.00	0.00	0.00
Bank balances	13,909,538.00	13,909,538.00	0.00	0.00
Total	43,131,629.9	35,505,312.9	7,626,317.00	0.00

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Financial Risk Management

Although customers under the fully performing category are paying their debts as they continue trading, some debts are Long overdue. The credit risk associated with these receivables is substantial. However due to lack of Board of Directors for the last two financial years, it has made it difficult to create a provision and a policy on how to recover the debts. We waiting for the board so that we can make appropriate decisions on this matter.

ii) **Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the Entity's directors, who have built an appropriate liquidity risk management framework for the management of the Entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the Entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2023				
Trade payables	3,690,670.4		34,576,484.91	38,267,155.31
Current portion of borrowings	0.00	0.00	0.00	0.00
Provisions	0.00	0.00	0.00	0.00
Deferred income	0.00	0.00	0.00	0.00
Employee benefit obligation	835,253.54	0.00	0.00	835,253.54
Total	4,525,923.94	0.00	34,576,484.91	39,102,408.85
As at 30 June 2022				
Trade payables	0.00	0.00	45,240,837.20	45,240,837.20
Current portion of borrowings	0.00	0.00	0.00	0.00
Provisions	0.00	0.00	0.00	0.00
Deferred income	0.00	0.00	0.00	0.00
Employee benefit obligation	0.00	0.00	5,709,901.00	5,709,901.00
Total	0.00	0.00	50,950,738.2	50,950,738.2

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Financial Risk Management

iii) **Market risk**

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Entity's exposure to market risks or the manner in which it manages and measures the risk.

a) **Foreign currency risk**

The *Entity* has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The *Entity* manages foreign exchange risk from future commercial transactions and recognized assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

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Financial Risk Management

Financial Risk Management

The carrying amount of the *Entity's* foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

FY 2023

	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As At 30 June 2023			
Financial Assets- stock	42,067,220.59	0.00	42,067,220.59
Investments	0.00	0.00	0.00
Cash	6,139,602.11	0.00	6,139,602.11
Debtors	38,996,694.05	0.00	38,996,694.05
Total Financial Assets	87,203,516.75	0.00	87,203,516.75
Financial Liabilities			
Trade And Other Payables	36,923,244.85	0.00	36,923,244.85
Borrowings	0.00	0.00	0.00
Total Financial Liabilities	36,923,244.85	0.00	36,923,244.85
Net Foreign Currency Asset/(Liability)		0.00	

Foreign currency sensitivity analysis

NQCL doesn't have any assets or liabilities in foreign currency as at now, and therefore there is minimum risk of losing money on an investment in case of change in exchange rates.

Notes To The Financial Statements (Continued)

Financial Risk Management

As at the end of this financial year the ratio of financial assets to financial liability was 2.3:1. That means that NQCL has ability to meet its obligations. Furthermore NQCL has no borrowings hence there is no defaulting on loan or bonds payments.

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	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
2023			
Euro	10%	0.00	0.00
USD	10%	0.00	0.00
2022			
Euro	10%	0.00	0.00
USD	10%	0.00	0.00

b) **Interest rate risk**

Management of interest rate risk

Currently NQCL does not have any loan to pay interest, however to manage the interest rate risk, management has endeavored to bank with institutions that offer favourable interest rates.

Financial Risk Management

Sensitivity analysis

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs 0.00: KShs (.000) for the financial year 2022 and 2023 consecutively. A rate increase/decrease of 10% would result in a decrease/increase in profit before tax of KShs 0.00.

Notes to the Financial Statements (Continued)

Financial Risk Management

Fair value of financial assets and liabilities

a) **Financial instruments measured at fair value.**

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the *Entity's* market assumptions. These two types of inputs have created the following fair value hierarchy:

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- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.

- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

-

- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The *Entity* considers relevant and observable market prices in its valuations where possible.

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Notes to the Financial Statements (Continued)

Financial Risk Management

The following table shows an analysis of financial and non- financial instruments recorded at fair value by level of the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
As At 30 June 2023				
Financial Assets				
Quoted Equity Investments	0.00	0.00	0.00	0.00
Non- Financial Assets				
Investment Property	0.00	0.00	0.00	0.00
Land And Buildings		3,500,000,000.00	0.00	3,500,000,000.00
	0.00	3,500,000,000.00	0.00	3,500,000,000.00
As At 30 June 2022				
Financial Assets				
Quoted Equity Investments	0.00	0.00	0.00	0.00
Non- Financial Assets				
Investment Property	0.00	0.00	0.00	0.00
Land And Buildings	10,647,564.00	0.00	0.00	10,647,564.00
	10,647,564.00	0.00	0.00	10,647,564.00

There were no transfers between levels 1, 2 and 3 during the year. Disclosures of fair values of financial instruments have been measured at fair value. This is because the carrying amounts were valued at fair value prices.

iv) Capital Risk Management

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

	2022-2023	2021-2022
	Kshs	Kshs
Revaluation Reserve	3,532,121,156.00	88,393,583.70
Retained Earnings	(9,510,989.00)	(9,188,910.56)
Capital Reserve	0.00	44,742,988.18
Total Funds - Assets	3,522,610,167.00	123,947,661.32
Total Borrowings	0.00	0.00
Less: Cash And Bank Balances	(6,139,602.00)	(13,909,538.00)
Net Debt/(Excess Cash And Cash Equivalents)	6,139,602.00	18,601,065
Gearing	0.17%	15.01%

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47 Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the *Entity* include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

Government of Kenya

The Government of Kenya is the principal shareholder of the *Entity*, holding 100% of the *Entity's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the *Entity*, both domestic and external.

