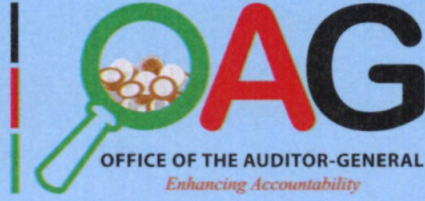


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

PARLIAMENT
OF KENYA
LIBRARY

 THE NATIONAL ASSEMBLY PAPERS LAID REPORT	
DATE: 11 FEB 2026	DAY. WEDNESDAY
TABLED BY:	LEADER OF MAJORITY PARTY (HON. KIMANI IGITHINWAH)
CLERK-AT-THE-TABLE:	J. LEMERELLE

THE AUDITOR-GENERAL

ON

**KENYA MEDICAL LABORATORY
TECHNICIANS AND TECHNOLOGISTS BOARD**

**FOR THE YEAR ENDED
30 JUNE, 2025**



KENYA MEDICAL LABORATORY TECHNICIANS AND TECHNOLOGISTS BOARD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2025

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



Kenya Medical Laboratory Technicians and Technologists Board
Annual Report and Financial Statements
for the year ended June 30, 2025

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1. Acronyms and Definition of Key Terms

A: Acronyms

CEO	Chief Executive Officer
DG	Director General
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MD	Managing Director
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
WB	World Bank
VC	Vice Chancellor
BOARD	Kenya Medical Laboratory Technicians and Technologists Board

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.



**Kenya Medical Laboratory Technicians and Technologists Board
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2. Key Entity Information and Management

(a) Background information

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

The first Board was inaugurated in the year 2000.

(b) Principal Activities

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

(c) Key Management

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

- Board of Directors
- Accounting Officer - Registrar
- Management Team

No.	Designation	Name
1.	Board of Director	Dr. Titus Mutwiri
2.	Board of Director	Dr. Kennedy Muna
3.	Board of Director	Mr. Eliud Gakobo
4.	Board of Director	Lucy Kanyara
5.	Board of Director	Nelly Chebet
6	Board of Director	Mrs. Rose kahariri
7	Board of Director	Mr Safari Kithi
8	Board of Director	Mr. Joel Mukaya Kilivwa
9	Board of Director	Warda Mohammed
10	Board of Director	Kamau Gatwechi
11	C.E.O	Mr. Patrick Kisabei



Kenya Medical Laboratory Technicians and Technologists Board
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(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Registrar / Executive Officer	Kisabei Patrick
2.	Human Resource Officer	Janet Mwendu Mutiso
3.	Finance Officer	Kipkemoi Koech
4.	Procurement Officer	Bramwel Kadenge
5.	Laboratory Registration	Cecilia Bartorcho
6.	Registration	Farhiya Houssein

Key Entity Information and Management (continued)

(e) Fiduciary Oversight Arrangements

The board of Directors of the authority of the chairperson who is appointed by the president, the Registrar is appointed by the Board of Directors in concurrence with the cabinet secretary of Health, the principal secretary of the ministry of health or her representative, the principal secretary to the National treasury or his representative, three members who are not public officers with diverse experience appointed by Cabinet Secretary – ministry of Health.

(f) Entity Headquarters

P.O. Box 20889 - 00202
KNH
ACK Garden House – 4th Floor
Nairobi, Kenya

(g) Entity Contacts

Telephone: (254) 020 273 1391
E-mail: info@kmlttb.org
Website: www.kmlttb.org



**Kenya Medical Laboratory Technicians and Technologists Board
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(h) Entity Bankers

Equity Bank
A/C No. 0170296759439 Community Branch
P.O. Box 8181 – GPO 00100
Nairobi, Kenya

National Bank of Kenya
A/C No. 010200581935000 Hospital Branch
P.O. Box 30763
Nairobi

Co-operative Bank of Kenya
A/C No. 02120128867800 Upper hill Branch
P.O. Box 19555 - 00202
Nairobi.

Key Entity Information and Management (continued)

(i) Independent Auditor

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

(j) Principal Legal Adviser





The Attorney General
State Law Office and Department of Justice
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya



Kenya Medical Laboratory Technicians and Technologists Board
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3. The Board of Directors





Below is a tabulation of the Board Membership.

S.NO	Directors	Details
1		KMLTTB CHAIRMAN. DR. TITUS MUTWIRI DOB:20.05.1981 Qualifications: Dip, Bsc,Msc,PhD Work experience:18 years Non-Executive Kemu University
2		DR KENNEDY MUNA DOB. 09.07.1981 Qualifications: Bsc. Mls, M.Sc. PhD Work experience: 19 Years. Non-Executive Finance and Administration Committee Education Committee Muranga Univesity
3		MR. ELIUD GAKOBO DOB.22.07.1995 Qualifications: Diploma in Mls Work experience: 5 Years. Non-Executive Education Committee Muranga County Hospital
4		LUCY KANYARA DOB. 30.09.1969 Qualifications: Diploma in Mls, P/GD Work experience: 26 Years. Non-Executive Finance and Administration Committee Standard and Validation Committee Kemri






Kenya Medical Laboratory Technicians and Technologists Board
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Board of Directors (Continued)

5		NELLY CHEBET DOB. 07.10.1975 Qualifications: Bsc in Mls Work experience: 20 Years. Non-Executive Standard and Validation Committee MTRH Eldoret
6		MRS. ROSE KAHARIRI DOB. 09.06.1979 Qualifications: Bsc Mls/ Msc HSM(ongoing). Work experience: 15 yrs Non-Executive Education Committee Liverpool Laboratories
7		MR SAFARI KITHI DOB. 04.09.1973 Qualifications: Bsc Mls. Work experience: 28 Years. Non-Executive Finance and Administration Committee Disciplinary Committee - Nyandarua County Hospital
8		MR. JOEL MUKAYA KILIVWA D.O.B. 1972 Qualifications: Msc Mol. Medicine Work experience: 25 Years\ Non-Executive Finance and Administration Committee Standard and Validation Committee Kenyatta National Hospital








Kenya Medical Laboratory Technicians and Technologists Board
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9		WARDA MOHAMMED D.O.B. 05.02.1967 Qualifications: Diploma in MIs Work experience: 35 Years. Non-Executive Standard and Validation Committee Transzoia County Hospital
10		KAMAU GATWECHI D.O.B. 09.03.1978 Qualifications: Diploma in Medical Lab Degree in BBA, MBA Strategic Mgt. Work experience: 23 Years Non-Executive
11		MR. PATRICK KISABEI Executive Officer Qualifications: MSC. MLS -Clinical Chemistry Medical Laboratory Technologists

Kenya Medical Laboratory Technicians and Technologists Board
Annual Report and Financial Statements
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4. Key Management Team

No	Management	Description
1	 Mr. Patrick Kisabei Executive Officer	Masters In Medical Laboratory Science -Clinical Chemistry Medical Laboratory Technologists
2	 Janet Mwendu Mutiso Human Resource Manager	Masters in Human Resource Management. Bachelor in Business Administration.
3	 Kipkemoi Koech Finance Officer	MBA Finance Bachelor in Business Administration-Finance
4	 Bramwel Kadenge- Procurement Officer	MSc Procurement and Logistics. Bachelor of Business Management- Procurement & Supply Management.
5	 Irene Njuguna Assistant Finance Officer	Bachelor in Business Administration - Finance



Kenya Medical Laboratory Technicians and Technologists Board
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5. Chairman's Statement

The Kenya Medical Laboratory Technicians and Technologists Board (KMLTTB) is a state health regulatory agency established through Cap 253A to exercise general supervision and control over the training, business, practice and employment of laboratory technicians and technologists in Kenya and to advise the Government in relations to all aspects thereof. KMLTTB also validates diagnostic equipment and reagents used in all medical laboratories of Kenya.

