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KENYA NATIONAL AUDIT OFFICE

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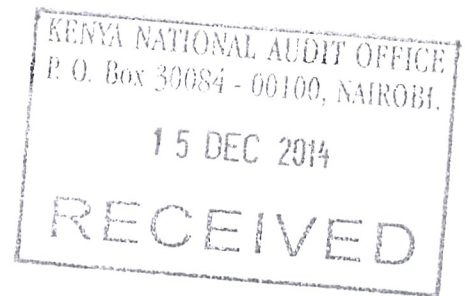
THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE 2014**

NURSING COUNCIL OF KENYA



REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2014

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

**NURSING COUNCIL OF KENYA
REPORTS AND FINANCIAL STATEMENTS
FOR YEAR ENDED 30TH JUNE 2014**

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NURSING COUNCIL OF KENYA

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2014

1. KEY NCK CORPORATE INFORMATION

a) Background information

The Nursing Council of Kenya was established on 10th June 1983 under The Nurses Act Chapter 257 of the Laws of Kenya. NCK is represented by a Board of Members who are responsible for the general policy and strategic direction of the Council.

b) Principal Activity

The principal activity of NCK is to regulate the Nursing profession in Kenya.

c) Key Management

The NCK management is under the following key organs:

- Board of Members
- Registrar
- Senior Management Team

d) Fiduciary Management

The management personnel who held office during the financial year ended 30th June 2014 and who had direct fiduciary responsibility were:

Name	Designation
1. Elizabeth Oywer	Registrar
2. Fredrick Ochieno	Deputy Registrar
3. Duncan Muisyo	Finance Manager
4. Augustine Abade	Procurement Manager

e) Fiduciary Oversight Arrangements

The Nursing Council of Kenya comprises of the Chairman, Vice Chairman, Director of Medical Services, Chief Nursing Officer, Ministry of Education representative, Christian Health Association of Kenya representative, National Nurses Association representative, Kenya Progressive Nurses Association representative, Attorney General representative, Three elected members and one member nominated by outgoing Board.

The Board meets quarterly and has a formal schedule of matters reserved for it. The key function of the Board is to guide and control the performance and management of the affairs of the Council. The Board has appointed various standing committees to which it has delegated certain responsibilities with the chairmen of the committees reporting to the full Board

The standing committees of the council are :-

Executive Committee,
Registration & Licensing,
Discipline, Standards & Ethics.

Human Resource and Finance,
Education, Research & Examination,

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f) NCK Headquarters

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

g) NCK Contacts

Tel: +254-20-3873556
Nairobi, Kenya
Email: info@nckkenya.org
Website: www.nckkenya.com

h) Bankers

Barclays Bank of Kenya Limited,
Queensway Branch
P.o Box 30011-00100
Tel: +254-20-2711221
Nairobi, Kenya

Cooperative Bank of Kenya Limited
Kibera Branch
P.o Box 48231 – 00100
Nairobi, Kenya

i) Independent Auditors

Auditor General
Kenya National Audit Office
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

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BOARD MEMBERS

	NAME	REPRESENTING	QUALIFICATIONS
1	Everlyne C.N. Rotich	Board Chairperson	MScN, BScN
2	Titus Munene M'maeti	Board Vice- Chairman/ Chair, Finance Committee and Audit Committee	MBA, BScN
3	Dr. John Wekesa	Board Member- Alt. to Director of Medical Services	MB ChB, MMed
4	Mr. Chris Rakuom	Board Member	MScN, KRM, KRN
5	Mr. Nur Guleid	Board Member	B.Ed
6	Fredrick Osundwa	Board Member	KRN,KRM
7	Jane Kishoyian	Board Member/ Chair Registration and licensing Committee	BScN, KRCHN
8	Mr. Luke K'odambo	Board Member	KRCHN
9	Mr. Thaddeus Mayaka	Board Member / Chair Discipline, Standards and Ethics Committee	KECHN
10	Mr. Kinuthia Wamwangi	Board Member	LL.B, DIP. LAW
11	Mr. James Mwenda	Board Member-Alt. to Attorney General	LL.B, DIP LAW
12	Gertrude Opiyo	Board Member	KRN, KRM,KRCHN
13	Samson Cheruiyot	Board Member / Chair Education, Research and Examination.	MScN, BScN
14	Trutea Munyendo	Board Member	KRPN, KRCHN ,KEPN

