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KENYA BUREAU OF STANDARDS

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ANNUAL REPORT 1999/2000



KEBS Head Office, On Kapiti Rd, Off Mombasa Rd, Behind Belle Vue Cinema, Nairobi.

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OUR VISION

A world of quality products

OUR MISSION

To excel and be internationally recognized in metrology, standardization, testing and quality assurance and ensure economic development and fair trade

> KENYA NATIONAL ASSEMBLY Accession: 10012932

Call No: 657-315BS



KENYA BUREAU OF STANDARDS

QUALITY POLICY

It is the policy of KEBS to provide services that consistently meet or exceed our customers' requirements by implementing a quality management system complying with KS ISO 9001:2000 requirements.

The products and services provided by KEBS to its internal and external customers are:

- Testing and provision of accurate test results on a timely basis.
- Maintenance and dissemination of national primary standards and assuring traceability of the standards.
- Provision of certification in quality management systems, products, personnel, inspection, HACCP and environmental management systems.
- Developing, publishing and disseminating Kenya Standards and being the custodian of ISO standards and other international standards.
- Striving to have products manufactured in Kenya and those imported meet the Kenya standard requirements.

KEBS shall train its staff and ensure that this policy is understood and maintained.

Quality objectives shall be reviewed regularly to ensure suitability and effectiveness of the quality management systems and monitoring of continued quality improvement. All functional units of KEBS shall identify and document their quality objectives.

Through awareness of client needs and teamwork in every function of KEBS, we will operate an internationally recognized Metrology, Standards, Testing and Certification body.

M. Masila Ena MANAGING DIRECTOR, KENYA BUREAU OF STANDARDS.

Hon. N. K. Biwott Minister for Trade and Industry P.O. Box 30418 Nairobi Kenya

31st October, 2000

Dear Sir

In terms of section 8(5) of the Standards Act, 1981 (1977), I have the honour to present to you the 1999/2000 Annual Report of the Kenya Bureau of Standards (KEBS) for submission to Parliament.

This Annual Report outlines some of our achievements in the spheres of national and international standardization during the year under review.

The narrative portion on KEBS operations, the Balance Sheet and Operating Account cover the financial year ended 30th June 2000.

On behalf of the National Standards Council (NSC) and myself, I wish to express our sincere gratitude for the constant interest and support offered by you and your Ministry for the effective operation of KEBS.

Yours faithfully,

The Work ALF. FLIP

HON. E. W. MWANGALE, CHAIRMAN.

THE NATIONAL STANDARDS COUNCIL MEMBERS, 1999/2000

Hon. E. W. Mwangale		Chairman
C. Kirubi		Kenya Association of Manufacturers
F.K. Kigen		Mobil Oil (K) Ltd.
J.K. Meme (Mrs.)		FPEAK
E. Thande (Mrs.)	—	Wet Farm Ltd.
Eng. J.M. Masila	—	Ministry of Trade and Industry
J.N. Githinji		Ministry of Energy
Eng. J.H.G Wambura	—	Ministry of Public Works
F.O. Orago	—	Kenya Consumers' Organization
E. Mwaluma		Nairobi Safarı Club
S.T. Kırımı	—	Magadi Soda Co. Ltd.
D. W. Mugambi		Ministry of Roads and Public Works
J K.Ngeno	—	Ministry of Agriculture and Rural Development
W. Odundo	—	Environmental Health
√ O Oduol	—	Ministry of Finance (Treasury)
A C Juma		Kenya Association of Manufacturers
M.C. Rotich (Mrs.)	—	Kenya Bureau of Standards
Eng PO Okundi	_	Secretary (Managing Director, KEBS)

CHIEF EXECUTIVE

Eng. Philip O. Okundi

BANKERS

National Bank of Kenya, Harambee Avenue, Nairobi

AUDITORS

Controller and Auditor-General

CONTENTS

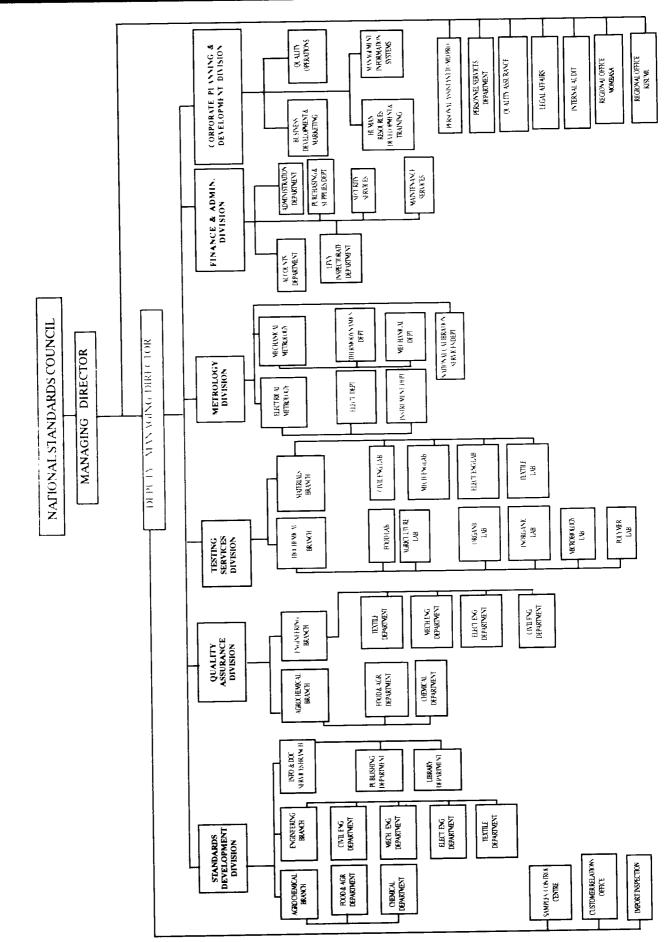
Cla	use	Page
	KEBS Vision	
	KEBS Mission	
	KEBS Quality Policy	
	Letter to the Minister for Trade and Industry	
	The Council and General Information	
	KEBS Management Team, 1999/2000	
	The National Standards Council Members, 1999/2000	
	KEBS Organizational Structure, 1999/2000	
	Message from the Chairman	
1.	Introduction	9
2.	National Standards Council (NSC)	9
3.	Kenya Bureau of Standards Operations in the Fiscal Year 1999/2000	10
3.1	Standards Development	10
3.2	Quality Assurance	11
3.3	Testing and Metrology Services	11
3.4	Certification	12
3.5	Creating Awareness to Consumers	13
3.6	KEBS Staff Training and Development	14
4.	Regional Co-operation	14
5.	Participation in International Standards Development	15
6.	Training for Industry	15
7.	Gazetted Kenya Standards (Statistical Highlights)	16
8.	List of Visitors to the KEBS Centre	17

APPENDICES

KS

Appendix A: Gazetted Kenya Standards for the period 1999/2000	18
Appendix B: Report of the Controller and Auditor-General on the Financial Statements of the Kenya	
Bureau of Standards for the Year Ended 30th June 2000	. 20
Balance Sheet	23
Income and Expenditure Account	24
Notes to the Financial Statements	25
Trial Balance	32

KEBS ORGANIZATIONAL STRUCTURE, 1999/2000



(k)

MESSAGE FROM THE CHAIRMAN



HON. E. W. Mwangale, Chairman, National Standards Council (NSC).

