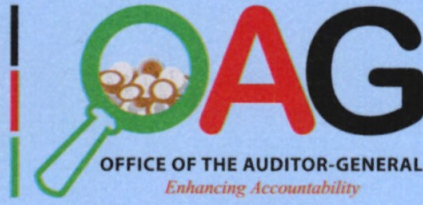


REPUBLIC OF KENYA



# REPORT

PARLIAMENT  
OF KENYA  
LIBRARY


OF

## THE AUDITOR-GENERAL

ON

## NURSING COUNCIL OF KENYA

### FOR THE YEAR ENDED 30 JUNE, 2025

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 11 MAR 2026	DAY: WEDNESDAY
TABLED BY:	LEADER OF MAJORITY PARTY Hon. OWEN BAYA, MP
CLERK-AT-THE-TABLE:	J. LEMERELLE



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**NURSING COUNCIL OF KENYA**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30<sup>th</sup> June 2025**

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

**NURSING COUNCIL OF KENYA**  
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**For the year ended 30<sup>th</sup> June 2025**

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# NURSING COUNCIL OF KENYA

## Annual Report and Financial Statements

### For the year ended 30<sup>th</sup> June 2025

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#### 1. ACRONYMS AND DEFINITION OF KEY TERMS

##### A: Acronyms

BScN	Bachelor of Science in Nursing
BETA	Bottom-up Economic Transformation Agenda
CEO	Chief Executive Officer
CPA	Certified Public Accountant
CHRP	Certified Human Resource Professional
GOK	Government of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KPNA	Kenya Progressive Nurses Association
ICT	Information Communication Technology
MAK	Midwives Association of Kenya
MOH	Ministry of Health
NCK	Nursing Council of Kenya
OAG	Office of the Auditor General
PFM	Public Finance Management

##### B: Definition of Key Terms

**Fiduciary Management**-Members of Management directly entrusted with the responsibility of financial resources of the organization

**Comparative Year**- Means the prior period

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**2. KEY ENTITY INFORMATION AND MANAGEMENT**

**(a) Background information**

The Nursing Council of Kenya is regulatory body under the Ministry of Health established on 10<sup>th</sup> June 1983 by an Act of Parliament under the Nurses and Midwives Act, Cap 257 of the Laws of Kenya. The Council's mandate is to make provision for the training, registration, enrolment and licensing of nurses: to regulate their conduct and to ensure their maximum participation in the health care of community and for connected purposes.

The Council has a Secretariat to facilitate it in carrying out its mandate. The functions of the Secretariat are organized under three technical departments and Support service section. The technical departments comprise of Registration and Licensing, Education and Examination, and Discipline, Standards and Ethics. The support service Units include Finance, Supply Chain, Human Resource and Administration, Internal Audit, Corporation Secretary and legal Services and Information Technology and Communication.

NCK is governed by a Council appointed by the Cabinet Secretary for the Ministry of Health. The Council is responsible for the general policy and strategic direction of the Council.

**(b) Principal Activities**

The principal activity of NCK is to regulate the Nursing and midwifery education and practice in Kenya.

**Vision**

A Safe and Healthier World

**Mission**

Regulate and enforce nursing and midwifery education and practice standards that inspire public safety and confidence.

**Core Values**

These are the DNA of the Council that everything we do comes from deeply-held commitments and shared understanding of our values, what we stand for, how we treat each other and those we serve; that inform every policy and steer every action summarized as:

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- ❖ Integrity
- ❖ Nurture
- ❖ Socially responsible
- ❖ Professionalism
- ❖ Innovation
- ❖ Responsiveness
- ❖ Excellence
- ❖ Devotion

**(c) Key Management**

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

- Council members
- Registrar / Chief Executive Officer
- Senior Management Team

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2025 and who had direct fiduciary responsibility were:

No	Designation	Name	Date of Appointment
1	Ag. Registrar/CEO	Dr. Anne Njeri Mukuna	25 <sup>th</sup> July 2025
2	Director Education & Exams	Dr. Gladys Machira-Maripet	1 <sup>st</sup> July 2023
3	Ag. Director Corporate Services	Eva Wanjiku	1 <sup>st</sup> November 2023
4.	Deputy Director Finance & Accounts	CPA. George Otieno	13 <sup>th</sup> May 2021
5.	Deputy Director Supply Chain	Augustine Abade	1 <sup>st</sup> April 2023

**(e) Fiduciary Oversight Arrangements**

The primary organ responsible for fiduciary oversight arrangements is the Council Members. Other Government bodies and agencies also provide oversight. The Council exercised this oversight through its committees. These were Finance Strategy and Development Committee; Education, Registration and Examination Committee; Discipline, Standards and Ethics Committee; and Risk and Audit Committee. The key function of the Council is to guide and control the performance and management of the affairs of the Council.

**Finance Strategy and Development Committee**

The primary responsibility of the Finance Strategy and Development Committee is to oversee the financial, human resource, legal and information, communication and technology advancement of the Council.

The Committee reviews quarterly financial, human resource, supply chain, and information, communication and technology reports, and makes recommendations to the Council on ways of raising and utilizing funds and establishment of systems and procedures for efficient financial management. It further advises the Council on Human Resource, ICT, Legal, Communication and Supply Chain policies and guidelines.

**Registration, Education and Examination Committee**

The Registration, Education and Examination Committee sets the criteria, and oversees implementation of regulations governing the enrolment, registration and licensing of nurses and midwives in Kenya. It is also in charge of registers, rolls and records required to be kept under the Nurses and Midwives Act, Cap 257. The Committee is also involved in the development of performance evaluation study guidelines, training and research guidelines and participates in, and informs the Council about the outcomes of relevant national and international scientific conferences.

**Discipline, Standards and Ethics Committee**

The Discipline, Standards and Ethics Committee is responsible for establishment, improvement and control of conditions, standards and quality of nursing and midwifery education and practice within the ambit of the Nurses and Midwives Act. It is also responsible for determining issues against persons or institutions brought before the Council.

# NURSING COUNCIL OF KENYA

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### For the year ended 30<sup>th</sup> June 2025

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#### **Risk and Audit Committee**

The Risk and Audit Committee plays a vital role in supporting the Council's governance framework through its independent oversight of risk management, financial reporting, internal controls, and compliance. Its mandate includes ensuring that key strategic and operational risks are effectively identified, assessed, and mitigated, while also monitoring adherence to relevant laws, regulations, and internal policies. The Committee reviews the accuracy and integrity of financial statements to ensure they present a true and fair view of the Council's financial position. It also evaluates internal control systems to safeguard assets and promote operational effectiveness.

#### **(f) Headquarters**

P.O. Box 20056 – 00200,  
NCK Plaza, Kabarnet Road, off Ngong Road,  
Nairobi, Kenya.

#### **(g) Contacts**

Tel: +254-20-7854665/9, +254-721-920567, +254-733-924669  
Email: [info@nckkenya.go.ke](mailto:info@nckkenya.go.ke)  
Website: [www.nckkenya.go.ke](http://www.nckkenya.go.ke)

#### **(h) Bankers**

Absa Bank Kenya Ltd, Harambee Ave-Premier Life Centre Branch | P O Box 30011-00100, Nairobi Kenya  
Cooperative Bank of Kenya Ltd, Kibera Branch | P.O. Box 48231 – 00100, Nairobi Kenya

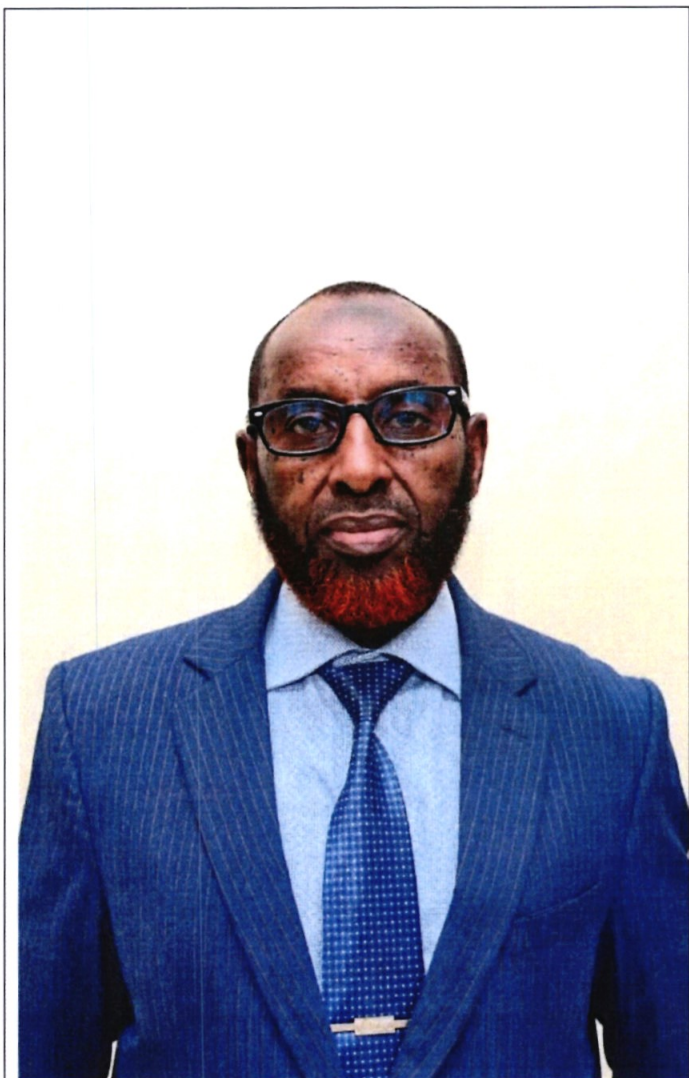
#### **(i) Independent Auditors**

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

#### **(j) Principal Legal Adviser**

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

**3. THE COUNCIL MEMBERS**



**Dr. Dabar Abdi Maalim**



**Independent Council Member and Chairperson,  
Nursing Council of Kenya**


Dr. Dabar Abdi Maalim, was appointed to the Council on 25<sup>th</sup> July 2025 as its Chairperson. He was born in the year 1957.

He holds a PhD in Community Health from University of Reading (UK) and Master Degree from Wales College of Medicine, Cardiff (UK), and is an alumnus of Department of Nursing Sciences, University of Nairobi (UON). Dr. Maalim has over 30 years of experience as a university academician having worked at Moi and the Aga Khan Universities, East Africa

Dr. Maalim has worked and/or consulted with various national and international institutions including Government of Kenya, DANIDA, UNICEF-Ethiopia, and World Health Organisation (WHO) both in Kenya and Eritrea among others. He was the Team Leader/Science Coordinator of the Millennium Villages Project (Kenya) and Associate Research Scientist – Earth Institute, Columbia University USA between November 2010 and January 2012.


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	<p><b>Dr. Judith Awinja Aluora, OGW</b>  <b>Council Member – Director, Nursing Services</b></p> <p>Dr. Judith Awinja Aluora, born on 26<sup>th</sup> November 1969, is an member of the Council and the current Director of Nursing Services (DNS) Ministry of Health and is a representative of this Office at the Council. She is the Chairperson of the Discipline, Standards and Ethics Committee.</p> <p>She holds a PhD in Public Health Policies and Administration (Strategic Management) from Walden University USA, Master of Science in Public Health (MPH) from University of Liverpool and Bachelor of Nursing (BN) from Dundee University Scotland.</p>
	<p><b>Mr. Collins Otieno Ajwang</b>  <b>Independent Council Member</b></p> <p>Mr. Collins Otieno Ajwang, born on 29<sup>th</sup> September 1975, is a Registered Critical Care Nurse with broad experience in intensive care, emergency, and medical-surgical nursing. He was appointed to serve on the Council on 31<sup>st</sup> October 2025 as a representative of National Nurses Association of Kenya. He is the Chairperson of the Finance, Strategy and Development Committee.</p> <p>He holds a Higher National Diploma in Critical Care Nursing and a Diploma in Community Health Nursing, complemented by advanced training in leadership, Basic and Advanced Life Support, and wound care.</p> <p>He currently serves as the National Chairman of the National Nurses Association of Kenya and sits on</p>

	<p>the boards of the International Council of Nurses, the Commonwealth Nurses and Midwives Federation.</p> <p>With over 18 years of clinical practice at Jaramogi Oginga Odinga Teaching &amp; Referral Hospital and Moyale District Hospital, he has managed diverse and complex patient conditions, demonstrating strong clinical competence, leadership, and commitment to professional excellence.</p>
	<p><b>Ms. Salome Nasimiyu Situma</b>  <b>Independent Council Member</b></p> <p>Ms. Salome Nasimiyu Situma, born on 26<sup>th</sup> January 1974 is a Registered Paediatric Nurse with strong experience in paediatric, neonatal, and emergency care. She was appointed to serve on the Council on 31<sup>st</sup> October 2025 as a representative of other nurses and midwives' professional associations in Kenya.</p> <p>She holds a Higher National Diploma in Paediatric Nursing, Bachelor of Science in Nursing and a Diploma in Community Health Nursing.</p> <p>She currently serves as the Paediatric Ward In-Charge at Kisumu County Referral Hospital, contributing to improved child health outcomes. She has participated in major clinical, managerial, and research initiatives, including CDC-KEMRI studies, COVID-19 management, and county and national nursing policy reviews.</p> <p>Her leadership roles include serving as the National Vice Chair of the Kenya Progressive Nurses Association. She is recognized for her commitment</p>

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	<p>to clinical excellence, mentorship, and strengthening paediatric and neonatal services.</p>
	<p><b>Dr. Teckla J. Kemboi – Ngotie</b>  <b>Independent Council Member</b></p> <p>Dr. Teckla J. Kemboi – Ngotie, born on 15<sup>th</sup> July 1975, was appointed to the Council on 31<sup>st</sup> October 2025. She is the Chairperson of the Audit and Risk Committee and is representative of midwives in clinical practice in Kenya.</p> <p>She holds a PHD in Nursing Science and Midwifery from Stellenbosch University, a master’s degree in Midwifery/Obstetric nursing from the University of Nairobi, Bachelor’s Degree in Nursing from Metropolitan State University – USA, Diploma in Registered Community Health Nursing from KMTTC, and certification in Public Health Nursing. She is currently serving as a lecturer at Kenyatta University.</p>
	<p><b>Mr. Gilbert Sigei</b>  <b>Independent Council Member</b></p> <p>Mr. Gilbert Sigei, born on 4<sup>th</sup> January 1988, is an experienced nursing educator and administrator with extensive expertise in health professions education, clinical instruction, and student mentorship. He was appointed to serve on the Council on 31<sup>st</sup> October 2025 as a representative of mid-level institutions involved in nursing and midwifery training in Kenya.</p> <p>He holds a Master of Science in Health Professions Education (MSchPE), a Bachelor of Science in Nursing (BScN), and a Diploma in Nursing (KRCHN), complemented by advanced training in clinical</p>

	<p>teaching, e-learning, palliative care, EMONC, maternal and child health, and leadership.</p> <p>He currently serves as Dean/Principal Assistant at Tenwek Hospital College of Health Sciences, and as Vice Chairman of Mugango Girls High School. With over a decade of experience in teaching and clinical practice, he is recognized for his commitment to professional development, healthcare education, and strengthening nursing and health services.</p>
	<p><b>Prof. Juliana Misore</b>  <b>Independent Council Member</b></p> <p>Prof. Juliana Achieng’ Misore, born on 23<sup>rd</sup> March 1959, is an experienced nurse educator and health systems specialist. She was appointed to serve on the Council on 31<sup>st</sup> October 2025 as a representative of accredited universities offering nursing and midwifery training.</p> <p>She is the Dean, School of Nursing at Uzima University, providing academic leadership and overseeing programme quality.</p> <p>She has previously served in senior technical and advisory roles with the University of Manchester, Mildmay International, and Insightful Meaning (UK–Kenya), supporting nursing education and health system strengthening across Kenya, Tanzania, and Rwanda.</p> <p>Prof. Misore holds a PhD in Public Health Nursing, a Master’s in Community Health and Development, and professional qualifications in nursing, midwifery, and medical education. A Kenya</p>

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	<p>Registered Nurse and Midwife, she has extensive experience in curriculum development, capacity building, and advancing teaching and learning innovations in nursing education.</p>
	<p><b>Ms. Sarah Marrey Burje</b>  <b>Independent Council Member</b></p> <p>Ms. Sarah Marrey Burje, born in 1960, is an experienced nurse and midwife with over 20 years in nursing leadership, education, and regulation. She was appointed to serve on the Council on 31<sup>st</sup> October 2025 as a representative of the public.</p> <p>She has served in senior roles at the Nursing Council of Kenya, including as a Deputy Registrar, where she led policy development, performance management, examinations, registration, and standards compliance.</p> <p>She currently lectures at Umma University and is pursuing a PhD at Mount Kenya University. She holds a Master of Science in Nursing Education, a Bachelor of Nursing, a Higher Diploma in Community Health Nursing, and a Diploma in Midwifery.</p> <p>She is committed to advancing nursing and midwifery education, regulation, and high-quality healthcare delivery in Kenya.</p>



**Dr. Chessa Ian Were, 'ndc' (K)**

**Council Member – Representative of Director General for Health**

Dr. Chessa Ian Were, OGW, 'ndc' (K), born on 9<sup>th</sup> April 1988, is a public health physician and health security specialist representing the Director General for Health in the Council. He serves as a Technical Advisor in the Office of the Director General for Health at the Ministry of Health, providing leadership in the Global Health Security Agenda and in RMNCAH initiatives.

He holds a Master of Science in Applied Epidemiology and a Master of Arts in National Security and Strategy, with additional training in Field Epidemiology (FELTP), implementation science, monitoring and evaluation, and strategic leadership. A registered medical doctor and public health specialist, he has over a decade of experience in clinical care, health systems strengthening, public health emergency preparedness, disease surveillance, and data-driven policy development.

With extensive expertise in health security and emergency preparedness, Dr. Were supports the advancement of nursing and midwifery education, practice, and regulatory excellence through strengthened and resilient health systems.

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**Dr. Anne Mukuna**


**Ag. CEO/Registrar and Director Standards & Compliance**



- PHD in Nursing
- Master in Health Systems Management
- Bachelor of Science, Nursing
- KRCHN

**4. KEY MANAGEMENT TEAM**

 A portrait of Dr. Anne Mukuna, a woman with long dark hair, wearing a black blazer over a white top with a floral pattern. She is looking directly at the camera with a neutral expression.	<p><b>Dr. Anne Mukuna</b> <b>Ag. CEO/Registrar and Director Standards &amp; Compliance</b></p> <ul style="list-style-type: none"><li>• PHD in Nursing</li><li>• Master in Health Systems Management</li><li>• Bachelor of Science, Nursing</li><li>• KRCHN</li></ul>
 A portrait of Dr. Gladys Machira-Maripet, a woman with short, curly dark hair, wearing glasses and a dark blazer over a white and blue striped shirt. She is smiling at the camera.	<p><b>Dr. Gladys Machira-Maripet</b> <b>Director Education and Examination</b></p> <ul style="list-style-type: none"><li>• PhD in Nursing</li><li>• Master of Science in Palliative Care</li><li>• Bachelor of Science, Nursing</li></ul>

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	<p><b>Gladys Omiah</b> <b>Ag. Director Registration and Licensing</b></p> <ul style="list-style-type: none"><li>• Masters in midwifery</li><li>• Bachelor of Science, Nursing</li></ul>
	<p><b>CPA George Otieno</b> <b>Deputy Director Finance and Accounts</b></p> <ul style="list-style-type: none"><li>• Master of Business Administration (Finance)</li><li>• Bachelor of Commerce (Finance)</li><li>• CPA-K</li><li>• Member of ICPAK</li></ul>
	<p><b>Eva Magothe</b> <b>Ag. Director Corporate Services and Deputy Director Information Communication &amp; Technology</b></p> <ul style="list-style-type: none"><li>• Bachelor of Business Information Technology</li><li>• Certified Information System Auditor</li></ul>

	<p><b>Augustine Abade</b> <b>Deputy Director Supply Chain</b></p> <ul style="list-style-type: none"><li>• Masters of Science Procurement and logistics</li><li>• Bachelor of Business Management</li><li>• Post-graduate diploma in Purchasing and supplies</li><li>• MCIPS, MKISM, MKIM.</li></ul>
	<p><b>CPA Daniel Muringe Rucha</b> <b>Director, Internal Audit</b></p> <ul style="list-style-type: none"><li>• Master of Business Administration (Finance)</li><li>• Bachelor of Commerce (Accounting)</li><li>• Internal Auditor (CIA), Certification in Risk Management and Assurance (CRMA)</li><li>• Certified Information Systems Auditor (CISA)</li><li>• Certified Public accountant of Kenya (CPA-K)</li><li>• Certified Securities and Investment Analyst of East Africa (CSIA) finalist as well as a certified ISO 9001:2015 Internal Quality Auditor.</li></ul>

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**Eugene Ayub**  
**Ag. Corporation secretary and Director legal services**

- Bachelor of Law (LLB)
- Advocate (Dip. KSL)



**CHRP. FLORENCE MUGI**  
**Ag. Deputy Director HR & Admin**

- Masters of Business Administration in strategic Management
- Bachelor's Degree in Business Administration HR Option
- Certified Human Resource Professional (CHRP)
- Member of IHRM

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**5. CHAIRMAN'S STATEMENT**

On behalf of the Nursing Council of Kenya (NCK), I am pleased to present our financial report for the fiscal year ended 30 June 2025. This report underscores our steadfast dedication to transparency, sound financial stewardship, and accountability as we fulfil our imperative mandate of safeguarding the public through the regulation of the nursing profession.

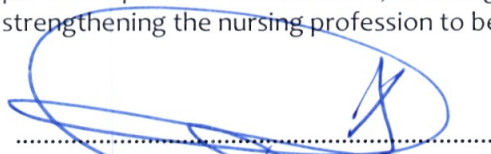
During the year, the Council upheld prudent resource management to sustain effective regulatory operations, enhance public safety, and reinforce the integrity of the nursing and midwifery professions across Kenya. With regards to digital transformation and service efficiency NCK has aligned with the Presidential directive on the digitization of government services, the Council successfully migrated the majority of its operations onto digital platforms for its functions such as registration, retention, and licensing of nurses and midwives. These enhancements have significantly reduced processing times, strengthened service delivery, and improved access to Council services nationwide.

On NCK's strategic direction and alignment, the Council is committed to implementing the Strategic Plan 2023–2027, structured around four core thematic pillars: Education and Assessment; Standards and Compliance; Registration and Licensing and Institutional Capacity Strengthening. This strategy resonates with national development frameworks including the Bottom-Up Economic Transformation Agenda (BETA), Kenya Vision 2030, the Medium-Term Plan IV, and the Constitution of Kenya (2010).

Our governance structure remains robust, led by the Council and facilitated through specialized committees namely, the Discipline, Standards & Ethics, Finance, Strategy & Development, Registration, Education & Examination, and Risk & Audit Committees each playing a vital role in oversight, policy direction, compliance, strategic resource management, and risk mitigation.

Lastly, I extend my heartfelt gratitude to the Ministry of Health, under the stewardship of the Cabinet Secretary, Hon. Adan Duale, for entrusting me with the honour of serving as Chairman of this Council. I accept this responsibility with humility and commitment to uphold the values of integrity, excellence, and public interest.

My deepest appreciation also goes to the management and staff of the Nursing Council of Kenya, whose dedication and professionalism continue to actualize our mandate. I look forward to forging stronger partnerships with stakeholders, working collaboratively to advance our regulatory objectives, and strengthening the nursing profession to better serve our nation.



Dr. Dabar Adbi Maalim  
Chairperson



Date  
Nairobi

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**6. REPORT OF THE CHIEF EXECUTIVE OFFICER**

I am pleased to present the annual report and financial statements for the year ended 30<sup>th</sup> June 2025.

The Nursing Council of Kenya was established in June 1983 through the enactment of the Nursing Act. The mandate of the Council is to regulate the nursing and midwifery education and practice in Kenya. The Strategic Plan of the Council 2023 -2027 is designed to ensure 100% compliance with the requirements under the Nursing and Midwifery Act Cap 257 Laws of Kenya and other relevant laws and regulations.

The core business of the Council is to: make provision for training, registration, enrolment and licensing of nurses and midwives; to regulate their conduct and to ensure their maximum participation in the health care of the community and for connected purposes. This is in line with the mission and vision statement of the Council as nurtured by our core values.

During the year under review, the Council reported a total revenue Kshs.640.95 million FY 2024-2025 compared to Kshs.681.30 million FY 2023-2024 comprising of kshs.618.18 million A in A and GOK recurrent grants of Kshs.5 million. Included in revenue is also donor grants of kshs.17.11 million. The Council's deficit reduced to kshs.114,318 FY 2024-2025 as compared to kshs.71.11 million for FY 2023-2024. The value of total assets increased from Kshs. 259.92 million to Kshs. 376.84 million due to revaluation and new asset acquisition. The Council achieved most of its intended plans, programs and activities as set out in the annual work plan and procurement plan.

Further, during the FY 2024-2025, the Council achieved significant progress in various key mandate areas. Notably, it enhanced compliance and regulation within training programs and bolstered its capacity to regulate nursing and midwifery education and practice. The Council also improved its ability to investigate professional misconduct and handle disciplinary matters effectively. In addition, there was a focus on developing the Council's human resource capacity, improving customer service delivery, and ensuring financial sustainability. Furthermore, the Council made strides in strengthening the legislative framework governing the regulation of nursing and midwifery education and practice.

The Council considers its customers experience an integral part of measure of success of operations. Therefore, the Council continually strives to remain customer centric in its service delivery. We are aware that in order to be successful, we need to continually change and adapt to the customers' ever-changing needs and wants. In this regard, processes have been designed and re-engineered to ensure that customer get the best service in the Council. I am grateful for the unwavering support and guidance from the Council members, as well as the dedication and commitment of the Council staff.



.....  
Dr. Anne Mukuna  
Ag. Registrar/CEO



.....  
Date  
Nairobi

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**7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR THE FY 2024/2025**

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include a statement of the national government entity’s performance against predetermined objectives in the financial statement.

