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12 July 2005

The Registrar
Nursing Council of Kenya
P.O. Box 20056
NAIROBI

P.C.A. No 48	
Author	Editor
Editor	Printer
Printer	Printer
P.C.A.	Press

Dear Madam

AUDIT REPORT OF THE CONTROLLER & AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS OF NURSING COUNCIL OF KENYA FOR THE YEAR ENDED 30 JUNE 2002

PARLIAMENT
OF KENYA
LIBRARY

Please find enclosed two sets of the audited financial statements for the year ended 30 June 2002 for your Council duly certified and with the seal of the Controller and Auditor-General affixed thereon for your retention and necessary action.

You should make arrangements to print audited financial statements and submit 250 copies to your parent ministry for tabling before the National Assembly in accordance with section 31 of the Exchequer and Audit Act (Cap 412). Please send to us five (5) copies of the printed financial statements.

The Audit fees of Kshs.100,000 (One hundred thousand only) in respect of 2001/2002 audit is now due for payment. Please remit your cheque to the Controller and Auditor General, Kenya National Audit Office, Nairobi within 30 days from the date of this letter.

Yours faithfully

H.O. WANYAMA
For CONTROLLER AND AUDITOR- GENERAL





KENYA NATIONAL AUDIT OFFICE

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF NURSING COUNCIL OF KENYA FOR THE YEAR ENDED 30 JUNE 2002

I have audited the financial statements of Nursing Council of Kenya for the year ended 30 June 2002 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 kept by the Council and the financial statements, which have been prepared under the historical cost convention are in agreement therewith.

Respective Responsibilities of the Council Members and the Controller and Auditor General

The Council Members are responsible for the preparation of financial statements which give a true and fair view of the Council's state of affairs and its operating results. My responsibility is to express an independent opinion on the financial statements based on my audit.

Basis of opinion

The audit was conducted in accordance with the International Standards on Auditing. Those standards require that the audit be planned and performed with a view to obtaining reasonable assurance that the financial statements are free from material misstatements. An audit includes an examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. It also includes an assessment of the accounting principles used and significant estimates made by the Council Members as well as evaluating the overall financial statements presentation. I believe my audit provides reasonable basis for the opinion.

1. Cash and Bank Balances

The cash and bank balance of Kshs.3,992,848 as at 30 June 2002 is made up of cash and bank balances figures of Kshs.401,879 and Kshs.3,590,969 respectively. However, no bank reconciliation statements and physical cash count certificate were produced for audit verification. In the absence of bank reconciliation statements and physical cash count certificates, the accuracy and correctness of the balance sheet cash and bank balance of Kshs.3,992,848 could not be confirmed.

2. **Investments**

The Council continued to hold investments amounting to Kshs.5.5 million in a fixed deposit account in a commercial bank during the year under review. However, the investments were made contrary to Treasury Circular no.10 of 15 July 1992 which requires that all surplus funds be placed in Treasury bonds/bills or approval be obtained for investments elsewhere. No such approval from the Government was seen authorizing the investments in the commercial bank. The Council was, therefore, in breach of the financial regulations.

3. **Debtors and Prepayments**

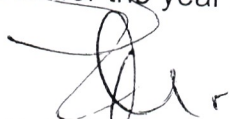
The debtors and prepayments balance of Kshs.187,164 as at 30 June 2002 excludes an amount of Kshs.495,000 being outstanding house-rent receivable from a firm. The matter is also the subject of a civil suit filed in court which has not been determined to date. As such the accuracy and correctness of the debtors and prepayments balance of Kshs.187,164 could not be confirmed.

4. **Procurement of Stationery – Kshs.2,275,769**

During the year under review, the Council made purchases of stationery from a firm without inviting quotations or even issuing any local purchase orders and paid to the firm a total of Kshs.2,275,769. Further, there was no evidence to show that the stationery paid for were received and used by the Council. In the absence of any evidence that the Council invited quotations and that stationery was actually received, it was not possible to confirm that the Council got value for money in this transaction.

Opinion

Except for the reservations set out in the foregoing paragraphs, in my opinion the financial statements when read together with the notes thereon present fairly the financial position of the Council as at 30 June 2002 and of its deficit and cash flows for the year then ended.



