

REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
KENYA VETERINARY BOARD**

**FOR THE YEAR
ENDED 30 JUNE 2017**



KENYA VETERINARY BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2017

The financial statements have been prepared in accordance with the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)

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I. KEY BOARD INFORMATION AND MANAGEMENT

(a) Background information

The Kenya Veterinary Board was established under the Veterinary Surgeons and Veterinary Paraprofessionals Act, CAP 366.

(b) Principal Activities

The mandate and the purpose of the Board is to exercise general supervision and control over training, business, practice and employment of veterinary surgeons and veterinary para-professionals in Kenya and advise the government in relation to all aspects thereof.

(c) Key Management

The Board's day-to-day management is under the Chief Executive Officer, who is also the Registrar and Secretary to the Board.

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2017 and who had direct fiduciary responsibility were:

No.	Designation	Name
1	Chief Executive Officer	Dr. Indraph M. Ragwa
2	Finance and Administration Officer	Mr. Simon G. Wainaina

(e) Fiduciary Oversight Arrangements

The Board has established standing and Ad hoc committees as it may deem necessary for the performance of its functions and the exercise of its powers under the Veterinary Surgeons and Veterinary Paraprofessionals Act. The Board has established the following committees for the purpose of fiduciary arrangements;

i). Finance and Administration Committee (FAC)

Development of Human Resource Policy, Finance Policy, Procurement Policy, Project Management and Budgeting procedures, Ensure that Board administrative functions are coordinated well and implementation of strategic plan and work plan.

ii). Audit Committee

Obtain assurance that financial and non-financial internal control and risk management functions are operating effectively and reliably, provide strong and effective oversight of internal audit functions, provide independent review of entity reporting functions ensuring integrity of financial reports, Provide oversight of implementation of audit recommendations after audit.

(f) The Board Offices

The Board headquarters' office are located at Director of Veterinary Services, Veterinary Research Laboratories, Kabete. The Board does not have regional offices.

*KENYA VETERINARY BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2017*

(g) Board Contacts

Address: P.O. Box 513 – 00605, Nairobi
Telephone: 0722305253|0701581718
Email: info@kenyavetboard.or.ke.
Website: www.kenyavetboard.or.ke.

(h) Board Bankers

- 1) Co-operative Bank of Kenya
Westland Branch
P.O. Box 66589 - 00800
Nairobi, Kenya
A/c No 01141151721300

- 2) Standard Chartered Bank
Westland Branch
P.O Box 14438 - 00800
Nairobi, Kenya
A/c No. 0108033914300

- 3) MPESA Pay Bill Collection Account
Safaricom Limited
P.O Box 66827, 00800
Nairobi, Kenya
Paybill A/C No. 787888

(i) Independent Auditors

Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084 - 00100
Nairobi, Kenya

(j) Principal Legal Adviser

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

II. THE BOARD MEMBERS

The following Board members were currently in the office as at 30th June, 2017

No.	Name	Designation
1	Dr. Bedford Mwenda Mbaka	Board, Chairperson
2	Dr. Alice Kivinya Mathew	Board, Deputy Chairperson
3	Ms. Winnie Makotsi	PS Representative, State Department of Livestock
4	Mr. Peter N. Momanyi	PS Representative, The National Treasury
5	Dr. Kiza Juma Ngeiywa	Director of Veterinary Service
6	Dr. Samuel Maina Kahariri	Chairman, Kenya Veterinary Association
7	Dr. Francis Gakuya	Representative, Wildlife Sector
8	Ms. Alice Chepteling Kalya	Representative, Animal Resource Industry
9	Dr. Leina Mpoke	Representative, Animal Resource Industry
10	Prof. Ndichu Maingi	Dean, Faculty of Veterinary Medicine
11	Dr. Esther Wangari Ng'ethe	Principal, Veterinary Paraprofessional Training Institute
12	Dr. Monicah Maichomo	Representative, Veterinary Research Institute
13	Prof. John Demesi Mande	Elected Member, Representing Veterinary Surgeons
14	Dr. Christopher H. Wanga	Elected Member, Representing Veterinary Surgeons
15	Mr. Joseah Kipkoech Siele	Elected Member, Representing Veterinary Para-professional
16	Einray Nyaigoti Nyamwaka	Elected Member, Representing Veterinary Para-professional
17	Mr. Paul Kariuki Ndung'u	Elected Member, Representing Veterinary Para-professional

*KENYA VETERINARY BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2017*

III. MANAGEMENT TEAM

The following management were currently in the office as at 30th June, 2017

No.	Designation	Name
1	Chief Executive Officer	Dr. Indraph M. Ragwa
2	Finance and Administration Officer	Mr. Simon G. Wainaina

IV. CHAIRMAN'S STATEMENT

Kenya Veterinary Board is a statutory body established by Veterinary Surgeons and Veterinary Paraprofessionals Act, CAP 366. The objective and purpose of the Board is to exercise general supervision and control over training, business, practice and employment of Veterinary Surgeons and Veterinary Paraprofessionals in Kenya and also to advise the Government in relation to all aspects thereof.

During the year the Board recruited a new Chief Executive Officer, Dr. I. M. Ragwa to manage the board activities, replacing Dr. B. O. Godia who held the same position in acting capacity.

