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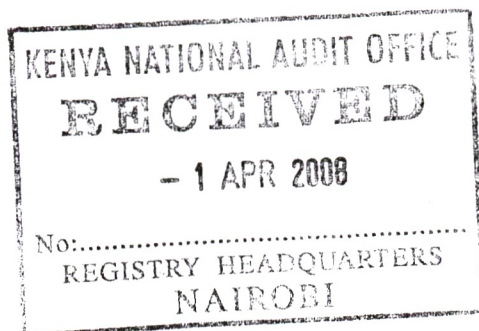
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**REPORT
OF
THE CONTROLLER
AND AUDITOR-GENERAL**

ON

**THE FINANCIAL STATEMENTS OF KENYA
MEDICAL LABORATORY TECHNICIANS
AND TECHNOLOGISTS BOARD FOR THE
YEAR ENDED 30 JUNE 2007**

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

**FINANCIAL STATEMENTS AND REPORT
AS AT 30TH JUNE 2007**

THE KENYA MEDICAL LABORATORY TECHNICIAN
AND TECHNOLOGIST BOARD.

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THE KENYA MEDICAL LABORATORY TECHNICIANS & TECHNOLOGISTS BOARD.

1. Establishment of the Board

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

The first Board was inaugurated in the year 2000.

Functions of the Board

The board functions are as enumerated below, and include:

- Regulate the professional conduct of registered laboratory technicians and technologists.
- Licence and regulate business practices of technologists and technicians.
- Approve institutions for training technologists.
- Register technicians and technologists.
- Approve courses of institutions for laboratory technologists and technicians.

2. STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES.

The Board members are required to prepare financial statements, which give a true and fair view of the state of affairs of the Board as at the end of the financial year and of its surplus or deficit for that year. The Board members are required to ensure that the Board maintains proper accounting records which disclose with reasonable accuracy the financial position of the Board. The Board Members are also responsible for safeguarding the assets of the Board.

The Board members accepts responsibility for the 2006/2007 financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgement and estimates, consistent with previous years and in conformity with the International Financial Reporting Standards. The members are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Board as at 30th June 2007 and its surplus for the year ended.

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

Name: DR. F. MOLI

Name: J. W. GACHARE

Designation: CHAIRMAN

Designation: REGISTRAR

Signed: 

Signed: 

Date: 2/11/2007

Date: 2/11/2007





KENYA NATIONAL AUDIT OFFICE

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF KENYA MEDICAL LABORATORY TECHNICIANS AND TECHNOLOGISTS BOARD FOR THE YEAR ENDED 30 JUNE 2007

I have audited the financial statements of Kenya Medical Laboratory Technicians and Technologists Board set out on pages 5 to 14 which comprise the balance sheet as at 30 June 2007, the income and expenditure statement, statement of changes in accumulated fund, cash flow statement for the year then ended, together with a summary of significant accounting policies and other explanatory notes in accordance with the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit. The financial statements are in agreement with the books of account.

Director's Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements, which give a true and fair view of the Boards state of affairs and its operating results in accordance with the International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Responsibility of the Controller and Auditor General

My responsibility is to express an independent opinion on the financial statements based on the audit. The audit was conducted in accordance with the International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed with a view to obtaining reasonable assurance that 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 controls

relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements. I believe the audit provides a reasonable basis for my opinion.

1. Financial Position

During the year ended 30 June 2007 the Board realized a deficit of Kshs.1,708,434. Further, the balance sheet as at 30 June 2007 reflects a negative working capital of Kshs.7,225,354 (2006 – Negative Kshs.5,649,975) and a negative accumulated fund of Kshs.6,479,084 (2006 – negative Kshs.4,770,650). The Board is, therefore, technically insolvent and its operation as a going concern is in jeopardy.

2. Budgetary Control

During the year ended 30 June 2007, the board operated without an approved budget contrary to the requirements of Sections 11 and 12 of the State Corporations Act (Cap 446) which requires the approval by the Parent Ministry with the concurrence of the Treasury. In the absence of such approval, it was not possible to confirm the propriety of the total income of Kshs.10,549,766.00 and the total expenditure of Kshs.12,258,200.00.

Opinion

Except for the reservations set out in the preceding paragraphs, in my opinion, proper books of account have been kept and the accompanying financial statements give a true and fair view of the state of the financial affairs of the Board as at as at 30 June 30 2007 and of its deficit and cash flows for the year then ended in accordance with the Medical Laboratory Technicians and Technologists Act, 1999.



