

REPUBLIC OF KENYA



*paper laid by
Leader of Majority
on 29/10/14
Shumbi*

KENYA NATIONAL AUDIT OFFICE



REPORT

OF

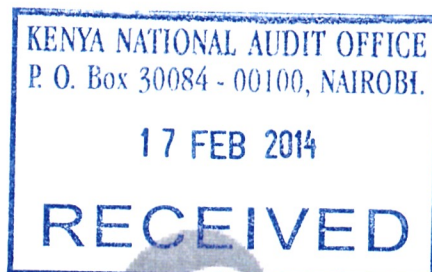
THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF KENYA
MEDICAL LABORATORY TECHNICIANS
AND TECHNOLOGISTS BOARD**

**FOR THE YEAR ENDED
30 JUNE 2013**

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



**KENYA MEDICAL LABORATORY
TECHNICIANS & TECHNOLOGISTS BOARD**

Make Testing a Safe Reality

**FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE, 2013**

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

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

1. Establishment of the Board

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

The first Board was inaugurated in the year 2000.

Functions of the Board

The board functions are as enumerated below, and include:

- Regulate the professional conduct of Registered Laboratory Technicians and Technologists.
- Licence and regulate business practices of Technologists and Technicians.
- Approve institutions for Training Technologists.
- Register Technicians and Technologists.
- Approve courses of institutions for laboratory technologists and technicians.

2. STATEMENT OF THE BOARD'S RESPONSIBILITIES.

The Board is required to prepare financial statements as per, Medical Laboratory Technologists and Technicians Act No. 10 of 1999, which give a true and fair view of the state of affairs of the Board as at the end of the financial year and of its surplus or deficit for that year. The Board is required to ensure that the Board maintains proper accounting records, which disclose with reasonable accuracy the financial position of the Board. The Board is also responsible for safeguarding the assets of the Board.

The Board accepts responsibility for the 2012/2013 financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgement and estimates, consistent with previous years and in conformity with the International Financial Reporting Standards. The Board is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Board as at 30th June 2013 and its surplus for the year ended.

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

Name: *Abdulatif Ali*

Designation: *Registrar*

Signed: *[Signature]*

Date: *12/2/2014*



THE KENYA MEDICAL LABORATORY TECHNICIANS & TECHNOLOGISTS BOARD.

3. List of Board Members

The following were the members of the current board inaugurated on 29.09 2010 for a period of 3 years.

<u>Member</u>	<u>Designation</u>	<u>Appointment Date.</u>	<u>Station</u>
1. Abel O. Onyango	Chairman	30.08.2010	Private Nairobi
2. Ali Abdulatif	Registrar	28.02.2012	Ministry of Health
3. Wilson Kaaria	Member	30.08.2010	Ministry of Health
4. Silas Muguongo	”	30.08.2010	Private -Nyeri
5. Wilson Gichimba	”	30.08.2010	Private - Nairobi
6. Margaret Muchaba	”	30.08.2010	Ministry of Health
7. Valetine Magero	”	30.08.2010	Private - Nairobi
8. Ali Hassan Noor	”	30.08.2010	Wajir P.G.H
9. Esther Sigilai	”	30.08.2010	Ministry of Health
10. Moses C.O Lorre	”	30.08.2010	Private - Nairobi
11. James Maina Ogutu	”	30.08.2010	Private -Nairobi
12. Jackson Abuya Abuya	”	30.08.2010	Private -Kisumu
13. Stanley Maindi	”	30.08.2010	Min. of Education
14. Dr . Francis Kimani	”	30.08.2010	D.M.S

REPUBLIC OF KENYA

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KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON KENYA MEDICAL LABORATORY TECHNICIANS AND TECHNOLOGISTS BOARD FOR THE YEAR ENDED 30 JUNE 2013

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Kenya Medical Laboratory Technicians and Technologists Board set out on pages 5 to 19 which comprise the statement of financial position as at 30 June 2013, and the statement of comprehensive income, statement of changes in fund and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 14 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 13 of the Public Audit Act, 2003.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 15(2) of the Public Audit Act, 2003 and submit the audit report in compliance with Article 229(7) of the Constitution of Kenya.. The audit was conducted in accordance with the International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the

auditor's judgement, including the assessments of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

1. Going Concern

As previously reported, although the Board realized a surplus of Kshs.3,913,870 during the year under review, the resultant net accumulated deficit was Kshs.9,222,485 as at 30 June 2013. Further, the current liabilities balance of Kshs.17,220,390 exceeded the current assets balance of Kshs.2,320,698 resulting into a negative working capital of Kshs.14,899,692 (2011/12 negative 15,675,353). The Board is therefore technically insolvent and the financial statements have been prepared on a going concern assumption, subject to continued support from the Government, creditors and bankers.