E.N. MWAI
CONTROLLER AND AUDITOR GENERAL

NAIROBI

27 May, 2005

NURSING COUNCIL OF KENYA

BALANCE SHEET AS AT 30TH JUNE 2002

Assets Employed

Fixed Assets

Investments

Current Assets

Stocks

Debtors and Prepayments

Cash in hand and in Bank

Current Liabilities

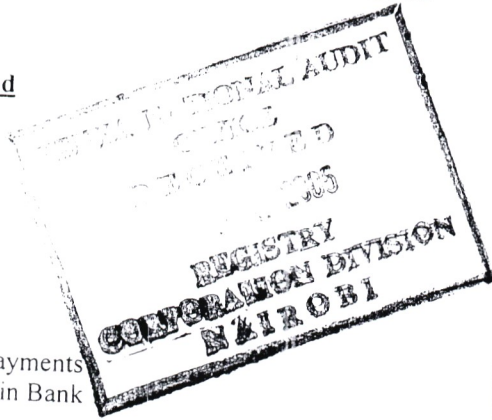
Sundry creditors

Net Currents Assets

Total Net Assets

Financed By:

Accumulated funds



NOTES	2002	2001
2	25,169,501.60	25,346,552.50
5	5,500,000.00	5,500,000.00
	30,639,501.60	30,846,552.50
3	752,135.10	767,530.50
7	187,164.63	34,542.30
4	3,992,848.43	4,299,616.70
	4,932,148.156	5,101,689.50
8	117,980.00	227,980.00
	4,814,168.16	4,873,709.50
	35,453,669.76	35,720,262.00
	35,453,669.76	35,720,262.00

Sign.....
 DR. DABAR A. MAALIM
 CHAIRMAN
 Date: 5/7/05.....

SIGN.....
 ELIZABETH OYWER
 REGISTRAR
 Date: 5/7/05.....

INCOME AND EXPENDITURE FOR THE YEAR ENDED 30TH JUNE 2002

INCOME	2002 KSH	2001 KSH
Contribution from sales and schedules	243,979.60	936,003.60
And training material		
Examination and indexing	3,918,530.00	4,041,183.00
Registration and Enrolment	5,269,702.40	5,037,811.95
Council House Rent	829,000.00	857,600.00
Bank Interest	188,732.55	19,629.90
Miscellaneous Income	100.00	1,512.50
Private Practice License	957,930.00	2,478,260.00
BSCN License	-	74,100.00
Application, Licenses and Verification fees	797,978.40	1,178,500.00
Retention System Fees	801,500.00	3,765,631.00
TOTALS	13,007,452.95	18,390,231.95
EXPENDITURE		
Salaries Gratuities and Responsibility	2,357,933.00	2,151,945.70
Duty Allowance	910,050.00	577,670.00
Car insurance and Road License	31,091.00	36,390.00
Office Running and Expenses	346,099.00	302,355.00
Car Petrol, Repair and Maintenance	270,404.00	333,167.00
Advertising	119,758.40	123,660.00
Travel Account and Examination	3,689,620.00	2,724,016.00
Stationary	1,821,120.50	1,636,958.50
Visit and local seminars and Workshops	1,402,169.50	550,637.00
Staff Uniform	11,600.00	16,600.00
Entertainment	153,251.00	42,600.00
Provision for Adult Fees	80,000.00	80,000.00
Depreciation Charge	540,378.10	823,751.00
Writing and Signing of Certificates	158,854.00	106,808.00
Postage and Telephone Charges	322,948.55	208,467.00
Bank Charges	38,328.50	141,244.10
Office Equipment repairs & Maintenance	137,812.70	156,738.35
Casuals	203,344.00	155,807.00
Subscriptions	-	-
International Conferences	21,945.00	1,206,749.00
Bad debts (inernet cargo)	-	175,000.00
Donations	-	40,000.00
Electricity and Water	21,5005.00	29,426.65
Land rates, Insurance and Valuation fees	10,155.55	8,545.30
Staff Development	200,000.00	584,227.50
Legal fees and Consultancy	15,000.00	170,570.00
Council House Renovation	206,933.00	402,095.00
Honorarium	15,000.00	-
Council History Writing	152,700.00	-
Internet Services	49,549.39	-
Total	13,274,045.19	12,785,488.00
Surplus for the year	(266,592.24)	5,604,743.95