In the same year under review the Board carried registration of veterinary interns. The internship is a supervised practical training for a period of one year which is aimed to provide veterinary graduates with hands on experience in veterinary profession

The Board also conducted sensitization workshops in collaboration with World Animal Protection and Global Alliance for Veterinary Medicine (GalvMed). The sensitization workshop was aimed at enlightening the veterinary professionals to improve services rendered and adherence to the Veterinary Surgeons and Veterinary Paraprofessionals Act and regulations.

The Board also participated in the world rabies day and field vaccination exercise, an event that raises awareness about the impact on rabies on humans and animals, create a platform for provision of advice to prevent and eliminate the disease.

The Board continued with registration of veterinary surgeons and veterinary paraprofessionals; licensing of private veterinary practices; formulation and enforcement of professional code of ethics; inspection and certification of veterinary training institutions; laboratories and practices; and promotion of Continued Professional Development to ensure that the profession upholds acceptable standards.

Some of the challenges the Board faced in the year included inadequate financial resources, shortage of staff, inadequate office accommodation, inadequate transport and lack of regional offices facilities, which if improved in future shall enable the board achieve its mandate to ensure delivery of quality veterinary services to the stakeholders and animal welfare services. This shall also safeguard animal health and welfare issues, promote human health and create wealth for the society.



DR. CHRISTOPHER WANGA, PhD, EBS
CHAIRPERSON

V. REPORT OF THE CHIEF EXECUTIVE OFFICER

The Veterinary Surgeons and Veterinary Paraprofessionals Act, CAP 366 requires the Board to keep proper records and accounts relating to the income, expenditure, assets and liabilities of the Board and be audited by the Auditor General. The Financial statement for the period ending 30th June 2017 has been submitted in compliance with the stipulated regulations.

During the 2016/2017 Financial Year, Kenya Veterinary Board inspected of Three (3) animal health training institutions, indexed One thousand, One hundred and Forty Seven (1,147) students, registered six hundred and six (606) animal health interns, registered Four Hundred Thirty Four (434) animal health graduates, inspected and licensed a total of Two Hundred and Ninety Five (295) veterinary clinics, ambulatory services, animal welfare service providers and Artificial Insemination providers, supervised One Hundred and four (104) Continuous Professional Development (CPD) activities, inspected Seven Hundred and Fifty Three (753) Agro-vet shops and other Veterinary medicine outlets. The intention of these activities is to enhance quality of services provided to farmers by veterinary professionals registered by the Board.

The Board created a mobile payment platform and email auto response system to ease doing of business with professionals and stakeholders. The Board also continued with the implementation of International Standards of Quality Management System (ISO 9001:2015) this has contributed to improved operations and services.

The Board faced the following challenges in the year; inadequate financial resources, shortage of staff, inadequate office accommodation, inadequate transport and lack of regional offices facilities, which affected provision services. Despite the challenges the Board upheld high standards in veterinary practice, regulation of professionals for delivery of quality veterinary services to the farmers.

The Director of Veterinary Services allocated land to the Board to build its Headquarter Offices. The Ministry also committed to provide budgetary allocation for development and construction in the coming financial years. This is a great milestone that shall ensure the Board as a veterinary regulator achieves autonomy.



Dr. INDRAPH RAGWA
CHIEF EXECUTIVE OFFICER

VI. CORPORATE GOVERNANCE STATEMENT

Corporate governance refers to the principles, processes and practices by which an organization is operated, regulated and controlled so as to fulfil its goals and objectives in a manner that adds value and benefits all its stakeholders. The governance role is the responsibility of the Board. The Board and senior management are committed to the highest levels of corporate governance, which it considers critical in achieving its mandate. By fostering a culture that upholds values and highest ethical standards that promotes both personal and corporate integrity.

The Role of the Board

Advise the Government on matters relating to veterinary training, research, practice and employment, the use of veterinary medicines, poisons and the pesticides, and other issues relating to animal welfare; prescribe, in consultation with such approved training institutions as the Board may deem appropriate, courses of training for veterinary surgeons and veterinary para-professionals; approve institutions for the training of veterinary surgeons and various categories of veterinary para-professionals; consider and approve the qualifications of the various categories of veterinary para-professionals for the purposes of registration under this Act; register, license, control and regulate veterinary practice and veterinary laboratories, clinics, animal hospitals, and such other facilities as provided for in Rules made under this Act; formulate and publish a code of ethics which shall be binding on all registered persons; regulate the professional conduct of registered persons and take such disciplinary measures as may be appropriate to maintain proper professional and ethical standards; ensure the maintenance and improvement of the standards of practice by the registered persons; assess from time to time human resource and necessary training programmes to guarantee sound and efficient veterinary service delivery and advise the relevant Ministries accordingly; maintain the registers and keep records of all registered persons; collaborate with other local and international organizations or bodies in the furtherance of the objects and functions of the Board; protect, in collaboration with relevant professional associations, the interests of the veterinary profession and deal with any matter related to such interests; create an inspectorate to work in collaboration with law enforcement agencies to locate, inspect, and close down premises or ambulatory clinics operated contrary to the practices prescribed under this Act, and take legal action against the offenders; guarantee animal welfare through registration, licensing and regulation of institutions and organizations with activities; regulate the use of technology for purposes of animal breeding; and carry out any other function to improve, promote and advance the veterinary profession and practice in Kenya.