On behalf of the Board of Directors, I am delighted to present the Annual Report and Financial Statements of the Medical Laboratory Technicians & Technologists Board (KMLTTB) for the financial year 2024/2025. The current Board was appointed in August 2022. The mandate of the board members has been highlighted in the Act.

Despite numerous operational challenges including protracted Court battles against illegal medical laboratories and quacks, KMLTTB through the enormous goodwill and support of leadership at the Ministry of Health managed to achieve average performance targets for the year ended 30th JUNE 2025. As part of routine responsibilities for prudent Corporate Governance the Kenya Medical Laboratory Technicians and Technologists Board (KMLTTB) prepared and submitted timely financial audit reports to the Office of the Auditor General in the year under review. KMLTTB also strengthened its core mandate of regulating invitro diagnostics by publishing the regulations in the Kenya Gazette.

Another remarkable achievement was the strategic plan and CPD Guidelines which is in Progress to finalization.

Dr. Titus Mutwiri, PhD
CHAIRMAN, KMLTTB



**Kenya Medical Laboratory Technicians and Technologists Board
Annual Report and Financial Statements
for the year ended June 30, 2025**

6. Report of the Chief Executive Officer

Establishment of KMLTTB

The Kenya Medical Laboratory Technicians and Technologists Board (KMLTTB) is mandated by CAP 253 A Laws of Kenya to exercise general supervision and control over training, business, employment and practice of Medical Laboratory Technicians and Technologists in Kenya. Additional mandate for KMLTTB gazetted through Legal Notice No. 113 deals with Medical Laboratory Equipment and Reagents Validation Regulations. The Board further advises the government in relation to all aspects thereof.

Organization structure of KMLTTB

The Board is composed of the Board members and secretariat. The members are appointed and gazetted by the Cabinet Secretary for Health and are tasked with policy functions while the secretariat implement the policies by undertaking the day-to-day activities at the Board offices. The Chief Medical Laboratory Technologist in the Ministry of Health is the Registrar and also the secretary to the Board. He is the head of the KMLTTB secretariat and provides a crucial link with the Board. The Registrar is assisted by the executive officer in daily tasks of the secretariat.

Functions of KMLTTB

KMLTTB regulates medical laboratory institutions, professionals and tools of the profession by:

1. Registration of medical laboratory training institutions
2. Registration of students undergoing medical laboratory courses
3. Designing and review of medical laboratory curricula
4. Examination of medical laboratory candidates
5. Registration of medical laboratory professionals
6. Inspection and registration of medical laboratories
7. Validation of medical laboratory reagents, equipment and in-vitro diagnostic devices

The main activities of KMLTTB among those listed above are inspections and examinations.



**Kenya Medical Laboratory Technicians and Technologists Board
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Inspections.

These are categorized as scheduled and impromptu, they target training institutions approved by KMLTTB, diagnostic/research laboratories and premises that are used for production of medical laboratory reagents as well as equipment.

Scheduled inspections are carried out following invitation by the institutions that intend to engage in medical laboratory activity while impromptu are done to check compliance.

Inspections are done quarterly and reports generated are utilized to address challenges in both KMLTTB and the institutions.

Examinations.

The indexed students at KMLTTB approved institutions apply for Board examinations for purposes of registrations. They must sit and pass their universities'/colleges' qualifying examinations. The Board administers registration examinations to about 1000 candidates in May and November every year.

Challenges

Just like any other growing organization, KMLTTB has had its fair share of challenges which include:

1. Infrastructural - KMLTTB offices are in rented building
2. Compliance – A number of personnel and facilities have not fully abided by the required regulations by KMLTTB
3. Legal – A number of cases involving errand persons and institutions are affecting the Boards operations

Patrick M. Kisabei
Executive Officer-KMLTTB



**Kenya Medical Laboratory Technicians and Technologists Board
Annual Report and Financial Statements
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7. Statement of Performance against Predetermined Objectives for FY 2024/2025

KMLTTB holds vital key in the implementation of the ‘Big Four’ Initiatives and other national priorities in order to improve the quality of lives of Kenyans and make Kenya globally competitive. To establish a basis of effective and efficient services delivery to Kenyans and ensuring that the board adapts systems that ensure innovativeness and adaptability of current trends.

The board had a number of strategic objectives among them

- i). 50% increase in the number of registered training institutions, medical laboratories and personnel.
- ii). Establish validation and minimum standards for quality of reagents and equipment/testing devices used in Kenya’s medical laboratories.
- iii). Increase by 100% the participation of KMLTTB and implementation of national health policies and laws
- iv) increase operational research and
- v) Invest in and acquire own Premises.

The board played a key role on COVID 19 infection prevention and control. Special attention towards inspection and Validation of both laboratory reagents and equipment’s used in testing. The Board has managed to register over 14,000 personnel and over 2, 000 laboratories across the county.



Kenya Medical Laboratory Technicians and Technologists Board
Annual Report and Financial Statements
for the year ended June 30, 2025

8. Corporate Governance Statement

To ensure effective and efficient service delivery to customers, KMLTTB developed policy guidelines and standard operating procedures for all our business processes.

Among key business processes for which the documents were developed and ready for implementation are:

- Accreditation of training institutions
- Student indexing
- Support supervision for training institutions
- Pre-examination
- Administration of Exams
- Examination process
- Professional registration
- Professional retention
- Medical laboratory registration
- Medical laboratory inspection
- Medical laboratory retention

Together with these and through support from partners and stakeholders, the Board also developed and launched a Continuous Professional Development program as part of career development plan to be linked to annual renewal licenses for medical laboratory personnel in Kenya. As a Health Regulatory State Agency, KMLTTB endeavours to efficiently establish and implement high-end regulatory standards for laboratory infrastructure with embedded focus on safety for both practitioners and patients. In the period under review, we rolled out the first graded National Infrastructural Design for medical laboratory facilities. In the 2024/2025 year, KMLTTB continued to be a secure source of 'value-for-money' regulatory authority by enlisting more vendors/suppliers of diagnostic reagents and equipment. Through stakeholder workshops, elaborate validation procedures and protocols for were established and implemented thereby contributing positively to the Ministry's goal of providing the highest attainable quality healthcare to the citizens especially for diagnostics.

Management Board

The Board of Management is ultimately accountable to all stakeholders for ensuring that the Boards business is conducted in accordance with high standards of corporate governance.

The Board of Managements' conduct is regulated by the provisions of the Board Charter. It dictates among other things the size, role, responsibilities and powers of the chairperson and other members, inductions, appointments, performance evaluation and remuneration of the members.



**Kenya Medical Laboratory Technicians and Technologists Board
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It also comprises a work plan setting out the schedule of board meetings and the main business to be dealt with at those meetings.