P. N. KOMORA, C.B.S
CONTROLLER AND AUDITOR GENERAL

Nairobi

19 March 2008

KENYA MEDICAL LABORATORY TECHNICIANS & TECHNOLOGISTS BOARD

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30.06.2006

	NOTES	2006 / 2007	2005 / 2006
		Kshs.	Kshs.
INCOME			
Income	6	10,436,766	12,435,495
Other Income		113,000	216,900
		<u>10,549,766</u>	<u>12,652,395</u>
LESS EXPENDITURE			
Board Allowances	7	8,481,755	16,366,644
Bank Charges		101,336	106,323
Stationery		1,150,565	1,912,002
Security Costs		0	429,240
Audit fees		324,000	150,000
Depreciation		133,054	154,595
Personnel Emolument		1,244,200	1,474,000
Postage		156,420	0
Telephone		234,465	534,050
Transport		51,200	0
Others		381,205	473,509
		<u>12,258,200</u>	<u>21,600,363</u>
TOTAL EXPENDITURE			
SURPLUS / DEFICIT		<u>-1,708,434</u>	<u>-8,947,968</u>

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

BALANCE SHEET AS AT 30TH JUNE 2007.

2006/2007 2005/2006

	NOTES	Kshs.	Kshs.
<u>NON CURRENT ASSETS.</u>			
Property, Plant & Equipment	2	<u>746,270</u>	<u>879,324</u>
<u>CURRENT ASSETS.</u>			
Cash & Bank Balances	3	581,537	1,305,880
Debtors & Prepayments	4	<u>1,784,000</u>	<u>1,268,641</u>
		<u>2,365,537</u>	<u>2,574,521</u>
<u>CURRENT LIABILITIES.</u>			
Creditors & Accruals	5	9,590,891	8,224,496
		<u>9,590,891</u>	<u>8,224,496</u>
Net Current Assets		-7,225,354	-5,649,975
Net Assets		<u>-6,479,084</u>	<u>-4,770,650</u>
FINANCED BY			
Accumulated Fund		<u>-6,479,084</u>	<u>-4,770,650</u>

SIGNED:

DR. F. MULI Chairman

J. W. GACHARE Registrar

Date 2/11/2007



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

**STATEMENT OF CHANGES IN ACCUMULATED FUND FOR THE YEAR
ENDED 30TH JUNE 2007.**

	<u>2006/2007</u>	<u>2005/2006</u>
	<u>KSHS.</u>	<u>KSHS.</u>
Bal b/d	-4,770,650	4,177,318
Net surplus/deficit for the yr	-1,708,434	-8,947,968
Bal c/d	<u>-6,479,084</u>	<u>-4,770,650</u>

KENYA MED. LAB. TECHNICIANS AND TECHNOLOGISTS BOARD.

CASH FLOW STATEMENT.

FOR THE YEAR ENDED 30.06.2007.

	<u>2006 / 2007</u>	<u>2005 / 2006</u>
NET PROFIT BEFORE TAX	-1,708,434	-8,947,963
<u>ADJUSTMENTS.</u>		
Depreciation	133,054	154,595
CASH FLOW FROM OPERATIONS.	-1,575,380	-8,793,373
WORKING CAPITAL CHANGES.		
Increase in Creditors	1,366,395	7,597,696
Increase in Debtors	<u>-515,359</u>	851,036 <u>-552,000</u> 7,045,696
	<u>-724,344</u>	<u>-1,747,677</u>
CASH FLOW FROM INVESTING ACTIVITIES.		
Purchase of Fixed Assets	0	-53,588
Decrease / Increase in Cash & Cash Equivalents	-724,344	-1,801,265
Cash and Cash equivalent at the beginning of the period	1,305,880	<u>3,107,146</u>
Cash & Cash Equivalents at the end of the period	<u>581,536</u>	<u>1,305,880</u>

THE KENYA MED.LAB. TECHNICIAN AND TECHNOLOGISTS BOARD.

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2007.

1. Accounting Policies.

The principal accounting policies adopted are as follows: -

a) Basis of Preparation.

The financial statements have been prepared under historical cost convention.

b) Property, Plant and Equipment.

Depreciation on assets is calculated to write off the cost of valuation in equal annual instalments over their estimated useful lives.

The annual rates in use are:-

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

(c) Cash and Cash equivalents.

This include cash in hand and in bank.

(d) Revenue recognition.

Revenue is recognised when received.

THE KENYA MEDICAL LABORATORY TECHNICIANS & TECHNOLOGISTS BOARD.

e) Retirement benefit obligation.

Employee entitlements.

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

The total amount contributed is Ksh.400.

There is no other pension in place.

f) Principal activities.