Other related parties include:

- i) The Parent Ministry..
- ii) Board of directors.
- iii) Key management

	2022-2023	2021-2022
	Kshs	Kshs
Transactions with related parties		
a) Sales to related parties		
Sales of electricity to govt agencies	0.00	0.00
Rent income from the government. Agencies	0.00	0.00
Water sales to govt. Agencies	0.00	0.00
Others sales of services to KEMSA & PPB		6,215,100.00
Total		6,215,100.00
B) purchases from related parties		
Purchases of electricity from KPLC	0.00	0.00
Purchase of water from govt service providers	0.00	0.00
Rent expenses paid to govt agencies	0.00	0.00
Training and conference fees paid to govt. Agencies	0.00	0.00
Others	0.00	0.00
Total	0.00	0.00
b) Grants		

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	2022-2023	2021-2022
	Kshs	Kshs
/transfers from the government		
Grants from national govt	0.00	15,718,423
Grants from county government	0.00	0.00
Donations in kind	0.00	3,557,424.00
Total	0.00	19,275,847.00
c) Expense		
s incurred on behalf of related party		
Payments of salaries and wages for employees	31,444,501.00	30,517,411.00
Payments for goods and services for xxx	29,847,395.00	38,738,817.00
Total	61,291,896.00	69,255,228.00
d) Key		
management compensation		
Directors' emoluments	0.00	0.00
Compensation to key management	0.00	0.00
Total	0.00	0.00

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48 Segment Information

National Quality Control Laboratory does not have a subsidiary, a branch or a department.

49 Contingent Assets and Contingent Liabilities

Contingent Assets

	2022-2023	2021-2022
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	0.00	0.00
Assets Arising from Determination Of Court Cases	0.00	0.00
Reimbursable Indemnities and Guarantees	0.00	0.00
Receivables From Other Government Entities	15,344,091.00	
Others (Specify)	0.00	0.00
Total	15,344,091.00	0.00

(Give details)

Contingent Liabilities

	2022-2023	2021-2022
	Kshs	Kshs
Contingent Liabilities		
Court Case against the Entity	0.00	0.00
Bank Guarantees in Favour of Subsidiary	0.00	0.00
Contingent Liabilities arising from Contracts Including PPPs	0.00	0.00
Others (Specify)	0.00	0.00
Total	0.00	0.00

(Give details)

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Notes to the Financial Statements (Continued)

50 Capital Commitments

Capital Commitments	2022-2023	2021-2022
	Kshs	Kshs
Authorised for	0.00	0.00
Authorised and Contracted for	0.00	0.00
Total	0.00	0.00

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the board but at the end of the year had not been contracted or those already contracted for and ongoing)

51 Surplus Remission

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into the Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. In line with this legal requirement the Entity remitted Kshs 0.00 (FY 2023 Kshs 0.00). Or The Entity did not make any surplus during the year (FY 2023 Nil) and hence no remittance to the Consolidated Fund.

The Surplus Remission has been computed as follows:

	2022-2023	2021-2022
	Kshs	Kshs
Surplus for the period	0.00	0.00
Less: Allowable deductions by NT	(0.00)	(0.00)
90% Computation (Included in Statement of Financial Performance)	0.00	0.00

Surplus Remission Payable

	2022-2023	2021-2022
	Kshs	Kshs
Payable at the beginning of the year	0.00	0.00
Paid during the year	(0.00)	(0.00)
Payable at end of the year	0.00	0.00

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Notes to the Financial Statements (Continued)

52 Taxation

	2022-2023	2021-2022
	Kshs	Kshs
At beginning of the year - Tax reinstated 30 th June 2023	0.00	406,388
Income tax charge for the year (note 27)	0.00	5,478,807
Under/(over) provision in prior year/s (note 27)	0.00	0.00
Income tax paid during the year	(0.00)	(5,478,807)
At end of the year	0.00	406,388

[Provide short appropriate explanations as necessary]

Notes on TAXATION

	2022-2023	2021-2022
	Kshs	Kshs
Taxation as at 30 th June 2022	406,388.00	0.00
Error	(406,388.00)	0.00
Balance c/f	0.00	0.00

53 Deferred Tax Liability

Deferred tax is calculated on all temporary differences under the liability method using the enacted tax

Accelerated capital allowances	0.00	0.00
Unrealised exchange gains/(losses)	0.00	0.00
Revaluation surplus	0.00	0.00
Tax losses carried forward	(0.00)	(0.00)
Provisions for liabilities and charges	(0.00)	(0.00)
Net deferred tax liability/(asset)	0.00	0.00
The movement on the deferred tax account is as follows:		
Balance at beginning of the year	0.00	0.00
Credit to revaluation reserve	(0.00)	(0.00)
Under provision in prior year	0.00	0.00
Income statement charge/(credit)	0.00	0.00
Balance at end of the year	0.00	0.00

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Rate, currently 30%. The net deferred tax liability at year end is attributable to the following items:

(In ordinary circumstances public sector entities under IPSAS are not expected to pay taxes on surplus funds. However, in specific cases where this is applicable an organization is supposed to seek guidance on accounting for income taxes from IAS 12)

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Notes to the Financial Statements (Continued)

54 Events after the Reporting Period

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

55 Ultimate And Holding Entity

National Quality Control Laboratory is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of Health. Its ultimate parent is the Government of Kenya.