The board continues to undertake annual self – evaluations and reviews of its performance, which include the review of the suitability of its composition, the diversity of skills and experience on the Board performance against the terms of reference and succession planning, together with the performance of the committee, Chairperson and Chief Executive Officer.

The roles of the chairperson and the chief Executive office are clearly defined and are not vested in the same person. The day-to-day executive management of the KMLTTB is delegated to the chief Executive Office whereas the running of the Board is the responsibility of the Chairperson. The chief Executive officer directs the implementation of the Board of management’s decision and instructions on the general management of the KMLTTB with assistance of the Senior Management team. However, both the chairperson and the Chief Executive officer work together to achieve the goals of KMLTTB.

Board Committees

To assist the board better discharge its responsibilities, the Board has constituted three Board committees comprising a balanced mix of the board members. Each Board committee has a charter which contains provisions relating to the powers delegated by the board to each committee, membership of the committee and the committee’s detailed duties. Annual performance reviews of each committee are carried out and presented to the board. The board has set up the following committees:

1. Finance, Administration and ICT Committee

No	Name of Member	Organisation	Position
1	Mr. Joel Mukaya Kilivwa	Kenyatta National Hospital	Chairman
2	Dr. Kennedy Muna	Murangá University	Member
3	Mrs. Lucy Kanyara	KEMRI	Member
4	Mr. Safari Kithi	Nyandarua County Referral Hospital	Member

2. Education Committee

No	Name of Member	Organisation	Position
1	Dr. Kennedy Muna	Murangá University	Chairman
2	Mr. Eliud Gakobo	Murangá County Hospital	Member
3	Mrs Rose Kahariri	Liverpool VCT	Member
4	Mr Safari Kithi	Nyandarua County referral hospital	Member



**Kenya Medical Laboratory Technicians and Technologists Board
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3. Validation and Standards Committee

No	Name of Member	Organisation	Position
1	Mrs Lucy Kanyara	KEMRI	Chairlady
2	Mrs Nelly Chebet	MTRH	Member
3	Mr Joel Mukaya Kilivwa	Kenyatta National Hospital	Member
4	MS Warda Mohammed	Trans Nzoia County Hospital	Member

External Auditors

Whereas the Board of Management is responsible for preparing the accounts and for presenting a balance and fair view of the financial position of KMLTTB, the external auditors examine and give their opinion on the reasonableness of the financial statements. The auditor reports independently and directly to the Board through the Chief executive officer who is the KMLTTB's accounting officer and the Secretary to the Board.

Going Concern

The Board of management submits this annual report and financial statements for the year ended 30 June 2023. The annual report and financial statements present, in the opinion of the senior management, a fair, balance and understandable assessment of the state of the affairs of the board's position and prospects. The Board reports that the business is a going concern and they have no reason to believe that the fund will not be a going concern into the foreseeable future.

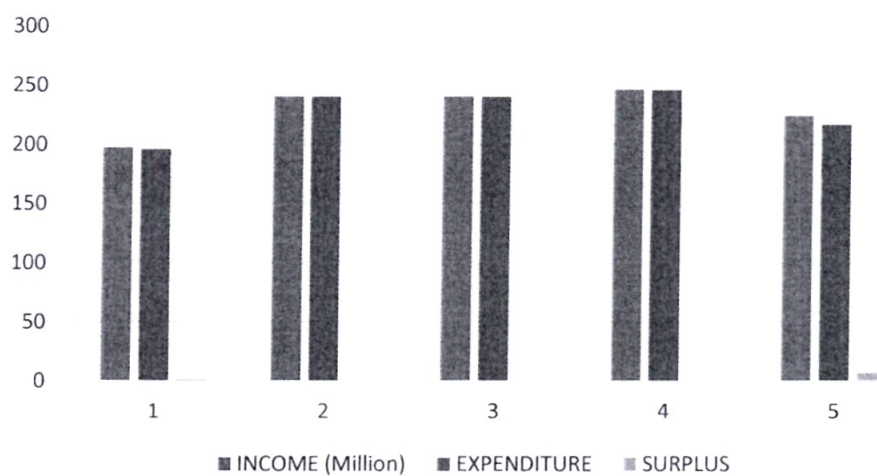


Kenya Medical Laboratory Technicians and Technologists Board
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for the year ended June 30, 2025

9. Management Discussion and Analysis

Comparison Summary of Income and Expenditure Statement in Millions.					
YEAR	2024/2025	2023/2024	2022/2023	/2021/2022	2020/2021
INCOME (Million)	197	240	240	246	224
EXPENDITURE	196	240	240	246	217
SURPLUS	1	0	0	0	7

Summary of Income and Expenditure





Kenya Medical Laboratory Technicians and Technologists Board
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10. Environmental and Sustainability Reporting

KMLTTB 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 students, suppliers and stakeholders first when delivering relevant goods and services, and improving operational excellence. Below is an outline of the organisation's policies and activities that promote sustainability.

i) Sustainability strategy and profile

The KMLTTB management remains cognizant of the fact that sustained economic growth cannot be achieved without social progress and the well-being of local communities.

ii) Environmental performance

The Board has embedded a culture of environmental conservation activities aimed at protecting the environment, conserving natural resources and where possible, to repair damage and reverse negative trends.

iii) Employee welfare

The Board has policies in place to ensure hiring process adheres to affirmative action on gender, ethnicity and regional distribution. Boards has Rewards and Recognition in addition to a training done to improve competence of staff in 2019. In ensuring that employees are safe, the Board has availed a policy detailing issues of safety as well as provisions for compliance with Occupational Safety and Health Act of 2007.

iv) Market place practices-

The board has policies and practises in place to ensure good market place practises are adhered to as outline below:

a) Responsible competition practice.

The Board's marketing guidelines as well as a communication policy which provides mechanisms for retention and growth of its market share and provides a clear marketing strategy aimed at maintaining responsible involvement in creating brand awareness.

b) Responsible Supply chain and supplier relations

The Board maintains a good working relationship with its suppliers cognizant of compliance with the Finance and Procurement Manuals in meeting contractual obligations.

c) Responsible marketing and advertisement

The board has in place marketing guidelines in place which provide mechanisms for creating brand awareness and reaching out to the public and stakeholders.



Kenya Medical Laboratory Technicians and Technologists Board
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d) Product stewardship

Additionally, the Board is sensitive to the needs of its students and other stakeholders by ensuring their needs are well taken care of through stakeholder engagement

11. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the Board's affairs.

i) Principal activities

The Board is primarily engaged in management of Kenya Medical Laboratory Technicians and Technologists Board together with other mandates specified in KMLTTB Act.

ii) Results

The results of the Board for the year ended June 30, 2025, are set out on page 1 - 36

iii) Directors

The members of the Board of Directors are shown on page VII- IX. The terms of the board members have expired and the same has been communicated to the Ministry of Health for appointment of board members as required by law

iv) 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. KMLTTB did not make any Surplus during the year and hence no remittance to the Consolidated Fund.

v) Auditors

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

By Order of the Board

Patrick M. Kisabei
Executive Officer-KMLTTB.



Kenya Medical Laboratory Technicians and Technologists Board
Annual Report and Financial Statements
for the year ended June 30, 2025

12. Statement of Directors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act require the Directors to prepare financial statements in respect of the Board, which give a true and fair view of the state of affairs of the Board at the end of the financial year 2024/2025 and the operating results of the Board for the year 2024/2025. The Directors are also required to ensure that the Board keeps proper accounting records which disclose with reasonable accuracy the financial position of the Board. The Directors are also responsible for safeguarding the assets of the Board.

The Directors are responsible for the preparation and presentation of the Board's financial statements, which give a true and fair view of the state of affairs of the Board for and as at the end of the financial year 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 Board
- 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 Board
- v) Selecting and applying appropriate accounting policies and
- vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Board's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the State Corporations Act. The Directors are of the opinion that the Board's financial statements give a true and fair view of the state of Board's transactions during the financial year ended June 30, 2025, and of the Board's financial position as at that date.



**Kenya Medical Laboratory Technicians and Technologists Board
Annual Report and Financial Statements
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The Directors further confirms the completeness of the accounting records maintained for the Board, which have been relied upon in the preparation of the Board's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Board 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 Board 's financial statements were approved by the Board on 4th August 2025 and signed on its behalf by:

Name: Dr. Titus Mutwiri, PhD
Chairperson of the Board/Council

Name: Kisabei Patrick
Accounting Officer

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON KENYA MEDICAL LABORATORY TECHNICIANS AND TECHNOLOGISTS BOARD FOR THE YEAR ENDED 30 JUNE, 2025

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 Kenya Medical Laboratory Technicians and Technologists Board set out on pages 1 to 39, which comprise of the statement of financial position as at 30 June, 2025 and the statement of 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 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 Kenya Medical Laboratory Technicians and Technologists Board 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 Medical Laboratory Technicians and Technologists Act, 1999 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Variances in Depreciation and Amortization

The statement of financial performance reflects depreciation and amortization expense of Kshs.1,143,453 while Note 10 to the financial statements reflects depreciation and amortization of Kshs.829,601 resulting to a variance of Kshs.313,852.

In the circumstances, the accuracy and completeness of depreciation and amortization expense of Kshs.1,143,453 could not be confirmed.

2. Misclassification of Taxation Expense

The statement of financial performance and as disclosed in Note 13 reflects taxation of Kshs.15,114,519. Further, the schedule provided for audit reflects taxation paid amount of Kshs.15,149,444 resulting to variance of Kshs.34,925. Further also, taxation paid of Kshs.15.114,514 was wrongly charged in statement of financial performance instead of taxation expense since financing statements have been prepared using IPSAS Accrual basis of accounting and not cash.

Further, audit verifications carried out revealed the tax paid of Kshs.15,114,519 relate to tax paid on previous years surplus amount of Kshs.4,205,215 and VAT on renewal of laboratory licenses of Kshs.10,909,304 according to the schedule provided. However, the Board owes Kshs.29,919,568 to Kenya Revenue Authority (KRA) based on KRA tax

assessment done in 2024/2025 financial year relating to surplus for previous years, withholding VAT tax and withholding income tax assessments as detailed below:

	Date of KRA Assessment	Financial Year	Amount (Kshs)
Tax on surplus for the year	27/9/2024	2020/2021 to 2022/2023	27,255,198
Withholding VAT	7/4/2025	2018/2019 to 2021/2022	6,029,974
Withholding income tax	7/4/2025	2017/2018-2021/2022	839,611
Total tax assessments			34,124,783
Amount paid in 2024/2025 financial year			4,205,215
Unpaid Tax Liabilities as at 30/6/2025			29,919,568

However, the liability of Kshs.29,919,568 was not included as a liability and no disclosure was made in financial statements and the Board had already developed a repayment plan submitted to Kenya Revenue Authority on 21 May, 2025.

In the circumstances, classification of taxation paid of Kshs.15,114,519 was not confirmed and appropriate disclosures were not made in the financial statements and corresponding liability has not been recognized in financial statements.

3. Unsupported Receivables from Exchange Transactions

The statement of financial position and as disclosed in Note 15 reflects receivables from exchange transactions Kshs.56,640,604. However, Management did not provide the supporting schedule, receivables listing and a detailed ageing analysis to support the trade receivables balance.

Further, no provision was made for bad and doubtful debts contrary to Note 30 to the Public Sector Accounting Standard Board which requires public entities to disclose receivables from exchange transactions less impairment allowance.

In the circumstances, the accuracy, completeness and existence of receivables from exchange transactions amounting Kshs.56,640,604 could not be confirmed.

4. Variances and Inaccuracies in Statement of Cash Flows

4.1. Inconsistent Method of Preparing the Statement of Cash Flows

The statement of cash flows reflects cash and cash equivalent as at 30 June, 2025 of Kshs.3,050,091 which includes increase in receivables and decrease in payables of Kshs.8,391,706 and Kshs.-5,570,104 respectively which are working capital adjustments.

However the recomputed increase in receivables and increase in payables amounts are Kshs.-5,570,104 and Kshs.8,391,706 as disclosed in Note 18 to the financial statements resulting to variances of Kshs.2,821,602. Further, the net cash flow from operating activities was calculated using direct method and not indirect method. This contravenes Paragraph 27 of IPSAS 2 which states that an entity should report cash flows from operating activities using either the direct method, whereby major classes of gross cash receipts and gross cash payments are disclosed or the indirect method, whereby net surplus or deficit is adjusted for the effects of transactions of a noncash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of revenue or expense associated with investing or financing cash flows.

In the circumstances, the accuracy and completeness of cash and cash equivalent balance of Kshs.3,105,072 as at 30 June, 2025 could not be confirmed.

4.2. Variances in Net Cash Flows from Operating Activities

The statement of cash flows reflects net cashflows from operating activities of Kshs.3,105,072 and is not referenced to any Note to the financial statements. However, Note 18 to the financial statements reflect net cash flow from operating activities of Kshs.2,821,602 resulting to variance of Kshs.283,470.

In the circumstances, the accuracy and completeness of net cash flow from operating activities of Kshs.3,050,091 could not be confirmed.

5. Inaccuracies in Statement of Comparison of Budget and Actual Amounts

5.1. Variances in Budget Surplus for the Year

The statement of comparison of budget and actual amounts reflects original and final total expenditure budget of Kshs.246,978,966. However the recomputed original and final total expenditure budget amount to of Kshs.262,093,485 resulting to a variance of Kshs.15,114,519.

Further, the statement of comparison of budget and actual amounts reflects surplus original and final budget for the period of Kshs.281,157,966 while the recomputed deficit for the period amount to Kshs.15,114,519 resulting to a variance of Kshs.266,043,447.

In the circumstances, the accuracy and completeness of original and final budget total expenditure of Kshs.246,978,966 and surplus for the period of Kshs.281,157,966 could not be confirmed

5.2. Variances in Use of Goods and Services Performance Difference

The statement of comparison of budget and actual amounts reflects use of goods and services final budget of Kshs.197,152,466 and actual use of goods and services on a comparable basis of Kshs.151,034,137 resulting to performance difference of Kshs.46,118,329. However, Kshs.31,003,810 was reflected in the statement of comparison of budget and actual amounts as the performance difference of use of goods and services resulting to a variance of Kshs.15,114,519.

In the circumstances, the accuracy and completeness of use of goods and services performance difference of Kshs.31,003,810 could not be confirmed.