It is with pleasure that I present the 1999/2000 Annual Report of the Kenya Bureau of Standards (KEBS).

During this year, KEBS celebrated 25 years of existence.

The World Standards Day was celebrated on 14th October and the theme focused on the importance of International Standards in the construction industry. The Bureau is grateful to the technical experts drawn from all stakeholders in the standardization process who have tirelessly participated in the development of over 2000 Kenya Standards.

Economic liberalization has brought stiff competition for business all over the world as more and more players have introduced innovative marketing techniques of their products. Our local industries and businesses must learn to be more innovative and look for ways and means of remaining competitive in the global market. KEBS is ready to cooperate with all stakeholders to ensure efficiency in the production of guality goods and also removal of all technical barriers to both domestic and international trade.

The East African Bureaux are cooperating to harmonize and improve member states' standards to comply with International Standards. Regional economic groups have developed action plans for standards harmonization in areas that are important for regional trade. KEBS urges manufacturers to comply with the existing National/International Standards to gain wider access in the global market.

I wish to affirm my appreciation to the members of the National Standards Council for their joint effort and dedication in articulating the corporate values of KEBS throughout the year. I would like to convey my gratitude to all KEBS management and staff for the good performance. KEBS objectives can only be realized through their dynamic support and participation. I thank the government for its continued support and contribution. Together, we can look forward to greater achievements and a brighter future.

The Work ALC, FAIR

HON. ELIJAH. W. MWANGALE CHAIRMAN NATIONAL STANDARDS COUNCIL



KEBS MANAGEMENT TEAM, 1999/2000



Eng. Philip O. Okundi Managing Director



M. C. Rotich (Mrs.) Deputy Managing Director



E. Songole Assistant Director Standards Development Division



W. Okoko Assistant Director Metrology Services Division



S. Kiragu Assistant Director Quality Assurance Division



D. Ndivo Assistant Director Finance & Administration Division



J. Ngovi Assistant Director Testing Services Division



H. Mokaya Assistant Director Corporate Planning & Development Division



ANNUAL REPORT 1999/2000

1. INTRODUCTION

This Annual Report highlights the structure and operations of KEBS during the year 1999/2000.

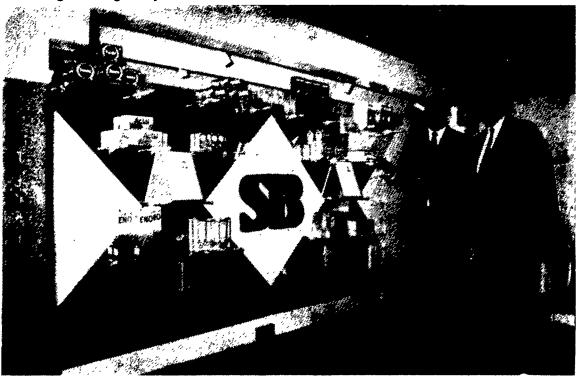
During the year, the government, with the assistance of World Trade Organization, West Germany and other donors, continued to enhance the human and technical resources of the Bureau in standards development, testing, metrology and quality control.

KEBS partners with manufacturers to ensure that Kenyan products enter the regional and international markets. The Bureau avails all the regionally and internationally recognized standards and ensures that the products meet these standards.

The Bureau also audits and certifies local industries with ISO 9000 — Quality Management System and ISO 14000 — Environmental Management Standards. KEBS continues to strengthen the competitiveness of Kenyan goods and service and to improve the quality of life through the application of Measurements, Standards, Testing and Quality Management.

2. NATIONAL STANDARDS COUNCIL (NSC)

The National Standards Council (NSC), which is the governing council of the Bureau deliberated on policy matters and operations of KEBS in its various committees. The National Standards Council (NSC) and the Staff and Finance Committee held a total of 4 meetings during the year under review.



Dr. Evans Kidero, Regional Director for Smithkline Beecham International showing the Smithkline Beecham range of products to Eng. Philip Okundi, Managing Director, KEBS

3. KENYA BUREAU OF STANDARDS OPERATIONS IN THE YEAR 1999/2000

3.1 Standards Development

This Division is in charge of the development and circulation of standards to the internal and external customers. Standards are drafted in accordance with international practices to ensure transparency, impartiality and objectivity.

During the year under review, Technical Officers held several Technical Committee (TC) meetings to deliberate on the drafts of the Kenya Standards, and Industry Standards Committee (ISC) meetings to supervise the works of the TCs and approve the draft Kenya Standards to be forwarded to the Standards Approval Council (SAC).

Technical Officers also made Industrial visits for the purposes of consultation, familiarization with the manufacturing process and collection of data for standards development.

The Standards Approval Committee held meetings and approved a total of 487 Kenya Standards as tabulated below.

Period	Number of Kenya Standards Approved by SAC
July to September 1999	124
October to December 1999	113
January to March 2000	146
April to June 2000	104
Total	487



Eng. Philip Okundi, presenting the Disciplined Forces Standards to the GSU Commandant Samson Cheramboss.

3.2 Quality Assurance

This Division is in charge of the implementation of Kenya Standards. In the year under review, the Bureau implemented more than 1000 Kenya Standards, which affected several product firms. The Quality Assurance, Testing and Metrology Divisions of the Bureau carry out the implementation of Kenya Standards.

The Quality Assurance Officers engaged in the following activities in order to implement Kenya Standards: Making regular Industrial visits, collecting samples of products, submitting samples to KEBS labs, handling cases of non-conformance, prosecuting offenders, investigating customer complaints, issuing permits for the use of the Diamond Mark of Quality, Quality System Certification, Audit and Surveillance.