SENIOR MANAGEMENT

NAME	DESIGNATION
Elizabeth Oywer(Mrs.)	Registrar
Fredrick Ochieno	Deputy Registrar
Duncan Muisyo	H.O.D Finance
Sarah Burje	H.O.D Examination
Sophie Ngugi	H.OD. Standards
Jostine Mutinda	H.O.D Education
Maurice Ketch	H.O.D Human Resource Management
Eva Magothe	H.O.D Information Technology
Augustine Abade	H.O.D Procurement
Michael Wachira	H.O.D Internal Audit

**NURSING COUNCIL OF KENYA
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FOR THE YEAR ENDED 30TH JUNE 2014**

CHAIRMAN'S STATEMENT

The Nursing Council of Kenya in collaboration with various stakeholders is spearheading the delivery of NCK services in conformity with the Kenyan constitution and vision 2030 economic blueprint.

The Council was established in June 1983 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.

The Council is tasked with regulating the Nursing Profession in Kenya. Its broad mandate entails Organizing Examinations, Conducting Visits to Health Institutions, Register/Enroll/License those Candidates who are trained both inside and outside Kenya, Review syllabi for various Nursing programs and review relevant education materials and discipline those Nurses who commit offences.

The execution of the above is not without challenges. In view of this, the NCK launched a five year strategic plan in the year 2010. The strategic plan 2010 -2016 recognizes the prevailing need for health services and the difficult socio-economic circumstances facing the country.

The strategic plan addresses four key goals which are:- improved nursing standards, improved service delivery and institutional image, institutional development, financial sustainability, and ICT capability development. The achievement of these goals will address the challenges and take advantage of the opportunities that will arise thereon

Considerable success has been realized in the achievement of these goals and it is hoped that pending issues will be achieved to the required standards. This will require an enabling work environment and support and commitment from all stakeholders who include the Council Board and secretariat, nursing fraternity, the Ministry of Health and other GOK Departments.

Lastly, the NCK commits itself not to lose sight of its vision and mission and will always uphold in esteem its core values during interaction with clients. These core values include a strong commitment to superior services, commitment to transparency and accountability in the leadership and management of affairs, adherence to competence in performance, commitment to public policy and ethics, and believe in equality of all human beings irrespective of their social standing.

Sign.....
Everlyne Chepkemai Rotich
NCK CHAIR

**NURSING COUNCIL OF KENYA
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FOR THE YEAR ENDED 30TH JUNE 2014**

REPORT OF THE REGISTRAR/ CHIEF EXECUTIVE OFFICER

In June 1983 NCK was established through An Act of parliament, the major role of the Council is that of regulating the Nursing profession in the country, Implement and comply 100% with the Council's strategic plan.

The core business of NCK is to make provision 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 for connected purposes. This is in line with the mission and vision of NCK, which is "to ensure the provision of quality nurses training and maintenance of professional nursing practice through appropriate regulations" Our vision is "The Nursing Council of Kenya is committed to the provision of world class nursing education and practice"

In January 2014 we revised the accreditation standards for schools of nursing. The accreditation document has standards on; Governance, Curriculum, physical facilities, Clinical training resources, Clinical placement, Faculty, Students, Continuous quality improvement, Program evaluation, Research and CPD.

The revised standards aim to:-

- i) Foster continuing improvement of the courses.
- ii) Provide for an evaluation process that is efficient for institutions.
- iii) Provide for continuous evaluation as a means of assessing whether the training courses consistently fulfils their goals.
- iv) Boost partnerships between training institutions and clinical placement providers.

As I conclude, I would like to express deep appreciation to the government of Kenya for their support and commitment in supporting Nurses' growth in the country, our development and strategic partners as well as public and private organizations who are important in achieving our objectives. We are thankful to all county governments who have collaborated with us. We remain grateful to all the citizens of Kenya for giving us the opportunity to serve them.

Sign.....
Jostine Ndunge Mutinda
AG. NCK REGISTRAR/CEO

NURSING COUNCIL OF KENYA

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2014

CORPORATE GOVERNANCE STATEMENT

The board of the Nursing Council is responsible for the overall management of the organization and is accountable to its stakeholders for ensuring that the organization complies with the law and the highest standards of best practices in corporate governance and quality service delivery. The Council's board is committed to integrity in accordance with the generally accepted corporate practices and endorses the developed principles of good corporate governance.