Composition of the Board

The Principal Secretary in the Ministry responsible for matters relating to livestock; the Principal Secretary in the Ministry responsible for finance; the Director of Veterinary Services, who shall be a registered veterinary surgeon under this Act; a Dean of the Faculty of Veterinary Medicine of a public university in Kenya, being a registered veterinary surgeon, or a member of the faculty, who is a registered veterinary surgeon, nominated by him; one veterinary surgeon who is a principal of a veterinary para-professional training institute appointed by the Cabinet Secretary; four registered veterinary surgeons elected by registered veterinary surgeons and appointed by the Cabinet Secretary; three veterinary para-professionals appointed by the Cabinet Secretary after being elected by registered veterinary para-professionals; the chairperson of the Kenya Veterinary Association; one person appointed by the Cabinet Secretary to represent veterinary research institutions; one

veterinary surgeon or veterinary paraprofessional nominated by the Director of the Kenya Wildlife Service and appointed by the Cabinet Secretary to represent the Wildlife sector; two persons, not being veterinary surgeons or veterinary para-professionals, appointed by the Cabinet Secretary from the animal resource industry.

The Board has to establish standing and *Ad hoc* committees as it may deem necessary for the performance of its functions and the exercise of its powers under the Veterinary Surgeons and Veterinary Paraprofessionals Act. The Board has established the following committees;

- iii). **Inquiries and Disciplinary Committee (IDC)**
Guiding implementation of the Code of Professional Ethics, Implementation of part VI Section 34-37 of the VSVP Act, handling all disciplinary matters under the jurisdiction of KVB and giving recommendations to the Board on action to be taken on each case, propose the amendments or reviews to strengthen the VSVP Act and VSVP regulations and developing regulations on reinstatement of a deregistered person.
- iv). **Development and Capacity Building Committee (DCBC)**
Resource mobilization for the Kenya Veterinary Board, delivery of the internship program, development of partnership with other players in the sector and play liaison role on behalf of the Board
- v). **Publicity and Communications Committee (PCC)**
Develop and Publish the Public Relations and Communications Strategy of the Board, develop communication materials, ensure visibility of the Board by participating in shows, workshops, seminars field days etc., update the KVB website, and make it interactive and therefore can be used for adverts, posting information for general consumption of the veterinary professionals and general public and a way of getting private email channels for registered members and recommend to the Board ways of managing communication to the veterinary professionals and general public as and when the need arises.
- vi). **Technical Committee on Education and Quality Assurance (TeCEQA)**
Develop and Review evaluation tools for all Animal Health training institutions, develop and Review minimum curriculum content for the various cadres of Animal Health courses, develop guidelines for setting up veterinary consultant colleges, recommend for accreditation training Animal Health courses, organize interviews or examinations for foreigners who want temporary permits or Kenyans who trained in Animal Health institutions not recognized by KVB, oversee Continuous Professional Development (CPD) matters and implement Part II Section 7 and Part IV Section 29 of VSVP Act.
- vii). **Finance and Administration Committee (FAC)**
Development of Human Resource Policy, Finance Policy, Procurement Policy, Project Management and Budgeting procedures, ensure that Board administrative functions are coordinated well, implementation of strategic plan and work plan for the Board.
- viii). **Audit Committee**

Obtain assurance that financial and non-financial internal control and risk management functions are operating effectively and reliably, provide strong and effective oversight of internal audit functions, provide independent review of entity reporting functions ensuring integrity of financial reports, Provide oversight of implementation of audit recommendations after audit.

VII. CORPORATE SOCIAL RESPONSIBILITY STATEMENT

The Board recognizes its obligations to act responsibly, ethically and with integrity in its dealings with staff, customers, neighbours and the environment as a whole.

The Boards' source of funding is the Government of Kenya and internal collection. The Board has is currently finalizing its strategic Plan 2013- 2017, which provides the policy guidelines in the planned period. The Board has ensured that utilization of funds is utilized in an effective and efficient manner, to deliver quality services to citizens.

The Board is dedicated to creating a workplace that is safe, fair and enriching, during the year under review, it conducted a work environment survey. Safety procedures and programs are constantly monitored and improved to help ensure that our employees work safely.

The Board planted 500 trees at the Director of Veterinary Services compound contributing to environmental conservation and protection.

During the financial year, the Board carried out staff training creating awareness on work safety and occupational hazard.

Moving forward, the Board remains firmly committed to the tenets of corporate social responsibility as it continues to deliver on its mandate and functions.

VIII. REPORT OF THE DIRECTORS

The Board submit its report together with the audited financial statements for the year ended June 30, 2017 which show the state of the Board's affairs.

Principal activities

The principal activities of the Board is to exercise general supervision and control over training, business, practice and employment of veterinary surgeons and veterinary para-professionals in Kenya and advise the government in relation to all aspects thereof.

Results

The results of the Board for the year ended June 30, 2017 are set out on page 14.

Directors

The members of the Board Members who served during the year are shown on page 4. In accordance with Veterinary Surgeons and Veterinary Paraprofessionals Act, the members of the Board shall hold office for a term of three years, but shall be eligible for reappointment for another one term.

Auditors

The Auditor General is responsible for the statutory audit of the Board in accordance with the Section 30 of the Veterinary Surgeons and Paraprofessional Act, CAP 366, which empowers the Auditor General to nominate other auditors to carry out the audit on his behalf.

The Auditor General shall carry out the audit of the Board for the year ended June 30, 2017.