During the year, the branches in the Division implemented standards as tabulated below:

	PERIOD				
BRANCH	July to September 1999	October to December 1999	January to March 2000	April to June 2000	
Textile	88	88	88	88	
Mechanical	69	69	69	70	
Civil Engineering	50	50	50	50	
Electrical	139	139	139	140	
Agrochemical	333	333	371	385	
TOTAL	679	679	717	733	

3.3 Testing and Metrology Services

3.3.1 Testing

During the year under review, the Testing Services Division continued to support the development and implementation of Kenya Standards by testing quality control, privately submitted, complaint, standards development and import samples.

The Laboratories issued certificates of conformance or non-conformance of the samples. The scope of testing covers food analysis, microbiological analysis, chemical analysis, engineering and textiles analysis.



Eight members of staff went to the UK for Laboratory Management Training funded by the British Council and DFID, from 27th March to 7th April 2000 in preparation for Laboratory accreditation by United Kingdom Accreditation (UKAS). The following Laboratories underwent pre-assessment in June 2000:

- 🖌 Inorganic
- Organic
- Agriculture
- 🖌 Food
- Microbiology

3.3.2 Metrology

The realization, maintenance and dissemination of units of measurements continue to be the main task of this Division as it is the whole foundation of Metrology system.

The Metrology Laboratories carried out routine maintenance of Kenya Standards and equipment during the year under review. The Laboratories realized revenue through calibration, repair, testing and fabrication of instruments and equipments.

The Officers in the division also made Industrial visits to assess new centers for accreditation, to inspect and assess the performance of accredited Calibration Centres, to carry out on site calibration/repair of instruments for clients, to promote and market the services afforded by the Metrology Division.

The number of instruments handled by the Metrology Laboratories and Workshop during the year under review is as tabulated below:

	PERIOD			
DEPARTMENT	July to September 1999	October to December 1999	January to March 2000	April to June 2000
Thermodynamics	270	624	276	687
Mechanics	292	145	180	213
Electrical	83	95	94	113
Instrumentation Workshop	134	111	81	117
TOTAL	779	975	631	1130

3.4 Certification

KEBS operates a Certification Marking Scheme involving various marks. The Diamond Mark of Quality is given to manufacturers whose products meet the requirements of relevant Kenya Standards. Such manufacturers are issued with a permit to use the Mark which is an assurance to the consumer that the product has been tested and certified by KEBS and thus is assured of quality.



Other marks include ISO 9000 Quality Management Systems Registration Mark. Calibration mark, Safety mark and ISO 14000 Environmental Management Systems Mark. During the year under review, there were 62 companies with permits to use the Diamond Mark of Quality covering more than 200 products. The Bureau had certified 16 firms under ISO 9001 or ISO 9002.

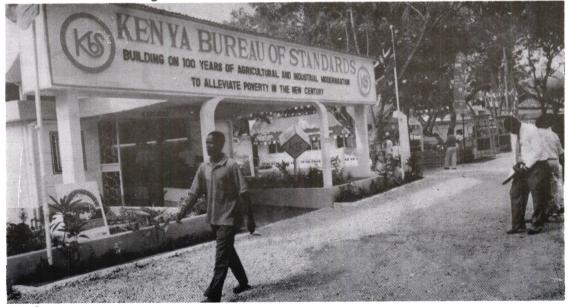
The table below shows the number of Manufacturers who were holders of the Diamond Mark of Quality permit.

Period	Number of Permit Holders
July – September 1999	78
October – December 1999	78
January – March 2000	76
April – June 2000	78

3.5 Creating Awareness to Consumers

KEBS participated in the Agricultural Society of Kenya (ASK) Shows in Nairobi, Mombasa, Kisumu and Nakuru, where the public had an opportunity to learn more about the Bureau's services and activities. The Bureau educates the public on Measurement, Standardization, Testing and Quality Assurance. KEBS staff at the exhibition stalls, listen to consumer complaints, if any, investigate the allegations and take appropriate action.

During the year under review, KEBS won an award for the best Medium Trade Stand during the Kisumu ASK Show, and "The Esso Perpetual Challenge" Cup for the Second Best Social Organization Stand at the Nairobi International Show.



The Kenya Bureau of Standards Stand at the ASK show in Nairobi.

K\$

3.6 KEBS Staff Training and Development

KEBS sponsored various Officers for specialized courses locally and overseas, during the year 1999/2000. The following are some of the Bureau staff who were afforded training opportunities:

 (i) Oil And Gas Flow Measurement and Control Techniques Course, 20th May – 20th August 1999, India.

🖌 J. M. Kioko

- (ii) Air Pollution Management and Technology, 27th September 29th October 1999, Sweden.
 - E. Ochieng
 - M. Ngatia
- (iii) Measurement Technology for Developing Countries, 6th 8th September, China.
 ➤ M. Njoroge
- (iv) The 32nd International Training Programme on Standardization and Quality Systems For Developing Countries, 20th October 17th December 1999, India.

 ✓ K. Ngaira
- (v) Flow Measurement and Control in Industrial Process and Water Distribution Systems' Course, 10th September 10th December 1999, India.
 - D. Ondoro
 - 🖌 J. Mutune
- vi) Auditing for Internal Auditor's Course, 16th August 17th September 1999, Namibia.

- R. Michuki

(vii) Personnel Management: An African Perspective Course, 1st – 26th November 1999, South Africa.

M.S. Mokaya

MII) Advanced Certificate in Quality Management and Improvement Course, 8th – 3rd June 2000, Singapore.

S.K. Milgo

- Diploma in Computer Science Part 1: January June 2000, Nairobi.
 S. Makau
- x) Time and Frequency Course, $13^{th} 16^{th}$ June 2000, USA.

D. Moturi

4. REGIONAL CO-OPERATION

Kenya Bureau of Standards continues to enhance its partnership with the Uganda Bureau of Standards and the Tanzania Bureau of Standards, which are involved in the harmonization requirements of East African Standards (for Eastern African Cooperation member states). This partnership is geared towards elimination of trade barriers and restrictions between Member States.



Kenya Bureau of Standards plays an additional role in certification and inspection of goods, which would not require additional inspection at their destinations. The Bureau's role is, therefore, to assist our local industry meet requirements of these Regional Standards.

During the year under review, KEBS hosted the First Regional Metrology Conference at the Safari Park Hotel, from 16th to 18th May 2000. The participating industrialists and educationists came from Germany, Malawi, Turkey, Botswana, Uganda and Kenya. The aim of the conference was to sensitize the industry and governments on the importance of measurements.

5. PARTICIPATION IN INTERNATIONAL STANDARDS DEVELOPMENT

Through membership in international standards bodies, the Kenya Bureau of Standards participates in international standardization activities, which has ensured that Kenya's views are incorporated in International Standards.

KEBS is a member of the International Organization for Standardization (ISO) and the International Electro-Technical Commission (IEC) based in Geneva. The Bureau is also a participating member of the Codex Alimentarius Commission based in Rome and a council member of the African Regional Organization for Standardization (ARSO) based in Nairobi.

During the year under review, the Kenya Government represented by KEBS, hosted the 11th General Assembly for the African Regional Organization for Standardization (ARSO). The President for the period 1998-2001 was Kenya represented by the KEBS Managing Director, Eng. Philip Okundi.

6. TRAINING FOR INDUSTRY

Kenya Bureau of Standards organizes training programmes for industry, in the areas of Standardization, Quality Management, Laboratory Testing and Metrology. This has been its role to assist organizations and local industries develop standardization techniques necessary for the manufacture of quality products. Over 2,500 personnel from industry have undergone training offered by the Bureau.

During the year under review, the Bureau organized and conducted several programmes for industry. The following are some of the seminars conducted during the year:

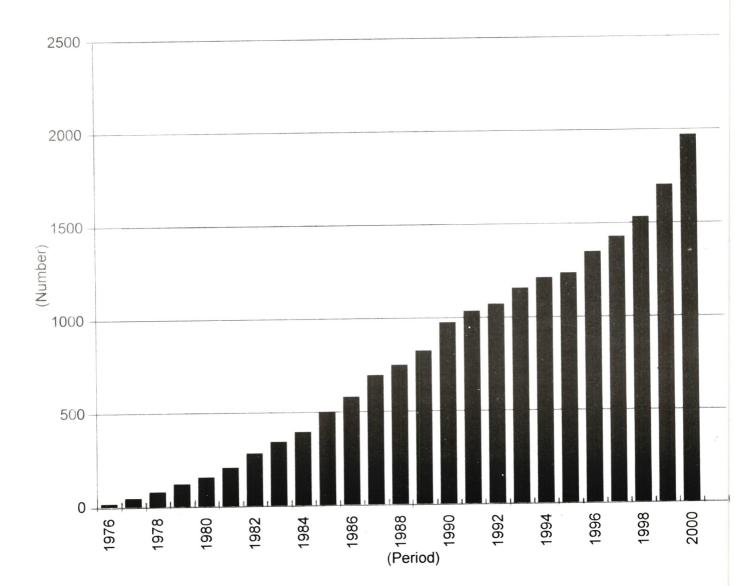
- (i) Statistical Quality Control Seminar, 8th 9th July 1999 at Silver Springs Hotel, Nairobi.
- (ii) The 2nd Session of the Industrial Standardization and Quality Management Seminar, 14th 15th July 1999 at Reef Hotel, Mombasa.
- (iii) Quality Leadership Seminar, 12th 13th August 1999, Grand Regency Hotel, Nairobi.
- (iv) Hazard Analysis Critical Control Points Seminar, 25th 27th August 1999, and 18th 20th 1999 at Silver Springs Hotel, Nairobi.



- (v) Laboratory Management Seminar, 6th -11th September 1999 at KEBS Centre, Nairobi.
- (vi) Environmental Management Systems ISO 14001 Seminar, 24th 25th November 1999 at Silver Springs Hotel, Nairobi.
- (vii) The 2nd Session of the Quality Improvement and Productivity Seminar, 7th 9th December 1999 at Reef Hotel, Mombasa.
- (viii) The 16th Industrial Standardization for Quality Management Seminar, 8th 12th May 2000 and 22nd 26th May 2000, at Silver Springs, Nairobi.
- (ix) Jua Kali Training, 16th 17th June 2000 at Funyula, Western Kenya.

7. GAZETTED KENYA STANDARDS (STATISTICAL HIGHLIGHTS)

During the year under review, 268 Kenya Standards were gazetted. The cumulative figures of gazetted Kenya Standards, covering a period of 25 years (from 1976 to 2000), are shown in the graph.



YEAR	GAZETTED	CUMULATIVE
	STANDARDS	FIGURES
1976	15	15
1977	30	45
1978	33	78
1979	42	120
1980	35	155
1981	51	206
1982	74	280
1983	61	341
1984	52	393
1985	104	497
1986	82	579
1987	115	694
1988	54	748

The table below indicates the number of standards that were gazetted from 1976 up to 2000, as well as the cumulative figures of these standards.

YEAR	GAZETIED	0011102/11/1
	STANDARDS	FIGURES
1989	74	822
1990	150	972
1991	60	1032
1992	37	1069
1993	84	1153
1994	55	1208
1995	24	1232
1996	112	1344
1997	80	1424
1998	105	1529
1999	171	1700
2000	268	1968

GAZETTED CUMULATIVE

8. LIST OF VISITORS TO THE KEBS CENTRE

The following are some of the visitors who came to Kenya Bureau of Standards Headquarters to acquaint themselves with KEBS' services and activities:

- Monika Wloka UNIDO IBAM, Mission on Accreditation
- Kai Stoll Malke PTB, Germany
- Janette Yeo and David Galsworthy UKAS
- Wayne Hauson NIST, USA
- Clyde Castellino Department for International Development (DFID)
- NÝS Dignitaries
- ARSO Delegates
- Coca Cola Africa
- KAM Textile Sector
- Ministry of Trade, Industry and Tourism Rwanda
- Japan External Trade Organization (JETRO)
- National Standards Bodies from Tanzania, Uganda, Zambia, Nigeria, Congo, Malawi, Mauritius, Botswana, Zimbabwe.
- Muranga College of Technology
- National Youth Service Engineering Institute
- Kabete Technical Institute
- Karen College
- Mukuuni Secondary School
- Naivasha Mixed Secondary School
- Kapeilai Primary School
- Nakuru Day Secondary School



APPENDIX A

GAZETTED KENYA STANDARDS FOR THE PERIOD 1999/2000

The following is a list of some of the Kenya Standards which were gazetted during the year under review:

GAZETTE NOTICE NO. 498, 28th January 2000

KS Number	Title of Kenya Standard
KS 1432:1999	Kenya standard specification for connecting devices for low voltage circuits for household and similar purposes Part 1: General requirements. Part 2: Particular requirements for connecting devices with screw-type clamping units.
KS 247:1981	Part 3: Particular requirements for twist-on connecting devices. Kenya standard specification for switches for domestic and similar purposes (2 nd revision, 1999).
KS 473:1983	Kenya standard specification for starters for fluorescent lamps (1 st revision, 1999).
KS 910:1990	Kenya standard specification for gloss solvent borne paints for interior and exterior use (1 st revision, 1999).
KS 601:1998	Kenya standard specification for hair creams, lotions and gels (1 st revision, 1999).
KS 602.1989	Kenya standard specification for hair oils (1 st revision, 1999).
KS 1509 1999	Kenya standard glossary of terms relating to cosmetic industry.
KS 59.1999	Kenya standard specification for sausages
	Part 2: Specification for fresh, frozen and cooked poultry
	sausages and sausage meat.
KS 429 1983	Kenya standard code of marketing of breast milk substitutes (1 st revision, 1999).
KS 1484:1999	Kenya standard specification for canned asparagus.
n.S 35:1977	Kenya standard specification for dairy cream for direct consumption (1 st revision, 1999).
KS 27:1977	Kenya standard specification for butter (1 st revision, 1999)
KS 1437:1999	Kenya standard quality vocabulary — availability, reliability and maintainability terms Part 3: Section 3.1: Guide to concepts and related definitions.
	Section 3.2: Glossary of international terms.
KS 1306:1999	Kenya standard classification and nomenclature of dyeing, printing, finishing and allied accessories.
KS 638:1986	Kenya standard specification for absorbent cotton gauze (1 st revision, 1999).
KS 273:1990	Kenya standard specification for woven bags (100 per cent sisal) for clean coffee beans (2 nd revision, 1999).
KS OIML R 111:1994	Kenya standard specification for weights of classes E1, E2, F1, F2, M1, M2, M3.
KS OIML R 76:1992	Kenya standard specification for nonautomatic weighing instruments.
	Part 1: Metrological and technical requirements — tests.



KS CODEX STAN 37:1981 Kenya codex standard for canned shrimps or prawns.

GAZETTE NOTICE NO. 1924, 31st March 2000

KS ISO 8367	Kenya standard specification for packaging — dimensional tolerances for general purpose sacks Part 1: Paper sacks.
KS ISO 594	Part 2: Sacks made from thermoplastic flexible film. Kenya standard specification for conical fittings with a 6 per cent (luer) taper for syringes, needles and certain other medical equipment
	Part 1: General requirements.
	Part 2: Lock fittings.
KS ISO 3171	Kenya standard specification for petroleum liquids — automatic pipeline sampling.
KS ISO 3262	Kenya standard specification for extenders for paints —
	specification and methods of test
	Part 1: Introduction and general test methods.
	Part 2: Barytes (natural barium sulphate)
	Part 3: Blane fixe.
	Part 5: Natural crystalline calcium carbonate.
	Part 6: Precipitated calcium carbonate.
	Part 7: Dolomite.
	Part 9: Calcined clay.
KS ISO 14050	Kenya standard specification for environmental management —
KC ICO 1407	Vocabulary. Kenya standard specification for rubber — determination of
KS ISO 1407	solvent extract.
KS ISO 6870	Kenya standard specification for animal feeding stuffs —
	determination of zearalenone content.
KS ISO 7088	Kenya standard specification for fishmeal — vocabulary.
KS 169	Kenya standard specification for wheat flour (1 st revision, 1999).
KS 1565	Kenya standard specification for frozen fillets of cuttle fish and fillets and tubes of squids.
KS 1564	Kenya standard code of practice for the handling, processing,
	storage and distribution of molluscan shellfish.
KS 36	Kenya standard specification for dairy ice-cream and ice milk.
KS 1550	Kenya standard specification for carbon dioxide for carbonation of beverages.
KS 433	Kenya standard specification for edible cassave starch.
KS 1485	Kenya standard specification for fruit flavoured drinks.
KS 1315	Kenya standard specification for alcohometry tables.
KS 55	Kenya standard specification for canned corned beef (1 st revision, 1999).
KS 172	Kenya standard specification for bread (2 nd revision, 1999).
KS CAC/RCP 5	Kenya standard specification for recommended international code of hygienic practice for dehydrated fruits and vegetables including edible fungi.

FINAL ACCOUNTS FOR THE YEAR ENDED 30TH JUNE, 2000

APPENDIX B

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE KENYA BUREAU OF STANDARDS FOR THE YEAR ENDED 30 JUNE 2000

I have examined the financial statements of the Kenya Bureau of Standards for the year ended 30 June 2000 in accordance with the provisions of Section 29 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 maintained by the Bureau and the financial statements, which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets, are in agreement therewith and comply with the Standards Act, (Cap. 496).

Except for the reservations set out below, in my opinion, the financial statements, when read together with the notes thereon, present fairly the financial state of affairs of the Bureau as at 30 June, 2000 and of its deficit and cash flows for the year ended on that date.

1.0 WORK IN PROGRESS

The Fixed Assets figure of Kshs. 1,842,036,549 as at 30 June 2000 includes Work-in-Progress balance of Kshs. 245,463,695 which, in turn, includes Kshs. 84,175,992 being expenditure incurred by the Bureau on construction of Radiation Laboratories a project which, according to the available information, was supposed to have been fully funded by the Government. Clear terms under which the Bureau paid the amount on behalf of Government or information regarding any efforts by the Bureau to obtain reimbursement from Government have not, however, been seen. Further, the Quantity Surveyor for the construction of Radiation Laboratories was paid Kshs. 16,341,952 against bills totalling Kshs. 14,101,065 resulting in an overpayment of Kshs. 2,240,887. Although the Bureau has asserted that the Quantity Surveyor was not overpaid, no evidence has been seen to support that assertion. arther the work in progress figure of Kshs. 245,463,695 appears to have been understated by Kshs. 15,619,914 being amount due to construction creditors which had been omitted from the financial statements. Under the circumstances, it has not been possible to confirm that the work in progress figure of Kshs. 245,463,695 and creditors of Kshs. 219,166,036 are fairly stated.

2.0 IRREGULAR SALARY AND ALLOWANCES

The Personal Emoluments expenditure of Kshs. 234,979,480 reflected in the Income and Expenditure Account for the year ended 30 June 2000 includes unauthorized payments totalling Kshs. 102,114,062 relating to salary and allowances irregularly awarded by the Standards Council to staff. Further and as reported in the previous year, the Bureau continued paying unauthorized port allowances to officers working at Mombasa, Kisumu and Jomo Kenyatta International Airport amounting to Kshs. 2,143,214 as well as an irregular 10% increase in outpatient medical allowance to employees working at Mombasa and Kisumu but without authorization as required under Section 3 of Office of the President Circular Letter of 29 April, 1993.