6. Non-Compliance with Public Sector Accounting Standard Board Template

Review of the financial statements compared with Public Sector Accounting Standard Board template revealed the following errors, omissions and non-compliance with Public Sector Accounting Standard Board template:

- i) The ICPAK member number of the head of finance is not indicated in the statement of financial performance, statement of financial position and statement of cashflows.
- ii) The statement of performance against pre-determined objectives does not reflect performance indicators and achievements. Further, Management has deleted table recommended by the Public Sector Accounting Board that tabulates and links each program with strategic objectives, outcome, output indicator and the achievement.
- iii) The heading for cost of assets is erroneously referred to as depreciation rate and the total cost of assets for the year under review is erroneously disclosed as 30 June, 2024 instead of 30 June, 2025 in Note 16 on Property Plant and Equipment.
- iv) The heading for the Board of Directors report has not specified whether the governing body is the Board or Council. The report has also not specified whether the director is independent or an executive director and whether the director is independent and or whether alternate.
- v) The corporate governance statement does not include details on appointment of Board members, process of appointment and removal of directors, the size, diversity, and demographics of the Board, existence of the board charter, roles and functions of the board, board and members' performance, number of Board meetings held and the attendance, Board remuneration among other disclosures required as per the approved template.

Related parties were not specified and related party transactions and balances were not disclosed in Note 20 to the financial statements.

- vi) Appendix on transfers from other government entities was not completed.
- vii) Appendix on inter entity transfers was not completed and signed by Head of Accounting Unit disbursing entity and receiving entity

In the circumstances, the financial statements prepared are not fully compliant with Public Sector Accounting Standard Board template and lack adequate disclosures.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Medical Laboratory Technicians and Technologists Board 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.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects total income budget of Kshs.281,157,966 and total actual income on a comparable basis of Kshs.196,575,270 resulting to revenue shortfall of Kshs.84,582,696 or 30% of final budget.

In the circumstances, the revenue shortfall may have affected implementation of planned activities and service delivery to the citizens.

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 section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Audit Matters

In the prior years' audit report, several issues were raised under the Report on 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 Board in 2024/2025 revealed that four matters remained unresolved as detailed in the table below:

No.	Issue
1	Long Outstanding Receivables from Exchange Transactions
2	Lack of Board Work Plan, Charter and Gaps in Board Formation
3	Failure to Draft Regulations
4	Lack of Internal Audit and Audit Committee

Other Information

The Directors are responsible for the Other Information set out on page iv to xxii which comprise of Key Entity Information and Management, The Board of Directors, 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 Directors and Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Board 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 effect of the matters 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

1. Long Outstanding Receivables

The statement of financial position and as disclosed in Note 15 to the financial statements reflects receivables from exchange transactions of Kshs.56,640,604 out of which receivables amounting Kshs.46,190,971 or 81% are over three (3) years and Kshs.3,899,452 or 7% are between two (2) to three (3) years. This is contrary to Regulation 64 (1) (a) and (b) of the Public Finance Management (National Government) Regulations, 2015 which states that an accounting officer and a receiver of revenue are personally responsible for ensuring that adequate safeguards exist and are applied for the prompt collection and proper accounting for, all national government revenue and other public moneys relating to their Ministries, departments or agencies and adequate measures, including legal action where appropriate, are taken to obtain payment.

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

2. Over Payment of Staff and Irregular Promotions

The statement of financial performance and as disclosed in Note 8 to the financial statements reflects employee costs of Kshs.24,759,626. Audit verification revealed

discrepancies between the amounts paid to twelve (12) staff and the salaries stated in the employees' appointment letters. This resulted to overpayment of salaries by Kshs.263,055 contrary to Section C 2(1) of Public Service Commission Human Resource Policies and Procedures Manual for Public Service, 2016 which states that the Public Service salary structure will be based on the grading levels spelt out in the various career progression guidelines. Further, audit verification revealed twelve (12) were irregularly promoted to higher job groups without corresponding documentation or justification.

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

3. Non-Compliance with Recruitment, Shortlisting, and Interview Procedures

The statement of financial performance and as disclosed in Note 8 to the financial statements reflects employee costs of Kshs.24,759,626. Four new staff were recruited in January, 2025 and the following observations were noted:

- i) A formal shortlisting summary prepared by the Head of Human Resource was not provided contrary to clause 2.16.1 of the Kenya Medical Laboratory Technicians and Technologists Board human resource policy and procedures manual which states that the Head of Human Resource shall prepare and maintain summary of all applications was not provided.
- ii) The shortlisting criteria and scoring matrix indicating whether the candidates met the minimum advertised requirements was not provided.
- iii) The interview summary report was not prepared, signed by all panel members or submitted to the Registrar/CEO within 21 working days after the last interview, contrary to clause 2.17.4 and clause 2.17.5 of the Kenya Medical Laboratory Technicians and Technologists Board human resource policy and procedures manual which states that the interview panel shall prepare a summary report of the interview and selection process.

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. Lack of Member with Financial Expertise in Board Composition

The statement of financial performance and as disclosed in Note 9 to the financial statements reflects board expenses of Kshs.3,180,500. Review of Board members records revealed that the Board comprises ten (10) members but none of whom possess the requisite financial expertise contrary to Chapter 1.1(6) of Mwongozo Code of Governance which states that at least one board member should be a financial expert, and is a bona-fide member of a professional body regulating the Accountancy profession, and in compliance with the requirements thereof.

In the circumstance the Board lacks the requisite expertise to handle its functions effectively.

2. Lack of Board Evaluation on Performance

The statement of financial performance and as disclosed in Note 9 to the financial statements. reflects board expenses of Kshs.3,180,500 However, the Board of Directors did not carry out the annual performance evaluation for the Board as a whole, its committees, individual members, the Chairperson, the Acting Registrar and the Corporation Secretary as stated in the Mwongozo code of governance for state Corporations contrary to Chapter 1.12 (1) and (2) of the Mwongozo Code of Governance for State Corporations, 2015 which states that the Board shall undertake an annual evaluation of its own performance, that of its committees, individual members, the Chairperson, and the Chief Executive Officer and the Corporation Secretary.

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

3. Failure to Carry Out Internal Audit

During the year under review no internal audit work report was carried out contrary to Section 73(1)(a) of Public Finance Management Act, 2012 which states that every national government entity shall ensure that it complies with this Act and has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board. This raises concerns regarding the adequacy of internal oversight and assurance on Fund-specific risks, controls, and performance.

In the circumstances, the effectiveness of internal control could not be confirmed.

4. Lack of Various Policies and Manuals in Place

Audit verification carried out of Kenya Medical Laboratory Technicians and Technologist Board revealed that the entity did not have approved institutional policies, manuals and documents on key functional areas such as asset management policy, IT Policy, disaster

recovery plan, back up and retention strategy and risk management policy. This contravenes Section 66(1)(c) of Public Finance Management Act, 2012 which states that subject to the Constitution, the accounting officer of the Judiciary, Parliamentary Service Commission, constitutional commissions and independent offices shall monitor, evaluate and oversee the management of public finances in their respective entities, including the implementation of financial policies in relation to public finances.

In the circumstances, the effectiveness of internal controls could not be confirmed.

5. Failure to Carry Out Risk Assessment

Audit verifications carried out revealed that the Board did not have any risk assessment framework nor risk register in its possession contrary to Regulation 165(1)(a) and (b) of Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer shall ensure that the national government entity develops risk management strategies, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations. Also, it was evident that the entity was not fully aware of the risks that may emanate from its running given they had never carried out any risk assessment to identify any potential threats and how to respond to them.