Nursing Council of Kenya has three (3) strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY 2023- FY 2027. These strategic pillars/ themes/ issues are as follows:

Pillar /theme/issue 1: Education and Research

Pillar/theme/issue 2: Nursing and Midwifery Practice

Pillar/theme/issue 3: Institutional Capacity Development

Nursing Council of Kenya develops its annual work plans based on the above three (3) Pillars/Themes/Issues. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The Council achieved its performance targets set for the FY 2024/2025 period for its three (3) strategic pillars, as indicated in the diagram below:

Program	Strategic Objective	Outcome	Output	Output indicator	Achievement for the FY			Cumulative Achievement by end of FY			Remarks
					Target	Actual	Variance	Target	Actual	Variance	
Standards and Compliance	To enhance quality standards and compliance to nursing education and practice in Kenya	Enhanced quality standards and compliance	Compliance training institutions and health facilities	Level of compliance to nursing and midwifery education and practice (%)	62	81.19	19.19	100	81.19	18.81	Most of the non-compliance institutions are public
Education and Examination	To facilitate high standards of	Improved Nursing & Midwifery education	facilities	Level of Nursing & Midwifery education and	85	87	2	85	87	5	The target was over achieved due to increased compliance audits

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	nursing education and Examination	n and Examination standards		Examination standards							
Registration and licensing	To provide seamless registration and licensing processes in the nursing profession	Improved registration and licensing processes in the nursing & midwifery profession	Registered and licensed nurses and midwives	Level of registration and licensing processes in the nursing & midwifery profession	85	100	15	100	100	0	All eligible nurses and midwives were registered
Institutional Capacity Strengthening	Increase institutional visibility	Enhanced corporate brand, productivity and service delivery		Level of institutional awareness among the stakeholders in the medical field (%)	100	100	0	100	100	0	The target was achieved as planned
	Improve staff performance and productivity	Improved staff productivity	Appraised staff	Average staff performance appraisal (%)	95	85.82	10.82	95	85.82	10.82	Some of the targets were not achieved due to budget rationalization
	Enhance Efficiency and effectiveness in service delivery	Improved service delivery	Satisfied customers	Level of customer satisfaction (%)	100	97.87	2.2	100	97.8	2.2	The Council shall improve the index as it implements the recommend

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											ations from the report
	Increase organizational financial resources	Increased revenues	Increase d AIA	Percentage increase in local revenue generation (%)	10	6.3	3.7	30	19.5	10.5	The Council has developed a resource mobilization strategy to enhance revenue collection as per target.

# NURSING COUNCIL OF KENYA

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### For the year ended 30<sup>th</sup> June 2025

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#### 8. CORPORATE GOVERNANCE STATEMENT

The Council of the Nursing Council of Kenya (NCK) is responsible for the governance of the organization and is accountable to all stakeholders by ensuring effective management and oversight. Transparency, accountability, and disclosure are central to the Council's role, as reflected in NCK's audited financial statements over the years. The Council is committed to integrity and adheres to generally accepted corporate governance practices, endorsing the principles of good governance.

The Management of NCK is responsible for the day-to-day administration of the organization and is accountable to stakeholders for ensuring compliance with the law, adherence to best practices in corporate governance, and the delivery of high-quality services. Management has implemented an enterprise risk assessment framework to identify, monitor, and mitigate organizational risks.

#### **Composition of the Council:**

The Council comprises nine non-executive members, including a Chairperson and six members appointed by the Cabinet Secretary in the Ministry of Health to represent key stakeholders. Additional members include representatives from the Office of the Director-General of Health, the Director of Nursing Services, and the Registrar/Chief Executive Officer of the Council, who serve as ex-officio members. To further enhance its skill mix, the Council has also onboarded representatives from the Principal Secretary of National Treasury, the Attorney General, and the Inspectorate of State Corporations.

The Council exercises leadership, enterprise, integrity and judgement in managing the Council. The Council members are provided with full, appropriate and timely information that enables them to maintain full and effective control over strategic, financial, operational and compliance issues.

The day-to-day running of the operations of the Council is delegated to the Registrar/CEO but the Management is responsible for establishing and maintaining the Council's system of internal controls for the realization of the Council's mandate.

#### **Council Committees:**

The Council conducts its business through Committees established under the Nurses and Midwives Act, enabling it to effectively fulfill its oversight responsibilities. The Committees report to and remain accountable to the Council for all their activities. The Council Committees' main function is to reinforce the wholeness of the Council's responsibility.

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The Council has four standing committees, which meet at least once per quarter and work under the terms of reference set by the Council. The Council may co-opt members to enhance its performance in specific areas where there is need of expertise.

The Cabinet Secretary for Health, pursuant to Section 4 of the Nurses and Midwives Act CAP. 257 Laws of Kenya, appointed Dr. Dabar Abdi Maalim as the non-executive Chairperson vide Gazette Notice No. 10090 dated 25<sup>th</sup> July 2025. The respective independent Council members were appointed on 31<sup>st</sup> October 2025 vide Gazette Notice No. 15738 for a three-year term, following the expiry of the previous Council's term on 12<sup>th</sup> July 2025. The newly appointed members will serve on their respective committees as follow:

#### **Finance, Strategy and Development**

- a) Mr. Collins Otieno Ajwang – Chairperson;
- b) Ms. Sarah Marrey Burje;
- c) Ms. Salome Nasimiyu Situma;
- d) Mr. Alexander Sasa; and
- e) Ms. Mercy Cherotich.

#### **Registration, Education and Examination Committee**

- a) Ms. Sarah Marrey Burje – Chairperson;
- b) Prof. Juliana Misore;
- c) Mr. Gilbert Sigei;
- d) Ms. Salome Nasimiyu Situma; and
- e) Dr. Judith Awinja.

#### **Discipline, Standards and Ethics Committee**

- a) Dr. Judith Awinja – Chairperson
- b) Dr. Teckla Ngotie;
- c) Mr. Collins Otieno Ajwang;
- d) Dr. Chessa Ian Were; and
- e) Prof. Juliana Misore.

#### **Audit and Risk Committee**

- a) Dr. Teckla Ngotie – Chairperson;
- b) Mr. Gilber Sigei;
- c) Dr. Chessa Ian Were; and

# NURSING COUNCIL OF KENYA

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### For the year ended 30<sup>th</sup> June 2025

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- d) Ms. Vivianne Majani.

The previous Council was appointed by the Cabinet Secretary for Health on 13<sup>th</sup> July 2022 through Gazette Notice No. 8266 for a three-year term. The composition of its members in their respective committees is outlined below:

#### **Finance, Strategy and Development**

- f) Dr. Joel Gondi (Chairperson)
- g) Mrs. Catherine Mwaura
- h) Dr. Tecla Ngotie
- i) Mrs. Pauline Ngala

#### **Registration, Education and Examination Committee**

- f) Dr. Albanus Mutisya (Chairperson)
- g) Mrs. Catherine Mwaura
- h) Dr. Judith Awinja Aluora
- i) Mrs. Pauline Ngala

#### **Discipline, Standards and Ethics Committee**

- f) Mrs. Tecla Ngotie (Chairperson)
- g) Dr. Judith Awinja Aluora
- h) Dr. Gondi Joel Odhiambo
- i) Mr. Erick Chebet
- j) Mr. Michael Nyongesa

#### **Audit and Risk Committee**

- e) Mr. Nyongesa Michael Simiyu (Chairperson)
- f) Dr. Albanus Mutisya
- g) Mr. Erick Chebet
- h) Mr. Alexander Sasa (Representative of Principal Secretary, National Treasury)

#### **Council Meetings:**

The Council meets quarterly, or more frequently as required by the Nurses and Midwives Act and the nature of its business. A work plan and meeting calendar are prepared at the beginning of each year, with

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adequate notice provided for all meetings. Agendas and Council papers are circulated within the stipulated timelines.

The table below is a summary of Council members' attendance to council meetings held in the period under review:

<b>Council Member</b>	<b>Committee Meetings</b>	<b>Full Council</b>	<b>Special Meetings</b>	<b>Total Meetings</b>
Prof. Eunice Ndirangu		4	2	6
Dr. Joel Gondi	4	4	3	11
Mrs. Catherine Mwaura	4	4	3	11
Dr. Tecla Ngotie	4	4	3	11
Mrs. Pauline Ngala	4	4	3	11
Dr. Judith Awinja Aluora	4	4	2	10
Mr. Nyongesa Michael Simiyu	4	4	2	10
Dr. Albanus Mutisya	4	4	2	10
Mr. Erick Chebet	4	4	2	10

**The Role of the Council**

As guided by Nurses and Midwives Act, the State Corporations Act, Cap 446, and other relevant laws of Kenya, the Council's role is to provide effective leadership and control, in terms of approving Council's strategy and ensuring best practice of corporate governance.

The Council retains full and effective control over the Council by monitoring the implementation of Council plans and strategies, review of management accounts and major capital expenditure. It reviews processes for the identification and management of risks as well as those concerning compliance with key regulatory and legal areas.

The Council also reviews succession plans for the management team and endorses senior executive appointments, organisational changes and remuneration matters. It is concerned with key elements of the governance processes which sustain the operations of the Council, performance reporting processes as well as other disclosure requirements.

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#### **Council effectiveness**

The independence of the Council from the NCK's corporate management is ensured by the separation of the functions of the Chairperson and Registrar / CEO, and a clear definition of their responsibilities.

The Chairperson is a non-executive Council member and is primarily responsible for providing leadership to the Council while the Registrar / CEO is responsible for the day-to-day management of the Council. This achieves an appropriate balance of power, increased accountability and improved capacity for decision making.

The Council has a Charter for members to facilitate its governance system. Each Council member has signed the Charter.

#### **Director's remuneration**

In accordance with guidelines provided in the State Corporations Act, the Council members are paid taxable sitting allowance for every meeting attended, as well as travel and accommodation allowance while on the Council's duty. The Chairperson is also paid a monthly honorarium and airtime.

#### **Statement of Compliance**

The Council Member's participation and attendance confirms that Nursing Council of Kenya has throughout the 2024/2025 financial year complied with the entire Statutory and Regulatory requirement and that the Council is committed to the principles of good corporate governance as stipulated by Mwongozo: The Code of Governance for State Corporations.

#### **Internal control and risk management:**

##### **Internal Control**

The Council Members are responsible for reviewing the effectiveness of the Council's system of internal control which is designed to provide reasonable, but not absolute, assurance regarding the safeguarding of the assets against unauthorized use or disposition and the maintenance of proper accounting records and the reliability of financial information used within the business or for publication. These controls are designed to manage rather than eliminate the risk of failure to achieve business objectives due to circumstances which may reasonably be foreseen and can only provide reasonable and not absolute assurance against material misstatement or loss.

# **NURSING COUNCIL OF KENYA**

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#### **Standing Instructions**

The Council has a Code of Ethics and a Service Charter that is applicable to all employees. These two are standing Instructions to employees of the Council designed to enhance internal control. The Council has also designed other set of standing instructions to be followed in the management of various functions in the organization.

#### **Organization Structure**

A clear organizational structure exists, detailing lines of authority and control responsibilities. The professionalism and competence of staff is maintained both through rigorous recruitment policies and a performance appraisal system which establishes targets, reinforces accountability and awareness of controls, and identifies appropriate training requirements. Training plans are prepared and implemented to ensure that staff develop and maintain the required skills to fulfil their responsibilities, and that the Council can meet its future management requirements.

#### **Strategic Plan**

The business of the Council is determined by the Strategic Plan. It sets out the objectives of the Council, and the annual targets to be met to attain those objectives. The Strategic Plan is evaluated annually to assess the achievement of those objectives. The Council on an annual basis, approves the work plan supported by the financial plan for the year. Progress against the plan is monitored on a quarterly basis. The Council's new strategic plan for the years 2023-2028 is now under implementation. The Strategic Plan has aligned the objectives of the Council with the national development objectives as set out in the Kenya Vision 2030 and the Bottom-Up Economic Transformation Agenda (BETA) for the Government.

#### **Internal Control Framework**

The Council continues to review its internal control framework to ensure it maintains a strong and effective internal control environment. Business processes and controls are reviewed on an on-going basis. A risk-based audit plan, which provides assurance over key business processes and operational and financial risks facing the Council, is approved by the Audit Committee.

The Audit Committee considers significant control matters raised by management and both the internal and external auditors and reports its findings to the Council. Where weaknesses are identified, the Audit Committee ensures that management takes appropriate action. No significant failings or weaknesses were identified during 2023/2024.

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#### **Risk Management**

The Council has a structure and process to help identify, assess and manage risks. The process was in place for the period up to the time this report was approved. This team reviews all the risks in the Council and updates the risk register and ensures that all new and emerging risks are appropriately evaluated and any further actions identified. The identified risks are reported to the Audit Committee to assist the Council in the management of risk.

#### **Succession Management**

The Council has an approved succession framework to ensure continuity of leadership. Potential successors for key positions are identified and developed, with appointments and promotions approved by the Council in line with the Nurses and Midwives Act.

#### **Conflict of Interest**

The Council has an approved Conflict of Interest Policy requiring all members and staff to declare interests that may affect decision-making. Conflicts are managed through disclosure, assessment, and recusal where necessary, with Council oversight to ensure transparency and integrity.

#### **Management Team**

The management team headed by the Registrar / CEO implements the Council decisions and policies through action plans. The team meets regularly to review these action plans to ensure that the Council's objectives are achieved effectively and efficiently. Such policies developed include the financial management policy, internal audit policy, procurement policy, education policy, examination policy, among others.

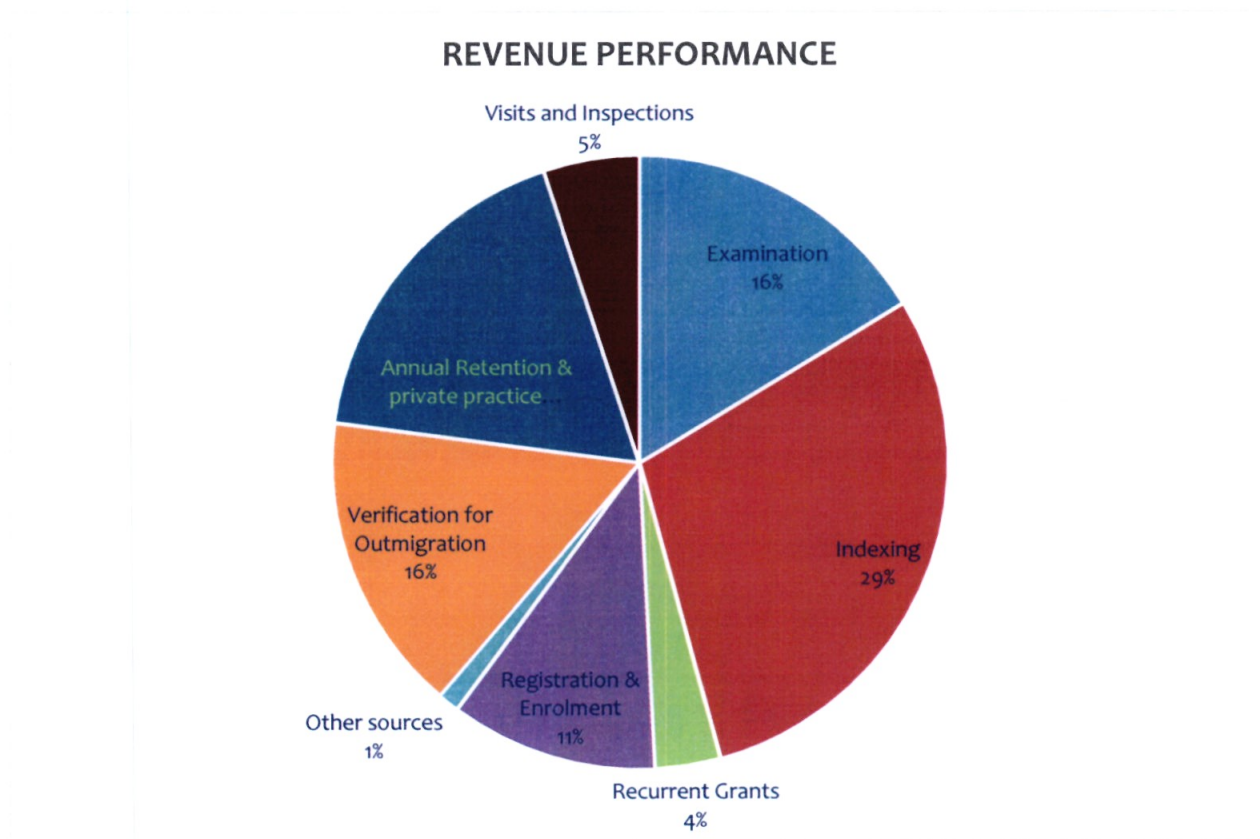
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**9. MANAGEMENT DISCUSSION AND ANALYSIS**

**Revenue Performance**

The Council in FY 2024-2025, reported a total revenue of kshs.640,953,106 that comprised of AIA of kshs. 618,840,501 the GOK recurrent grant of Kshs.5,000,000 and donor grants of kshs.17,112,605. For comparative period FY 2023-2024, the Council reported a total revenue of kshs.681,305,752 out of which kshs. 581,072,717 was AIA and Kshs.85,000,000 received as GOK recurrent grant and donor grant amounted to Ksh.15,233,035. The AIA performance on a standalone basis represented an increment of kshs.37,767,784 or 6.4% growth level. The good performance in A in A is attributed to the heightened interest in Nursing and Midwifery career evidenced through increased student enrolments, higher uptake of the licensure exams, increased compliance levels on annual retention and sustained growth in emigration of nurses seeking job opportunities in overseas markets.

The pie chart below shows revenue received by categorisation;



*Pie Chart: Showing Nursing Council of Kenya Revenue Performance per Income Stream for FY 2024-2025*

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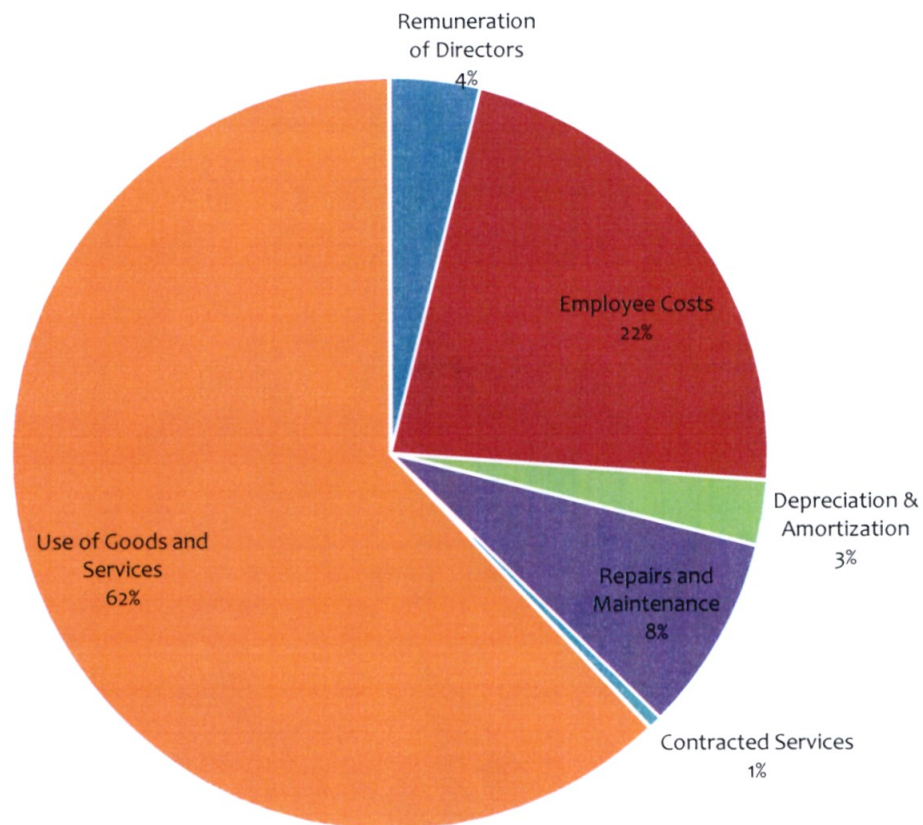
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**Expenditure Performance**

Total expenditure for the FY 2024-2025 stood at kshs.641,067,424 as compared to kshs 752,422,241 incurred in FY 2023-2024. The Expenditure budget for FY 2024-2025 was scaled down owing to reduction in GOK funding.

The pie chart below shows expenditure incurred during the period by categorisation;

**EXPENDITURE PERFORMANCE**



**Bar Chart: Showing Nursing Council of Kenya Expenditure Performance per Expenditure Line Item FY 2024 -2025**

## **NURSING COUNCIL OF KENYA**

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#### **Total Assets**

The Council's overall total assets position increased to kshs 376,848,823 F/Y 2024-2025 from kshs 259,927,309 F/Y 2023-2024, representing a 44.9% increase attributed to 2<sup>nd</sup> September 2024 revaluation of Council Assets and new acquisitions made within the year. Newly acquired assets were kshs 39,513,006. This comprised purchases of Computers (kshs 17,188,440), software (kshs 16,548,870), and Office Equipment (kshs 5,775,696).

#### **Current Assets**

The Current assets stood at kshs 57,186,512 FY 2024-2025 down from kshs. 73,320,997 recorded in FY 2023-2024. This represented a decrease of 22.0%. The reduction was due a decrease in inventory holdings for students training materials which were issued to schools and a reduction in prepayment of medical insurance whose final instalment was paid in the subsequent year. Inventory of training materials held stood at Kshs. 19,622, 077 down from Ksh. 28,355,759 being a decrease of 30.8%. The receivables decreased by 50.4% to kshs 12,669,496 from kshs 25,107,755. The cash and cash equivalent increased by kshs.5,037,456 (25.3%).

#### **Liabilities**

The Council's balance of liabilities and provisions FY 2024- 2025 stood at ksh. 91,530,167 all within the stipulated 3 months credit period.

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**10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING**

The Council exists to transform lives. 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 goods and services, and improving operational excellence. Below is an outline of the organisation's policies and activities that promote sustainability.

**a) Sustainability strategy and profile**

The Council has adhered to Occupational Health, Safety act 2007 to ensure safety of employees. Additionally, the Council has appointed a committee drawn from every department who are champions and drive matters of health and safety of employees. As such, workplace hazards are assessed, eliminated and/or controlled, with a goal of zero harm. The Council encourages employees to report any hazards within the work processes.

**b) Employee welfare**

The Council's hiring process is guided by NCK Human Resources Policy and Procedures Manual. All positions are filled competitively in line with the laid down rules and regulations. The council meets the constitutional threshold composition of gender in its workforce and is bound by employment act and Human Resources Policy and Procedures Manual. Additionally, the council has;

i. **Staff Induction:** Newly appointed persons are taken through a comprehensive induction program to familiarise themselves on the nature of business and the processes of the Council.

ii. **Training Needs Assessment (TNA):** This is carried out to identify the competency gaps that requires training intervention. Thereafter staff undergo actual training and a follow up of an evaluation to establish the impact of the training. It is a requirement that all staff must attend a minimum of five (5) days training in a given Financial Year. In addition, staff are sponsored for various trainings depending on availability of funds in order to assist them acquire additional qualification to their jobs. Emphasis are put on the following courses: - a) CPD training for professional staff to keep abreast of current trends within their respective profession. b) Statutory Courses for compliance. c) Performance Contract related courses. d) Departmental skills Development courses.

iii. **Professional Subscription:** The Council meets the cost of initial registration and subsequent annual renewal for all staff

iv. **Performance Management Framework:** The Council has an end to end to performance management framework where employees are recognized for good performance. This enhances employee productivity.

v. **Medical scheme:** The Council has a comprehensive medical cover that ensures that all the employees and their dependants have access to quality health care.

vi. **Annual Team Building:** NCK implements annual team building that helps to strengthen employee communication, co-operation, trust and cohesiveness thereby encouraging a positive organization culture and improving performance.

**c) Operational practices**

In accordance with article 227 of the 2010 Constitution that requires public entities to be fair, equitable, transparent, competitive and cost-effective when contracting for goods, works and services, the Council has put in place measures to ensure that these crucial tenets of our constitution are achieved. The Council further strictly adheres to the public procurement laws in order not only to ensure fairness and transparency in our procurement process, but also realise value for money. In addition, the Council;

**i. Carries out Market Surveys for Goods and Services**

The council does market surveys to ascertain the current prevailing prices of various commodities and services to provide a basis for negotiations with its suppliers so as to have a good working relationship while realising value for money to the Council.

**ii. Contract administration and Management**

The Council engages its suppliers in mutual contract agreement based on the initial terms and conditions indicated in the bidding documents. In addition, all contracts are subjected to evaluation process and where suppliers have performed well their track records are recorded for future engagements.

**iii. Suppliers' Evaluations and Appraisals**

The council undertakes supplier appraisals once the contract is completed and does provide feedback to the suppliers for improvement.

**d) Corporate social Responsibility/Community Engagements**

The Council plays an important role in the provision for training, registration, enrolment and licensing of nurses and midwives in Kenya and regulates their conduct to ensure their maximum participation in the health care of the Community and for connected purposes. Corporate Social Responsibility (CSR) is increasingly becoming an integral part of business today as it influences the long-term success of any organization. In the process of carrying out our activities as the Council,

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we are keen to work closely with communities and other stakeholders around us, to empower, create value and better their lives.

The Council plays an important role in the provision for training, registration, enrolment and licensing of nurses and midwives in Kenya and regulates their conduct to ensure their maximum participation in the health care of the Community and for connected purposes. Corporate Social Responsibility (CSR) is increasingly becoming an integral part of business today as it influences the long-term success of any organization. In the process of carrying out our activities as the Council, we are keen to work closely with communities and other stakeholders around us, to empower, create value and better their lives.

The Council recognizes its obligations to act responsibly, ethically and with integrity in its dealings with staff, customers, stakeholders and the environment. In striving to fulfil the corporate social responsibility in the financial year, the Council embarked on the following activities;

#### I. West Pokot National Tree planting 2025

The Nursing Council of Kenya in partnership with various governmental and non-governmental organizations participated in the 8th annual Tree planting at West Pokot County Forest Block. NCK is committed to support the GOK's noble initiative in the achievement of growing # 15 billion trees by 2030.



**Images: National Tree Growing in West Pokot County, Lelan Ward**



**Events Support of Nurses and Midwives Association.**

*Images: Tree Growing day Held in Kapnyakar Forest, West Pokot County 2025*

The Nurses and midwives' fraternity has vibrant associations which have been established to champion their various needs and initiatives. On yearly basis the associations do organize events with particular thematic areas for sensitization of their members. The Council is invited as one of the corporate sponsors and participates in such events as well. For the year under review, the Council supported Nurses week climax in Migori County, Midwives Association of Kenya (MAK) 9th Annual Scientific Conference held in Mombasa, 66<sup>th</sup> NNAK annual conference and ASK Show held in Eldoret, Uasin Gishu County.



**Nurses Week Climax in Migori county 2025**

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*International Week of Nurses 2025 Held in Migori County*



9th Midwives Association of Kenya Conference 2025 Held in Mombasa County

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66<sup>TH</sup> NNAK Annual Scientific Conference 2025

**II. Participation in ASK show held in Eldoret**

The Nursing Council of Kenya honored with the Branch Chairman's Commendation Trophy and secured 2nd place in the Best Display and Service in the Health Sector and Pharmaceuticals category at the 2025 National Show in Eldoret.

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**11. REPORT OF THE COUNCIL MEMBERS**

The Council Members submit their report together with the financial statements for the year ended 30<sup>th</sup> June 2025 which show the state of affairs of the Council.

**(i) Principal activities**

The principal activity of the Council is to regulate the Nursing and midwifery education and practice in Kenya

**(ii) Results**

The results of the Council for the year ended 30<sup>th</sup> June 2025 are set out from page 1-35 of this report.

**(iii) 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 centum of its surplus funds reported in the audited financial statements after the end of each financial year. The entity made a deficit of kshs. 71,116,489 as per audited financial statements FY 2023-2024. The Council's deficit reduced to kshs. 114,318 in FY 2024-2025.

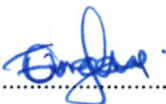
**(iv) Council Members**

The new Council Members appointed to serve onwards in the Council are as shown on page viii to xiii of this report.

**(v) Auditors**

The Auditor General is responsible for the statutory audit of the Council in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Council



Eugene Ayub  
Ag. Corporation Secretary and Head of  
Legal Services



Date  
Nairobi

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**12. STATEMENT OF MANAGEMENT RESPONSIBILITIES**

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer for a National Government MDA shall prepare financial statements in respect of that MDA. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the Nursing Council of Kenya is responsible for the preparation and presentation of the Council's financial statements, which give a true and fair view of the state of affairs of the Council for and as at the end of the financial year (period) ended on June 30, 2025. 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 Council, (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 Council; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the Nursing Council of Kenya accepts responsibility for the Council's financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the Council's financial statements give a true and fair view of the state of Council's transactions during the financial year ended June 30, 2025, and of the Council's financial position as at that date. The Accounting Officer further confirms the completeness of the accounting records maintained for the Council, which have been relied upon in the preparation of the Council's financial statements as well as the adequacy of the system of internal controls.

The Accounting Officer in charge of the Nursing Council of Kenya confirms that the Council has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the Council's funds received during the year under audit were used for the eligible

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purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the Council's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

The Council's financial statements were approved and signed by:

*A. Mukuna*  
.....

Dr. Anne Mukuna

Ag. Registrar/CEO

Date... 04/12/2025 .....

 <b>THE NATIONAL ASSEMBLY</b> <b>PAPERS LAID</b>	
<b>DATE: 11 MAR 2026</b>	
<b>DAY: WEDNESDAY</b>	
<b>TABLED BY:</b>	LEADER OF MAJORITY PARTY <i>Hon. OMBENI BAYA, MP</i>
<b>CLERK-AT THE-TABLE:</b>	<i>J. LEMERELLE</i>

# REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

## **REPORT OF THE AUDITOR-GENERAL ON NURSING COUNCIL OF KENYA FOR THE YEAR ENDED 30 JUNE, 2025**

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### **PREAMBLE**

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

- A. Report on 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 the 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 the Government achieves value for money and that such funds are applied for the intended purpose; and,
- 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Nursing Council of Kenya set out on pages 1 to 35, which comprise of the statement of financial position as at 30 June, 2025 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, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Nursing Council of Kenya as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Nurses and Midwives Act Cap 257 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Inaccuracies in Recognition of Fees**

The statement of financial performance reflects income from operations of Kshs.541,500,771 as disclosed in Note 7 to the financial statements which Kshs.106,937,706 relates to retention systems fees. However, review of the Council's register revealed 129,718 registered nurses, each subject to an annual renewal fee of Kshs.1,500 resulting to expected revenue amount of Kshs.194,577,000. This is indicative that revenue was recognized upon receipt of payments rather than as and when the fell due. Further, the payments could not be attributed to individual nurses on the payment platform for lack of a unique identifier. As a result, it was not possible to verify the revenue earned, reconcile receipts, or determine outstanding balances.

In the circumstances, the accuracy and completeness of retention systems fees amount of Kshs.106,937,706 could not be confirmed.

#### **2. Land Without Ownership Documents**

The statement of financial position and as disclosed in Note 18 to the financial statements reflects property, plant and equipment balance of Kshs.303,897,645 which includes land balance of Kshs.158,000,000. Review of the land ownership documents revealed that the Council owns a parcel of land located in Nairobi which was charged by a local bank in the year 2011 against an amount of Kshs.1,600,000 which was paid the full amount and a discharge issued 05 November 2018 but the title deed was explained to be misplaced by the bank. However, as at the time of audit in the month of November, 2025 approximately seven (7) years after the discharge, the process of replacing the title deed had not been concluded.

In the circumstances, the accuracy, completeness and ownership of land balance of Kshs.158,000,000 could not be confirmed.

#### **3. Variance Between the Statement of Cash Flows and Cashbooks**

The statement of cashflow reflects total receipts from operating activities amount of Kshs.640,953,106 while review of cashbooks revealed total receipts amount of Kshs.649,781,009 resulting to unexplained variance of Kshs.8,827,900.

Further, the statement reflects payments from operating activities of Kshs.596,402,643 and Kshs.39,513,006 from investing activities totalling Kshs.635,915,696 while the cashbook reflects Kshs.641,359,108 resulting to an unexplained variance of Kshs.5,443,459.

In the circumstances, the accuracy and completeness of statement of cash flows could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Nursing Council of Kenya Management in accordance with ISSAI 130 on the 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 qualified opinion.

### **Material Uncertainty Related to Going Concern**

The statement of financial performance reflects a deficit of Kshs.114,318 leading to a decline in the accumulated surplus from Kshs.125,160,624 in the previous year to Kshs.125,046,306 in the current year. Further, the statement of financial position reflects current liabilities of Kshs.91,530,167 which exceeded the current assets of Kshs.57,186,512 resulting to a negative working capital of Kshs.34,343,655.

In the circumstances, the Council is technically insolvent and may not be able to meet its obligations as and when they fall due.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion and Material Uncertainty Related to Going Concern section, I have determined that there are no other key audit matters to communicate in my report.

### **Other Matter**

### **Unresolved Prior Year Matters**

In the prior year audit report, several issues were raised under the Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the Council in 2024/2025 revealed that the following matters remained unresolved as at 30 June, 2025.

<b>S/No.</b>	<b>Audit Issue</b>
1.	Inaccurate Recognition of Transactions
2.	Unaccounted Revenue on Sale of Training Materials

<b>S/No.</b>	<b>Audit Issue</b>
3.	Inaccuracies in Inventories
4.	Lack of Land Ownership Documents
5.	Budgetary Control and Performance
6.	Irregular Utilization of Funds
7.	Budget Imbalance
8.	Deficiencies in the Regulation of Private Practice
9.	Failure to Inspect Clinics
10.	Unconfirmed Register of Nurses

### **Other Information**

The Management is responsible for the Other Information set out on page iv to xlv which comprise of Key Entity Information and Management, The Council Members, Key Management Team, Chairman's Statement, Report of the Chief Executive Officer, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Council Members and the Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Council's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **Unauthorized Investment in Fixed Deposit**

The statement of financial position reflects cash and cash equivalent balance of Kshs.24,894,939 which includes Kshs.10,092,946 held in a fixed deposit commercial bank account. However, Management did not provide approval of The National

Treasury to invest these funds contrary to Paragraph 23 of the National Treasury Circular Ref: DGIPE/A/1/10 dated 20 December 2019 which prohibits a state corporation from investing surplus funds in any financial institution without prior approval of The National Treasury and Planning other than where the investment is in treasury bills/bonds.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 comply 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, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### Basis for Conclusion

#### 1. Over Enrolment of Students

Review of the indexing data revealed that the Council approved the enrolment of two hundred and seventy (270) students to undertake course in Kenya Registered Community Health Nursing across four (4) colleges whose approved capacity was two hundred and forty (240) resulting to over enrolment by thirty (30) students.

In the circumstances, the effectiveness of internal controls on enrolment of students to undertake the Kenya Registered Community Health Nursing course could not be confirmed.

#### 2. Deficiencies in the Register of Nurses

The nurse's subscription register reflects one hundred and twenty-nine thousand seven hundred and eighteen (129,718) registered nurses. However, the subscription amount is not linked to individual nurses for lack unique identifier. Further, review of the registers indicated that fifty (50) nurses were operating private clinics with shared licenses while names, national identification numbers and other personal details for two thousand six hundred and ninety-six (2,696) nurses were missing. In addition, fifteen (15) nurses were issued with multiple licenses before expiry of the previous ones and one of the fifteen nurses was issued with eighteen different licenses within a period of two years. Further, review of the internship data revealed that the year of graduation for seven hundred and forty-seven (747) student nurses was not indicated.

In the circumstances, the effectiveness of internal controls on payment of annual subscriptions, licensing and indexing of nurses could not be confirmed.

### **3. Unconfirmed Operation of Private Clinics**

Review of the Councils' register of clinics revealed a list of one thousand nine hundred and eight five (1,985) registered private clinics at the beginning of the year and three hundred and eight one (381) clinics at the closing of the year resulting to a difference of one thousand six hundred and four (1,604) clinics whose operational status could not be confirmed.

In the circumstances, the effectiveness of internal controls on monitoring the operations of private clinics could not be confirmed.

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 controls, 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 the Management and the Council**

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 controls 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 controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

The Council is responsible for overseeing the Council'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**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.

  
FCPA Nancy Gathungu, SBS  
**AUDITOR-GENERAL**

**Nairobi**

**05 December, 2025**

**NURSING COUNCIL OF KENYA**  
**Annual Report and Financial Statements**  
**For the year ended June 30, 2025**

**14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2025**

	Notes	2025 Kshs	2024 Kshs
<b>Revenue from non- exchange transactions</b>			
Recurrent grants	6	22,112,605	100,233,035
<b>Revenue from exchange transactions</b>			
Income from operations	7	541,500,771	530,253,783
Income from other sources	8	77,339,730	50,818,934
<b>Total revenue</b>		<b>640,953,106</b>	<b>681,305,752</b>
<b>Expenditure</b>			
Use of Goods and Services	9	397,464,254	479,097,070
Employee Costs	10	142,959,339	144,949,821
Remuneration of Directors	11	24,882,154	28,706,596
Depreciation and Amortization Expense	12	17,881,695	31,369,541
Repairs and Maintenance	13	54,100,688	64,593,102
Contracted Services	14	3,779,294	3,706,111
<b>Total Expenditure</b>		<b>641,067,424</b>	<b>752,422,241</b>
<b>Surplus (Deficit) for the period</b>		<b>(114,318)</b>	<b>(71,116,489)</b>

The notes set out on pages 8 to 35 form an integral part of these Financial Statements.

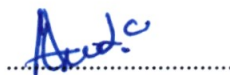
The Financial Statements set out on pages 1 to 35 were signed on behalf of the Council Members by:



Dr. Dabar Abdi Maalim

Chairperson

Date: 1<sup>st</sup> Dec 2025



Dr. Anne Mukuna

Ag. Registrar/CEO

Date: 04/12/2025



CPA George Otieno

Head of Finance

ICPAK No. 10430

Date: 04/12/2025

**NURSING COUNCIL OF KENYA**  
**Annual Report and Financial Statements**  
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15. STATEMENT OF FINANCIAL POSITION AS AT 30<sup>TH</sup> JUNE 2025

	Notes	2025 Kshs	2024 Kshs
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	15	24,894,939	19,857,483
Receivable from exchange transactions	16	12,669,496	25,107,755
Inventories	17	19,622,077	28,355,759
		<u>57,186,512</u>	<u>73,320,997</u>
<b>Non-current assets</b>			
Property, plant and equipment	18	303,897,645	173,867,771
Intangible Assets	19	15,764,666	12,738,542
		<u>319,662,311</u>	<u>186,606,313</u>
<b>Total assets</b>		<u><b>376,848,823</b></u>	<u><b>259,927,309</b></u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables from exchange transactions	20	90,830,167	84,919,022
Provisions	21	700,000	1,000,000
<b>Total liabilities</b>		<u><b>91,530,167</b></u>	<u><b>85,919,022</b></u>
<b>Net assets</b>		<u><b>285,318,656</b></u>	<u><b>174,008,287</b></u>
<b>Equity</b>			
Accumulated surplus	22	125,046,306	125,160,624
Revaluation Reserve	23	160,272,350	48,847,663
<b>Total equity</b>		<u><b>285,318,656</b></u>	<u><b>174,008,287</b></u>
<b>Total net asset and liabilities</b>		<u><b>376,848,823</b></u>	<u><b>259,927,309</b></u>

The Financial Statements set out on pages 1 to 35 were signed on behalf of the Members of Council by:



Dr. Dabar Abdi Maalim  
 Chairperson

Date: 27th Dec 2024



Dr. Anne Mukuna  
 Ag. Registrar/CEO

Date: 04/12/2024



CPA George Otieno  
 Head of Finance

ICPAK No. 10430  
 Date: 04/12/2025

**NURSING COUNCIL OF KENYA**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2025**

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**16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2025**

	Revaluation Reserve Kshs	Accumulated Surplus Kshs	Total Kshs
At 1st July 2023	48,847,663	196,277,113	245,124,776
Deficit for the year		(71,116,489)	(71,116,489)
At 30th June 2024	<u>48,847,663</u>	<u>125,160,624</u>	<u>174,008,287</u>
At 1st July 2024	48,847,663	125,160,624	174,008,287
Revaluation 2nd Sept 2024	111,424,687		111,424,687
Deficit for the year		(114,318)	(114,318)
At 30th June 2025	<u>160,272,350</u>	<u>125,046,306</u>	<u>285,318,656</u>

**NURSING COUNCIL OF KENYA**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2025**

**17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2025**


	Notes	2025 Kshs	2024 Kshs
<b>Cash flows from operating activities:</b>			
<b>Receipts</b>			
Examination & Indexing		216,985,925	206,288,720
Registration & Enrolment		69,931,196	91,106,761
Private Practice License		7,331,658	7,669,346
Curriculum Study & Misce income		6,299,828	2,799,768
License Application & Verification		101,544,463	100,808,458
Retention Systems Fees		106,937,706	99,221,408
Accreditation & Inspections		32,469,996	20,631,722
Distance learning		-	1,727,600
Council Rental Income		720,000	720,000
Sale of training materials		76,319,133	50,098,934
Grant received		22,112,605	100,233,035
Interest income		247,197	-
Disposal income		53,400	-
<b>Total Receipts</b>		<b>640,953,106</b>	<b>681,305,752</b>
<b>Payments</b>			
Use of Goods and Services		340,367,833	396,203,537
Employee Costs		142,924,339	144,949,821
Remuneration of Directors		24,882,154	28,706,596
Repairs and Maintenance		40,678,812	64,593,102
Contracted Services		3,779,294	3,706,111
PrePayment of staff Medical cover		12,669,496	5,400,032
Audit fees		600,000	300,000
Purchase of Training Materials		4,510,839	7,141,727
Accrued expenses b/f settled		25,989,876	-
<b>Total Payments</b>		<b>596,402,643</b>	<b>651,000,927</b>
<b>Net cash from operating activities</b>	24	<b>44,550,463</b>	<b>30,304,825</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment	18	(22,964,136)	(43,139,950)
Purchase of intangible assets	19	(16,548,870)	-
Sale proceeds on disposal		-	-
<b>Net cash used in investing activities</b>		<b>(39,513,006)</b>	<b>(43,139,950)</b>
<b>Net cash used in financing activities</b>			
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>5,037,457</b>	<b>(12,835,125)</b>
Cash and cash equivalents at 1st July	15	19,857,482	32,692,607
<b>Cash and cash equivalents at 30 June</b>	15	<b>24,894,939</b>	<b>19,857,482</b>


**NURSING COUNCIL OF KENYA**  
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**18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2025**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	a	b	c=(a+b)	d	e=(c-d)	f=d/c
	Kshs		Kshs	Kshs	Kshs	%
Examination and Indexing	219,000,000		219,000,000	216,985,925	(2,014,075)	99
Registration and Enrolment	91,080,000		91,080,000	69,931,196	(21,148,804)	77
Private Practice License	6,700,000		6,700,000	7,331,658	631,658	109
Curriculum Study & misc income	5,750,000		5,750,000	6,299,828	549,828	110
License Application and Verification	106,350,000		106,350,000	101,544,463	(4,805,538)	95
Retention Systems Fees	102,750,000		102,750,000	106,937,706	4,187,706	104
Accreditation and Inspections	39,500,000		39,500,000	32,469,996	(7,030,005)	82
Council Rental Income	720,000		720,000	720,000	-	100
Sale of training materials	73,200,000		73,200,000	76,319,133	3,119,133	104
Interest income	5,000,000		5,000,000	247,197	(4,752,803)	5
Gok Recurrent Grants	5,000,000		5,000,000	5,000,000	-	100
Donor Funding	-	17,112,605	17,112,605	17,112,605	-	100
Disposal income	-		-	53,400	-	-
<b>Total income</b>	<b>655,050,000</b>	<b>17,112,605</b>	<b>672,162,605</b>	<b>640,953,106</b>	<b>(31,262,900)</b>	<b>95</b>
<b>Expenditure</b>						
Use of Goods and Services	384,212,100	17,112,605	401,324,705	397,464,254	3,860,451	99
Employee Costs	178,003,500		178,003,500	142,959,339	35,044,161	80
Remuneration of Directors	28,117,400		28,117,400	24,882,154	3,235,246	88
Depreciation and Amortization	-		-	17,881,695	(17,881,695)	-
Repairs and Maintenance	59,717,000		59,717,000	54,100,688	5,616,312	91
Contracted Services	5,000,000		5,000,000	3,779,294	1,220,706	76
<b>Total expenditure</b>	<b>655,050,000</b>	<b>17,112,605</b>	<b>672,162,605</b>	<b>641,067,424</b>	<b>31,095,181</b>	<b>95</b>
<b>Surplus (deficit) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(114,318)</b>	<b>-</b>	

The Council's financial statements were approved by the Council and signed on its behalf by:

  
 Dr. Dabar Abdi Maalim  
 Chairperson

  
 Dr. Anne Mukuna  
 Ag. Registrar/CEO

  
 CPA George Otieno  
 Head of Finance  
 ICPAK No. 10430

Date: 

Date: 04/12/2025

Date: 04/12/2025

**NURSING COUNCIL OF KENYA**  
**Annual Report and Financial Statements**  
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**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS (Continued)**

**EXPLANATION OF MATERIAL VARIANCES (10% OVER/ UNDER) IPSAS 24.14**

**Revenue**

The Council has experienced incremental growth in revenue over the last two years and this has been propelled by the increased demand in nursing and midwifery courses across learning institutions. The Council has mitigated this discrepancy in budgeting vs actual by raising its revenue projection in the subsequent annual budgets.

Explanatory details of the specific revenue items as indicated below;

- a. **Registration & Enrolment:** The release of May 2025 exam results was done after the lapse of the lapse of financial year hence the failure to collect anticipated revenue on registrations. This revenue shall be received in next financial year.
- b. **Interest income:** There was an over projection of expected interest income when the Council resolved fix some its funds in fixed and call deposit accounts.
- c. **Curriculum Study:** More schools than anticipated presented their curriculums for review.
- d. **Employee Cost:** The Council still awaits concurrence for approval of its existing vacant positions which were duly budgeted for.
- e. **Remuneration of Directors:** There was significant rationalization of Council activities and most of the meetings were held at the Head office.
- f. **Contracted Services:** There was a consolidation of cleaning and gardening services and change over service providers following competitive procurement process that resulted in cost savings.

**NURSING COUNCIL OF KENYA**  
**Annual Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June 2025**

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**20. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2025**

**1. GENERAL INFORMATION**

Nursing Council of Kenya is established by and derives its authority and accountability from Nurses Act Cap 257. The Council is wholly owned by the Government of Kenya and is domiciled in Kenya. The principal activity of NCK is to regulate the Nursing and Midwifery education and practice in Kenya.

**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

The Council's financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment. 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 Council'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 Note 4.

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

The financial statements have been prepared in accordance with the PFM Act, the State Corporation 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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3. ADOPTION OF NEW AND REVISED STANDARDS

- i. New and amended standards and interpretations in issue effective in the year ended 30 June 2025

Standard	Effective date and impact:
IPSAS 43:	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></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 cashflows of an MDA.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities</p> <p>The Council is not affected by the application of the Standard.</p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The Standard requires, 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 Council is not affected by the application of the Standard.</p>
Standard	Effective date and impact:
IPSAS 45-Property Plant and Equipment	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if</p>

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Standard	Effective date and impact:
	<p>they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>The Council is not affected by the application of the Standard.</p>
<p><b>IPSAS 46</b> Measurement</p>	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>The Council is not affected by the application of the Standard.</p>
<p><b>IPSAS 47</b> Revenue</p>	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an MDA shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions</p> <p>The Council is not affected by the application of the Standard.</p>
<p><b>IPSAS 48</b></p>	<p><b>Applicable 1<sup>st</sup> January 2026</b></p>

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Standard	Effective date and impact:
Transfer Expenses	<p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions.</p> <p>This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers</p> <p>The Council is not affected by the application of the Standard.</p>
IPSAS 49- Retirement Benefit Plans	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><b>Applicable 1<sup>st</sup> January 2027</b></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized</li> </ul>

**ii. Early adoption of standards**

The Council did not early – adopt any new or amended standards in year 2024/2025

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**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Revenue recognition**

The Council recognises revenue when it is probable that future economic benefits will flow to the Council and the amount of revenue can be measured reliably.

**i) Revenue from non-exchange transactions**

**Fees and licenses**

Revenues from fees and licenses is recognised when the event occurs and the asset recognition criteria are met. 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 Council and the fair value of the asset can be measured reliably (accounted for when received). Fees refunded to students and candidates are accounted for in the year in which the refunds are made.

**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 entity and can be measured reliably.

**ii) Revenue from exchange transactions**

**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.

**Donor funds**

The donations are recognised by the Council when received and any unexpended fund at the end of period adjusted to unspent donor fund. Within the period the Council received donor funds amounting to kshs.17,112,605. This comprised of kshs.12,062,677 from Florence Nightingale Foundation (FNF) which financed mid-level nursing and midwifery managers to equip them with skills necessary to improve their performance and retention rates. The balance of kshs.5,049,928 was from Intra Health International which funded Advanced Practice Nursing specialist programmes to enhance skill capacity of nurses and midwives.

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**b) Budget information**

The Council's budget as approved by the Council and as reflected in the printed estimates was Kshs.655,050,000. There were no subsequent revisions to the budget.

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

**c) Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity 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.

**Depreciation**

Depreciation is calculated on a straight-line method to write off property, plant and equipment over their estimated useful lives. Depreciation is charged on a pro-rata basis for assets bought during the financial year. The Council revalued its assets on 2<sup>nd</sup> September 2024. Existing assets on or before that period have been depreciated effective starting 3<sup>rd</sup> September 2024. The annual rates used are as here below;

Category	Percentage
Land	nil
Building	2
Furniture and fittings	12.5
Computer	33
Software	33
Motor vehicle	20
Office equipment	12.5

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2025 (Continued)**

**d) Leases**

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Entity. 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 Entity 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 Entity 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 Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

**e) 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.

**f) Inventories**

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

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

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nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. The Council uses First in First Out (FIFO) in issuance of its store items.

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 Council.

**g) Provisions**

Provisions are recognized when the Council 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. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

**Contingent liabilities**

The Council 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.

**Contingent assets**

The Council 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 Council in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

**h) Nature and purpose of reserves**

The Council maintains accumulated revenue reserve which is continually updated by statement of financial performance with regard to surplus or deficit for a particular period. The reserve is retained for purpose of further growth.

The Council also maintains a revaluation reserve that resulted from a revaluation surplus. The Council revalued its assets on 2<sup>nd</sup> September 2024.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2025 (Continued)**

**i) 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.

**j) 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 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.

**k) Related parties**

The Council 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 Council, or vice versa. Members of key management are regarded as related parties and comprise the Council members, the CEO and senior managers.

**l) 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. The Council's cash and cash equivalents comprises of bank account balances held at various commercial banks at the end of the financial year.

**m) Comparative figures**

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

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2025 (Continued)**

**n) 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 30<sup>th</sup> June 2025.

**5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the Council'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

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

**Useful lives and residual values**

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

- The condition of the asset based on the assessment of experts employed by the Council
- The nature of the asset, its susceptibility and adaptability to changes in technology
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2025 (Continued)**

**Provisions**

Provisions are raised and management determines an estimate based on the information available. 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.

**Comparative information**

Except when an IPSAS permits or requires otherwise, comparative information shall be disclosed in respect of the previous period for all amounts reported in the financial statements. Comparative information shall be included for narrative and descriptive information when it is relevant to an understanding of the Current period's financial statements.

When the presentation or classification of items in the financial statements is amended, comparative amounts shall be reclassified unless the reclassification is impracticable. When comparative amounts are reclassified, an entity shall disclose: - 1. The nature of reclassification. 2. The amount of each item or class of items that is reclassified and 3. The reason for reclassification. (IPSAS 1. 54-55)

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	2025 Kshs	2024 Kshs
6		
GOK recurrent grants from MOH	5,000,000	85,000,000
Donor Funds (Florence Nightingale & IntraHealth)	17,112,605	15,233,035
	<u>22,112,605</u>	<u>100,233,035</u>
7		
<b>Income from operations</b>		
Examination and Indexing	216,985,925	206,288,720
Registration and Enrolment	69,931,196	91,106,761
Private Practice License	7,331,658	7,669,346
Curriculum Study & misc income	6,299,828	2,799,768
License Application and Verification	101,544,463	100,808,458
Retention Systems Fees	106,937,706	99,221,408
Accreditation and Inspections	32,469,996	20,631,722
Distance learning	-	1,727,600
	<u>541,500,771</u>	<u>530,253,783</u>
8		
<b>Income from other sources</b>		
Council Rental Income	720,000	720,000
Sale of training materials	76,319,133	50,098,934
Interest income	247,197	-
Disposal income	53,400	-
	<u>77,339,730</u>	<u>50,818,934</u>

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	<b>2025</b>	<b>2024</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>9 Use of goods and Services</b>		
Seminars and workshops	26,159,871	40,697,993
Printing and signing of certificates	115,953,805	105,423,443
Donations and subscription	2,308,419	3,845,335
Retention system	66,000	-
Standards and Compliance visits	27,993,950	22,778,460
Travelling cost	183,306	572,300
Examinations	91,724,491	130,747,973
Nurses CPD Expenses	53,200	333,500
Hospitality & office refreshments	4,665,525	6,423,655
Motor vehicle running cost	15,132,397	15,480,137
Motor vehicle insurance	1,010,525	1,556,144
Advertising and newspaper	5,343,860	8,601,186
Stationery	18,043,819	12,532,071
Audit fees	300,000	300,000
Building insurance	173,476	646,639
Land rates	110,000	110,000
Legal fees	2,147,407	3,687,919
Consultancy fees	5,307,608	11,945,376
Bank charges	6,288,550	5,469,740
Grant expenses	18,501,318	8,823,816
Postage and telephone	13,576,273	43,229,952
Electricity and water	2,117,395	2,543,840
Internet charges	2,676,008	2,949,372
Development /Review of Training materials	37,566,052	40,600,087
Regional offices Running expenses	61,000	680,600
KE-UK Bilateral Agreement-Recruitment of H.workers	-	9,117,531
	<b>397,464,254</b>	<b>479,097,070</b>

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	<b>2025</b>	<b>2024</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>10 Employee costs</b>		
Basic Salary	57,733,036	60,007,573
House Allowance	19,424,833	19,796,833
Commuter Allowance	5,240,933	5,449,067
Responsibility Allowance	4,797,330	4,433,163
Leave Allowance	4,229,474	4,247,635
Wages	152,169	211,716
Gratuity	6,977,446	7,296,497
Staff development	12,945,168	15,129,630
Medical cover	16,522,620	19,225,308
Employer statutory contributions	1,864,770	631,878
Pension contribution	5,774,075	5,867,097
Housing levy contribution	1,252,911	941,309
Special duty allowance	109,469	80,277
WIBA Insurance	1,662,186	-
Group life insurance	1,717,714	-
Other staff costs	2,555,205	1,631,837
	<u>142,959,339</u>	<u>144,949,821</u>
<b>11 Remuneration of Directors</b>		
Sitting allowance	8,020,000	11,704,000
Accommodation allowance	8,491,282	9,749,086
Lunch allowance	124,000	272,000
Honoraria	960,000	960,000
Transport reimbursement	4,260,770	3,993,623
Board Training	1,426,102	527,887
Board Medical Insurance	1,600,000	1,500,000
	<u>24,882,154</u>	<u>28,706,596</u>
<b>12 Depreciation and Amortization</b>		
Building	1,024,126	1,301,115
Furniture and fittings	605,961	2,771,854
Computer and accessories	4,899,643	9,590,903
Motor Vehicles	7,206,632	10,687,186
Office Equipment	1,851,129	2,671,737
Intangible Assets	2,294,204	4,346,746
	<u>17,881,695</u>	<u>31,369,541</u>

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	2025	2024
	Kshs	Kshs
<b>13 Repairs &amp; maintenance</b>		
Machinery and office equipment repairs	321,400	950,310
ICT Equipment repairs	11,376,882	8,368,428
Building repairs	7,096,250	4,857,420
Software maintenance	6,820,520	17,825,169
Computer consumables and accessories	19,058,008	29,529,484
IT Equipment & systems -Contract management	9,427,627	3,062,292
	<u>54,100,688</u>	<u>64,593,102</u>
<b>14 Contracted services</b>		
Security Services	1,196,559	1,229,122
Cleaning Services	2,582,735	2,476,989
	<u>3,779,294</u>	<u>3,706,111</u>
<b>15 Cash and cash equivalent</b>		
Absa Bank [Ac No.0948023954]	2,743,143	472,650
Cooperative Bank [Ac No.01136098613400]	2,537,982	5,620,716
Pesa-flow Account [Pay bill No.222222]	9,518,500	13,762,450
Cash in Hand	2,369	1,667
Co-operative Bank fixed deposit Account	10,092,946	-
	<u>24,894,939</u>	<u>19,857,483</u>
<b>16 Receivable from non-exchange transactions</b>		
Prepayments	12,669,496.00	17,887,220
Salary advance	-	137,201
Trade receivables	-	7,083,334
	<u>12,669,496</u>	<u>25,107,755</u>
<b>17 Inventory</b>		
Consumable	-	3,864,478.70
Stocks of training materials	19,622,077	24,491,280.38
	<u>19,622,077</u>	<u>28,355,759</u>

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**Note 18 Property, Plant & Equipment -30<sup>th</sup> June 2025**

	F&F Kshs 12.50%	Office Equip Kshs 12.50%	Computer Kshs 33%	Vehicle Kshs 20%	Building Kshs 2%	Land Kshs 0%	Totals Kshs
<b>COST</b>							
1st July 2023	21,732,670	20,853,866	39,456,300	65,354,108	52,555,760	54,000,000	253,952,704
Additions	540,000	5,442,700	4,763,000	-	19,850,000	-	30,595,700
Disposal	-	-	-	-	-	-	-
30th June 2024	22,272,670	26,296,566	44,219,300	65,354,108	72,405,760	54,000,000	284,548,404
1st July 2024	22,272,670	26,296,566	44,219,300	65,354,108	72,405,760	54,000,000	284,548,404
Revaluation	(3,770,420)	(2,523,624)	1,860,176	26,039,624	(2,952,526)	104,000,000	122,653,229
Additions	-	5,775,696	17,188,440	-	-	-	22,964,136
Disposal	-	-	-	-	-	-	-
30th June 2025	18,502,250	29,548,638	63,267,916	91,393,732	69,453,234	158,000,000	430,165,770
<b>DEPRECIATION</b>							
1st July 2023	9,887,396	7,344,205	22,347,573	37,176,546	6,902,119	-	83,657,839
Depreciation	2,771,854	2,671,737	9,590,903	10,687,186	1,301,115	-	27,022,795
Disposal	-	-	-	-	-	-	-
30th June 2024	12,659,250	10,015,942	31,938,476	47,863,732	8,203,234	-	110,680,634
1st July 2024	12,659,250	10,015,942	31,938,476	47,863,732	8,203,234	-	110,680,634
Depreciation	605,961	1,851,129	4,899,643	7,206,632	1,024,126	-	15,587,491
Disposal	-	-	-	-	-	-	-
30th June 2025	13,265,211	11,867,071	36,838,119	55,070,364	9,227,360	-	126,268,125
<b>NET BOOK VALUES</b>							
30th June 2024	9,613,420.23	16,280,624	12,280,824	17,490,376	64,202,526	54,000,000	173,867,771
30th June 2025	5,237,039	17,681,567	26,429,797	36,323,368	60,225,874	158,000,000	303,897,645

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19 Intangible Assets - 30th June 2025

	Software Kshs 33%	Totals Kshs
<b>COST</b>		
1st July 2023	18,359,314	18,359,314
Additions	12,544,250	12,544,250
30th June 2024	<u>30,903,564</u>	<u>30,903,564</u>
1st July 2024	30,903,564	30,903,564
Revaluation	(11,228,542)	(11,228,542)
Additions	16,548,870	16,548,870
30th June 2025	<u>36,223,892</u>	<u>36,223,892</u>
<b>AMORTIZATION</b>		
1st July 2023	13,818,276	13,818,276
Amortization	4,346,746	4,346,746
30th June 2024	<u>18,165,022</u>	<u>18,165,022</u>
1st July 2024	18,165,022	18,165,022
Amortization	2,294,204	2,294,204
30th June 2025	<u>20,459,226</u>	<u>20,459,226</u>
<b>NET BOOK VALUE</b>		
30th June 2024	12,738,542	12,738,542
30th June 2025	<u>15,764,666</u>	<u>15,764,666</u>

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	2025	2024
	Kshs	Kshs
<b>20 Payables from exchange transactions</b>		
Trade payables	-	84,598,666
Staff	35,000	74,356
Deposit payable	180,000	180,000
Board members Tax	-	66,000
Use of goods and services	57,096,421	-
Repairs & maintenance	13,421,876	-
Fixed assets	20,096,870	-
	<u>90,830,167</u>	<u>84,919,022</u>
<b>21 Provisions</b>		
Audit fees	700,000	1,000,000
	<u>700,000</u>	<u>1,000,000</u>
<b>22 Accumulated fund</b>		
Balance brought forward	125,160,624	196,277,113
Surplus for the period	(114,318)	(71,116,489)
Balance carried forward	<u>125,046,306</u>	<u>125,160,624</u>
<b>23 Reserves</b>		
Revaluation Reserve	<u>160,272,350</u>	<u>48,847,663</u>

**24 CASH GENERATED FROM OPERATIONS**

	Notes	2025	2024
		Kshs	Kshs
<b>Cash flows from operating activities:</b>			
<b>Surplus for the period</b>		<b>(114,318)</b>	<b>(71,116,489)</b>
<b>Adjustments for:</b>			
Depreciation	18	15,587,491	27,022,795
Amortization	19	2,294,204	4,346,746
Loss (Gain) on disposal		-	-
<b>Operating profit before working capital changes</b>		<b>17,767,377</b>	<b>(39,746,949)</b>
<b>Changes in operating assets and liabilities:</b>			
Decrease / (increase) in inventory		8,733,682	(7,141,727)
Decrease / (increase) in receivable		12,438,259	(5,400,032)
Increase / (decrease) in payable		5,911,145	82,893,533
Increase / (decrease) in provisions		(300,000)	(300,000)
<b>Net cash from operating activities</b>		<u><b>44,550,463</b></u>	<u><b>30,304,825</b></u>

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**25 Financial Risk Management**

The Council's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Council'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 Council 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 Council's financial risk management objectives and policies are detailed below:

**(i) Credit risk**

The Council has exposure to credit risk, which is the risk that a counterparty 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. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment. 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;

	<b>Total Amount Kshs</b>	<b>Fully Performing</b>	<b>Past Due</b>	<b>Impaired</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>At 30 June 2025</b>				
Receivables from non-exchange transactions	12,669,496	12,669,496	-	-
Bank Balances	24,894,939	19,857,483	-	-
<b>Total</b>	<b>37,564,435</b>	<b>32,526,979</b>	<b>-</b>	<b>-</b>
<b>At 30th June 2024</b>				
Receivables from non-exchange transactions	25,107,755	25,107,755	-	-
Bank Balances	19,857,483	19,857,483	-	-
<b>Total</b>	<b>44,965,238</b>	<b>44,965,238</b>	<b>-</b>	<b>-</b>

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The credit risk associated with these receivables is minimal as the amounts represented here mainly comprise of prepayments for medical insurances for staff due for the following financial year 2024/2025.

The Council sets the entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**(ii) Liquidity risk management**

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

The Council's approach when managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Council's reputation.

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 1Month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2025</b>				
Trade payables	-	90,830,167	-	90,827,071
Provisions	-	700,000	-	700,000
<b>Total</b>	-	<b>91,530,167</b>		<b>91,527,071</b>
<b>At 30th June 2024</b>				
Trade payables	-	84,919,022	-	84,919,022
Provisions	-	1,000,000	-	1,000,000
<b>Total</b>	-	<b>85,919,022</b>	-	<b>85,919,022</b>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2025 (Continued)**

**(iii) Market risk**

The Council has put in place an internal audit function to assist it in assessing the risk faced by the Council 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 Council'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 optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The Council's Finance Department is responsible for the development of detailed risk management policies 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.

**iii. Currency Risk**

The Council's transactions are denominated in Kenya Shillings and in cases of foreign currency payments, sufficient negotiations are carried out to obtain better foreign currency exchange rates.