3.0 UNDER COLLECTION OF STANDARD LEVY

The Bureau failed to collect undetermined standard levy due from 1983 registered manufacturers during the year under review out of 3728 registered manufacturers. Further, an undetermined levy revenue from 1983 manufacturers who failed to submit sales returns during the year under review was neither collected nor accrued in these accounts. Although the Bureau has explained that the accruing of the Standard Levy could not be determined for inclusion in the financial statements in the absence of the returns, this explanation is not plausible because as indicated in the previous year's report, the Bureau has the machinery and capability to establish the amounts due from such manufacturers. Arising from the foregoing, therefore, it has not been possible to confirm whether the Standards Levy amount of Kshs. 159,586,415 as shown on the Income and Expenditure Statement under note 3 to the financial statements for the year 1999/2000 is fairly stated.

4.0 UNVOUCHED EXPENDITURE

4.1 PURCHASE OF EQUIPMENT

During the year under review the Bureau incurred Kshs. 63,897,360 to acquire equipment. Documents to support the expenditure amounting to Kshs. 51,965,932 out of the total expenditure of Kshs. 63,897,360 were not subjected to audit review as payment vouchers, signed contracts and the method used to identify the suppliers were not provided. Also equipment worth Kshs. 12,440,000 has been omitted from the Fixed Assets Movement Schedule. Consequently, it was not possible to confirm the value of the equipment purchased.

4.2 EXPENDITURE ON CONTRACTED PROFESSIONAL SERVICES, MAINTENANCE OF BUILDINGS, INSURANCE, AND COMPUTER EXPENSES

Further the Bureau incurred Kshs. 17,677,774, Kshs. 23,599,832, Kshs. 4,142,070 and Kshs. 671,659 in respect of contracted professional services, maintenance of buildings, Insurance and computer expenses respectively which were not subjected to audit review as payment vouchers, signed contract and the method used to procure these services were not provided together with the cash payment journal for the month of September 1999. Further out of the expenditure of Kshs. 23,599,832 incurred on maintenance of buildings, the Bureau was only able to analyse and account for Kshs. 19,797,205 resulting in an inexplicable amount of Kshs. 3,802,627. Under the circumstances, it was not possible to confirm the propriety and the accuracy of the total expenditure of Kshs. 122,428,695 incurred against the above accounts.

5. CASH AND BANK

According to the cash books maintained by the Bureau, cash and bank balances amounted to Kshs. 9,791,359 as at 30 June 2000 while the balance sheet as at 30 June 2000 reflects an amount of Kshs. 7,212,896 resulting in unreconciled difference of Kshs. 2,578,463. Under the circumstances, it was not possible to state what the difference represents or to confirm the accuracy of the bank balance (overdraft) of Kshs. 28,915,468 reflected in the Balance Sheet as at 30 June 2000.

6. CHAIRMAN'S PRIVATE BILLS

During the year ended 30 June 2000 the Bureau irregularly incurred total expenditure of Kshs. 224,742 on the chairman's private telephone, water and electricity contrary to the regulations in force. Although it was indicated that the irregular practice has since been stopped, no action appears to have been taken to recover the irregular payments.

E. N. MWAI CONTROLLER AND AUDITOR-GENERAL

NAIROBI

30 December 2004



KENYA BUREAU OF STANDARDS

BALANCE SHEET AS AT 30TH JUNE, 2000

	NOTES	1999/2000 Kshs.	1998/1999 Kshs.
CAPITAL EMPLOYED			
Fixed Assets	2	1,842,036,549.00	1,866,198,425.00
CURRENT ASSETS			
Stock Debtors	13 14	51,629,563.00 122,650,299.00 2,016,316,411.00	26,590,117.00 119,011,306.00 2,011,799,848.00
LESS CURRENT LIABILITIES		_,,,,,,,,,,_	, , ,
Cash and Bank Balance Creditors Provisions	17 15 16	(28,915,468.00) (219,166,036.00) (614,224.00) <u>1,767,620,683.00</u>	(12,252,651.00) (78,551,217.00) (700,000.00) 1,920,295,980.00
FINANCED BY:			
Capital Grant Accumulated Fund Revaluation Reserve	19 18	468,110,933.00 (484,057,278.00) 1,783,567,028.00 1,767,620,683.00	467,211,454.00 (330,482,502.00) 1,783,567,028.00 1 <u>,920,295,980.00</u>

MANAGING DIRECTOR

AND ALF FL

NATIONAL STANDARDS COUNCIL CHAIRMAN

NATIONAL STANDARDS COUNCIL APPROVAL DATE 6th June 2002

KENYA BUREAU OF STANDARDS

(KS)

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

	NOTES	1999/2000 Kshs.	1998/1999 Kshs
INCOME	3	443,711,434.00	406,341,788.00
EXPENDITURE			
Personal Emoluments Medical Expenses Administration Expenses Financial & Insurance Expenses Project Consultancy Expenses Technical Expenses Maintenance Expenses Travelling & Subsistence Expenses Training Expenses Depreciation Expenses	4 5 6 7 8 9 10 11 12 2	234,979,480.00 12,049,237.00 84,263,179.00 21,738,882.00 17,677,774.00 21,681,287.00 34,893,529.00 37,619,701.00 6,094,093.00 126,289,048.00	243,455,589.00 10,255,825.00 62,778,870.00 18,481,417.00 19,496,492.00 3,994,519.00 13,031,007.00 26,828,558.00 7,055,741.00 132,649,809.00
SUB-TOTAL		597,286,210.00	538,027,827.00
SURPLUS/(DEFICIT) FOR THE PERIOD		(153,574,776.00)	(131,686,039.00)



KENYA BUREAU OF STANDARDS

NOTES TO THE FINANCIAL STATEMENTS 1999/2000

NOTE 1

ACCOUNTING POLICY

The financial statements were prepared on the basis of historical cost convention. They also incorporate Government accounting system.

DEPRECIATION

Depreciation is based on cost and/or valuation balances for all depreciable assets. Buildings have been depreciated on straight-line method over the remaining useful life of 34 years, while other depreciable assets on diminishing balance method.

NOTE 2. FIXED ASSETS MOVEMENT SCHEDULE 1999/2000

	LAND	BUILDINGS	W.I.P.	MACHINERY, EQUIPMENT & FURNITURE	MOTOR VEHICLES	LIBRARY BOOKS & STANDARDS	TOTAL
	0%	2%	0%	10%	20%	0%	
Cost	136,250.000	598,433,585	190,923,221	1,394,253,644	66,186,001	557,707	2,386,604,158
Additions	_		54,540,474	51,456,460	3,921,083	_	109,918,017
Disposals		_		—	_	—	
TOTAL	136,250,000	598,433,585	245,463,695	1,445,710,104	70,107,084	557,707	2,496,522,175
Depreciation							
Balance b/f		72,631,891		418,316,168	37,248,519	_	528,196,578
Accumulated Depreciation on Disposals	_	 	—	_	_	_	_
Charge for the Year	_	16,977,941	_	102,739,393 61	6,571,713	_	126,289,048
TOTAL	—	89,609,832	_	521,055,562	43,820,232		654,485,626
	136,250,000	508,823,753	245,463,695	924,654,542	26,286,852	557,707	1,842,036,549
Net Book Value		·	•				

= Kshs. 16,977,941

The W.I.P. includes Kshs. 7,790,846 which was paid in respect to consultancy services for the Regional Offices.