In the circumstances, the effectiveness of risk management strategies could not be confirmed.

6. Lack of IT Strategy Committee

Audit verifications carried out revealed that the board had not constituted the IT Strategy Committee as there were no minutes provided for its meetings. This is contrary to Section 9.2(a) of ICT Authority IT Governance Standard ICTA.5.002.219 which states that Ministries, Counties, and Agencies (MDAs) and Counties shall establish an IT Strategy Committee to provide strategic advice on ICT initiatives and investments to the board

In the circumstances, the effectiveness of Information Communication Systems could not be confirmed.

7. Lack of IT Strategic Plan

Audit verifications carried out revealed that the Kenya Medical Laboratory Technicians and Technologists Board does not have an IT Strategic plan in place contrary to Section 6.4 (b) of ICT Authority IT Governance Standard ICTA-5.002: 2019 on IT Strategy which states that the Ministries, Counties, and Agencies (MCDA) shall prepare and maintain an ICT strategic plan with a clear IT vision and mission that defines how the Ministry, County, and Agency (MCDA) plan to improve internal services and services to businesses and citizens.

In the circumstances, the effectiveness of Information Communication systems 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 Board of Directors

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 Board 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 Board of Directors/Board are responsible for overseeing the Board 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, CBS
AUDITOR-GENERAL

Nairobi

11 December, 2025



Kenya Medical Laboratory Technicians and Technologists Board
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14. Statement of Financial Performance for the year ended 30 June 2025

	Notes	2024-2025	2023-2024
		Kshs	Kshs
Revenue from exchange transactions			
Rendering of services	6	196,575,270	172,780,666
Total revenue		196,575,270	172,780,666
Expenses			
Use of goods and services	7	151,034,137	143,060,858
Employee costs	8	24,759,626	24,871,064
Board Expenses	9	3,180,500	2,425,760
Depreciation and amortization expense	10	1,143,453	667,578
Repairs and maintenance	11	1,966,255	1,715,790
Finance costs	12	236,763	251,046
Total expenses		182,006,882	172,992,096
Other gains/(losses)		0	0
Surplus/ (deficit) before tax		14,568,388	(211,420)
Taxation	13	15,114,519	0
Surplus / (Deficit) for the Period		(546,131)	(211,420)

The notes set out on pages 6 to 36 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:

Registrar of the Board

Name: Patrick Kisabei

Sign:.....

Date:.....10/12/2025

Head of Finance

Name: Kipkemoi Koech

Sign:.....

Date:.....10/12/2025

Chairman of the Board

Name: Dr. Titus Mutwiri, PhD

Sign:.....

Date:.....10.12.2025



Kenya Medical Laboratory Technicians and Technologists Board
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15 Statement of Financial Position as at 30 June 2025

	Notes	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	14	3,050,091	1,605,248
Receivables from exchange transactions	15	56,640,604	51,070,500
Total Current Assets		59,690,695	52,675,748
Non-Current Assets			
Property, plant and equipment	16	3,434,392	2,603,764
Total Non- Current Assets		3,434,392	2,603,764
Total Assets		63,125,087	55,279,512
Liabilities			
Current Liabilities			
Trade and other payables	17	9,862,783	1,471,077
Total Current Liabilities		9,862,783	1,471,077
Total Liabilities		9,862,783	1,471,077
Net assets(A-B)		53,262,304	53,808,435
Represented By:			
Retained Surplus		53,262,304	53,808,435
Total Net Assets and Liabilities		53,262,304	53,808,435

The financial statements set out on pages 1 to 5 were signed on behalf of the Board of Directors
by:

Registrar of the Board

Name: Patrick Kisabei

Sign:.....

Date: 10/12/2025

Head of Finance

Name: Kipkemoi Koech

Sign:.....

Date: 10/12/2025

Chairman of the Board

Name: Dr. Titus Mutwiri, PhD

Sign:.....

Date: 10.12.2025



Kenya Medical Laboratory Technicians and Technologists Board
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16. Statement of Changes in Net Assets for the year ended 30 June 2025

Description	Retained earnings	Total
At July 1, 2023	54,019,855	54,019,855
Surplus	(211,420)	(211,420)
At June 30, 2024	53,808,435	53,808,435
At July 1, 2024	53,808,435	53,808,435
Surplus	(546,131)	(546,131)
At June 30, 2025	53,262,304	53,262,304



Kenya Medical Laboratory Technicians and Technologists Board
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17. Statement of Cash Flows for the year ended 30 June 2025

	Notes	2024-2025 Kshs	2023-2024 Kshs
Cash flows from operating activities			
Receipts			
Rendering of services	6	196,575,270	171,800,589
Total receipts		196,575,270	171,800,589
Payments			
Use of goods and services	7	151,034,137	145,067,771
Employee costs	8	24,759,626	24,871,064
Board Expenses	9	3,180,500	2,425,760
Repairs and maintenance	11	1,966,255	1,715,790
Finance Costs	12	236,763	251,046
Taxation	13	15,114,519	0
Total payments		196,291,800	174,331,431
Cash flows from/ (used in) operating activities		283,470	(2,530,842)
Prior year adjustment			(53,470)
Increase in receivables	18	8,391,706	
Decrease in Payables	18	(5,570,104)	
Net cash flows from/ (used in) operating activities		3,105,072	-2,584,312
Cash flows from investing activities			
Purchase of PPE and Intangible assets	16	(1,660,228)	(341,000)
Net cash flows from/(used in) investing activities		(1,660,228)	(341,000)
Cash flows from financing activities			
Net Cash flows from financing activities			
Net Increase (Decrease) in cash and cash equivalents		1,444,843	(2,925,312)
Cash and cash equivalents at 1 July 2024	14	1,605,248	4,530,560
Cash and cash equivalents at 30 June 2025	14	3,050,091	1,605,248

Registrar of the Board

Name: Patrick Kisabei

Sign:.....

Date: 10/12/2025

Head of Finance

Name: Kipkemoi Koech

Sign:.....

Date: 10/12/2025

Chairman of the Board

Name: Dr. Titus Mutwiri, PhD

Sign:.....

Date: 10.12.2025

Kenya Medical Laboratory Technicians and Technologists Board
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18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Rendering of Services	281,157,966	0	281,157,966	196,575,270	84,582,696	30%
Total Income	281,157,966	0	281,157,966	196,575,270	84,582,696	30%
Expenses						
Use of Goods and Services	197,152,466	0	197,152,466	151,034,137	31,003,810	17%
Employee costs	41,343,000	0	41,343,000	24,759,626	16,583,374	40%
Remuneration of Directors	5,983,500	0	5,983,500	3,180,500	2,803,000	47%
Repairs and Maintenance	2,000,000	0	2,000,000	1,966,255	33,745	2%
Finance Costs	500,000	0	500,000	236,763	263,237	53%
Taxation Paid	15,114,519	0	15,114,519	15,114,519	0	
Total Expenditure	246,978,966	0	246,978,966	196,291,800	50,687,166	21%
Capital Expenditure Payments	34,179,000	0	34,179,000	1,660,228	32,518,772	95%
Surplus for the period	281,157,966	0	281,157,966	-1,376,758	1,376,758	

Notes: Capital Expenditures Includes the following items.