DR. CHRISTOPHER WANGA, PhD, EBS
CHAIRPERSON

IX. STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES

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

The Board members 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, 2017. 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 Board members 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 Financial Reporting Standards (IFRS), and in the manner required by the PFM Act and the State Corporations Act. The Board Members 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, 2017, and of the Board's financial position as at that date. The Directors further confirm 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 signed on its behalf by:



DR. CHRISTOPHER WANGA, PhD, EBS
BOARD CHAIRPERSON



Dr. INDRAPH RAGWA
CHIEF EXECUTIVE OFFICER

REPUBLIC OF KENYA

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON KENYA VETERINARY BOARD FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kenya Veterinary Board set out on pages 14 to 34, which comprise the statement of financial position as at 30 June 2017, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information 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, the financial statements present fairly, in all material respects, the financial position of Kenya Veterinary Board as at 30 June, 2017, 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 Veterinary Surgeons and Veterinary Professionals Act, 2011 and Public Finance Management Act, 2012.

In addition, as required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Kenya Veterinary Board in accordance with ISSAI 30 on 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 opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no Key Audit Matters to report in the year under review.

Report of the Auditor-General on the Financial Statements of Kenya Veterinary Board for the Year Ended 30 June 2017

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Board's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to cease operations of the Board, or have no realistic alternative but to do so.

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.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

Auditor-General's Responsibilities for the Audit of the Financial Statements

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. 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 and weakness 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.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

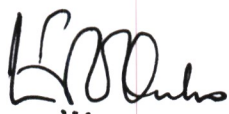
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the

purpose of giving an assurance on the effectiveness of the Board's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Board's to cease sustaining its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Board's to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

12 July 2018

KENYA VETERINARY BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2017

XI. STATEMENT OF FINANCIAL PERFORMANCE
For the year ended 30th June 2017

	Note	Jun-17 Kshs.	Jun-16 Kshs
Revenue from Non-Exchange Transactions			
Government Grant	2	25,500,000	16,895,900
Donor Funding	3	3,513,258	1,025,000
Revenue from Exchange Transactions			
Licences and Fees	4	27,047,566	27,988,614
Total Revenue		<u>56,060,824</u>	<u>45,909,514</u>
Expenses			
Board and Committees allowances	5	9,259,110	17,046,377
Staff Costs	6	16,343,238	14,701,774
Administration Expenses	7	13,753,601	14,710,476
Operating Expenses	8	9,413,750	12,392,343
Total Expenses		<u>48,769,699</u>	<u>58,850,970</u>
Surplus/(Loss) before Tax		<u>7,291,125</u>	<u>(12,941,456)</u>
Taxation*		-	-
Surplus/(Loss) after Tax		<u>7,291,125</u>	<u>(12,941,456)</u>

KENYA VETERINARY BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2017

XII. STATEMENT OF FINANCIAL POSITION
As at 30th June 2017

	Note	Jun-17 Kshs	Jun-16 Kshs
CURRENT ASSETS			
Cash and Cash Equivalents	9	13,869,928	2,986,797
Receivables from exchange transaction	10	1,281,732	1,289,428
NON-CURRENT ASSETS			
Property and Equipment	11	7,818,904	10,233,029
Intangible Assets : Softwares	12	2,311,091	3,548,782
Total assets		25,281,655	18,058,036
Current Liabilities			
Trade and other payables from exchange transactions	13	734,777	701,907
Trade and other payables from non-exchange transactions	14	1,063,036	1,131,708
Staff gratuity provision	15	1,472,769	1,529,175
Prepaid income	16	544,232	519,530
Accumulated Reserves and Liabilities			
Revenue Reserves	17	21,466,841	14,175,716
Total Reserves and liabilities		25,281,655	18,058,036

The Financial Statements set out on pages 14 to 18 were signed on behalf of the Board by the Chairperson and the Chief Executive Officer.



BOARD CHAIRPERSON

Date... 10/05/2018



CHIEF EXECUTIVE OFFICER

Date... 10/05/2018

*KENYA VETERINARY BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2017*

**XIII. STATEMENT OF CHANGES IN NET ASSETS
For the year ended 30th June 2017**

	Accumulated Reserves Kshs	Capital Reserves KShs	Total Reserves Kshs
As at 30 JUNE 2015	27,117,172	-	27,117,172
Loss for the year	(12,941,456)	-	(12,941,456)
AS AT 30TH JUNE 2016	<u>14,175,716</u>	<u>-</u>	<u>14,175,716</u>
Surplus for the year	7,291,125	-	7,291,125
AS AT 30TH JUNE 2017	<u><u>21,466,841</u></u>	<u><u>-</u></u>	<u><u>21,466,841</u></u>

*KENYA VETERINARY BOARD
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2017*

