

Library
70

PARLIAMENT
OF KENYA
LIBRARY

REPORT OF THE AUDITOR GENERAL (CORPORATIONS) ON THE ACCOUNTS OF
THE PEST CONTROL PRODUCTS BOARD FOR THE YEAR ENDED 30 JUNE 2000

**REPORT OF THE AUDITOR GENERAL (CORPORATIONS) ON
THE ACCOUNTS OF THE PEST CONTROL PRODUCTS
BOARD FOR THE YEAR ENDED 30 JUNE 2000**

I have examined the Accounts of Pest Control Products Board for the year ended 30 June 2000 in accordance with the provisions of Section 29 (2) of the Exchequer and Audit Act (Cap 412). I have obtained all the information and explanations, considered necessary for the purpose of the audit. Proper books of account have been kept and the Accounts which have been prepared under the historical cost convention are in agreement therewith.

In my opinion, and except for the matters referred to herebelow, the Accounts, when read together with the notes thereon, present fairly the financial state of affairs of the Board as at 30 June 2000 and of its surplus and cash flow for the year ended on that date.

1. CASH AND BANK BALANCES

The Board's Balance Sheet as at 30 June 2000 reflects Cash and Bank balance of Kshs.10,979,515 while the related Cash book shows a figure of Kshs.11,478,147, thus resulting in a difference of Kshs.498,632 which has not been satisfactorily explained. Although the Board has stated that the difference represented unidentified shortages in Cash books for previous years, no information was availed to give details of either the subject Cash books or indicate action taken to identify the cause of such shortages or even to recover the losses. In addition, the Balance Sheet Cash and Bank balance figure of Kshs.10,979,515 as at 30 June 2000 was arrived at after adjustment was made of two unexplained differences totalling Kshs.118,498 but without proper identification and analysis of the discrepancies. In the absence of such information it has not, therefore, been possible to confirm the correctness of the Balance Sheet Cash and Bank balance of Kshs.10,979,515 as at 30 June 2000.

2. DEBTORS

The Balance Sheet Debtors balance of Kshs.346,393 as at 30 June 2000 is net of 100% provision for bad and doubtful debts in respect of cash shortages totalling Kshs.470,521 and also dishonoured cheques valued at Kshs.44,595. The Board has not, however, provided any information regarding any effort made to recover the losses or even given a breakdown for the dishonoured cheques of Kshs.44,595. In the circumstances, therefore, it has not been possible to confirm the correctness of the Balance Sheet debtors figure of Kshs.346,393 as at 30 June 2000.

S. M. Maluki
S. M. MALUKI

AUDITOR GENERAL (CORPORATIONS)

19 June 2002

PEST CONTROL PRODUCTS BOARD



BALANCE SHEET AS AT 30TH JUNE, 2000

<u>REPRESENTED BY</u>	<u>2000</u>	NOTES	<u>1999</u>	
Fixed Assets	36,974,579.00		38,820,556.00	
Investments	20,000,000.00	7	15,000,000.00	
Work in Progress	16,000,000.00	6	16,000,000.00	
	72,974,579.00			69,820,556.00
<u>CURRENT ASSETS</u>				
Bank/Cash Balances	10,979,514.65	2	4,549,814.00	
Debtors	346,393.00	11	778,932.00	
Prepayments	378,639.00	5	141,687.00	
	<u>11,704,546.65</u>		<u>5,470,433.00</u>	
<u>CURRENT LIABILITIES</u>				
Creditors	3,407,949.00	10	193,933.00	
Provisions for Audit Fees	300,000.00	3	80,000.00	
Interest in Advance	343,124.00		178,374.00	
	<u>4,051,073.00</u>		<u>452,307.00</u>	
Net current Assets				<u>5,018,126.00</u>
	<u>7,653,473.65</u>			<u>74,838,682.00</u>
<u>FINANCED BY:</u>				
Capital Reserves	34,942,682.00		34,942,682.00	
Accumulated Fund	38,966,895.00		39,541,496.00	
Surplus/(Deficit)	6,718,475.65		354,504.00	
	<u>80,628,052.65</u>		<u>74,838,682.00</u>	