1. Information Technology Kshs. 20,326,000 2. Training Kshs. 12,600,000 3. Purchase of Office Stationery Kshs. 1,253,000
Totals Kshs. 34,179,000.



Kenya Medical Laboratory Technicians and Technologists Board
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19. Notes to the Financial Statements

1. General Information

The Board is established by and derives its authority and accountability from Medical Laboratory Technologists and Technicians Act No. 10 of 1999. The Entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The Board's principal activity is Regulate the professional conduct of Registered Laboratory Technicians and Technologists.

2. Statement of Compliance and Basis of Preparation

The 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, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. 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 Board'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 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Board. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.



**Kenya Medical Laboratory Technicians and Technologists Board
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for the year ended June 30, 2025**

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

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

There were no new and amended standards issued in the financial year.

- ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025*

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> 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 Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> 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: 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.
IPSAS 45: Property Plant and Equipment	<i>Applicable 1st January 2025</i> 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 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.



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<p>IPSAS 46: Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.
<p>IPSAS 47: Revenue</p>	<p><i>Applicable 1st January 2026</i></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 entity 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>IPSAS 48: Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <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. 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>IPSAS 49: Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></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>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p><i>Applicable 1st January 2027</i></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"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.



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	<ul style="list-style-type: none">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.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.
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iii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year 2024/2025.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Taxes, Levies and fines

The Board's recognizes revenues from taxes, levies, and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. 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 Entity and the fair value of the asset can be measured reliably.

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 Board and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.



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Notes to the financial statements (continued)

ii) Revenue from exchange transactions

Rendering of services

The Board recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Board.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Board's right to receive payments is established.

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.



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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

b) Budget information

The original budget for the Current FY 2024/2025 was approved by the Board. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget.

The Board's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of cash flows has been presented under section 5 of these financial statements.

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Board operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance.



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**Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)**

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable Board and the same taxation authority.



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**Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)**

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- ii) When receivables and payables are stated with the amount of sales tax included
The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30- year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.



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**Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)**

e) 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.

f) Leases

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



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**Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)**

g) 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. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

h) Research and development costs

The Board expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Boa can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale.
- ii) Its intention to complete and its ability to use or sell the asset.
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset.
- v) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.



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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

i) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The Board does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

a) Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.



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**Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)**

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.



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**Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)**

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL).

b) Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

j) 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. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.



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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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 nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. 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 Entity.

k) Provisions

Provisions are recognized when the Board 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. Where the Board expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

l) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

m) Contingent liabilities

The Entity 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.



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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

n) Contingent assets

The Entity 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 Entity 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.

o) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

p) 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.

q) Employee benefits

Retirement benefit plans

The Board provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.



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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

r) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

s) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

t) Related parties

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

u) Service concession arrangements

The Entity analyses all aspects of service concession arrangements that it enters in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Board recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, to the extent that an asset has been recognized, the Board also recognizes a corresponding liability, adjusted by a cash consideration paid or received.



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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

v) 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. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

w) Comparative figures

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

x) 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 June 30, 2025.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Board'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. State all judgements, estimates and assumptions made:

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



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Useful lives and residual value

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

- a) The condition of the asset based on the assessment of experts employed by the Entity.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40. 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.



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Notes to the Financial Statements (Continued)

6. Rendering of services

Working Capital Adjustments	283,470	
Description	2024-2025	2023-2024
	Kshs	Kshs
Application fees	1,121,462	282,702
Registration fees	6,536,548	3,843,423
Annual Licence fees	31,116,307	29,322,005
Examinations fees	14,921,150	10,362,798
Attachment fees	2,086,417	1,657,544
Inspections of laboratories	112,382,465	106,978,168
Indexing fees	4,343,264	2,633,066
Inspections of Training Institutions	11,017,394	9,503,494
Validation fees	3,548,141	849,234
Other revenue	1,227,780	745,457
Superintendent	8,274,342	6,602,775
Total revenue from the rendering of services	196,575,270	172,780,666

NOTES TO THE CASH FLOW ITEMS

6. a) Rendering of Services.

Amount as per statements in Financial Performance	Kshs. 196,575,270
Add. Opening Receivables balance	Kshs. 51,070,500
Less: Closing Receivables Balance	<u>Kshs. 56,640,604</u>
Net cash received	<u>Kshs. 191,005,166</u>



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Notes to the Financial Statements (Continued)

7. Use of Goods and Services

Description	2024-2025	2023-2024
	Kshs	Kshs
Audit fees	446,000	446,000
Local Transport	933,800	1,938,200
External Transport	0	785,905
Production of annual Certificates	6,658,937	4,589,733
Legal expenses	326,465	798,800
Printing and stationery	52,886,010	30,979,669
Rental Expenses	8,610,105	7,587,393
Office Expenses	1,342,920	1,421,341
Internet Services	929,740	1,111,997
Telecommunication	43,699	76,708
Postage	48,074	36,934
Other general expenses	1,484,814	1,157,740
Examinations expenses	7,149,626	5,885,036
Inspections expenses	62,731,747	76,721,302
Regulatory expenses	7,442,200	9,524,100
Total general expenses	151,034,137	143,060,858

NOTES TO THE CASH FLOW ITEMS

7. a) Use of Goods and Services.

Amount as per statements in Financial Performance	Kshs. 196,575,270
Add. Opening Opening trade and other payables balance	Kshs. 1,471,077
Less: Closing Opening trade and other payables balance	Kshs. 9,862,783
Net cash received	<u>Kshs. 188,183,564</u>



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8. Employee Costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Salaries and wages	24,129,626	24,175,064
Other employee related costs (Interns Allowance)	630,000	696,000
Employee costs	24,759,626	24,871,064

9. Board Expenses

Description	2024-2025	2023-2024
	Kshs	Kshs
Chairman/Directors' Honoraria	960,000	960,000
Sitting Allowances	2,220,500	1,465,760
Total	3,180,500	2,425,760

10. Depreciation and Amortisation Expense

Description	2024-2025	2023-2024
	Kshs	Kshs
Property, plant and equipment	829,601	667,578
Total depreciation and amortization	829,601	667,578

11. Repairs and Maintenance

Description	2024-2025	2023-2024
	Kshs	Kshs
Vehicles	1,966,255	1,715,790
Vehicles		
Total Repairs and Maintenance	1,966,255	1,715,790



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Notes to the Financial Statements (Continued)

12 Finance Costs

Description	2024-2025	2023-2024
	Kshs	Kshs
Bank Charges	236,763	251,046
Total finance costs	236,763	251,046

13. Taxation

Description	2024-2025	2023-2024
	Kshs	Kshs
Current income tax charge	15,114,519	0
Income tax expense reported in the statement of financial performance	15,114,519	0

14. Cash and Cash Equivalents

Description	2024-2025	2023-2024
	Kshs	Kshs
Current Account	3,008,691	1,561,548
Others (Cash)	41,400	43,700
Total Cash and Cash Equivalents	3,050,091	1,605,248

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	2024-2025	2023-2024
		Kshs	Kshs
a) Current Account			
National Bank	01020058193500	32,328	103,828
Equity Bank	0170296759439	2,880,088	1,201,939
Co-operative Bank	02120128867800	96,275	255,781
Sub- Total		3,008,691	1,561,548
b) Others (Cash)			
Cash In Hand		41,400	43,700
Sub- Total		41,400	43,700
Grand Total		3,050,091	1,605,248