XIV. STATEMENT OF CASH FLOWS

	Note	Jun-17 KShs	Jun-16 Kshs
Cash flows from Operating Activities			
Receipts			
Government Grant		25,500,000	16,895,900
Licences and Fees		26,872,650	27,861,448
Donor funding		3,388,258	1,575,000
		<u>55,760,908</u>	<u>46,332,348</u>
Payments			
Board and Committees		11,172,184	14,550,133
Payment to staff		9,858,294	10,348,749
Administrative		7,089,184	8,612,503
Operating expenses		5,000,292	8,861,882
Bank charges		73,398	38,571
Payment of taxes and statutory obligations		3,924,357	5,993,857
Vehicle insurance, maintenance & Fuel		2,051,888	2,047,287
Payment to creditors		1,788,854	353,500
Publicity and communication		320,089	3,916,461
Regional expenses		3,522,658	-
		<u>44,801,198</u>	<u>54,722,942</u>
Net Cash flows from Operating Activities	18	10,959,710	(8,390,594)
Cash flows from Investing Activities			
Purchasing of Non-Current Assets	11	(76,579)	(768,552)
Purchase of Intangible assets	12	-	(1,226,501)
Net cash generated from (used in) Investing Activities		<u>(76,579)</u>	<u>(1,995,053)</u>
Cash flows from Financing Activities			
(Increase) decrease in Capital Grant		-	-
Net cash generated from (used in) Financing Activities		-	-
Increase/(decrease) in Cash & Cash Equivalents		10,883,130	(10,385,647)
Cash and Cash equivalents at the beginning of the period		2,986,797	13,372,444
Cash and Cash equivalents at the end of the Period	9	<u><u>13,869,928</u></u>	<u><u>2,986,797</u></u>

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XV. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

	Budget	Adjustments	Adjusted Budget	Actual	Performance Difference	
Income						
Government Grant	50,000,000	(24,500,000)	25,500,000	25,500,000	-	
Internally Generated	25,000,000	5,000,000	30,000,000	27,047,566	(2,952,435)	i
Total Income	75,000,000	(19,500,000)	55,500,000	52,547,566	(2,952,435)	
Expenditure						
Personnel Emolument	19,517,000	(3,117,000)	16,400,000	16,343,238	56,762	
Board Expenses	11,000,000	(1,700,000)	9,300,000	9,259,110	40,890	
Operating Expenses	12,283,000	(2,783,000)	9,500,000	9,413,750	86,250	
Administrative Expenses	14,500,000	(700,000)	13,800,000	13,753,601	46,399	
Purchase of Vehicles	12,000,000	(12,000,000)	-	-	-	ii
Purchase of furniture, Equipment, Computers and Softwares	3,700,000	(3,600,000)	100,000	76,579	23,421	
Regional Office	2,000,000	(2,000,000)	-	-	-	iii
Total Expenses	75,000,000	(25,900,000)	49,100,000	48,846,278	253,722	
Difference	-	6,400,000	6,400,000	3,701,288	(3,206,156)	

Variance analysis

- i) More internally funds were generated due to increased inspections of veterinary practices, training
- ii) Purchase of vehicles were not bought as planned due to limitation of funding in the budget.
- iii) Regional office were not opened as planned

XVI. NOTES TO THE FINANCIAL STATEMENTS

1. Statement of compliance and basis of preparation

The commission adopted IPSAS in the year 2014 following the Gazettement of the Public Sector Accounting Standard Board (PSASB), which was established by the Public Financial Management Act (PFM) No. 18 of 24th July 2012. PSASB issued financial reporting standards and guidelines to be adopted by all state organs and public entities, which the Commission complies with.

The Board's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) and Veterinary Surgeons and Veterinary Paraprofessionals Act, CAP 366, which requires the Board to keep proper records and accounts relating to the income, expenditure, assets and liabilities of the Board and be audited by the Auditor General. The financial statement for the period ending 30th June, 2016 has been submitted in compliance with the rules stipulated. The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Board. The accounting policies have been consistently applied to all the years presented. The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

Summary of significant accounting policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees and Licenses

The Board recognizes revenues from fees, taxes 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 Board 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.

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.

b) Budget information

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the Board. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or Board differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

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. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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 re-assessed 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 Board.

d) Sales tax

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

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation Board, 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
- 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 Board is included as part of receivables or payables in the statement of financial position.

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 Board 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 administrative expenses. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value. It is the Board policy to depreciate its assets using reducing balance method as follows;

Asset Category	Depreciation Rate (%)
Motor Vehicles	25.0%
Furniture and Fittings	12.5%
Computers and Printers	30.0%
Office Equipment	12.5%

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. The Board policy is to amortize intangible assets using straight line method as follows;

Asset Category	Arnotization Rate (%)
Software's	33.3%

The useful life of the intangible assets is assessed as either finite or indefinite.

h) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Board determines the classification of its financial assets at initial recognition.

i) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Board determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

j) 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.

Contingent liabilities

The Board 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.

Contingent assets

The Board 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 Board 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.

k) Nature and purpose of reserves

The Board does not create or maintain any reserves.

l) Changes in accounting policies and estimates

The Board recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

m) Employee benefits

(i) Defined contribution scheme

The Board contributes to the statutory National Social Security Fund (NSSF) whose rates are determined by Kenyan statutes and amount charged in the income statement in the year they relate.

ii) Gratuity

Entitlements to gratuity are recognized when they accrue to qualifying employees at 31% of the basic pay.

n) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise. Currently there are no foreign exchange transactions.

r) 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 Standard Chartered Bank and Co-operative Bank at various commercial banks at the end of the financial year.

s) Comparative figures

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

t) 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. There are no significant judgements, estimates and assumptions to be reported in this financial year.

Key going concern assumption

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.

Useful lives and residual values

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

- The condition of the asset based on the assessment of experts employed by the Board
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available.

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.

Assumptions were used in determining the provision for rehabilitation of landfill sites. Landfill areas are rehabilitated over years and the assumption was made that the areas stay the same in size for a number of years.