The Board

The Council Board is made up of fourteen (14) members who represent various stakeholders and are mandated to the following standing committees:-

- i) Human Resource and Finance committee
- ii) Registration and Licensing committee
- iii) Education, Research and Examination committee
- iv) Discipline, Standards and Ethics committee
- v) Executive committee

Internal Control System

The Council has put in place policies, procedures, regulations and financial controls to ensure that the financial reporting is reliable, operations are effective and efficient and there is accuracy in accounting information. These cover procedures for obtaining authority for transactions and for ensuring compliance with laws and regulations that have significant implications. Procedures are also in place to ensure that assets are subject to proper physical controls and that the organization remains structured to ensure proper segregation of duties. In reviewing the effectiveness of the systems of internal control, the Council takes into account the results of all the work carried out to audit and review the activities of the institution. Monthly meetings for management teams and quarterly meetings by the Council to review financial status of the institution are held by senior management to monitor performance and to agree on measure for improvement.

Risk Management Policy

The Council is in process of preparing a Risk Management Policy. The aim of implementing this policy is to ensure that incidents that may threaten the ability of the organization to achieve its objectives are recognized early enough for suitable measures to be taken. This will guard against unethical practices that may threaten the value of the organization by promoting accountability and transparency.

**NURSING COUNCIL OF KENYA
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2014**

STATEMENT OF COUNCIL MEMBERS RESPONSIBILITIES

The Public Finance Management Act, 2012 and the State Corporations Act Cap 466, require the Council members to prepare financial statements in respect to the Nursing council, which give a true and fair view of the state of affairs of the Council at the end of the financial year/period and the operating results of the Council for that year/period. The Members are also required to ensure that the Council keeps proper accounting records which disclose with reasonable accuracy the financial position of the Council. The members are also responsible for safeguarding the assets of the Council.

The Members are 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 ended on June 30, 2014. These responsibilities include: (i) maintaining adequate financial management arrangements ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy, 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 Members accept responsibilities for the Council's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with Accrual Basis of Accounting method under the International Public Sector Accounting Standards (IPSAS) and in the manner required by the PFM Act and the State Corporations Act. The Members are 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, 2014, and of the Council's financial position as at that date. The Members further confirm 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 systems of internal financial control.

Nothing has come to the attention of the Members to indicate that the Council will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Council's financial statements were approved by the Board on 1st August 2014 and signed on its behalf by:-

Sign.....
EVERLYNE CHEPKEMOI ROTICH
CHAIRMAN

Sign.....
TITUS MUNENE M'MAETI
VICE CHAIRMAN



OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NURSING COUNCIL OF KENYA FOR THE YEAR ENDED 30 JUNE 2014

REPORT ON THE FINANCIAL STATEMENTS

The accompanying financial statements of Nursing Council of Kenya set out on pages 12 to 23, which comprise the statement of financial position as at 30 June 2014, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts 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 Public Sector Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 15(2) of the Public Audit Act, 2003. 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 judgement, 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 qualified audit opinion.

Basis for Qualified Opinion

1. Board Expenses

During the year under review, the Council incurred Kshs.3,615,116 on board expenses against a budget of Kshs.2,810,000 occasioned by increase in board allowances that resulted in excess expenditure of Kshs.805,116. However, no approval for the increase in allowances and the excess expenditure from the parent Ministry and Treasury was availed for audit review. This is contrary to the State Corporations Act, Cap 446 Section 12 which states that no Corporation shall without prior approval of the Ministry and the Treasury, incur any expenditure for which no provision has been made in the annual estimate prepared and approved in accordance with Section II. The Council is in breach of law.

In the circumstances, it has not been possible to ascertain the propriety of the excess expenditure of Kshs.805,116 included in the Board expenses of Kshs.3,615,116 for the year ended 30 June 2014.


2. Irregular Allowances

During the year under review, the Council paid Kshs.10,203,161 as duty allowances to 16 staff members seconded to the Council from the Ministry of Health. The allowances were paid as top up duty allowances, equivalent to their basic salary from the Ministry. However, these payments were made contrary to the Government Circular No.DPM/2/1AXXXIV/(95) of 17 July 2008 that scrapped all top up allowances. Further, no approval for such allowances, from the parent Ministry was availed for audit review.