2. Trade and Other Payables

Included in the trade and other payables balance of Kshs.16,864,380 as at 30 June 2013 is Kshs.10,875,250 due to a Communication firm which has been outstanding for over 3 years and which represents 63% of the total payables. As previously reported the management has not given reasons why the amount has not been settled.

In the circumstances, it has not been possible to confirm that the trade and other payables balance of Kshs.16,864,380 as at 30 June 2013 is fairly stated.

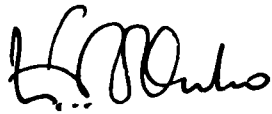
3. Trade and Other Receivables

The trade and other receivables balance of Kshs.1,656,000 is in respect to Kenya Medical Training College (KMTTC) inspection fees which has been outstanding for over 8 years. Further information available indicates that the College and as was reported last year has not recognized the debt in its financial statements for the year ended 30 June 2013.

Consequently it has not been possible to confirm the validity and recoverability of the trade and other receivables balance of Kshs.1,656,000 as at 30 June 2013.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for the Qualified Opinion paragraphs the financial statements present fairly, in all material respects, the financial position of the Board as at 30 June, 2013, and of its financial performance and its cash flows for the year then ended, in accordance with the International Financial Reporting Standards and comply with the Medical Laboratory Technicians and Technologists Act, 1999.



Edward R.O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

6 March 2014

KENYA MEDICAL LABORATORY TECHNICIANS & TECHNOLOGISTS BOARD

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

<u>INCOME</u>	NOTES	<u>2013</u>	<u>2012</u>
Income	7	60,832,228	46,946,060
Other Income	8	507,500	2,585,066
TOTAL INCOME		<u>61,339,728</u>	<u>49,531,126</u>
EXPENSES			
Administrative expenses	9	20,276,743	14,354,474
Board Expenses	10	5,027,650	4,855,810
Personnel Emoluments	11	10,216,360	7,789,408
Finance costs	12	312,232	271,584
Operating Expenses	13	21,592,873	17,802,087
TOTAL EXPENSES		<u>57,425,858</u>	<u>45,073,363</u>
SURPLUS / DECIFIT		<u>3,913,870</u>	<u>4,457,763</u>

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

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013.

<u>ASSETS</u>	NOTES	Kshs. <u>2013</u>	Kshs. <u>2012</u>
<u>NON CURRENT ASSETS.</u>			
Property, Plant & Equipment	2	<u>5,677,207</u>	<u>2,538,998</u>
<u>CURRENT ASSETS.</u>			
Cash & cash equivalent	3	664,698	2,129,196
Trade and Other Receivables	4	1,656,000	3,296,342
		<u>2,320,698</u>	<u>5,425,538</u>
TOTAL ASSETS		<u>7,997,905</u>	<u>7,964,536</u>
<u>FUND AND LIABILITIES</u>			
ACCUMULATED DEFICIT	6	(5,700,151)	(5,700,151)
DEFICIT / SURPLUS	6	<u>(3,522,334)</u>	<u>(7,436,204.00)</u>
TOTAL FUND AND LIABILITIES		<u>(9,222,485)</u>	<u>(13,136,355)</u>
<u>CURRENT LIABILITIES.</u>			
Trade and Other Payables	5a	16,864,380	21,100,891
Bank Overdraft	5b	356,010	=
		<u>17,220,390</u>	<u>21,100,891</u>
TOTAL FUND AND LIABILITIES		<u>7,997,905</u>	<u>7,964,536</u>

Registrar.....