Provision is made for the estimated cost to be incurred on the long-term environmental obligations, comprising expenditure on pollution control and closure over the estimated life of the landfill. The provision is based on the advice and judgment of qualified engineers.

The estimates are discounted at a pre-tax discount rate that reflects current market assessments of the time value of money.

The increase in the rehabilitation provision due to passage of time is recognized as finance cost in the statement of financial performance.

The cost of on-going programs to prevent and control pollution and rehabilitate the environment is recognized as an expense when incurred.

U) Financial Risk Management

Exposure to currency, commodity, interest rate, liquidity and credit risk arises in the normal course of the Board's operations. This note presents information about the Board's exposure to each of the above risks, policies and processes for measuring and managing risk, and the Board's management of capital.

Fair values

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Set out below, is an analysis of the carrying amounts and fair value of the boards financial instruments;

Financial Assets	Note	Carrying Amount Ksh	Fair Value Ksh
At 30 June 2017			
Cash and cash equivalents	9	13,869,928	13,869,928
Receivables exchange transactions	10	1,281,732	1,281,732
Total		<u>15,151,660</u>	<u>15,151,660</u>
Financial Assets			
At 30 June 2016			
Cash and cash equivalents	9	2,986,797	2,986,797
Receivables exchange transactions	10	1,289,428	1,289,428
Total		<u>4,276,225</u>	<u>4,276,225</u>
Financial liabilities			
At 30 June 2017			
Trade & other payables from exchange transactions	13	734,777	734,777
Trade & other payables from non-exchange transactions	14	1,063,036	1,063,036
Total		<u>1,797,812</u>	<u>1,797,812</u>
Financial liabilities			
At 30 June 2016			
Trade & other payables from exchange transactions	13	701,907	701,907
Trade & other payables from non-exchange transactions	14	1,131,708	1,131,708
Total		<u>1,833,615</u>	<u>1,833,615</u>

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation. Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Credit risk

Credit risk is the risk of financial loss to the Board if customers or counterparties to financial instruments fail to meet their contractual obligations. The Board's credit risk is primarily attributable to its receivables and cash and cash equivalents. The company's management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors before extending credit. The carrying amount of financial assets represents the maximum credit exposure. The credit risk on liquid funds with financial institutions is low, because the counter parties are banks with high credit-ratings. There was no exposure to credit risk in the year under review

Receivables

Receivable amounts are owed by clients and the government of Kenya and are presented net of any impairment losses. There were no material changes in the exposure to credit risk and its objectives, policies and processes for managing and measuring the risk during the year under review. The Board's exposure to credit risk is monitored on an ongoing basis. The Board's maximum exposure to credit risk is represented by the carrying value of each financial asset in the statement of financial performance.

Liquidity risk

Liquidity risk is the risk of the Board not being able to meet its obligations as they fall due. The Board's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Board's reputation. Prudent liquidity risk management includes maintaining sufficient cash to meet the Board's obligations.

U) Related Party Disclosure

IPSAS 20 describes key management personnel (KMP) as all directors or members of the governing body of the entity and other persons having the authority and responsibility for planning, directing, and controlling the activities of the reporting entity. The remuneration of KMP is often established by statute or some other formal independent tribunal or process. However, the responsibilities of their office may enable them to influence the benefits that flow to them or their related parties. Consequently, IPSAS 20 requires specific disclosure to be made in aggregate about:

- The remuneration of KMP and close family members of KMP during the reporting period
- Loans made to them
- The consideration provided to them for services they provide to the entity other than as a member of the governing body or an employee

Due to the nature of related party transactions, they may be considered qualitatively material despite the amount or size.

The compensation to related party is as follows:-

	Jun-17	Jun-16
	Kshs	Kshs
Board of Management remuneration	9,259,110	17,046,377
Loans and Advances	-	-
Other considerations for reduced services	-	-
Total	9,259,110	17,046,377

V) 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, 2017.

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2	Government Income	Jun-17	Jun-16
		Kshs	Kshs
	Government Grant	25,500,000	16,895,900
	Total	25,500,000	16,895,900
3	Donor Funding	Jun-17	Jun-16
		Kshs	Kshs
	Donor Funding	3,513,258	1,025,000
	Total	3,513,258	1,025,000
4	Licences and Fees	Jun-17	Jun-16
		Kshs	Kshs
	<u>Practice Fees</u>		
	Veterinary Surgeons	2,347,000	2,096,000
	Veterinary Paraprofessional	2,834,000	2,516,000
	<u>Inspection Fees</u>		
	Veterinary clinical centre	705,000	645,000
	Ambulatory facility	4,905,000	3,725,000
	Non Governmental Organization's	630,000	240,000
	Veterinary clinical centre	100,000	250,000
	Veterinary Hospital	100,000	-
	<u>Training Instituion Inspection Fees</u>		
	Universities	-	1,501,000
	Other Training Institutions	-	1,002,000
	<u>Registration Fees</u>		
	Veterinary Surgeons	521,000	277,000
	Veterinary Paraprofessional	1,525,000	1,947,200
	Foreign Veterinary Surgeon	506,248	-
	<u>Internship Fees</u>		
	Internship Fee - Surgeon (BVM)	55,000	-
	Internship Fee - Para-Professional (Degree)	31,000	-
	Internship Fee - Para-Professional (Diploma)	92,001	-
	Internship Fee - Para-Professional (Certificate)	162,587	-
	<u>Licence Fees</u>		
	Non Governmental Organization's	201,000	101,000
	Licence Fee VS	-	55,000
	<u>Retention Fees</u>		
	Veterinary Surgeon	5,930,160	6,413,000
	Veterinary Technologist	1,094,000	941,000
	Veterinary Technician	3,988,000	4,145,100
	<u>Continous Professional Development Fees</u>		
	CPD Activity fees	1,242,570	1,919,279
	Application fees	5,000	6,000
	<u>Other Incomes</u>		
	Hip Dysplasia	-	52,000
	Penalties	65,000	148,035
	Certificate fees	8,000	9,000
	Total	27,047,566	27,988,614

