

REPUBLIC OF KENYA



KENYA NATIONAL AUDIT OFFICE

REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
PEST CONTROL PRODUCTS BOARD**

**FOR THE YEAR ENDED
30 JUNE 2014**

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-Mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON PEST CONTROL PRODUCTS BOARD FOR THE YEAR ENDED 30 JUNE 2014

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Pest Control Products Board set out on pages 18 to 32, which comprise the statement of financial position as at 30 June 2014, the statement of financial performance, statement of changes in net assets, statement of cash flows, statement of comparison of budget and actual amounts, 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 14 of the Public Audit Act, 2003. 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.

Management's Responsibility 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.

The management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 13 of the Public Audit Act, 2003.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 15(2) of the Public Audit Act, 2003 and submit the audit report in compliance with article 229 (7) of the Constitution of Kenya. The audit was conducted in accordance with International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

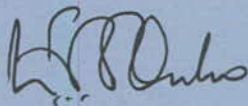
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected

depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Pest Control Products Board as at 30 June 2014 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards and comply with the Pest Control Products Board Act, Cap. 346 of the Laws of Kenya.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

22 May 2015

Statement of Financial Performance
For the year ended 30 June 2014

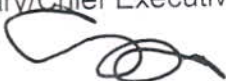
Note	2013/2014 (Kshs.)	2012/2013 (Kshs.)
Revenue from non-exchange transactions		
License and Permits	12	66,739,765
Government Grant	6	56,136,154
Revenue from exchange transactions		
Other Receipts	12	96,437,306
	5,464,785	10,019,846
Total Revenue	168,641,856	173,562,200
Expenses		
Employee costs	14	70,415,090
General expenses	20	58,265,709
Board Expenses	20	44,320,276
Depreciation & Amortization	16	7,616,067
		6,771,992
		13,303,977
Total Expenditure		126,544,440
Net Surplus for the year		42,097,415
		50,962,739

Statement of Financial Position
As at 30 June 2014

	NOTE	2013/2014		(Kshs)	2012/2013 (Kshs)
		(Kshs.)	(Kshs.)		
<u>ASSETS</u>					
Current Assets					
Receivable from exchange transactions	27	3,406,612		5,256,616	
Investments	30	74,670,883		135,936,791	
Bank/Cash Balances	26	(299,020)	77,778,475	464,756	141,658,163
Non-Current Assets					
Property, Plant and Equipment	31	279,458,921		168,465,672	
Work in progress	31			20,329,732	
			279,458,921		188,795,404
Total Assets			357,237,396		330,453,567
<u>EQUITY AND LIABILITIES</u>					
Capital and Reserves					
Capital Reserves		34,942,682		34,942,682	
Revaluation Surplus		11,830,357		1,633,580	
Accumulated Surplus		299,809,759	346,582,798	256,157,061	292,733,323
Current Liabilities					
Trade Payables	34	10,400,854		37,463,804	
Provisions	39	253,744	10,654,598	250,000	37,713,804
Total Equity and Liabilities			357,237,396		330,447,127

The Financial Statements set out on pages 1 to 30 were signed on behalf of the Board by:

Secretary/Chief Executive



Chairman of the Board

Date: 9th June, 2015

Date: