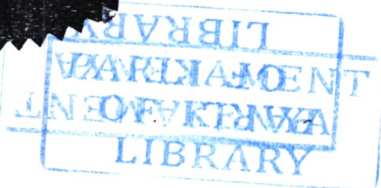


REPUBLIC OF KENYA



KENYA NATIONAL AUDIT OFFICE



REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
NURSING COUNCIL OF KENYA**

**FOR THE YEAR ENDED
30 JUNE 2013**

NURSING COUNCIL OF KENYA



KENYA NATIONAL AUDIT OFFICE
P. O. Box 30084 - 00100, NAIROBI.

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ANNUAL REPORT AND FINANCIAL

STATEMENTS FOR THE YEAR ENDED

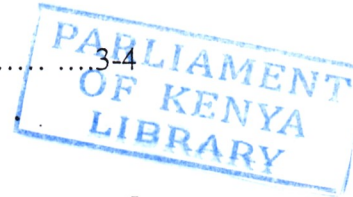
30TH JUNE 2013

NURSING COUNCIL OF KENYA

FINANCIAL STATEMENT FOR YEAR ENDED 30TH JUNE 2013

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NURSING COUNCIL OF KENYA ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2013

The members of the finance committee submit their financial statements for the year ended 30th June 2013

BACKGROUND:-

1. ESTABLISHMENT

The nursing council of Kenya was established under the nurses act cap 257 ' to make provisions for training, registration, enrolment and licensing of nurses, to regulate their conduct and to ensure their maximum participation in the health care of the community and connected purposes'

2. FUNCTIONS

The nursing council is primarily a regulatory body of the nursing profession in the country.

The major functions of the council include;

1. Organizing Examinations
2. Conducting Visits to Health Institutions
3. Register/ Enroll /Licensing those candidates who are trained both outside and inside Kenya
4. Revisiting syllabi for various Nursing Programs and reviewing relevant Education materials.
5. Discipline those Nurses who commit offences.

**NURSING COUNCIL OF KENYA
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2013**

Registered offices

Nursing Council of Kenya Plaza
Kabarnet Lane, off Ngong Road,
P .O. Box 20056-00200,
NAIROBI
Tel +254-020-3873556
Fax +254-020-3873585
Email: info@nckkenya.org

Auditors

Auditor General
Kenya National Audit Office
P .O. Box 30084-00100
NAIROBI.
www.kenao.go.ke

Bankers

Barclays Bank of Kenya Limited,
Queensway Branch,
P .O. Box 30011-00100
NAIROBI.
Cooperative Bank of Kenya Ltd,
P.O. Box 48231-00100
NAIROBI.
www.co-opbank.co.ke

NURSING COUNCIL OF KENYA

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2013

BOARD MEMBERS

	NAME	REPRESENTING
1	Mr. Fredrick Osundwa	Chairman
2	Everlyne C.N.Rotich	Vice- Chairperson
3	Dr. John Wekesa	Director of Medical Services
4	Mr. Chris Rakuom	Chief Nursing Officer
5	Mr. Nur Guleid	Ministry of Education
6	Titus Munene M'maeti	Kenya Catholic Secretariat
7	Jane Kishoyian	Christian Heath Association of Kenya
8	Mr. Luke K'odambo	National Nurses Association Of Kenya
9	Mr. Thaddeus Mayaka	Kenya Progressive Nurses Association
10	Mr Kinuthia Wamwangi	Nominated by the Outgoing Board
11	Mr. James Mwenda	AG Representative
12	Gertrude Opiyo	Elected Member
13	SamsonCheruiyot	Member
14	Trutea Munyendo	Member

SENIOR MANAGEMENT

NAME	DESIGNATION
Elizabeth Oywer(Mrs)	Registrar
Fredrick Ochieno	Deputy Registrar
Duncan Muisyo	H.O.D Finance
Sarah Burje	H.O.D Registration
Sophie Ngugi	H.OD. Examination
David Maingi	H.O.D Education
Rose Ruthuhi	H.O.D Standards

**NURSING COUNCIL OF KENYA
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2013**

STATEMENT OF COUNCIL MEMBERS RESPONSIBILITIES

The council members are required to prepare financial statements, which give a true and fair view of the state of affairs of the council as at the end of the financial year and of its surplus or deficit for that year. The council members are required to ensure that the council maintains proper accounting records.

The council members are also responsible for safeguarding the assets of the council.

The council members accepts responsibility for the financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgment and estimates, consistent with previous years and in conformity with the International Financial Reporting Standards.

The members are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the council as at 30th June 2013 and its surplus for the year ended.

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

MR. FREDRICK OSUNDWA

Sign.....

CHAIRMAN

Date: 10th Sept 2013

ELIZABETH OYWER (Mrs)

Sign.....

REGISTRAR

Date: 10th Sept 2013

REPUBLIC OF KENYA

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Fax: +254-20-311482
E-mail: cag@kenyaweb.com

P.O. Box 30084-00100
NAIROBI



KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON NURSING COUNCIL OF KENYA FOR THE YEAR ENDED 30 JUNE 2013

REPORT ON THE FINANCIAL STATEMENTS

The accompanying financial statements of Nursing Council of Kenya, set out on pages 7 to 17 which comprise the statement of financial position as at 30 June 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information have been audited on my behalf by Gad Wekesa and Associates, auditors appointed under the provisions of Section 39 of the Public Act, 2003. The auditors have duly reported to me the results of their audit and on the basis of their report, I am satisfied that all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of the audit were obtained.

Management's Responsibility for the Financial Statements

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

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

Auditor-General's Responsibility

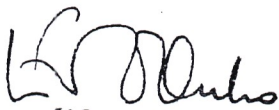
My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 15(2) of the Public Audit Act, 2003 and report in compliance with Article 229(7) of the Constitution of Kenya. The audit was conducted in accordance with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

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

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

Opinion

In my opinion the financial statements present fairly, in all material respects, the financial position of the Council as at 30 June 2013, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the Nurses Act, Cap. 257 of the Laws of Kenya.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

19 December 2013

NURSING COUNCIL OF KENYA
STATEMENTS OF COMPREHENSIVE INCOME FOR
THE YEAR ENDED 30TH JUNE 2013

	NOTE	2013 <u>KSH</u>	2012 <u>KSH</u>
REVENUE			
Income from fees & Registration	9	55,618,160	52,468,810
Income from sale of Training materials	8	6,972,518	6,043,467
Other Incomes	10	436,000	176,800
Gain on Disposal of fixed Assets		16,610,134	0.00
Total		<u>79,636,812</u>	<u>58,689,077</u>
EXPENDITURE			
Administrative Expenses	13	60,073,118	56,940,016
Board Expenses	11	2,384,153	2,167,900
Finance Charges	12	198,290	209,105
Consumable stock adjustment		0.00	(564,359)
Total		<u>62,655,561</u>	<u>58,752,662</u>
Surplus For The Year		<u>16,981,251</u>	<u>(63,585)</u>

NURSING COUNCIL OF KENYA
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2013

<u>ASSETS</u>	NOTE	2013 <u>KSH</u>	2012 <u>KSH</u>
Non- Current Assets			
Property, Plant & Equipment	2	63,633,322	67,308,806
Current Assets			
Inventories	3	3,352,546	3,401,915
Trade & other receivables	4	18,898	118,415
Cash & Cash Equivalent	5	<u>23,594,214</u>	<u>2,340,705</u>
Total Current Assets		26,965,658	5,861,035
TOTAL		<u>90,598,980</u>	<u>73,169,841</u>
 <u>EQUITY AND LIABILITIES</u>			
Accumulated funds	6	71,303,353	71,366,938
Surplus		16,981,251	(63,585)
Total Equity		<u>88,284,604</u>	<u>71,303,353</u>
Current Liabilities			
Trade & Other payables	7	2,314,376	1,866,488
Total		<u>2,314,376</u>	<u>1,866,488</u>
TOTAL EQUITY AND LIABILITIES		<u>90,598,980</u>	<u>73,169,841</u>

MR. FREDRICK OSUNDWA

MRS. ELIZABETH OYWER

SIGN.....
N.C.K. CHAIRMAN

SIGN.....
N.C.K. REGISTRAR

**NURSING COUNCIL OF KENYA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2013**

	ACCUMULATED FUND KSH	SURPLUS KSH	TOTAL KSH
AS AT 1 ST JULY 2011	71,366,938	-	71,366,938
Deficit	-	(63,585)	(63,585)
AS AT 30 TH JUNE 2012	71,366,938	(63,585)	71,303,353
AS AT 1st July 2012	71,303,353	-	71,303,353
Surplus	-	16,981,251	16,981,251
AS AT 30 TH JUNE 2013	71,303,353	16,981,251	88,284,604

**NURSING COUNCIL OF KENYA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENED 30TH JUNE 2013**

	2013 KSH	2012 KSH
<u>Cash Flows from operating activities:</u>		
Surplus/ (Deficit) for the year	16,981,251	(63,585)
Adjust for:		
Depreciation Charge for the year	2,135,727	2,353,124
Gain on disposal of Fixed assets	(16,610,134)	0.00
Surplus before working capital changes	2,506,844	2,289,539
Working Capital Changes		
(Increase) /Decrease in stock	49,369	(2,901,174)
Decrease(Increase) in Trade & Receivables	99,517	292,528
(Decrease) in trade & payables	447,888	(2,514,400)
Cash generated From operations	596,774	(5,123,046)
Net cash from operating activities	<u>3,103,618</u>	<u>(2,833,507)</u>
<u>Cash flow from investing activities:</u>		
Disposal of fixed assets	20,150,000	0.00
Purchase of Fixed Assets	(2,000,109)	(218,995)
Net cash Flows From Investing activities	<u>18,149,891</u>	<u>(218,995)</u>
(Decrease)/Increase in cash and cash equivalents	21,253,509	(3,052,502)
Cash & cash equivalents at the Beginning of the year	2,340,705	5,393,207
Cash & cash equivalents at The end of the year	<u>23,594,214</u>	<u>2,340,705</u>

NURSING COUNCIL OF KENYA
FINANCIAL STATEMENT FOR THE YEAR ENDED 30TH
JUNE 2013

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

The principal accounting policies adopted are as follows;

a) Preparation

The financial statements have been prepared under historical cost convention as modified to include revaluation of assets.

(b) Depreciation

Depreciation is calculated to write off their costs or valuation in equal annual installments over their estimated useful lives using the reducing balance method. Depreciation is not charged on assets bought during second half of the financial year.

The annual rates in use are:-

1. Land	Percentage %
2. Building	nil
3. Office furniture and equipment	2.5%
4. Motor Vehicle	12.5%
	25 %

(c) Inventories

Stocks are valued at the lower of cost or net of realizable value

(d) Provision for doubtful debts

Provision for doubtful debts is provided for depending on the age of the debts.

(e) Revenue recognition

Revenue is recognized when received.

(f) Currency

The figures shown in the accounts are in Kenyan Shillings

NURSING COUNCIL OF KENYA
ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE
YEAR ENDED 30TH JUNE 2013

NOTES TO THE ACCOUNTS

NOTE 2:

PROPERTY, PLANT AND EQUIPMENT

	FURNITURE AND FITTINGS	MOTOR VEHICLES	BUILDINGS	LAND	TOTALS
COST	KSH	KSH	KSH	KSH	KSH
As at 1/7/2011	15,304,899	2,023,310	56,126,262	12,316,180	85,770,651
As at 1/7/2012	15,523,894	2,023,310	56,126,262	12,316,180	85,989,646
Additions in the Year	2,000,109	-	-	-	2,000,109
Disposals for The Year	-	-	(3,300,000)	(1,500,000)	(4,800,000)
As at 30/6/2013	17,524,003	2,023,310	52,826,262	10,816,180	83,189,755
DEPRECIATION:					
As at 1/7/2011	7,355,089	1,461,752	7,510,875	-	16,327,716
As at 1/7/2012	8,352,439	1,602,141	8,726,260	-	18,680,840
Charge for the Year	896,432	105,292	1,134,003	-	2,135,727
Accumulated Depreciation on Disposal	-	-	(1,260,134)	-	(1,260,134)
As at 30/6/2013	9,248,871	1,707,433	8,600,129	-	19,556,433
N.B.V AS AT 30/6/2013:	8,275,132	315,877	44,226,133	10,816,180	63,633,322
N.B.V AS AT 30/6/2012:	7,171,455	421,169	47,400,002	12,316,180	67,308,806
N.B.V AS AT 30/6/2011	7,949,810	561,558	48,615,387	12,316,180	69,442,935

**NURSING COUNCIL OF KENYA
ANNUAL REPORT AND FINANCIAL STATEMENT FOR
THE YEAR ENDED 30TH JUNE 2013**

NOTE 3: INVENTORY

	2013 KSH	2012 KSH
TRAINING MATERIALS	3,352,546	2,837,556
OFFICE CONSUMABLES	<u>00.0</u> <u>3,352,546</u>	<u>564,359</u> <u>3,401,915</u>

NURSING COUNCIL OF KENYA
FINANCIAL STATEMENT FOR THE YEAR ENDED
30TH JUNE 2013

NOTES TO THE ACCOUNTS

NOTE 4:
TRADE AND OTHER RECEIVABLES

	<u>2013</u> <u>KSH</u>	<u>2012</u> <u>KSH</u>
Staff Salary Advances	-	71,291
Prepayments	<u>18,898</u>	<u>47,124</u>
	<u>18,898</u>	<u>118,415</u>