56 Currency

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

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17. 19. Appendix

Appendix 1: Implementation Status of Auditor-General's Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Name of the Entity	Adverse audit findings	Management action	Status
National Quality Control Laboratory	1. Inaccuracies in the Financial Statements	Have introduced examination of finance documents and recorded to improve accuracy.	Resolved
	i. The Statement of financial performance reflects public contributions and donations balance of Kshs. 25,971,818 for prior year asset donations, some dating back the year 1994 but which were erroneously recognized in the current year.	Procurement department has taken stock of our assets and grouped them in two categories; i.e government funded and donations this will help to prevent the mix up. We have also started official engagement with asset valuers who we help us have accurate values of our assets.	Resolved
	ii. The statement of financial performance reflects use of goods and services balance of Kshs. 15,718,423 while Note 9 reflects Kshs. 8,103,423 resulting to unreconciled variance of Kshs. 7,615,000	This goods were purchased by M.O.H and we have no access and control on the documents. The Director NQCL wrote a letter requesting for our budget allocation to be sent on our account as a grant or imprest so that we can manage our funds and account for the same.	Resolved
	Inaccuracies in the statement of cash flows. The cash flow statement for the year ended 30 June 2022 reflects net cash flow from operating activities of Kshs.16, 329,081. The amount was arrived at by including prior year net book values of donated assets amounting to Kshs.25, 971,618 and Kshs.15, 718,423 in respect of payments made by the Ministry of Health on behalf of the entity. However, these items did not involve actual cash inflow but were included in the cash flow statements,	Since NQCL doesn't receive Exchequer funds on their account we will only capture A.I.A which is our actual cash inflow. This will also prevent double reporting on cash flows since the amount is captured at the M.O.H.	Resolved

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<p>i.) The statement of financial position reflects an increase in revaluation reserve of Kshs.36, 450,348 from Kshs.51, 943,236 in 2020/2022 to Kshs.88, 393,584 in 2022/2022. However, no revaluation report was availed for audit review</p>	<p>The Ag Director NQCL has write a letter to the PS requesting to engage asset valuers. When the process is complete we will be able to have accurate asset values and also get the certificate for the auditors.</p>	<p>Resolved</p>
<p>The statement of financial performance for the year ended 30 June 2022 reflects public contributions and donations of Kshs.25, 971,818 as disclosed in Note 6 to the financial statements. This amount relates to prior year net book values of assets donated by partners dating back from the year 1994 but recognized as revenue in the current year instead of the year of acquisition. In addition, the donated assets have not been recognized under property, plant and equipment contrary to Paragraph 31 of IPSAS 23 – on Revenue from Non-Exchange Transactions which requires an inflow of resources from non-exchange transactions that meets the definition of an asset be recognized as an asset when it is probable that future economic benefits or services potential associated with the asset will flow to the entity and its fair value can be measured reliably.</p>	<p>Procurement department has started stock taking which will end by 30th June 2023. They have categorized our assets as Government funded and donations. Asset valuers will use that report to cost our assets and the new values will be captured in our financial statements.</p>	<p>Resolved</p>
<p>The statement of financial performance for the year ended 30 June 2022 reflects revenue from exchange transactions of Kshs.43, 894,205 as disclosed in note 8 to the financial statements. The entity uses a system where customers make advance payments into which invoices are drawn from and which are replenished once depleted or refunded when not utilized. As at 30 June 2022, the total advance payments amounted to Kshs.32, 754,220 against a cash and cash equivalents balance of Kshs.13, 909,538. This resulted to utilization of customer refundable funds of Kshs.18, 884,682 whose corresponding revenue had not been earned contrary to the matching concept which requires revenues and any related expenses be recognized together in the same reporting period.</p>	<p>We are in the process of opening a second bank account where all advance payments for testing will be deposited. Then after the testing has been done and certificate issued, the amount will the be moved the on our current account which we will be using for expenditure only.</p>	<p>Not Resolved</p>

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<p>Note 17 to the financial statements reflects receivables from exchange transactions balance of Kshs.28,758,091. Management invoiced Kshs.20,120,755 to twenty-six (26) clients who had an opening receivable balance of Kshs.1,233,064 resulting to a total receivable balance of Kshs.21,353,819. However, only Kshs.5,962,910 was received from these clients resulting to a balance Kshs.15,390,909 but only Kshs.4,171,045 has been disclosed as receivables. This resulted to understatement of trade and other receivables balance of Kshs.11,219,864.</p>	<p>Clients register has been introduced and it is been updated on daily basis. Out of it we generate a list of receivables and also advance payments. This will give us the required data for both receivables and Payables. Apart from manual register, NQCL is also in the process of acquiring ERP this will also help a great deal in solving this problem</p>	<p>Resolved</p>
<p>Note 9 to the financial statements reflects use of goods and services of Kshs.15,718,423 being expenses paid directly by the Ministry of Health on behave of the entity. However, the same expenditure has also been disclosed as general expenses in Note 14 resulting to overstatement of expenses. Further the expenditure includes electricity expenses of Kshs.7,184,336 incurred in the past financial years dating back in the year 2007 up to 30 June 2022 but paid during the current financial year. This is contrary to the matching concept which requires revenues and any related expenses be recognized together in the same reporting period.</p>	<p>Payment vouchers paid by M.OH are not under our control. We can only solve this if we procure our goods at NQCL and make payment by ourselves.</p>	<p>Resolved</p>
<p>Note 12 to the financial statements reflects depreciation expense of Kshs.8,252,762.90. Included in this balance is depreciation charge of Kshs.4,339,574 for medical equipment whose purchase prices and the useful life were not disclosed and Kshs.355,765 for buildings, auto motives, office electronics, furniture and fittings which were not included in the asset register. In the absence of these details, it has not been possible to confirm how depreciation charge was calculated. In addition, management used straight line and reducing balance method to depreciate different classes of assets contrary to paragraph 78 of IPSAS 17 – Property, Plant and Equipment which requires an entity to select one method of depreciation and apply it consistently from period to period.</p>	<p>Procurement department has started stock taking which will end by 30th June 2023. they have categorized our assets as Government funded and donations. Asset valuers will use that report to cost our assets and the new values will be captured in our financial statements.</p>	<p>Resolved</p>

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<p>Note 14 to the financial statements reflects general expenses Kshs.30,400,437 out of office expenses balance of Kshs.246,356 not supported by payment vouchers. This is contrary to Regulation 104 (1) of the Public Financial Management (National Government) Regulations, 2015 which states that 'All receipts and payments vouchers of public moneys shall be properly supported by per-numbered receipt and payment vouchers and shall be supported by the appropriate authority and documentation'</p>	<p>This occurred due to poor filing system. We have improve our filing system and also THE ERP will solve this problem when we acquire one.</p>	<p>Not Resolved</p>
<p>The statement of financial position as at 30 June 2022 reflects cash and cash equivalents of Kshs.13,909,538 as disclosed in note 16 to the financial statements. A review of the cashbook reflects total cash withdrawals of Kshs.7,117,738 from the bank out of which Kshs.6,133,747 was spend on cash basis resulting to a balance of Kshs.983,991. However, board of survey certificate reflected a balance of Kshs.3,700 dated 1st July 2022 resulting to unreconciled nor explained balance of Kshs.980,291. Further, cash at hand was not disclosed in the statement of financial position.</p>	<p>We have stopped office imprests and petty cash. We procure goods through quotations and issue staff imprests which are surrendered 48hrs after the activity is done.</p>	<p>Not Resolved</p>
<p>Note 16 to the financial statement discloses cash and cash equivalents balance of Kshs.13,909,538. However the bank statement reflects receipts of Kshs.1,107,000 not recorded in the cashbook and neither were they indicated as outstanding receipts in the bank reconciliation statement. Further, the cashbook also indicate Kshs.333,000 received from a supplier but the amount could not be traced in the bank statement neither had it been indicated as an outstanding item in the bank reconciliation. The cashbook also indicates a receipt of Kshs.59,900 from a supplier against actual receipt of Kshs.599,000 in the bank statement resulting to a variance of Kshs.539,100 which has also not been reconciled.</p>	<p>A new cashbook was purchased at the beginning of this financial year and it is being updated on daily basis. The bank reconciliations are now uptodate and are usually signed by the director at the end of every month.</p>	<p>Resolved</p>

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<p>The statement of financial position as at 30 June 2022 reflects property, plant, and equipment balance of Kshs.55,836,318 as per note 20A, included in this amount is Kshs.10,647,564 related to buildings. However, the entity does not have a building and is housed for free by the University of Nairobi. The entity has been incurring repairs and maintenance costs amounting to Kshs.17,130,595 as at 30 June 2022 and capitalising it as building. However, instead of expensing this amount, management has been capitalizing the expenditure over the years and depreciated it at Kshs.6,483,031 resulting to a net book value of Kshs.10,647,564. This recognition is contrary to paragraph 27 of IPSAS 17 – Property, Plant and Equipment which states that ‘Where an asset is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition’</p>	<p>This will be corrected at the end of this financial year when preparing this year's financial report.</p>	<p>Resolved</p>
<p>The statement of financial position reflects property, plant and equipment balance of Kshs.55,836,318 as per note 20A. However, the fixed asset movement schedule reflects cost of Kshs.60,531,657 and accumulated depreciation of Kshs.42,608,369 as at 30 June 2022 resulting to closing net book value of Kshs.17,923,288. However, management reflected a balance of net book value of Kshs.55,836,317 as at 30 June 2022 resulting to unreconciled nor explained variance of Kshs.37,913,030.</p>	<p>This will be corrected at the end of this financial year when preparing this year's financial report.</p>	<p>Resolved</p>
<p>Further, the property, plant and equipment balance includes Kshs.30,377,020 is in respect of medical equipment which has not been supported by asset valuation report. Considering the depreciation rate of 12.5% on reducing balance and the fact that most medical equipment have been in existence for several years with a sample of thirty (30) of the assets having been in existence since the year 1994, management may be depreciating assets with nil netbook values.</p>	<p>The assets are going to valued by Asset valuers to get accurate financial position for assets. Then the new balances will be used at the end of this financial year</p>	<p>Resolved</p>

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<p>Note 20A to financial statements reflects property, plant and equipment balance of Kshs.55,836,318. The asset register supporting this balance did not indicate the purchase prices and the dates when the assets were acquired hence not possible to confirm the disclosed asset values. In addition, the property, plant and equipment balance excludes donated assets of Kshs.22,414,194 as disclosed under note 20B whose fair values were not measured as at the date of acquisition. Further the asset register provided only indicated medical equipment and excluded other classes of assets amounting to Kshs.25,459,298 which has not been supported by a comprehensive list of assets.</p>	<p>The assets are going to be valued by Asset valuers to get accurate financial position for assets. Then the new balances will be used at the end of this financial year</p>	<p>Resolved</p>
<p>The property, plant and equipment balance of Kshs.55,836,318 as disclosed in Note 20A to financial statements excludes Laboratory Information Management Systems (LIMS) valued at Kshs.4,561,700. The system was acquired in the year 2015 through a donation but has not been recognized in the books of accounts contrary to Paragraph 27 of IPSAS 17 – Property, Plant and Equipment which requires an asset acquired through a non-exchange transaction be measured at its fair value as at the date of acquisition.</p>	<p>We have Captured it in our new Asset register. It will be valued by the Asset valuers and get correct position.</p>	<p>Resolved</p>
<p>Note 21 to the financial statements for the year ended 30 June 2022 reflects trade payables of Kshs.11,385,829. Included in this amount are goods and services of Kshs.6,664,153 procured during the financial year under review from thirteen suppliers which remained unpaid as at 30 June 2022 but have not been disclosed as expenses, contrary to Paragraph 27 of IPSAS 1 – Presentation of Financial Statements which states that 'Financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses set out in IPSASs.</p>	<p>Currently the LPO and LSO in our votebook as commitments. This will solve this issue</p>	<p>Resolved</p>

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The statement of financial position as at 30 June 2022 reflects trade and other payables from exchange transactions of Kshs.45,240,837 as disclosed in Note 21A to the financial statements. However, omitted from this balance is Kshs.2,117,000 being advance payment made by six (6) clients for future settlement of invoices. This is contrary to Paragraph 27 of IPSAS 1 – Presentation of Financial Statements states that 'Financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses set out in IPSASs.

Currently our cashbook is updated, we have also strengthened our internal controls by putting in place examiner who checks our financial records.

Resolved

Note 21 to the financial statements reflects trade and other payables balance of Kshs.45,240,837. The entity uses a payment system where a customer makes a direct bank deposit which is then recorded in the cashbook and the customer account updated accordingly. In case the customer details are not identified, the amount is received but transferred to unidentified/suspense liability account awaiting customer identification details. However, As at 30 June 2022, the cashbook had unidentified receipts of Kshs.3,704,000 which had not been disclosed as a liability

Currently there is no accounting system in place and everything is manual. This makes it difficult to have suspense account. But to we have moved from cheques to EFT System and we are able to see each transaction immediately it occurs. Those ones that we are not aware we usually the bank to give us details. The EFT has helped us to solve that issue

Resolved

Guidance Notes:

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



Director /C.E. O Dr. Serah Muteru

Date: 30th June 2023

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Appendix II: Projects implemented by (NQCL)

There is no on going project at NQCL during the financial year 2022/ 2023.

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)

Status of Projects completion

(Summarise the status of project completion at the end of each quarter, i.e. total costs incurred, stage which the project is etc)

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds

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Appendix IV: Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - must be specific	
Ministry of Planning and Devolution		Recurrent	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Ministry of Planning and Devolution		Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00
USAID		Donor Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Ministry of Planning and Devolution		Direct Payment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total			0.00	0.00	0.00	0.00	0.00	0.00	0.00

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Appendix V- Inter-Entity Confirmation Letter
[Insert your Letterhead]

[Insert name of beneficiary Entity]
[Insert Address]

The *[insert SC/SAGA/Fund name here]* wishes to confirm the amounts disbursed to you as at 30th June 2022 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below. Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30th June 2023

Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (KShs) as at 30th June 2022				Amount Received by [beneficiary Entity] (KShs) as at 30 th June 2021 (E)	Difference: (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
		0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00
Total		0.00	0.00	0.00	0.00	0.00	0.00

In confirm that the amounts shown above are correct as of the date indicated.

Head of Accountants department of beneficiary Entity:

Name **Sign** **Date**

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Appendix VI: Reporting of Climate Relevant Expenditures

Name of the Organization
 Telephone Number
 Email Address
 Name of CEO/MD/Head

There were no Climate relevant Expenditures at NQCL during the financial year 2022/2023.

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

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Appendix VII: Disaster Expenditure Reporting Template

Date: _____

Entity _____

Period to which this report refers (FY)	Year			Quarter		
Name of Reporting Officer						
Contact details of the reporting officer:	Email			Telephone		
Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments



STORES LEDGER AND STOCK CONTROL CARD

Form Code No

Description: HP Cartridge Toner CE 266A - Black

26A

Ministry: Health

Dept./Branch: MIDL

Unit of Issue: NO

Location: Reading Room

Date	Voucher Number	Supplier of Requisitioning Office	Receipts			Issues			Balances			Consumption Record				
			Qty.	Invoice Unit Price	Value	Qty.	Average Unit Price	Value	Qty.	Value	Month	20	20	20	20	
25/2/2002	505107	S. al Honey Ltd	2	27443	54982	1	27491	2	54982	July	20	20	20	20		
25/2/2002		Reading Room - Mulari				1		1	27491	August	8	8	8	8		
25/2/2002		Waf. Blawaki						2	27491	September	8	8	8	8		
6/5/2002	016630	Kuchindoh Enterprises	2	25500	51000	1	25500	1	25500	October	8	8	8	8		
13/10/2002	016630	Waf. Blawaki						2	51000	November	8	8	8	8		
2/10/2002	016630	Waf. Blawaki	2	17980	35960	1	17980	1	35960	December	8	8	8	8		
2/10/2002	016630	Waf. Blawaki	2	17980	35960	1	17980	1	35960	January	8	8	8	8		
27/11/2002	103668	Kofame Enterprises	5	22400	112000	1	17980	4	53920	February	8	8	8	8		
30/6/2002	070931	CSU	10	26450	264500	1	26450	9	238050	March	8	8	8	8		
7/1/2008	142551	CSU						2	21165	April	8	8	8	8		
29/1/2008	142569	CSU						7	185150	May	8	8	8	8		
11/05/2008	142568	CSU						6	158700	June	8	8	8	8		
16/10/2002	142576	CSU						5	131950	Annual Usage	8	8	8	8		

Av. Mon. Usage	20	20	20	20
Buffer Stock	8	8	8	8
Reorder Level	8	8	8	8
Reorder Qty.	8	8	8	8

Forecast Requirements	20	20	20	20
W/OHT				
Packaging				

National Quality Control Laboratory

ANNEX 2

Payee	amount	status	Amount surrendered	Date Surrendered
Director NQCL	34,080.00	surrendered	34,080.00	23/01/2023
Director NQCL	84,280.00	surrendered	84,355.00	17/01/2023
Director NQCL	20,000.00	surrendered	19,586.00	8/2/2023
Director NQCL	120,000.00	surrendered	119,989.00	30/6/2023
Director NQCL	42,640.00	surrendered	42,648.00	8/2/2023
Dr. Mbae	59,722.00	surrendered	54,818.00	22/7/2022
TRAINING	50,000.00	surrendered	50,000.00	10/9/2022
Merceline	63,000.00	Claim	63,000.00	
standing imprest	130,974.00	surrendered	130,974.00	30/9/22
merceline Adhiambo	220,500.00	surrendered	220,500.00	3/3/2023
Merceline Adhiambo	100,000.00	surrendered	100,000.00	3/3/2023
Dr. Nancy Njeru	176,400.00	surrendered	176,400.00	23/03/2023
Albert Mokua	220,500.00	surrendered	220,500.00	22/03/2023
Wambua Musee	220,500.00	surrendered	220,500.00	22/03/2023
Bildad Nyarere	147,000.00	surrendered	147,000.00	23/03/2023
Vainora Kerubo	176,400.00	surrendered	176,400.00	22/03/2023
Nicholas Awiti	176,400.00	surrendered	176,400.00	22/03/2023
Eliud Mwaruah	220,500.00	surrendered	220,500.00	23/03/2023
Yussuf M. Ibrahim	220,500.00	surrendered	220,500.00	23/03/2023
Joshua Nyambane	88,200.00	surrendered	88,200.00	23/03/2023
Hezron Kaharo	94,500.00	surrendered	94,500.00	23/03/2023
Dr. Albert Ndwiga	10,500.00	surrendered	10,500.00	23/03/2023
Dr. Erick Mutua	14,000.00	surrendered	14,000.00	23/03/2023
Dr Mathayo Kwena	176,400.00	surrendered	176,400.00	23/03/2023
Dr Veronica Manduku	176,400.00	surrendered	176,400.00	22/03/2023
Elkana Mosiori	176,400.00	surrendered	176,400.00	23/03/2023
Dr. Rabera Kenyanya	176,400.00	surrendered	176,400.00	23/03/2023
Dr, Serah Muteru	84,000.00	surrendered	84,000.00	23/03/2023
Prof. Matilu Mwau	175,000.00	surrendered	175,000.00	23/03/2023
Enock Moindi	49,000.00	surrendered	49,000.00	31/3/2023
Josephine Onyango	35,000.00	surrendered	49,000.00	31/3/2023
Dr. Peter Ngumo	42,000.00	surrendered	49,000.00	31/3/2023
Eliud Mwaruah	94,500.00	surrendered	94,500.00	23/03/2023
Yussuf M. Ibrahim	94,500.00	surrendered	94,500.00	23/03/2023
Hezron Kaharo	220,500.00	surrendered	94,500.00	23/03/2023
Sara Muthoni	7,000.00	surrendered	7,000.00	23/03/2023
Bildad Nyarere	75,600.00	surrendered	75,600.00	23/03/2023
Nicholas Awiti	75,600.00	surrendered	75,600.00	23/03/2023
Albert Mokua	94,500.00	surrendered	94,500.00	23/03/2023
Gladys bongok	7,000.00	surrendered	7,000.00	23/03/2023
Wambua Musee	94,500.00	surrendered	94,500.00	23/03/2023
Vainora Kerubo	75,600.00	surrendered	75,600.00	23/03/2023



Bildad Nyarere	29,400.00	surrendered	29,400.00	23/03/2023
Joshua Nyambane	37,800.00	surrendered	37,800.00	23/03/2023
Peter Odenyo	11,250.00			
merceline Adhiambo	31,726.00	surrendered	31,726.00	9/1/2023
Enock Moindi	59,797.00	surrendered	59,797.00	9/1/2023
merceline Adhiambo	40,673.00	surrendered	40,673.00	9/1/2023
merceline Adhiambo	50,670.00	surrendered	50,670.00	9/1/2023
Enock Moindi	60,037.00	surrendered	60,037.00	9/1/2023
Josephine Onyango	50,670.00	surrendered	50,670.00	9/1/2023
Josephine Onyango	40,500.00	surrendered	40,500.00	9/1/2023
John Nyaga	70,000.00	surrendered	70,000.00	30/6/2023
Josephine Onyango	28,800.00	surrendered	28,326.00	12/5/2023
Enock Moindi	12,000.00	surrendered	12,030.00	15/06/2023
Ruth nyabeni	36,270.00	surrendered	36,270.00	8/2/2023
Enock Moindi	42,040.00	surrendered	42,040.00	9/1/2023
Enock Moindi	57,280.00	surrendered	57,280.00	9/1/2023
Josephine Onyango	36,000.00	surrendered	36,000.00	9/1/2023
Robert EBU	40,000.00	surrendered	40,000.00	12/5/2023
Ruth nyabeni	27,000.00	surrendered	27,000.00	12/5/2023
Enock Moindi	4,050.00	surrendered	4,050.00	14/04/2023
Enock Moindi	8,750.00	surrendered	8,750.00	12/4/2023
Enock Moindi	34,000.00	surrendered	34,000.00	22/03/2023
merceline Adhiambo	7,000.00	surrendered	7,000.00	30/6/2023
merceline Adhiambo	5,986.00	partial surrendered		
Enock Moindi	3,200.00	surrendered	3,200.00	12/4/2023
merceline Adhiambo	62,400.00	surrendered	62,400.00	15/06/2023
Ruth nyabeni	32,500.00	surrendered	32,500.00	15/6/2023
Enock Moindi	7,500.00	surrendered	7,500.00	15/6/2023
Enock Moindi	4,000.00	surrendered	4,000.00	14/04/2023
Enock Moindi	170,000.00	surrendered	170,000.00	14/04/2023
Enock Moindi	27,760.00	surrendered	27,760.00	23/06/2023
Prof. Matilu Mwau	110,469.00	surrendered	110,649.00	15/06/2023
Enock Moindi	18,000.00	surrendered	18,000.00	15/06/2023
Josephine Onyango	7,000.00	not surrendered		
Ruth nyabeni	5,000.00	surrendered	4,987.00	15/6/2023
Enock Mukangai	5,000.00	surrendered	5,000.00	12/5/2023
merceline Adhiambo	107,800.00	surrendered	107,800.00	8/6/2023
Peter Odenyo	63,000.00	surrendered	63,000.00	15/6/2023
Dr Mathayo Kwena	94,000.00	surrendered	91,500.00	30/6/2023
Dr Peter Ngumo	94,000.00	surrendered	94,000.00	30/6/2023
Ruth nyabeni	10,000.00	surrendered	10,000.00	15/6/2023
Ruth nyabeni	8,240.00	surrendered	8,240.00	15/06/2023
Enock Mukangai	9,370.00	surrendered	9,370.00	30/06/2023
Enock Moindi	9,300.00	surrendered	9,300.00	15/06/2023
Ruth nyabeni	9,000.00	surrendered	9,000.00	15/6/2023