- Regulate the professional conduct of registered laboratory technicians and technologists.
- Licence and regulate business practices of technologists and technicians.
- Approve institutions for training technologists.
- Register technicians and technologists.
- Approve courses of institutions for laboratory technologists and technicians.

KENYA MED. LAB. TECHNICIANS AND TECHNOLOGISTS BOARD.
AS AT 30.06.07

2 Property, Plant & Equipment

	FURNITURE & FITTINGS <u>KSH.</u> 12.5%	MOBILE PHONES COMPUTERS <u>KSH.</u> 30%	TOTAL <u>KSH.</u>
<u>COSTS:</u>			
Balance b/f	777,905	101,419	879,324
Additions in the year	NIL	NIL	NIL
Balance at 30.06.2007	<u>777,905</u>	<u>101,419</u>	<u>879,324</u>
Dep. for the year	97,238	35,816	133,054
N.B.V 30.06.2007	<u>680,667</u>	<u>65,603</u>	<u>746,270</u>
N.B.V 30.06.2006	777,905	101,419	879,324

KENYA MED. LAB. TECHNICIANS AND TECHNOLOGISTS BOARD.
AS AT 30.06.07

3 CASH & BANK BALANCES

	<u>2006 / 2007</u>	<u>2005 / 2006</u>
Cash in hand	15,355	209,350
Current Account	503,587	767,916
Saving Account	<u>62,595</u>	<u>328,614</u>
	<u>581,537</u>	<u>1,305,880</u>

KENYA MED. LAB. TECHNICIANS AND TECHNOLOGISTS BOARD.
AS AT 30.06.07

4 DEBTORS	<u>2006/2007</u>	<u>2005/2006</u>
K.M.T.C Inspection fees		
Nairobi	184,000	184,000
Nakuru	184,000	184,000
Kitui	184,000	184,000
Kisumu	184,000	184,000
Machakos	184,000	184,000
Mombasa polytechnic	184,000	184,000
Examinations Materials	0	164,641
Mombasa mtc	184,000	0
Kenyatta University	496,000	0
	<u>1,784,000</u>	<u>1,268,641</u>

KENYA MED. LAB. TECHNICIANS AND TECHNOLOGISTS BOARD
AS AT 30.06.07

5 CREDITORS

	<u>2006/2007</u>	<u>2005/2006</u>
Finance and advertisement	92,800	92,800
Punch Lines	252,000	252,000
Tax Arrears	9,072,091	7,629,696
Prov. For Audit fees	174,000	250,000
	<u>9,590,891</u>	<u>8,224,496</u>

6 INCOME

	<u>2006/2007</u>	<u>2005/2006</u>
	<u>Kshs.</u>	<u>Kshs.</u>
Application	367,557	704,250
Registration	3,393,050	3,773,250
Inspection	1,315,100	2,504,750
Lamination	0	100
Exams	4,168,400	4,617,250
Attachment	334,100	72,000
Cert of practice	857,750	761,000
Interest Earned	808.70	2,895
	<u>10,436,766</u>	<u>12,435,495</u>

7 BOARD ALLOWANCES

	<u>2006/2007</u>	<u>2005/2006</u>
Full Board Allowances	236,650	8,972,512
Registration	388,900	511,150
Education	4,266,335	2,466,781
Standard	1,112,880	1,643,771
Finance & Administration	382,210	592,500
Disciplinary	546,600	611,600
Responsibility	742,500	891,000
Duty allowances	805,680	677,330
	<u>8,481,755</u>	<u>16,366,644</u>

KENYA MEDICAL LABORATORY TECHNICIANS & TECHNOLOGISTS BOARD

TRIAL BALANCE
YEAR ENDED 30TH JUNE 2007

			Ledger	Debit	Credit
			Folio		
Cash			1	15,355	
Debtors			2	1,784,000	
Finance & Adm. Allowances			3	382,210	
Education Committee Allowances			4	4,266,335	
Standard Committee Allowances			5	1,112,880	
Registration committee Allowances			6	388,900	
Full Board Allowances			7	236,650	
Disciplinary			8	546,600	
Responsibility			9	742,500	
Duty Allowances			10	805,680	
Salaries and wages			11	1,244,200	
Stationery			12	1,150,565	
Fixed Assets			13	746,270	
Postages			14	234,465	
Telephone			15	156,420	
Others			16	381,205	
Transport			17	51,200	
Bank Charges			18	101,336.25	
Professional Audit fees			19	324,000	
Depreciation			20	133,054	
Fees			21		10,548,957
Interest earned			29		808.70
Creditors			30		9,590,891
Appropriation account					-4,770,650
Closing balance		-Current a/c		503,586.85	
		-Savings a/c		62,595.05	
TOTALS				15,370,007	15,370,007