NOTE 5:

CASH AND CASH EQUIVALENT

	<u>2013</u> <u>KSH</u>	<u>2012</u> <u>KSH</u>
Cash at Bank	23,561,284	2,246,276
Cash in Hand	<u>32,930</u>	<u>94,429</u>
	<u>23,594,214</u>	<u>2,340,705</u>

NOTE 6:

ACCUMULATED FUND

	<u>2013</u> <u>KSH</u>	<u>2012</u> <u>KSH</u>
Balance Brought forward	71,303,353	71,366,938
Add: Surplus for the year	16,981,251	-
	<u>88,284,604</u>	<u>71,366,938</u>

**NURSING COUNCIL OF KENYA
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30TH JUNE 2013**

NOTES TO THE ACCOUNTS

NOTE 7:

TRADE & OTHER PAYABLES

	2013	2012
	<u>KSH</u>	<u>KSH</u>
Auditor general	396,000	428,000
G4S	77,612	11,379
Continental Graphics	94,000	199,016
Chana Printers	253,604	140,100
Greenwood Stationers	280,100	593,098
Firm Star Ltd	-	185,695
Kenafric Diaries	237,560	-
Ken park Printers	268,500	283,200
Soloh Worldwide International	545,000	-
One to One Printers	136,000	-
Rent deposits	26,000	26,000
	<u>2,314,376</u>	<u>1,866,488</u>

NOTE 8:

Income from Sale of Training Materials

	2013	2012
	<u>KSH</u>	<u>KSH</u>
Sales	17,598,946	13,457,000
Opening Stock	(2,837,556)	(500,741)
Purchases	(11,141,418)	(9,750,348)
Closing Stock	3,352,546	2,837,556
Net Income From sale of Materials	<u>6,972,518</u>	<u>6,043,467</u>

**NURSING COUNCIL OF KENYA
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2013**

NOTES TO THE ACCOUNTS

NOTE 9:

INCOME FROM FEE & REGISTRATIONS

	2013	2012
	KSHS	KSHS
Examination & Indexing	21,120,500	18,677,055
Registration & Enrolment	18,181,400	17,915,000
Council Rent Income	420,000	420,000
Private Practice License	3,419,750	3,453,500
BSCN license & Curriculum. Study	927,600	608,000
App. For license & Verification	2,139,210	2,451,755
Retention System fees	9,409,700	8,943,500
	<u>55,618,160</u>	<u>52,468,810</u>

NOTE 10

OTHER INCOMES:

License storage and other Income	436,000	176,800
	<u>436,000</u>	<u>176,800</u>

NOTE 11

BOARD EXPENSES

Sitting allowance	1,126,000	1,260,000
Accommodation allowance	697,353	559,500
Lunch allowance	279,000	190,400
Transport allowance	281,800	158,000
	<u>2,384,153</u>	<u>2,167,900</u>

NOTE 12

FINANCE CHARGES

Bank charges	<u>198,290</u>	<u>209,105</u>
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**NURSING COUNCIL OF KENYA
ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE
YEAR ENDED 30TH JUNE 2013**

NOTE: 13

ADMINISTRATIVE EXPENSES

	<u>2013</u> <u>KSHS</u>	<u>2012</u> <u>KSHS</u>
Salary, Wages & Gratuity	21,085,966	19,948,486
Insurance, Rates and Maintenance	1,200,650	1,075,347
Office running expenses	1,314,638	1,405,581
Motor Vehicle running expenses	1,285,960	1,282,804
Advertising & Newspapers	1,321,811	1,470,302
Travel & Examination	12,123,607	11,325,172
Stationary	3,113,804	3,295,188
Seminars & Workshops	3,729,381	2,971,388
Provision for Audit fee	200,000	200,000
Writing & signing of certificates	362,300	414,730
Postage & Telephone Charges	1,840,454	2,082,864
Standards, Ethics & Visits	931,950	973,350
Legal Fees	1,655,000	1,159,295
Donations and Subscriptions	404,160	267,500
Electricity & Water	1,041,072	1,104,538
Staff development & Medical cover	3,684,958	2,942,535
Retention Card	1,884,798	2,059,510
Security & alarm systems	756,882	608,302
Depreciation Charge for the Year	<u>2,135,727</u>	<u>2,353,124</u>
Total	<u>60,073,118</u>	<u>56,940,016</u>