The attached notes form an integral part of the Accounts

G. N. Kibata
Ag. Chairman

P.M. Amukoa
Secretary/Chief Executive

PEST CONTROL PRODUCTS BOARD

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 2000

<u>INCOME</u>	<u>1999/2000</u>	<u>1998/1999</u>
Miscellaneous Receipts	145,375.85	-
Interest on Investment	1,665,725.00	1,905,834.00
License Fees Income	18,597,262.80	8,174,013.00
Government Grants	2,400,000.00	1,400,000.00
	<u>22,808,363.65</u>	<u>11,479,847.00</u>
 <u>EXPENDITURE</u>		
Personal Emoluments	2,643,760.90	2,720,392.00
House Allowance	2,339,211.00	1,054,274.00
Passage & Leave Allowance	123,000.00	113,000.00
Service Gratuity	298,062.65	537,476.00
Transport Operating Expenses	1,504,054.25	987,310.00
Traveling & Accommodation	1,594,700.00	1,012,188.00
Postal and Telegram	41,742.00	56,722.00
Telephone Expenses	293,764.10	120,485.00
Official Entertainment	168,272.00	109,928.00
Other Personal Allowances	1,306,767.20	200,007.00
Computer Expenses	-	2,995.00
Purchase of Stationary	86,138.00	153,276.00
Miscellaneous & other Charges	137,720.00	166,832.00
Fees, Commission & Honoraria	239,000.00	234,500.00
External Traveling	33,675.00	47,162.00
Maintenance of Plant & Machinery & Equipme	91,491.20	128,516.00
Maintenance of Buildings & Stations	22,020.00	-
Company N.S.S.F Contribution	15,120.00	15,680.00
Insurance	350,430.95	515,371.00
Bank Charges	131,461.50	97,124.00
Library Expenses	68,663.00	41,919.00
Medical Allowances	1,014,376.00	236,160.00
Medical Expenses - Inpatient	103,603.50	74,400.00
Printing & Publication	26,200.00	22,528.00
Rent & Rates (Non-residential)	870,416.00	531,000.00
Ex-Gratia in-patient (Medical)	41,421.75	-
Expenses Board Committees & Conferences	30,029.00	-
Purchase of Staff Uniform	18,000.00	-
A.S.K. Show Expenses	3,200.00	-
Training Expenses	9,500.00	-
Depreciation Expenses	1,868,972.00	1,866,098.00
Audit fees	100,000.00	80,000.00
Provision for bad & doubtful debts	515,116.00	-
	<u>6,718,475.65</u>	<u>354,504.00</u>
<u>Surplus</u>	<u>22,808,363.65</u>	<u>11,479,847.00</u>

PEST CONTROL PRODUCTS BOARD

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE 2000

<u>Cash flow from Operating Activities</u>	<u>Kshs.</u>
Surplus for the year	6,718,475.65
<i>Adjustments:</i>	
Depreciation	1,868,972.00
Interest on Investment	(1,665,725.00)
Government Grants	(2,400,000.00)
Operating profit before working capital changes	<u>4,521,722.65</u>
<i>Changes:</i>	
Decrease in Debtors	432,539.00
Increase in Creditors (Note 1)	2,404,911.00
Increase in Provisions	100,000.00
Increase in Prepayment	(236,952.00)
Increase in interest in Advance	164,750.00
Cash Flow From operating activities	<u>7,386,970.65</u>
<u>Cash Flow From Investment Activities</u>	
Additional Investments	(5,000,000.00)
Purchase of fixed assets	(22,995.00)
Interest on investment	1,665,725.00
Net cash flow from investment activities	<u>(3,357,270.00)</u>
<u>Cash Flow From Financing Activities</u>	
Government grants	2,400,000.00
Net Increase in Cash	6,429,700.65
Cash at the beginning of the period	4,549,814.00
Cash at the end of the Period	<u><u>10,979,514.65</u></u>

Note 1

Increase in Creditors 1999/2000

<u>Creditors Account</u>	
	Bal. B/f from 1998/99
	193,933.00
	Land rent arrears
	809,105.00
<i>Balance C/d</i>	<i>Increase</i>
<u>3,407,949.00</u>	<u>2,404,911.00</u>
<u>3,407,949.00</u>	<u>3,407,949.00</u>