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NOTE 3	1999/2000 Kshs.	1998/99 Kshs.
INCOME		4
Standards Levy Laboratory Analysis Fees Calibration Fees Import Inspection Fees Standards Levy Penalty Systems Certification Fees Seminar Fees Diamond Mark Fees Standards Development & Documentation Government Grant (Recurrent) Bank Interest Interest on Car and Housing Loans Gain on Disposal of Motor Vehicles Miscellaneous Income	159,586,415.00 12,111,226.00 17,726,266.00 228,902,501.00 13,232,678.00 620,000.00 5,681,570.00 2,034,900.00 2,187,747.00 	144,762,358.00 11,817,677.00 12,439,099.00 194,519,260.00 13,695,896.00 762,500.00 4,778,360.00 3,872,500.00 12,273,293.00 - - 112,095.00 784,929.00 - 6,253,821.00
TOTAL	443,711,434.00	406,341,788.00
NOTE 4	1999/2000 Kshs.	1998/99 Kshs.
PERSONAL EMOLUMENTS		
Basic Salary House Allowance Medical Allowance P.O. Allowance Responsibility Allowance Entertainment Allowance Commuter Allowance N.S.S.F. Contributions Gratuity and Pension Expenses Risk Allowance Transfer Allowance Passage & Leave Allowance	111,577,373.00 44,463,416.00 26,472,837.00 2,143,214.00 82,800.00 1,536,840.00 13,295,093.00 652,320.00 26,189,391.00 - 1,839,981.00 6,726,215.00	$127,742,781.00 \\52,267,703.00 \\31,247,120.00 \\1,503,294.00 \\82,800.00 \\653,964.00 \\16,244,158.00 \\645,600.00 \\4,952,090.00 \\1,500.00 \\2,765,618.00 \\5,348,961.00 \\$
TOTAL	234,979,480.00	243,455,589.00
NOTE 5	1999/2000 Kshs.	1998/99 Kshs.
MEDICAL EXPENSES		_
Medical Expenses Medical Expenses (In-patient) Medical Expenses (Ex-Gratia) Purchase of Drugs	65,280.00 11,667,882.00 - 316,075.00	1,358,792.00 8,732,818.00 164,215.00 -
TOTAL	12,049,237.00	10,255,825.00

NOTE 6	1999/2000 Kshs.	1998/99 Kshs.
ADMINISTRATION EXPENSES		
Transport Operating Expenses Postal and Telegram Expenses Telephone Expenses	5,919,279.00 1,477,138.00 8,663,441.00	4,469,345.00 892,022.00 6,349,171.00
Conference, Committee and Board Expenses Electricity, Water and Conservancy Expenses	6,575,174.00 3,527,067.00	3,413,442.00 6,640,314.00
Gas and Fuel Expenses Publishing and Printing Expenses Purchase of Uniforms and Clothing Expenses	7,693,369.00 5,493,173.00 986,842.00	4,796,037.00 4,563,446.00 825,581.00
Library Expenses Purchase of Stationery Expenses Advertising and Publishing Expenses	3,713,323.00 7,762,607.00 6,404,566.00	2,759,417.00 4,044,707.00 5,507,752.00
Show Expenses Sports and Welfare Expenses Rent and Rates (Non-Residential) Expenses	5,890,259.00 9,122,657.00 4,071,308.00	4,172,110.00 2,572,014.00 3,396,438.00
Rent and Rates (Residential) Expenses Hire of Transport Expenses Miscellaneous Expenses	457,469.00 985,372.00	1,982,386.00 1,052,296.00 4,692,591.00
Fees, Commission and Honoraria Expenses Intergovernmental Transfers Security Expenses Subscriptions Expenses	37,318.00 140,478.00 1,381,468.00 3,960,871.00	249,801.00 400,000.00 -
TOTAL	84,263,179.00	62,778,870.00
NOTE 7	1999/2000 Kshs.	1998/99 Kshs.
FINANCIAL AND INSURANCE EXPENSES		
Financial Costs Insurance Expenses	1,442,104.00 20,296,778.00	2,198,979.00 16,282,438.00
TOTAL	21,738,882.00	18,481,417.00
NOTE 8	1999/2000 Kshs.	1998/99 Kshs.
PROJECT CONSULTANCY EXPENSES		
Contracted Professional Services Expenses Staff Housing Scheme	17,677,774.00 -	1,735,070.00 17,761,422.00
TOTAL	17,677,774.00	19,496,492.00
NOTE 9	1999/2000 Kshs.	1998/99 Kshs.
TECHNICAL EXPENSES		
Research Materials, Chemicals and Reagent Expenses Computer Expenses Standards Enforcement Expenses Certification Expenses	13,294,225.00 5,541,740.00 2,800,746.00 44,576.00	886,119.00 1,409,154.00 1,699,246.00 -
TOTAL	21,681,287.00	3,994,519.00

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NOTE 10	1999/2000 Kshs.	1998/99 Kshs.
MAINTENANCE EXPENSES Maintenance of Office Equipment Expenses Maintenance of Plant Machinery Expenses Maintenance of Buildings Expenses	2,824,421.00 3,244,463.00 23,559,832.00	1,854,312.00 1,228,930.00 9,517,037.00
Maintenance of Buildings Expenses Maintenance of Water Supplies Expenses Civil & Engineering Alteration	23,359,832.00 580,186.00 4,684,627.00	9,317,037.00 - 430,728.00
TOTAL	34,893,529.00	13,031,007.00
NOTE 11	1999/2000 Kshs.	1998/99 Kshs.
TRAVELLING & SUBSISTENCE EXPENSES Travelling and Accomodation Expenses External Travelling Expenses	20,399,510.00 17,220,191.00	13,299,537.00 13,529,021.00
TOTAL	37,619,701.00	26,828,558.00
NOTE 12	1999/2000 Kshs.	1998/99 Kshs.
TRAINING EXPENSES Training Expenses Seminar Expenses	3,117,081.00 2,977,012.00	4,172,031.00 2,883,710.00
TOTAL	6,094,093.00	7,055,741.00
NOTE 13	1999/2000 Kshs	1998/99 Kshs
CLOSING STOCK Mombasa Regional Office Stationery Store Bio-Chemical Store Staff Clinic Store Engineering Store Kısumu Regional Office Eldoret Office Library Store	68,345.00 4,335,559.00 16,892,823.00 434,362.00 896,681.00 208,574.00 162,533.00 28,630,686.00	191,547.00 2,610,783.00 11,934,327.00 305,383.00 625,469.00 186,015.00 29,790.00 10,706,803.00
TOTAL	51,629,563.00	26,590,117.00
NOTE 14 DEBTORS	1999/2000 Kshs.	1998/99 Kshs.
Prepayments Medical Out-patient Medical In-patient Telephone Debtors Staff Car & Housing Loans Staff Salary Advance Trade Debtors R/D Cheques Staff Imprest QSAC Ministry of Industrial Development TOTAL	5,636,713.00 982,110.00 146,961.00 21,487.00 12,942,009.00 2,346,961.00 96,858,533.00 1,444,921.00 1,618,233.00 652,371.00	3,952,281.00 299,340.00 91,294.00 16,357.00 11,835,341.00 1,882,038.00 19,656,754.00 724,273.00 1,736,913.00 262,629.00 78,554,086.00 119,011,306.00

ANALYSIS OF PREPAYMENTS

Olivetti Equitorial Chem Rectic Chem Rectic Olivetti Equitorial	4,718,458.00 589,055.00 304,000.00 25,200.00	
TOTAL	5,636,713.00	
ANALYSIS OF STAFF CAR & HOUSE LOANS Car & Housing Loans Car & Housing Loan Interest Car Overhaul Car Overhaul Interest	10,474,434.00 2,256,120.00 202,490.00 8,965.00	
TOTAL	12,942,009.00	
NOTE 15	1999/2000 Kshs.	1998/99 Kshs.
CREDITORS General Trade Creditors Library Deposits Staff Retirement Scheme Statutory Deductions Staff Deductions Construction Creditors	63,167,692.00 93,600.00 33,759,864.00 55,989,081.00 16,415,325.00 49,740,474.00	25,409,232.00 102,000.00 24,413,404.00 28,626,581.00 -
TOTAL	219,166,036.00	78,551,217.00
NOTE 16	1999/2000 Kshs.	1998/99 Kshs.
PROVISIONS Audit Fees Rent & Rates	500,000.00 114,224.00	200,000.00 500,000.00
TOTAL	614,224.00	700,000.00
ANALYSIS OF PROVISION OF RENT & RATES Kenya Airports Authority Securicor Alarms TOTAL	26,325.00 87,899.00 114,224.00	
NOTE 17		
CASH AND BANK BALANCES AS AT 30/06/2003	1999/2000 Kshs.	1998/99 Kshs.
MOMBASA		
A/C NO. 201-015-447(Mombasa Collection Account) A/C NO. 201-033-941(Petty Cash) A/C NO. 201-040-255 (Petty Cash) Cash on Hand	2,775,354.00 70,970.00 2,090.00 978,471.00	8,400,578.00 343,171.00 82,326.00 642,030.00
KISUMU		
A/C NO. 501-056-287 (Kisumu Petty Cash Account) A/C NO. 501-056-297(Kisumu Collection Account)	13,693.00 426,456.00	11,783.00 703,966.00

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A/C NO. 401-800-229(Eldoret Petty Cash Account) A/C NO. 401-800-237(Eldoret Collection Account) Cash on Hand	261.00 306,210.00 3,040.00	8,200.00 354,698.00 41,800.00
HEADQUARTERS		
A/C NO. 031-800-149 (Main Operational Account) A/C NO. 031-801-021 (Car & Housing Account) A/C NO. 034-187-847 (Savings Account) Cash on Hand	(36,128,364.00) 1,313,842.00 836,675.00 399,262.00	(25,510,748.00) 1,650,784.00 657,827.00 135,508.00
TOTAL	(28,915,468.00)	(12,252,651.00)
NOTE 18	1999/2000 Kshs.	1998/99 Kshs.
ACCUMULATED FUND		
Balance B/F Deficit for the Year	(330,482,502.00) (153,574,776.00)	(198,796,463.00) (131,686,039.00)
TOTAL	(484,057,278.00)	(330,482,502.00)
NOTE 19	1999/2000 Kshs.	1998/99 Kshs.
CAPITAL GRANT		
Kenya Government Grant W. Germany Government Grant World Trade Organization Grant	402,290,307.00 64,921,147.00 899,479.00	402,290,307.00 64,921,147.00 -
TOTAL	468,110,933.00	467,211,454.00
NOTE 20	1999/2000 Kshs.	1998/99 Kshs.
MISCELLANEOUS INCOME		
Miscellaneous Receipts Staff Clinic Canteen Income/(Loss) Permit Retention Fees Photocopy Sample Disposal Training Levy	343,520.00 46,484.00 (144,735.00) 169,000.00 101,357.00 1,365.00 223,980.00 10,137.00	5,933,574.00 28,004.00 (145,588.00) 290,122.00 95,582.00 2,554.00 49,573.00
TOTAL	751,108.00	6,253,821.00

KENYA BUREAU OF STANDARDS

TRIAL BALANCE AS AT 30TH JUNE, 2000

	DEBIT Kshs.	CREDIT Kshs.
Personal Emoluments	234,979,480.00	
Medical Expenses	12,049,237.00	
Administration Expenses	84,263,179.00	
Financial & Insurance Expenses	21,738,882.00	
Project Consultancy Expenses	17,677,774.00	
Technical Expenses	21,681,287.00	
Maintenance Expenses	34,893,529.00	
Travelling & Subsistence Expenses	37,619,701.00	
Training Expenses	6,094,093.00	
Depreciation Expenses	126,289,048.00	
Debtors	122,650,299.00	
Stock	51,629,563.00	
Land	136,250,000.00	
Buildings	598,433,585.00	
Work-in-Progress	245,463,695.00	
Machinery, Equipment and Furniture	1,445,710,104.00	
Motor Vehicles	70,107,084.00	
Library Books & Standards	557,707.00	
Accumulated Fund	330,482,502.00	
Cash and Bank Balances		28,915,468.00
Income		443,711,434.00
Provision for Depreciation		654,485,626.00
Provision for Rent & Rates		114,224.00
Provision for Audit Fees		500,000.00
Creditors		219,166,036.00
Government of Kenya Grant (Development)		402,290,307.00
West Germany Government Grant		64,921,147.00
World Trade Organization Grant		899,479.00
Revaluation Reserve		1,783,567,028.00
TOTAL	3.598.570.749.00	3.598.570.749.00



<u>3,598,570,749.00</u> <u>3,598,570,749.00</u>

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