**iv. Capital Risk Management**

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

	2025	2024
	Kshs	Kshs
Revaluation reserve	160,272,350	48,847,663
Accumulated Fund	125,046,306	125,160,624
<b>Total funds</b>	<b>285,318,656</b>	<b>174,008,287</b>
Total borrowings	-	-
Cash and bank balances	24,894,939	19,857,483
<b>Gearing</b>	<b>0%</b>	<b>0%</b>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2025 (Continued)**

**26. Related Party Disclosure**

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. The entity is related to;

- i) The National Government
- ii) The Ministry of Health
- iii) Council Members
- iv) Key management

<b>Key Management compensation</b>	<b>2024/2025 Ksh</b>	<b>2023/2024 Kshs</b>
Council Members' Emoluments	24,975,638	28,706,596
Compensation to the Registrar/CEO	5,480,855	7,242,747
Compensation to the key management	27,100,398	25,878,255
<b>Total</b>	<b>57,556,891</b>	<b>61,827,598</b>

The Council has 9 key management personnel. The managers participate in making key management decisions of the Council and reports to Council of Management for guidance and the Ministry of Health for policy direction.

**27. Events after the reporting period**

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

**28. Ultimate and Holding Entity**

The Council is a Semi- Autonomous Government Agency under the Ministry of Health. Its ultimate parent is the Government of Kenya.

**29. Currency**

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

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30. Transfers from Other Governments 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	
MOH	05-08-25	Recurrent	1,250,000	1,250,000	-	-	-	-	1,250,000
MOH	02-11-25	Recurrent	1,250,000	1,250,000	-	-	-	-	1,250,000
MOH	11-12-24	Recurrent	1,250,000	1,250,000					1,250,000
MOH	09-02-24	Recurrent	1,250,000	1,250,000					1,250,000
<b>Total</b>			<b>5,000,000</b>	<b>5,000,000</b>	-	-	-	-	<b>5,000,000</b>

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**31. Implementation status of auditor-general's Recommendations**

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

Reference No. on the external audit report	Issue/Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe
1.	<p><b>Offsetting Revenues and Expenses</b></p> <p>The Statement of financial performance reflects income from operation of Kshs.530,253 783 as reflected in Note 7 to the financial statements. However, the amount includes refunds made to customers of Kshs. 2,078,927 which were offset against revenues. This was contrary to paragraph 48 of international public sector Accounting Standards (IPSAS)<sup>1</sup>, which states that assets and liabilities and revenue and expenses shall not be offset unless required or permitted by an IPSAS.</p> <p>In the circumstances, the accuracy and completeness of income from Operation of Kshs.530,253 783 Could not be confirmed</p>	<p>The Council stopped the offset of refunds made to customers against revenue as per auditor's recommendation. The refunds are now expensed against related expense lines.</p>	Resolved	N/A
2.	<p><b>Inaccurate Recognition of Transactions</b></p> <p>The statement of financial performance reflects income from operations of Ksh 530,253,783 as reflected in note 7 to the financial statements. Included in the amount was Kshs 99,221,408 in respect of annual retention fee charged at Ksh 1,500 for each registered nurse and Ksh 10,000 for private practice license. The council register revealed a list of 117,464 registered nurses and 1,985 registered clinics translating to annual retention fees of Kshs 196,046,000. However registered members and clinics were not invoiced instead revenue was recognized when cash had been received resulting to understatement of revenue and receivables.</p> <p>In the circumstances, the accuracy and completeness of income from Operations of Kshs.530,253,783 could not be confirmed.</p>	<p>The Council has developed additional reports on the practicing status of both registered nurses and midwives, and the operational status of private practice clinics to supplement those already provided during the Audit.</p> <p>The Council is cognizant that the Nurses and Midwives Act does not allow enforcement of licensure renewal and reporting but rather leaves this decision at the discretion of the nurse/midwife. The act prescribes that an applicant <b>MAY</b> apply for registration, retention or licensure services and pay the prescribed fee. Only upon payment of the fee is the applicant entered and maintained in the appropriate register.</p>	Resolved	N/A

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Reference No. on the external audit report	Issue/Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe
		<p>For this reason, it would be unlawful for the Council to bill clients without their intent to apply for the service as recommended by the Auditor</p> <p>Further, the Council utilizes the eCitizen platform in applying charges which invoices the client at the time of making the application. This prevents the Council from using anticipatory invoicing and recognizing expected income.</p> <p>However, the provision of the additional practicing and operational reports will provide further insights and accountability on revenues received.</p>		
3	<p><b>Unaccounted Revenue on Sale of Training Materials</b></p> <p>The statements of financial performance reflect income from other sources of Kshs 50,818,934 as disclosed under note 8 to the financial statements out of which Ksh 50,098,934 relates to sale of training materials. However, analysis of inventory ledgers revealed 208,811 units of training materials valued at Kshs 106,414,016 which were issued from the store for sale. This resulted to unexplained variance of Kshs 56,315,082 which was not disclosed and was not traced in the bank statements.</p> <p>In the circumstances, the accuracy and completeness of income from other sources amount of Kshs.50,818,934 could not be confirmed.</p>	<p>The Council does not receive fees on sale of training materials as a separate revenue item. Income reflected as sale of training materials is an accounting split of indexing fee which students pay that is inclusive of a training material for indexing</p> <p>The schools later collect training materials for their students which the Council procures for them as per the approved budget and procurement plan.</p>	Resolved	N/A
4	<p><b>Inaccuracies in Inventories</b></p> <p>The statement of financial position reflects inventories balance of Kshs.28,355,759 as disclosed in Note 17 to the financial statements. The balance includes Kshs.24,491 280 In respect of training materials which was arrived at after adjustments for training materials valued at Kshs.7,043,274 but which were not traced in the-store as per the physical stock count report. Further the adjustments</p>	<p>The Council upgraded its ERP and integrated the stores module with financial reports where receipt and issuance of training materials is being accurately recorded.</p>	Resolved	N/A

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Reference No. on the external audit report	Issue/Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe
	included training materials whose physical stock count was more than the stock ledger balance by Kshs 13,513,131 which may indicate that the materials were delivered in the store without being recorded in the stock ledger. In addition, these materials were procured from suppliers at various prices but the closing inventory was valued at average cost prices. This was contrary to paragraph 15 and 16 of IPSAS 12 which requires inventories to be measured at the lower of cost and net realisable. In addition, the selling price prices of these items were not indicated in the inventory ledgers. In the circumstances, the accuracy and completeness of inventory balance of Kshs.28,355,759 could not be confirmed.			
5	<b>Lack of Land Ownership Documents</b> The statement of financial position reflects property, plant and equipment balance of Kshs 173,867,771 as disclosed in note 18 to the financial statements out of which Kshs 54,000,000 relates to land balance. This balance includes a parcel of land located in Nairobi which was charged by a bank on 13 <sup>th</sup> July 2011 against a principle amount secured of Kshs 1,600,000. The council paid the principal amount and a discharge was issued on 5 <sup>th</sup> November 2018, but as at the time of the Audit in the month of November 2024 approximately 6 (six) years after the discharge, the title had not reverted to the council.  In the circumstances the accuracy completeness and ownership of land valued at about Kshs 54,000,000 could not be confirmed.	The Council conducted an official search on Land Ref No. 209/11243/36 on 17 <sup>th</sup> April 2025, which it confirmed that the title is still registered in the name of the Nursing Council of Kenya. The Council has since applied for a replacement title at the lands Department, Central Registry, a process that is still ongoing, with a new title expected to be issued, free from any encumbrances.	Not resolved	3 months
6	<b>Budgetary control and Performance</b> The statement of comparison of budget and actual amounts reflects final income budget of Kshs 738,709,035 and actual on comparable basis of Kshs 681,305,752 resulting to under collection of Kshs 57,403,283 or 8% of the approved budget. Similarly, the Council spent Kshs 752,422,241 against actual income of 681,305, 752 resulting to over expenditure of Kshs 71,116,489 or 10% of the actual income. The underfunding and over expenditure may have affected the council's mission of provision for training, registration, enrolment and licensing of nurses.	The Council has since implemented budget control measures and budget performance for revenue and expenditure was within allowed variance on performance. Currently there is no expenditure overrun.	Resolved	N/A
	<b>REPORT ON LAWFULNES AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES</b>			

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Reference No. on the external audit report	Issue/Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe
7	<p><b>Irregular Utilization of Funds</b></p> <p>The statement of financial performance reflects recurrent grants of Kshs.100,233,035. It was noted that on 15<sup>th</sup> March, 2022 the Council received Kshs.28,544,354 from the Ministry of Health to facilitate recruitment of Kenyan nurses to the United Kingdom by paying travel cost which was to be refunded to create a revolving fund. Subsequently, Kshs.26,285,920 was incurred under the programme and review of bank statements revealed Kshs.10,649,305 was refunded resulting to a balance of Kshs.12,907,739. However, only a balance of Kshs.6,093,366 was in the programme's bank account as at 30<sup>th</sup> June 2024 resulting to a variance of Kshs.6,818,373. This indicates that the funds may have been used for other purposes. This was contrary to Regulation 54(1) of the Public Finance Management (National Government) Regulations, 2015 which states that, except as provided for in the Act and these Regulations, an Accounting Officer of an entity may not authorize payment to be made out of funds earmarked for specific activities for purposes other than those activities.</p> <p>In the circumstances, Management was in breach of the law.</p>	<p>The Council received kshs.28,544,354 and applied the funds correctly in support of the recruitment process of the Nurses to the UK as reflected in the expenditure incurred of Kshs.26,285,920 which comprised of travel expenses on the air tickets, logistical arrangements reimbursed to the nurses for their visa expenses, cost for English Test (ILTES) and Medical Check-ups (TB Test).</p> <p>Additional cost towards this programme was on flag off ceremony for the successful nurses going to UK and for temporary engagement of two staff to help in sorting and verification process due to huge applications of nurses that were received.</p> <p>Therefore, the Council legitimately applied the funds to the programme and no other purposes. The Council is no longer undertaking the programme as it was terminated by UK Government.</p> <p>In addition, Bilateral Agreement needed both Countries to support the Process and the UK Government was to reimburse part of the Costs reflected as a refund and the rest was to be borne by the Kenya Government.</p>	Resolved	N/A
8	<p><b>Budget Imbalance</b></p> <p>The statement of comparison of budget and actual amounts reflects final budgeted receipts of Kshs.738,709,035 and final budgeted payments of Kshs.732,299,816 resulting to budget imbalance of Kshs.6,409,219. This was contrary to Regulation 33(c) of the Public</p>	<p>The error of budget imbalance in the statement of comparison of budget and actual amounts was rectified and correctly adjusted in financial statements which the Council received audit certificate.</p>	Resolved	N/A

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Reference No. on the external audit report	Issue/Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe
	Finance Management (National Government) Regulations, 2015 which states that budget of national government entities shall be balanced.  In the circumstances, Management was in breach of the law.			
	<b>REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE</b>			
9	<b>Deficiencies in the Regulation of Private Practice</b> Review of the Council's register revealed a list of one thousand nine hundred and eighty five (1,985) registered private clinics. However, the clinic's operational status, compliance to annual subscription and the last inspection date were not indicated in the register. In addition, review of the private practice application form indicated that the council only prescribed the required medical equipment for private practice clinics. However the required conditions of the premises to be used for the private practice such as the reception area, patients waiting room, Consultation room, treatment room and other public health and safety standards was not prescribed. In the circumstances, the private clinics may be operating without valid practicing licenses and on premises that are not to the required standards which may compromise the quality of healthcare services.	The Council carried out a system cleaning and audited all active clinics. Subsequently the Council adopted the Kenya Medical and Practitioner Dentist Council (KMPDC) gazetted checklist for its assessment of Level 2 facilities requirements.	Resolved	N/A
10	<b>Failure to Inspect Clinics</b> Review of inspection documents revealed a list of one thousand nine hundred and thirty, one (1,931) clinics which had not been inspected to confirm compliance to the set standards therefore there was no evidence to indicate that these clinics were operating as per the set standards.  In the circumstances, the effectiveness of monitoring operation of various clinics could not be confirmed and some may be operating without meeting the set standards.	The Council has verified the list of ever registered clinics and ascertained their operational status and compliance to licensing requirements. A total of 360 clinics have been verified as active.  Accordingly, 1,571 non-operational clinics have been archived to ensure currency of data.  All active clinics have been inspected for compliance to quality of nursing and midwifery practice.	Resolved	N/A
11	<b>Unconfirmed Register of Nurses</b>	The Council's database has been configured to update the	Resolved	N/A

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Reference No. on the external audit report	Issue/Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe
	<p>Review of the register of nurses indicated a list of 117,464 registered nurses but it did not indicate their status such as retired, deceased, diaspora members or their compliance to annual subscription. In addition, the register included a list of two thousand six hundred and ninety-six (2,696) members assigned index numbers but their names and national identity card numbers were not indicated.</p> <p>In the circumstances the effectiveness of internal controls on the maintenance of register of nurses could not be confirmed.</p>	<p>nurses' status to inactive upon expiry of the license. This tracks compliance to annual retention compliance</p> <p>In addition, a feature has been developed to record attrition where it is brought to the attention of the Council.</p> <p>Records with missing data elements are deactivated and are updated upon the individual nurse presenting a request for reactivation and availing the missing data for update.</p>		

*Aud:*  
 .....  
 Dr. Anne Mukuna  
 Ag. Registrar/CEO  
 Date... *04/12/2025* .....