Fixed Assets Schedule

	Land	Office Equipment 0%	Office Furniture 12.50%	Motor vehicle 25%	Total (kshs.)
Bal. as at 01-07-1999	35,000,000.00	1,050,140.00	762,041.00	6,558,302.00	43,370,483.00
Addition for the year		22,995.00			22,995.00
Total	35,000,000.00	1,073,135.00	762,041.00	6,558,302.00	43,393,478.00
Acc. Dep. 1-7-1999	-	599,093.00	285,999.00	3,664,835.00	4,549,927.00
1999/2000	-	134,141.90	95,255.10	1,639,575.00	1,868,972.00
Acc. Dep. 30-6-2000	-	733,234.90	381,254.10	5,304,410.00	6,418,899.00
Net Book Value 30-6-2000	35,000,000.00	339,900.10	380,786.90	1,253,892.00	36,974,579.00
Net Book Value 30-6-1999	35,000,000.00	451,047.00	476,042.00	2,893,467.00	38,820,556.00

PEST CONTROL PRODUCTS BOARD

Notes To The Accounts For The Year Ended 30th June 2000

1. Accounting Conventions

- (a) The accounts have been prepared under the historical cost Convention
- (b) Equipment and furniture have been depreciated at 12.5% on and motor vehicles at 25% on a straight line basis

2. Cash in bank (30th June 2000)

Revenue A/c No. 200-770-359	9,958,109.60
Operations A/c No. 200-771-681	998,045.90
Cash in hand	23,359.00
Total	<u>10,979,514.50</u>

3. Provisions

Audit fees	1998/1999	100,000.00
	1999/2000	200,000.00
		<u>300,000.00</u>

4. Government Grants

<u>Date</u>	<u>Receipt</u>	<u>Amount</u>
4-Sep-99	3394	600,000.00
7-Jan-00	3784	600,000.00
15-Mar-00	4102	600,000.00
5-May-00	4428	600,000.00
Total		<u>2,400,000.00</u>

5. Prepayment Schedule

<u>Particulars</u>	<u>Amount</u>
Photocopier Contract	8,625.00
Insured Motor Vehicles	34,468.40
GPA	53,369.75
Insurance of assets	9,943.00
Land Rates	270,505.00
Subscription of newspapers	1,728.00
Total	<u>378,639.15</u>

6. Work In Progress

The payment of Shs. 16 Million to M/s Mode Architects by the then Secretary and Chairman of the PCPB was irregular hence not sanctioned by the Board. The PCPB has since categorically dissociated themselves from this transaction.

PEST CONTROL PRODUCTS BOARD

7. Investments

Increase in investment in treasury bills -

Bal. 1998/1999	15,000,000 00
add - 1999/2000	5,000,000.00
Total	<u>20,000,000.00</u>

8. Interest on Investment (Treasury Bills)

<u>Period</u>	<u>Amount</u>
1-Jul-99 to 2-Aug-99	178,374 00
2-Aug-99 to 2-Nov-99	430,057 50
22-Nov-99 to 22-Feb-00	533,077 50
6-Mar-00 to 6-Jun-00	433,670 00
12-Jun-00 to 30-Jun-00	90,546 50
Total	<u>1,665,725.50</u>

9. License Fees Income

<u>Month</u>	<u>Amount</u>
July	839,555 75
August	1,659,653 45
September	1,479,770 15
October	2,035,124 45
November	768,766.00
December	2,147,777 75
January	1,978,496 95
February	2,132,593 90
March	1,928,197 45
April	1,236,513 60
May	793,197 20
June	1,597,616 15
Total	<u>18,597,262.80</u>

10. Creditors Schedule

<u>Staff Arrears</u>	
House Allowances	1,466,591.35
Medical Allowances	311,546 00
Other Personnel Allowances	1,017,253 00
Personnel Emoluments	39,899 90
Entertainment Allowance	38,500 00
Telephone expenses	34,158 40
Total	<u>3,407,948.65</u>

PEST CONTROL PRODUCTS BOARD

11. Debtors Schedule

Staff Advances			83,465.00
Staff Imprest			117,000.00
Dishonoured Cheques			
1999/2000	145,928.00		
Prior Years	44,595.00		
Shortages in the accounts			190,523.00
			<u>470,521.00</u>
			<u>861,509.00</u>
<u>Less:</u>			
Provision for bad & doubtful debts:			
Shortages	470,521.00		
Prior Year Dishonoured Cheques	44,595.00	(515,116.00)	
			<u>346,393.00</u>

12. Accumulated Fund

Bal B/f			39,896,000.00
<u>Less</u>			
Under Provision for Audit Fees	(120,000.00)		
Land Rates (1996 to June 1999)	(809,105.00)	(929,105.00)	
			<u>38,966,895.00</u>