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15. Receivables from Exchange Transactions

(a) Receivables from Exchange Transactions (Current)

Description	2024-2025	2023-2024
	Kshs	Kshs
Receivables		
Current Receivables	56,640,604	51,070,500
Total Current Receivables	56,640,604	51,070,500

(b) Ageing analysis for Receivables from exchange transactions

Description	2024-2025		2023-2024	
	Kshs	% of the total	Kshs	% of the total
	2024-2025	% of the total	2023-2024	% of the total
Less than 1 year	5,570,104	10%	980,077	2%
Between 1- 2 years	980,077	2%	3,899,452	8%
Between 2-3 years	3,899,452	7%	15,080,000	30%
Over 3 years	46,190,971	81%	31,110,971	61%
Total (a+b)	56,640,604	100%	51,070,500	100%



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Notes to the Financial Statements (Continued)

16. Property, Plant and Equipment

	Furniture and Fittings	Computers	Total
Kshs	Kshs	Kshs	Kshs
Depreciation Rate			
At 1 July 2023	7,150,652	8,812,370	15,963,022
Additions	0	341,000	341,000
At 30th June 2024	7,150,652	9,153,370	16,304,022
Additions	1,000,000	660,228	1,660,228
At 30th June 2024	8,150,652	9,813,598	17,964,250
Depreciation and impairment			
At 1 July 2023	5,357,367	7,675,313	13,032,680
Depreciation Charge for the year	224,161	443,417	667,578
At 30 June 2025	5,581,528	8,118,730	13,700,258
Depreciation Charge for the year	321,141	508,460	829,601
At 30th June 2025	5,902,669	8,627,190	14,529,859
Net Book Values			
At 30 th June 2025	2,247,983	1,186,408	3,434,392
At 30 th June 2024	1,569,124	1,034,640	2,603,764



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Notes to the Financial Statements (Continued)

17. Trade and Other Payables

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Trade payables	9,416,784		1,025,077	
Other payables – Audit Fees	446,000		446,000	
Total trade and other payables	9,862,783		1,471,077	
Ageing analysis: (Trade and other payables)	2024-2025	% of the Total	2023-2024	% of the Total
Under one year	9,862,783	100%	1,471,077	100%
1-2 years	0	%	0	%
2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total (tie to above total)	9,862,783	100%	1,471,077	100%

18. Cash Generated from Operations

Description	2024-2025		2023-2024	
	Kshs		Kshs	
Surplus/(Deficit) for the year before Tax	(546,131)		(211,420)	
Adjusted for				
Depreciation	829,601		667,578	
Working Capital Adjustments	283,470			
Increase in receivables	(5,570,104)		(980,077)	
Decrease in Payables	8,391,706		(2,006,923)	
Net Cash flow from operating activities	2,821,602		(2,530,842)	



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Notes to The Financial Statements (Continued)

19. Financial Risk Management

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

i) Credit risk

The Board 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. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Board's management based on prior experience and their assessment of the current economic environment.

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Board has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Board has significant concentration of credit risk on amounts due from xxx. The board of directors sets the Board's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.



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Financial Risk Management

ii) Liquidity risk management

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

iii) Market risk

The Board has put in place an internal audit function to assist it in assessing the risk faced by the Entity 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 Entity'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 Board's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Board's exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

The Board has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The Board manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments



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Notes to the Financial Statements (Continued)

Financial Risk Management

b) Interest rate risk

Interest rate risk is the risk that the Board's financial condition may be adversely affected as a result of changes in interest rate levels. The Board's interest rate risk arises from bank deposits. This exposes the Entity to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Board's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Financial Risk Management

Sensitivity analysis

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Board's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.



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- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Notes to the Financial Statements (Continued)

Financial Risk Management

- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The Board considers relevant and observable market prices in its valuations where possible.

iv) Capital Risk Management

The objective of the Board capital risk management is to safeguard the Entity's ability to continue as a going concern.

20. Related Party Disclosures

Nature of related party relationships

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.

Government of Kenya

The Government of Kenya is the principal shareholder of the *Entity*, holding 100% of the *Entity's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Entity, both domestic and external.

Other related parties include:

- i) The Ministry of Health
- ii) County Governments
- iii) Other SCs and SAGAs
- iv) Key management.
- v) Board of directors.



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21. Segment Information

The Board operates in Nairobi only, with no branches.

22. Events after the Reporting Period

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

23. Ultimate and Holding Entity

The Board is a State Corporation/ or a Semi-Autonomous Government Agency under the Ministry of Health. Its ultimate parent is the Government of Kenya.

24. Currency

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.



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24. Appendices

Appendix 1: Implementation Status of Auditor-General's Recommendations

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

Reference No. on the external audit Report	Paragraph	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Long Outstanding Receivables from Exchange Transactions	Receivable from exchange transactions include a balance of Kshs.50,090,423 which has been outstanding for more than one year and whose recoverability was doubtful. The Management has not made a provision for doubtful debts in the financial statements and did not disclose measures taken to recover the amounts.	Correspondences with KMTC on this issue has been address and correspondence of the same are attached.	Registrar	Partly	June 2026



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Reference No. on the external audit Report	Paragraph	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Budgetary Control and Performance	The statement of comparison of budget and actual amounts reflects budgeted income of Kshs.240,157,966 and actual on a comparable basis income of Kshs.172,780,666 resulting to an under-collection of Kshs.67,377,300 or 28%. Similarly, the Board spent an amount of Kshs.172,992,086 from the actual receipts of Kshs.172,780,666 resulting to over utilization of Kshs.211,420. The under collection may negatively impact on the principal activities of the Board including regulating professional conduct of registered laboratory technicians and technologists and licensing and regulating business practices of technicians and technologists.	The board does not receive the grants from the exchequer. The budget is based on estimation hence the budgeted amount was not realized leading to under expenditures.	Registrar	Partly	June 2026



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Reference No. on the external audit Report	Paragraph	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Lack of Board Work Plan, Charter and Gaps in Board Formation	There was no Board Member who had financial expertise and a bona-fide member of a professional body regulating the accountancy profession. Further, there was no approved work plan and the Board has not formulated and adopted a Board Charter that defines the roles, responsibilities and functions of the board in the governance of the organization. This was contrary to Chapter 1 parts 1.1(6), 1.11(1) and 1.9 (1) of Mwongozo.		Registrar	Partly	June 2026
Failure to Draft Regulations	The Kenya Medical Laboratory Technicians and Technologists Act, 1999 was gazetted on 28 January, 2000. However, the regulations that prescribe the terms and conditions of the business and practice of the laboratory technicians and technologists engaged in private practice have not been drafted. This was contrary to Section 25(1) of the Medical Laboratory Technicians and Technologists Act, 1999	The ministry of Health has formed the committee to look into Board regulations.	Registrar	Partly	June 2026



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Reference No. on the external audit Report	Paragraph	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Lack of Internal Audit and Audit Committee	During the year under review, Management had not established an internal audit function. In addition, there was no Audit Committee to monitor the entity governance process, accountability process and control systems and offer objective advice on issues concerning risk, control, regulatory requirement and governance.	The Board have currently employ the internal auditor. The committee is also in place.	Registrar	Fully implemented	