Enock Moindi	27,000.00	surrendered	29,232.00	16/6/2023
Enock Moindi	18,000.00	surrendered	18,039.00	15/06/2023
Enock Moindi	74,200.00	surrendered	74,200.00	11/7/2023
Josephine Onyango	25,400.00	surrendered	25,400.00	11/7/2023
Enock Moindi	57,280.00	surrendered	57,280.00	22/03/2023
Enock Mukangai	34,800.00	surrendered	34,800.00	12/5/2023

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NATIONAL QUALITY CONTROL LABORATORY - ASSET REGISTER

NQCL Number	Name	Model	Location
NQCL/2012/374	Received Samples Store Refrigerator	Refrigerators	Client Services Unit Received Sample Store
NQCL/2011/368	Received Samples Store Refrigerator	Refrigerators	Client Services Unit Retained Sample Store
NQCL/2006/183	Microbiology Samples Refrigerator	Refrigerators	Biological Analysis Unit Laboratory Extension
NQCL/2009/334	Micro-Organisms Refrigerator	Refrigerators	Biological Analysis Unit Extension Refrigerator
NQCL/2017/719	Digital Timer	Digital Timer	Biological Analysis Unit Main Laboratory
NQCL/2018/703	Analog Timer	Analog Timer	Instrumentation Unit
NQCL/2017/718	Digital Timer	Digital Timer	Medical Devices Unit Laboratory
NQCL/2018/702	Digital Timer	Digital Timer	Instrumentation Unit
NQCL/1994/016	Sartorius PT 6 (Top Load)	Weighing Balances	Wetchemistry Unit Main Laboratory
NQCL/2009/576	Digital Thermometers	Labindia Model	Biological Analysis Unit Samples Refrigerator
NQCL/2009/573	Digital Thermometers	Labindia Model	Wetchemistry Unit CRS Freezer
NQCL/2009/580	Digital Thermometers	Labindia Model	Client Services Unit Retained Sample Store
NQCL/2018/686	Thermohygrometer (Opus 20)	Thermohygrometer (Opus 20)	Wetchemistry Unit CRS Refrigerator (NQCL/2012/372)
NQCL/2018/685	Thermohygrometer (Opus 20)	Thermohygrometer (Opus 20)	Biological Analysis Unit Incubator (30-35 °C)
NQCL/2018/684	Thermohygrometer (Opus 20)	Thermohygrometer (Opus 20)	Client Services Unit Received Sample Store
NQCL/2018/683	Thermohygrometer (Opus 20)	Thermohygrometer (Opus 20)	Medical Devices Unit Laboratory
NQCL/2018/682	Thermohygrometer (Opus 20)	Thermohygrometer (Opus 20)	Biological Analysis Unit Cooled Incubator (20-25 °C)
NQCL/2018/681	Thermohygrometer (Opus 20)	Thermohygrometer (Opus 20)	Client Services Unit Retained Sample Store
NQCL/2018/680	Thermohygrometer (Opus 20)	Thermohygrometer (Opus 20)	Wetchemistry Unit Main Laboratory
NQCL/2018/679	Thermohygrometer (Opus 20)	Thermohygrometer (Opus 20)	Research and Development Laboratory
NQCL/2018/678	Thermohygrometer (Opus 20)	Thermohygrometer (Opus 20)	Client Services Unit Sample Receiving Refrigerator
NQCL/2018/677	Thermohygrometer (Opus 20)	Thermohygrometer (Opus 20)	Wetchemistry Unit CRS Refrigerator (NQCL/2012/367)
NQCL/2007/248	Thermohygrometer (Opus 10)	Thermohygrometer (Opus 10)	Client Services Unit Retained Samples Store Refrigerator
NQCL/2007/243	Thermohygrometer (Opus 10)	Thermohygrometer (Opus 10)	Biological Analysis Unit Extension Refrigerator
NQCL/2008/246	Thermohygrometer (Opus 10)	Thermohygrometer (Opus 10)	Wetchemistry Unit Weighing Room
NQCL/2010/348 (09282288)	Thermohygrometer (Dickson)	Thermohygrometer (Dickson)	Biological Analysis Unit Main Laboratory
NQCL/2010/343 (09282289)	Thermohygrometer (Dickson)	Thermohygrometer (Dickson)	Biological Analysis Unit Freezer
NQCL/2012/396	Dissolution Tester Machine	Dissolution Tester Machine	Wetchemistry Unit Main Laboratory
NQCL/2012/397	Dissolution Tester Machine	Dissolution Tester Machine	Wetchemistry Unit Main Laboratory
NQCL/2012/398	Dissolution Tester Machine	Dissolution Tester Machine	Wetchemistry Unit Main Laboratory
NQCL/2012/399	Dissolution Tester Machine	Dissolution Tester Machine	Wetchemistry Unit Main Laboratory
NQCL/2012/402	Dissolution Tester Machine	Dissolution Tester Machine	Wetchemistry Unit Main Laboratory
NQCL/2012/403	Dissolution Tester Machine	Dissolution Tester Machine	Wetchemistry Unit Main Laboratory
NQCL/2012/400	Dissolution Tester Machine	Dissolution Tester Machine	Wetchemistry Unit Main Laboratory
NQCL/2012/401	Dissolution Tester Machine	Dissolution Tester Machine	Wetchemistry Unit Main Laboratory
NQCL/2010/363	Dissolution Tester Machine	Dissolution Tester Machine	Wetchemistry Unit Main Laboratory
NQCL/2010/364	Dissolution Tester Machine	Dissolution Tester Machine	Wetchemistry Unit Main Laboratory
NQCL/2006/242	Dissolution Tester Machine	Dissolution Tester Machine	Wetchemistry Unit Main Laboratory
NQCL/2006/202	Dissolution Tester Machine	Dissolution Tester Machine	Wetchemistry Unit Main Laboratory
NQCL/2007/258	Reopeatability Factor	Shimadzu AUW220D	Wetchemistry Unit Weighing Room
NQCL/2012/419	Mettler Toledo Excellence Plus XP 504	Mettler Toledo Excellence Plus XP 504	Wetchemistry Unit Weighing Room
NQCL/2012/373	Precisa 360 EP	Precisa 360 EP	Wetchemistry Unit Weighing Room
NQCL/2007/266	Shimadzu AUW220D	Shimadzu AUW220D	Wetchemistry Unit Weighing Room
NQCL/2007/258	Shimadzu AUW220D	Shimadzu AUW220D	Wetchemistry Unit Weighing Room
NQCL/2007/233	Mettler Toledo Excellence Plus XP 504	Mettler Toledo Excellence Plus XP 504	Wetchemistry Unit Weighing Room
NQCL/1994/137	Sartorius Research R 200D	Sartorius Research R 200D	Wetchemistry Unit Weighing Room
NQCL/1994/016	Sartorius PT 6 (Top Load)	Sartorius PT 6 (Top Load)	Wetchemistry Unit Weighing Room
NQCL/1994/031	Kennedy	Hand Drier	Medical Devices Unit Laboratory
NQCL/2009/337C	Thickness Testing Machine	Thickness Testing Machine	Medical Devices Unit Laboratory