In the circumstances, it has not been possible to confirm the propriety of the expenditure of Kshs.10,203,161, included under administrative expenses amount of Kshs.74,702,766 in the statement of financial performance for the year ended 30 June 2014.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Council as at 30, June 2014 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards and comply with the Nurses Act, Cap. 257 of the Laws of Kenya.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

18 February 2015

NURSING COUNCIL OF KENYA
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30TH JUNE 2014

	NOTE	2014 <u>KSH</u>	2013 <u>KSH</u>
REVENUE			
Income from fees & Registration	8	67,245,716	55,618,160
Income from sale of Training materials	9	7,077,631	6,972,518
Other Incomes	10	7,783,440	436,000
Gain on Disposal of fixed Assets		0	16,610,134
Total		<u>82,106,787</u>	<u>79,636,812</u>
EXPENDITURE			
Board Expenses	11	3,615,116	2,384,153
Finance Charges	12	268,432	198,290
Administrative Expenses	13	74,702,766	60,073,118
Total		<u>78,586,314</u>	<u>62,655,561</u>
Surplus For The Year		<u>3,520,473</u>	<u>16,981,251</u>

NURSING COUNCIL OF KENYA
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2014

	NOTE	2014 <u>KSH</u>	2013 <u>KSH</u>
<u>ASSETS</u>			
Non- Current Assets			
Property, Plant & Equipment	2	72,201,357	63,633,322
Current Assets			
Inventories	3	1,931,350	3,352,546
Trade & other receivables	4	49,300	18,898
Cash & Cash Equivalent	5	<u>19,025,578</u>	<u>23,594,214</u>
Total Current Assets		21,006,228	26,965,658
TOTAL		<u>93,207,585</u>	<u>90,598,980</u>
<u>EQUITY AND LIABILITIES</u>			
Accumulated funds	6	88,284,604	71,303,353
Surplus		3,520,473	16,981,251
Total Equity		<u>91,805,077</u>	<u>88,284,604</u>
Current Liabilities			
Trade & Other payables	7	1,402,508	2,314,376
Total		<u>1,402,508</u>	<u>2,314,376</u>
TOTAL EQUITY AND LIABILITIES		<u>93,207,585</u>	<u>90,598,980</u>

The Council's financial statements were approved by the Board on 1st August 2014 and signed on its behalf by:-

Sign.....
EVERLYNE C. ROTICH
CHAIRMAN

Sign.....
TITUS M. M'MAETI
VICE CHAIRMAN

Sign.....
JUSTINE N. MUTINDA
Ag. REGISTRAR

NURSING COUNCIL OF KENYA
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30TH JUNE 2014

	ACCUMULATED FUND KSH	SURPLUS KSH	TOTAL KSH
AS AT 1 ST 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
AS AT 1 ST JULY 2013	88,284,604		88,284,604
Surplus		3,520,473	3,520,473
AS AT 30 TH JUNE 2014	88,284,604	3,520,473	91,805,077

NURSING COUNCIL OF KENYA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2014

	NOTE	2014 KSH	2013 KSH
<u>Cash Flows from operating activities:</u>			
Receipts			
Income from Fees and Registration	8	67,245,716	55,618,160
Contribution from Sales	9	7,077,631	6,972,518
Gain on Disposal of fixed assets		0	16,610,134
Other incomes	10	7,783,440	436,000
		82,106,787	79,636,812
Payments			
Board Expenses	11	3,615,116	2,384,153
Finance costs	12	268,432	198,290
Staff Cost	13(a)	30,804,829	24,770,924
Insurance, rates and Maintenance costs	(b)	1,263,959	1,200,650
Legal Expenses	(c)	1,376,354	1,655,000
Utilities expenses	(d)	11,907,050	10,674,621
Travel Expenses	(e)	13,713,765	12,123,607
Audit fees	(f)	300,000	200,000
Depreciation Charge	(g)	5,438,434	2,135,727
Other operating expenses	(h)	9,898,375	7,312,589
Total		<u>78,586,314</u>	<u>62,655,561</u>
Net cash flows from operating activities		3,520,473	16,981,251
Decrease/(Increase) in current assets		1,390,795	148,886
Increase/(Decrease) in current liabilities		(911,868)	447,888
Decrease/(Increase) in Asset disposal		0	3,539,866
Depreciation Charge		5,438,434	2,135,727
		5,917,361	6,272,367
Net cash from operating activities		9,437,834	23,253,618
<u>Cash flow from investing activities:</u>			
Purchase of property, plant & equipment		(14,006,470)	(2,000,109)
Net cash Flows From Investing activities		<u>(14,006,470)</u>	<u>(2,000,109)</u>
Increase/(Decrease) in cash and cash equivalents		(4,568,636)	21,253,509
Cash & cash equivalent at the beginning of the year		23,594,214	2,340,705
Cash & cash equivalent at the end of the year		<u>19,025,578</u>	<u>23,594,214</u>

NURSING COUNCIL OF KENYA
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2014