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE 2002

	2002 KSH	2001 KSH
OPERATING ACTIVITIES		
Surplus For the year	(266,592.24)	5,604,743.95
Adjustment for depreciation	540,378.10	823,751.00
Bad debts		175,000.00
Changes In working capital		
(Increase) \ Decrease in Stock	15,395.40	(73,183.60)
(Increase) \ Decrease in Debtors	(152,622.33)	3,519.70
Increase \ (Decrease) in Creditors	(110,000.00)	(30,000.00)
Net Cash from Operating Activities	26558.93	6,503,831.05
INVESTING ACTIVITIES		
Purchase of Fixed Assets	(332,327.20)	(252,510.00)
Barclays Bank Fixed Deposit Account	-	(5,500,000.00)
Change in Cash and Cash equivalents	(305,768.27)	751,321.05
Movement in cash and Cash equivalents		
As at 1 st July 2001	4,299,616.70	3,548,295.65
Increase \ (Decrease)	(305,768.27)	751,321.05
As at 30 th June 2002	3,992,848.43	4,299,616.70

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2002

1. Accounting Policies

(a) Depreciation

Depreciation is calculated on reducing balance method and is not provided for assets bought during the second half of the Financial Year.

The following are the rates used:-

1. Council Houses 2.5%
2. Office furniture and equipment 12.5%
3. Motor Vehicle 25%

(b) Stocks

Stocks are stated at lower of cost or net realizable value.

2. Fixed Assets

	FURNITURE & EQUIPMENT KSH.	MOTOR VEHICLE KSH	COUNCIL HOUSES KSH.	LAND KSH	TOTALS KSH.
Cost as at 01/07/01	2,846,235.00	475,865.00	12,800,000.00	12,316,180.00	28,438,280.00
Additions	332,327.20	-	-	-	332,327.20
	3,178,562.20	475,865.00	12,800,000.00	12,316,180.00	28,770,607.20
Depreciation as at 01/07/01	1,383,489.00	468,127.00	1,240,111.50	-	3,091,727.50
Charge for the year	218,443.60	1,934.50	320,000.00	-	509,375.31
	1,601,932.60	470,061.50	1,560,111.50	-	3,601,102.81
Net Book Value as at 30/06/02	1,576,629.60	5,803.50	11,239,888.50	12,316,180.00	25,169,504.39

3. STOCKS SCHEDULES B

Training Material

4. CASH BALANCES

Cash at Bank Current account

Cash in hand

5. INVESTMENTS

Barclays Bank Fixed Deposit

6. ACCUMULATED FUNDS

Balance B/F

Surplus for the year

7. DEBTORS AND PREPAYMENTS

Debtor's schedules (MR PETER GACHERU)

Car License and Insurance Prepayment

Council House Rates and Insurance Prepayments

Internet Charges

8. SUNDRY CREDITORS

Auditor General Corporation

Nairobi City Commission

Jossally construction & M.S LTD

Sunview House Deposit (Mr. Willie Kanyeki)

9. INTEREST FOR THE YEAR

Barclays Bank

2002 KSHS	2001 KSHS
752,135.10	767,530.50
3,590,969.38	4,216,313.45
401,879.05	83,303.25
3,992,848.43	4,299,616.70
5,500,000.00	5,500,000.00
35,720,262.00	30,115,518.05
(266,592.24)	5,604,743.95
35,453,669.76	35,720,262.00
106,000.00	-
28,001.00	28,001.00
3,614.25	6,541.30
49,549.38	-
187,164.63	34,542.30
80,000.00	190,000.00
37,980.00	37,980.00
-	-
-	-
117,980.00	227,980.00
188,732.55	19,629.90

SALE OF BOOKS AND TRAINING MATERIALS

SALES

Training Files
Schedules
Procedure manuals

LESS COST OF SALES

Opening Stock
ADD : Purchases
LESS : Closing Stock

SURPLUS TO INCOME AND EXPENDITURE A/C

SCHEDULE B.

<u>ITEM</u>	<u>QUANTITY</u>	<u>UNIT PRICE</u>	
XY forms	12	1477.50	
KRCHN Files	650	230.10	17,730.00
KECHN Files	308	272.00	149,565.00
KRCHN Practical Books	314	165.20	83,776.00
KECHN Practical Books	415	88.50	5,872.80
Continuous Education Books	304	72.00	36,727.50
Scope of Nursing Books	780	34.00	21,888.00
Procedure Manuals	486	649.00	26,520.00
KEN Practical Books	128	84.00	315,414.00
BSCN Intern Log Books	380	99.71	10,752.00
			37,889.80
			752,135.10

2002 KSH	2001 KSH
668,860.00	626,900.00
913,700.00	863,000.00
887,820.00	835,560.00
2,470,380.00	2,325,460.00
767,530.00	694,346.90
2,211,005.00	1,462,640.00
752,135.10	767,530.50
2,226,400.40	1,389,456.40
243,979.60	936,003.60