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5	Board & Committees Allowance	Jun-17	Jun-16
		Kshs	Kshs
	Board Sitting Allowance	1,632,000	2,896,000
	Board Transport	508,754	950,035
	Board Accomodation	1,783,600	3,740,934
	Honorarium - Chairman	720,000	720,000
	Board Telephone Expenses	73,000	72,000
	IDC Sitting Allowance	600,000	566,000
	IDC Transport	103,875	149,961
	IDC Accommodation	527,800	600,600
	DCB Sitting Allowance	1,242,000	926,000
	DCB Transport	28,022	122,011
	DCB Accommodation	345,800	686,400
	FAC Sitting Allowance	174,000	300,000
	FAC Transport	27,044	51,214
	FAC Accommodation	127,400	254,800
	PCC Sitting Allowance	-	752,000
	PCC Transport	-	198,974
	PCC Accommodation	-	1,133,600
	Audit Committee Sitting Allowance	148,000	204,000
	Audit Committee Transport	26,978	43,671
	Audit Committee Accommodation	218,400	291,200
	TeCEQA Sitting Allowance	562,000	1,326,000
	TeCEQA Transport	65,869	135,100
	TeCEQA Accommodation	291,200	855,400
	GPA Cover - Board Members	53,368	70,477
	Total	<u>9,259,110</u>	<u>17,046,377</u>
6	Staff Costs	Jun-17	Jun-16
		Kshs	Kshs
	GPA/WIBA Cover	264,107	295,318
	NSSF Pension	142,560	142,560
	Staff Medical	241,865	781,123
	Wages & Stipend	414,425	218,400
	Gratuity	1,256,490	1,177,358
	Staff Salaries	14,023,791	12,087,015
	Total	<u>16,343,238</u>	<u>14,701,774</u>

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7 Administration Expenses	Jun-17	Jun-16
	Kshs	Kshs
Auditing	348,000	348,000
Awards/ Donations	-	530,000
Consultancy	416,500	470,500
Bank Charges	73,396	41,521
General office expenses	186,064	199,750
Office Welfare	326,727	507,475
Postage	44,415	79,020
Printing & Stationeries	599,579	597,877
Subsistence Allowance	4,365,700	4,382,621
Telephone expenses	231,277	569,415
Training and Education	229,490	277,650
Transport	74,710	205,240
Website, E-mail and Networking	348,000	689,080
Security	522,000	522,000
Depreciation:Computers	796,352	1,057,877
Depreciation:Furniture& Fitting	78,955	87,315
Depreciation:Motor Vehicle	1,545,401	1,741,816
Depreciation:Office Equipment	69,997	64,558
Armotization: Software's	1,237,691	168,007
Fuel - KBN 980E	227,820	321,693
Fuel - KBU 122T	501,449	358,964
Fuel - KCA 083F	227,451	308,528
Insurance:KBN 980E	91,575	101,895
Insurance:KBU 122T	156,442	174,120
Insurance:KCA 083F	148,718	181,439
Maintenance - KCA 083F	224,626	289,650
Maintenance - KBN 980E	161,341	206,915
Maintenance - KBU 122T	519,925	227,550
Total	<u>13,753,601</u>	<u>14,710,476</u>
8 Operating Expenses	Jun-17	Jun-16
	Kshs	Kshs
Conferences & Seminars	675,800	2,572,270
CPD Supervision	890,800	1,248,900
Corporate Social Responsibility	20,000	31,000
Hip Displasyia	-	106,960
Inspection	2,914,325	4,780,570
Magazines and periodicals	21,712	19,912
Publicity & Communication	334,090	1,344,191
Regional Workshops/ Activities	3,522,658	-
Repairs and Maintenance	142,948	293,816
Training Institution inspection	891,417	1,994,724
Total	<u>9,413,750</u>	<u>12,392,343</u>

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9	Cash and Cash Equivalents	Jun-17	Jun-16
		Kshs	Kshs
	Standard Chartered	10,193,818	2,613,682
	Co-operative Bank	1,299,481	348,562
	Petty Cash	25	9,475
	Cash Account	19,492	15,078
	Mpesa	2,357,112	-
	Total	<u>13,869,928</u>	<u>2,986,797</u>
10	Receivables from exchange transactions	Jun-17	Jun-16
		Kshs	Kshs
	Receivables		
	Membership Receivables	40,910	166,035
	Provider Receivables	134,006	480,661
	Staff Receivables	-	253,187
	Fuel Cards		
	Kenol Kobil	26,736	20,845
	Total kenya	18,645	61,825
	Insurance Prepayment		
	Madison Insurance	897,082	-
	Jubilee Insurance	60,345	171,234
	CIC insurance	104,008	135,641
	Total	<u>1,281,732</u>	<u>1,289,428</u>