Statement of Comparison of Budget and Actual Amounts

	BUDGET	ACTUALS	Performance Difference
Revenue	2013-2014 (Ksh '000)	2013-2014 (Ksh '000)	2013-2014 (Ksh '000)
Internally Generated Revenue from sales, fees, levies or charges	73,740	82,107	8,367
Government Grants – Recurrent	-	-	
Dev't Partner	-		
Others – Recurrent (Specify)	-		
Recurrent Revenue	73,740	82,107	8,367
Payments			
Personnel Emoluments	24,805	25,854	1,049
Board Expenses	2,810	3,615	805
Operating/Administrative Expenses	41,600	42,148	548
Repair & Maintenance	1,700	1,264	(436)
Depreciation	2,050	5,438	3,388
Total Operating Expenses	72,965	78,319	5,354
Operating Surplus/ (Deficit)	775	3,788	3,013
Finance Charges (Interest on Loans)	(210)	(268)	(58)
Net Earnings	565	3,520	2,955
Ratios			
Operating Surplus Margin	0.01	0.04	0
Personnel Costs to Recurrent Revenue	0.34	0.32	0
Personnel Costs to Recurrent Costs	34%	33%	0
Number of employees			
Management	7	7	0
Technical	28	28	0
Others	5	5	0

NURSING COUNCIL OF KENYA REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2014

NOTE:1 Summary of Significant Accounting Policies

The principle accounting policies adopted in the preparation of these financial statements are set out below:

a) Statement of compliance and basis of preparation

The financial statements have been prepared on a historical cost convention as modified to include revaluation of assets. The preparation of financial statements in conformity with international public sector accounting standards allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the council's accounting policies. The financial statements have been prepared and presented in Kenya shillings which are the functional and reporting currency of the council. The accounting statements have been prepared in accordance with the PFM Act, the state Corporation Act and International Public Sector Accounting Standards (IPSAS).

b) Revenue Recognition

Revenue is recognized when received.

c) Depreciation

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

The annual rates in use are;

	Percentage %
1. Land	nil
2. Building	2.5%
3. Office furniture and fittings	12.5%
4. Motor vehicle	25%
5. Computers	30%

d) Inventories

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

e) Trade and Other Receivables

Trade and other receivables are recognized at fair values.

f) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank. Bank account balances include amounts held at the various commercial banks at the end of the financial year.

g) Trade and Other Payables

Trade and other payables are non-interest bearing and are carried at amortized cost, which is measured at the fair value of contractual value of the consideration to be paid in future in respect of goods and services supplied, whether billed to the council or not, less any payments made to the suppliers.

**NURSING COUNCIL OF KENYA
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2014**

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

NOTE:2

PROPERTY , PLANT AND EQUIPMENT

	FURNITURE AND FITTINGS	COMPUTERS	MOTOR VEHICLES	BUILDINGS	LAND	TOTALS
<u>COST</u>	KSH	KSH	KSH	KSH	KSH	KSHS
As at 1/7/2012	11,682,669	3,841,225	2,023,310	56,126,262	12,316,180	85,989,646
As at 1/7/2013	11,682,669	5,841,334	2,023,310	52,826,262	10,816,180	83,189,755
Additions in the Year	658,490	13,347,980	-	-	-	14,006,470
As at 30/6/2014	12,341,159	19,189,314	2,023,310	52,826,262	10,816,180	97,196,225
<u>DEPRECIATION:</u>						
As at 1/7/2012	6,165,914	2,186,525	1,602,141	8,726,260	-	18,680,840
As at 1/7/2013	6,165,914	3,082,957	1,707,433	8,600,129	-	19,556,433
Charge for the Year	771,906	3,481,907	78,969	1,105,653	-	5,438,435
As at 30/6/2014	6,937,820	6,564,864	1,786,402	9,705,782	-	24,994,868
N.B.V						
AS AT 30/6/2014	5,403,339	12,624,450	236,908	43,120,480	10,816,180	72,201,357
AS AT 30/6/2013	5,516,755	2,758,377	315,877	44,226,133	10,816,180	63,633,322
AS AT 30/6/2012	5,516,755	1,654,700	421,169	47,400,002	12,316,180	67,308,806

**NURSING COUNCIL OF KENYA
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2014**

NOTE: 3 INVENTORY

	2014 KSHS	2013 KSHS
TRAINING MATERIALS	1,931,350	3,352,546
OFFICE CONSUMABLES	0	0
	<u>1,931,350</u>	<u>3,352,546</u>

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NOTE : 4

TRADE AND OTHER RECIEVABLES

	<u>2014</u> <u>KSH</u>	<u>2013</u> <u>KSH</u>
Staff Salary Advances	0	0
Prepayments	<u>49,300</u>	<u>18,898</u>
	<u>49,300</u>	<u>18,898</u>