NQCL/2012/408	Instron Dynamometer (Needles and Syringes)	Instron Dynamometer (Needles and Syringes)	Medical Devices Unit Laboratory
NQCL/2008/313	Air Compressor (2 Positive Gauges)	Air Compressor (2 Positive Gauges)	Medical Devices Unit Laboratory
NQCL/2009/337B	Package Integrity Tester (Pressure Gauge (+ve), Vacuum Gauge(-ve))	Package Integrity Tester (Pressure Gauge (+ve), Vacuum Gauge(-ve))	Medical Devices Unit Laboratory
NQCL/2008/292	Master Rotameter	Master Rotameter	Medical Devices Unit Laboratory
NQCL/2008/293	Water Tube Manometer	Water Tube Manometer	Medical Devices Unit Laboratory
NQCL/2008/299	Ernesol Automated Inflation System	Ernesol Automated Inflation System	Medical Devices Unit Laboratory
NQCL/2008/284	Ernesol Automated Inflation System	Ernesol Automated Inflation System	Medical Devices Unit Laboratory
NQCL/1994/031	Hand Drier	Hand Drier	Medical Devices Unit Laboratory
NQCL/2016/588	Agilent HPLC T	Agilent HPLC T	Wetchemistry Unit HPLC Room
NQCL/2016/584	Agilent HPLC S	Agilent HPLC S	Wetchemistry Unit HPLC Room
NQCL/2012/393	Agilent HPLC R	Agilent HPLC R	Wetchemistry Unit HPLC Room
NQCL/2012/390	Agilent HPLC Q	Agilent HPLC Q	Wetchemistry Unit HPLC Room
NQCL/2012/387	Agilent HPLC P	Agilent HPLC P	Wetchemistry Unit HPLC Room
NQCL/2012/384	Agilent HPLC O	Agilent HPLC O	Wetchemistry Unit HPLC Room
NQCL/2012/381	Agilent HPLC N	Agilent HPLC N	Wetchemistry Unit HPLC Room
NQCL/2012/378	Agilent HPLC M	Agilent HPLC M	Wetchemistry Unit HPLC Room
NQCL/2010/365	Shimadzu HPLC K	Shimadzu HPLC K	Wetchemistry Unit HPLC Room
NQCL/2001/146	Merck Hitachi HPLC E	Merck Hitachi HPLC E	Wetchemistry Unit HPLC Room