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11 Non-Current Assets: Property & Equipments

	Furniture and Fittings	Office Equipment	Computers	Motor Vehicle	Total
COST (Kshs)					
01-07-2015 B/fwd	1,213,683	646,298	4,496,205	14,006,918	20,363,104
Additions	48,240	330,552	389,760	-	768,552
Disposals	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-
30th June 2016	<u>1,261,923</u>	<u>976,850</u>	<u>4,885,965</u>	<u>14,006,918</u>	<u>21,131,656</u>
01 July 2016 (b/fwd)	1,261,923	976,850	4,885,965	14,006,918	21,131,656
Additions	-	57,581	18,998	-	76,579
Disposals	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-
30th June 2017 C/fwd)	<u>1,261,923</u>	<u>1,034,431</u>	<u>4,904,963</u>	<u>14,006,918</u>	<u>21,208,235</u>
DEPRECIATION					
01 July 2015 (b/fwd)	543,267	121,922	1,145,782	6,136,090	7,947,061
Depreciation	87,315	64,558	1,057,877	1,741,816	2,951,566
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-
30th June 2016	<u>630,582</u>	<u>186,480</u>	<u>2,203,659</u>	<u>7,877,906</u>	<u>10,898,627</u>
01 July 2016 (b/fwd)	630,582	186,480	2,203,659	7,877,906	10,898,627
Depreciation	78,955	69,997	796,352	1,545,401	2,490,705
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-
30th June 2017 C/fwd)	<u>709,537</u>	<u>256,477</u>	<u>3,000,011</u>	<u>9,423,307</u>	<u>13,389,332</u>
NET BOOK VALUES					
30 June 2016 - B/fwd	631,341	790,370	2,682,306	6,129,012	10,233,029
30 June 2017 - C/fwd	552,386	777,954	1,904,952	4,583,611	7,818,904

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12 Intangible Assets : Softwares

	Software's	Total
COST (Kshs)		
01 July 2015 (b/fwd)	2,490,288	2,490,288
Additions	1,226,501	1,226,501
Disposals		
Transfers/Adjustment		
30th' June 2016	<u>3,716,789</u>	<u>3,716,789</u>
01 July 2016 (b/fwd)	3,716,789	3,716,789
Additions	-	-
Transfers/Adjustment		
30th' June 2017	<u>3,716,789</u>	<u>3,716,789</u>
AMORTIZATION		
01 July 2015 (b/fwd)	-	-
Amortization	168,007	168,007
Impairment	-	-
30th' June 2016 (b/fwd)	<u>168,007</u>	<u>168,007</u>
01 July 2016 (b/fwd)	168,007	168,007
Amortization	1,237,691	1,237,691
Impairment		
30th' June 2017	<u>1,405,698</u>	<u>1,405,698</u>
NET BOOK VALUES		
30th June 2016 (b/fwd)	3,548,782	3,548,782
30th June 2017 (c/fwd)	2,311,091	2,311,091

13 Trade and Other payables from Exchange transactions

	Jun-17 Kshs	Jun-16 Kshs
Accounts Payable	734,777	701,907
	<u>734,777</u>	<u>701,907</u>

14 Trade and Other payables from Non-Exchange transactions

	Jun-17 Kshs	Jun-16 Kshs
PAYE	638,036	581,708
World Animal Protection	425,000	550,000
	<u>1,063,036</u>	<u>1,131,708</u>

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15 Staff Gratuity Provision

	Jun-17	Jun-16
	Kshs	Kshs
Balance (b/fwd)	1,529,175	739,262
Provision for the year	1,256,490	1,177,358
Payment during the Year	(1,312,896)	(387,445)
Total	1,472,769	1,529,175

16 Prepaid Income*

	Jun-17	Jun-16
	Kshs	Kshs
Inspection Fee	2,000	-
Practice Licence	7,000	6,000
Retention Fees	535,232	513,530
Total	544,232	519,530

*Fees received in advance from veterinary professionals

17 Revenue Reserve

	Jun-17	Jun-16
	Kshs	Kshs
Balance (b/fwd)	14,175,716	27,117,172
Surplus/(deficit)	7,291,125	(12,941,456)
Balance (b/fwd)	21,466,841	14,175,716

18 Cash generated from operations

	Jun-17	Jun-16
	Kshs	Kshs
Surplus/(deficit) for the year before tax	7,291,125	(12,941,456)
<u>Adjustment for Non Cash transactions</u>		
Depreciation and Amortisation	3,728,395	3,119,575
Staff Gratuity	(56,406)	789,913
Net Cash flows from operating activities before changes in working capital	10,963,114	(9,031,968)
<u>Changes in Working Capital</u>		
Decrease/(Increase) in Receivables	7,696	(529,462)
Increase (Decrease) in payables	(35,802)	793,906
Increase (Decrease) in Deferred income	24,702	376,930
Net Change in Working Capital	(3,404)	641,374
Net Cash flows from operating Activities	10,959,710	(8,390,594)

19 Events after the reporting period

There are no material non-adjusting events after the reporting date

XVII. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	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)
No issues raised by the auditor that required Board/Management action and follow up					

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Board responsible for implementation of each issue;
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.



BOARD CHAIRPERSON

Date...10/05/2018.....



CHIEF EXECUTIVE OFFICER

Date...10/05/2018.....