NOTE: 5

	<u>2014</u> <u>KSH</u>	<u>2013</u> <u>KSH</u>
Cash at Bank	18,952,002	23,561,287
Cash in Hand	<u>73,576</u>	<u>32,930</u>
	<u>19,025,578</u>	<u>23,594,217</u>

NOTE: 6

ACCUMULATED FUND

	<u>2014</u> <u>KSH</u>	<u>2013</u> <u>KSH</u>
Balance Brought forward	88,284,604	71,303,353
Add: Surplus for the year	3,520,473	16,981,251
	<u>91,805,077</u>	<u>88,284,604</u>

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NOTE: 7

TRADE & OTHER PAYABLES

	2014	2013
Auditor general	300,000	396,000
G4S Kenya Limited	0	77,612
Continental Graphics	225,200	94,000
Chana Printers	210,000	253,604
Greenwood Stationers	56,654	280,100
Strutchart Merchants	330,654	0
Kenafriic Diaries	0	237,560
Ken park Printers	0	268,500
One to one printers	0	136,000
Solo Woldwide Int	254,000	545,000
Rent deposits	26,000	26,000
	1,402,508	2,314,376

NOTE: 8

INCOME FROM FEE & REGISTRATIONS

Examination & Indexing	30,283,500	21,120,500
Registration & Enrolment	23,740,700	18,181,400
Council Rental Income	420,000	420,000
Private Practice License	2,247,000	3,419,750
BscN & Curriculum Study	352,000	927,600
Application for License & Verification	2,088,516	2,139,210
Retention Systems Fees	8,114,000	9,409,700
	67,245,716	55,618,160

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NOTE: 9

Income from Sale of Training Materials

	2014	2013
	KSHS	KSHS
Sales	19,438,827	17,598,945
Opening Stock	(3,352,546)	(2,837,556)
Purchases	(10,940,000)	(11,141,418)
Closing Stock	1,931,350	3,352,546
Net Income From Training Materials	<u>7,077,631</u>	<u>6,972,517</u>

NOTE: 10

OTHER INCOMES:

License storage and other Income	<u>7,783,440</u>	<u>436,000</u>
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NOTE: 11

BOARD EXPENSES

Sitting allowance	1,992,000	1,326,000
Accommodation allowance	798,616	647,353
Lunch allowance	213,000	229,000
Transport allowance & Honoraria	611,500	181,800
	<u>3,615,116</u>	<u>2,384,153</u>

NOTE:12

FINANCE CHARGES

Bank charges	<u>268,432</u>	<u>198,290</u>
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NURSING COUNCIL OF KENYA
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NOTE 13: ADMINISTRATIVE EXPENSES	2014(Ksh)	2013(Ksh)
(a) STAFF COSTS		
Salary, Wages & Gratuity	25,853,806	21,085,966
Staff development & Medical cover	4,951,023	3,684,958
Total	30,804,829	24,770,924
(b) INSURANCE COSTS		
Insurance, Rates & Maintenance	1,263,959	1,200,650
(c) LEGAL EXPENSES		
Legal Fees	1,376,354	1,655,000
(d) UTILITIES EXPENSES		
Office running expenses	1,684,459	1,314,638
M. Vehicle running expenses	1,002,365	1,285,960
Advertising & Newspapers	1,338,442	1,321,811
Stationary	3,820,249	3,113,804
Postage & Telephone Charges	1,834,696	1,840,454
Electricity & Water	986,033	1,041,072
Security & Alarm Systems	1,240,806	756,882
TOTAL	11,907,050	10,674,621
(e) TRAVEL EXPENSES		
Travel & Examination	13,713,765	2,123,607
(f) AUDIT FEES		
Provision for Audit fees	300,000	200,000
(g) DEPRECIATION CHARGE		
	5,438,434	2,135,727
(h) OTHER OPERATING EXPENSES		
Seminars & Workshops	5,630,063	3,729,381
Writing & signing of certificates	508,437	362,300
Donations & Subscriptions	443,500	404,160
Retention System	1,993,610	1,884,798
Council Visits & Inspections	1,322,765	931,950
TOTAL	9,898,375	7,312,589
Total Administrative Exp.	<u>74,702,766</u>	<u>60,073,118</u>