Abdulatif Ali

Signed

[Signature]

Date

12/2/2014



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

**STATEMENT OF CHANGES IN FUND FOR THE YEAR
ENDED 30TH JUNE 2013.**

	<u>Kshs.</u>	<u>Kshs.</u>	
	Accum. Fund	Surplus	Total
As at 1.07.2009	(5,700,151)		(5,700,151)
			-
Surplus for the year		1,031,983	1,031,983
			-
As at 30.06.2010	(5,700,151)	1,031,983	(4,668,168)
			-
As at 1.07.2010	(5,700,151)	1,031,983	(4,668,168)
			-
Deficit for the year		(12,925,950)	(12,925,950)
			-
As at 30.06.2011	(5,700,151)	(11,893,967)	(17,594,118)
			-
As at 1.07.2011	(5,700,151)	(11,893,967)	(17,594,118)
			-
Surplus for the year		3,913,870	3,913,870
			-
As at 30.06.2012	(5,700,151)	(7,436,204)	(13,136,355)
			-
As at 1.07.2013	(5,700,151)	(3,522,334)	(9,222,485)

KENYA MED. LAB. TECHNICIANS AND TECHNOLOGISTS BOARD.

STATEMENT OF CASHFLOWS .

FOR THE YEAR ENDED 30 JUNE 2013.

	<u>NOTES.</u>	<u>2013</u> <u>Kshs.</u>	<u>2012</u> <u>Kshs.</u>
CASH FLOW FROM OPERATING ACTIVITIES.			
Net surplus for the year		3,913,870	4,457,763
Adjustment for			
Depreciation	2	1,338,179	669,353
Adjust for interest expense			75,785
(Decrease) / Increase in Trade Payables	4	(3,880,501)	(2,240,097)
Decrease / (Increase) in Trade receivables	5	<u>1,640,342</u>	<u>(1,600,342)</u>
CASH FLOW FROM OPERATIONS.		3,011,890	1,362,462
CASH FLOW FROM INVESTING ACTIVITIES.			
Purchase of Fixed Assets		(4,476,388)	(397,295)
Net cash outflows from investing activities	2	(4,476,388)	(397,295)
Net Increase in Cash and cash equivalent		(1,464,499)	965,167
Cash and Cash equivalent at the beginning of the period		2,129,196	1,164,029
Cash & Cash Equivalents at the end of the period	3	<u>664,698</u>	<u>2,129,196</u>

THE KENYA MED.LAB. TECHNICIAN AND TECHNOLOGISTS BOARD.

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013.

1. Accounting Policies.

The principal accounting policies adopted are as follows: -

a) Basis of Preparation.

The financial statements have been prepared in accordance with IFRS and under historical cost convention.

b) Property, Plant and Equipment.

Depreciation on assets is charged on reducing balance method at the following rates.

The annual rates in use are:-

Accumulated depreciation as at 1st July 2013.

	Percentage (%)
• Furniture and office equipment	12.5
• Mobile phones & Computers	30

(c) Cash and Cash equivalents.

Comprise cash in hand, bank balances and short term deposit held with banks and financial institutions.

(d) Revenue recognition.

Revenue is recognized to the extent that it is possible that the economic benefit will accrue to the board and can be reliably measured.

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

e) Retirement benefit obligation.

Employee entitlements.

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

The total amount contributed is Ksh.400.

There is no other pension in place.

f) Principal activities.

- Regulate the professional conduct of Registered Laboratory Technicians and Technologists.
- Licence and regulate business practices of Technologists and Technicians.
- Approve institutions for training Technologists.
- Register Technicians and Technologists.
- Approve courses of institutions for Laboratory Technologists and Technicians.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED.

KENYA MED. LAB. TECHNICIANS AND TECHNOLOGISTS BOARD.
AS AT 30.06.13

2 Property, Plant & Equipment

	FURNITURE & FITTINGS <u>Kshs.</u> 12.5%	OFFICE EQUIPMENT & COMPUTERS <u>Kshs..</u> 30%	TOTAL <u>Kshs.</u>
<u>Cost</u>			
As at 1 July 2012	2,685,496	2,416,163	5,101,659
Additions for the year	<u>2,913,881</u>	<u>1,562,506</u>	<u>4,476,387</u>
As at 30 June 2013	<u>5,599,377</u>	<u>3,978,669</u>	<u>9,578,046</u>
<u>DEPRECIATION</u>			
As at 1 July 2012	1,219,737	1,342,924	2,562,661
Charge for the year	<u>547,455</u>	<u>790,723</u>	<u>1,338,178</u>
As at 30 June 2013	<u>1,767,192</u>	<u>2,133,647</u>	<u>3,900,839</u>
NET BOOK VALUE 30 June 2013	<u>3,832,185</u>	<u>1,845,022</u>	<u>5,677,207</u>
NET BOOK VALUE 30 June 2012	<u>1,465,759</u>	<u>1,073,239</u>	<u>2,538,998</u>