

REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

KENYA MEDICAL TRAINING COLLEGE

**FOR THE YEAR ENDED
30 JUNE, 2021**



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
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KENYA MEDICAL TRAINING COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDING
JUNE 30, 2021

Prepared in accordance with the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)

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1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Kenya Medical Training College is a body corporate established under the provisions of the Kenya Medical Training College Act, (Cap 261) of the laws of Kenya as amended by Act No.5 of 2019 and it is domiciled in Kenya. Established in 1927, the College became a State Corporation through an Act of Parliament in 1990 and the name Kenya Medical Training College was adopted.

KMTC CAMPUSES

1 Bomet	31 Lake Victoria	61 Rera
2 Bondo	32 Lamu	62 Siaya
3 Bungoma	33 Lodwar	63 Sigowet
4 Busia	34 Loitoktok	64 Tana River
5 Chuka	35 Lugari	65 Taveta
6 Chwele	36 Machakos	66 Thika
7 Eldoret	37 Makindu	67 Ugenya
8 Embu	38 Makueni	68 Voi
9 Garissa	39 Mandera	69 Vihiga
10 Gatundu	40 Manza	70 Wajir
11 Homabay	41 Mathare	71 Webuye
12 Imenti	42 Mbooni	
13 Isiolo	43 Meru	
14 Iten	44 Migori	
15 Kabarnet	45 Molo	
16 Kakamega	46 Mombasa	
17 Kangundo	47 Mosoriot	
18 Kapenguria	48 Msambweni	
19 Kapkatet	49 Murang'a	
20 Kaptumo	50 Mwingi	
21 Karen	51 Nairobi	
22 Karuri	52 Nakuru	
23 Kilifi	53 Nyamira	
24 Kisii	54 Nyandarua	
25 Kisumu	55 Nyahururu	
26 Kitale	56 Nyamache	
27 Kitui	57 Nyeri	
28 Kombewa	58 Othaya	
29 Kuria	59 Port Reitz	
30 Kwale	60 Rachuonyo	

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Mandate

The mandate of Kenya Medical Training College is to provide training for mid-level health professionals for the national health manpower requirements, conduct research and provide consultancy services in health related areas.

Vision Statement

A model institution in the training and development of competent health professionals

Mission Statement

To produce competent health professionals through training and research, and provide consultancy services.

Principal activities

The Principal Activities of KMTC as stipulated in the Act of Parliament Cap 261 of the Laws of Kenya as amended by Act No.5 of 2019 is:

- To provide facilities for college education for national health manpower requirements
- To play an important role in the development and expansion of opportunities for Kenyans wishing to continue with their education
- To provide consultancy services in health related areas
- To develop health trainers who can effectively teach, conduct operational research, develop relevant and usable health learning materials
- To conduct examinations for and grant diplomas, certificates, and other awards of the College
- To determine who may teach and what may be taught and how it may be taught in the College, and;
- To examine and make proposals for establishment of constituent training centers and faculties.

(B) Key Management

The college's day to day management is under the following key organs.

- Board of Directors
- Academic council
- Management team
- Staff

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(C) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	Chief Executive Officer	Prof. Michael Kiptoo
2.	Corporation Secretary	Dr. Miriam Muthoka
3.	Deputy Director (F,P&A)	Dr. Kelly Oluoch
4.	Deputy Director(A)	Dr. Nyawira Mwangi
5.	Finance Manager	CPA Elijah Mititi
6.	Supply Chain Manager	Dr. Silas Njeru
7.	Human Resources Manager	Mr. John Obiye
8.	Administration Manager	Mr. David Ondeng
9.	Information and Communication Technology (ICT) manager	Mr. Kenneth Riany
10.	Corporate Communications Manager	Ms. Onsomu Marcellah
11.	Legal Services Manager	Mr. David Sifuna Kinisu

(D) Fiduciary oversight arrangements

Audit committee of the Board

In addition to its main mandate which is to develop and promote internal audit standards and risk management for use in college, Audit Committee is responsible to monitor the college's internal control environment and provide advise on areas of improvement.

(E) Internal Audit Function

The College internal audit function is supported by members of staff who carry quarterly audit on the colleges operations ensuring that these operations are carried out in line with the organization's policies and procedures.

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(F) Registered Office and Principal Place of Business

KMTC HEADQUARTERS BUILDING

Kenya Medical Training College

Off – Ngong Road

P. O. Box 30195

Nairobi

Kenya

(G) Bankers

- | | |
|---|--|
| 1. National Bank of Kenya
Kenyatta National Hospital Branch
P. O. Box 30763
Nairobi, Kenya | 2. Kenya Commercial Bank
Moi Avenue Branch
P.O Box 30081
Nairobi, Kenya |
| 3. Co-operative Bank of Kenya.
Nyamira Branch
P.O Box 300-40500
Nyamira | |

(H) Independent Auditor

Auditor General

Office of the Auditor General

Anniversary Towers

P. O. Box 30084

Nairobi, Kenya

(I) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue



P.O. Box 40112

City Square 00200



Nairobi, Kenya

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2. BOARD OF DIRECTORS PROFILES

PHOTO	NAME AND DATE OF BIRTH (D.o.B)	PROFILE
	<p>Prof. Philip Kaloki, EBS (D.o.B 10.12.1960)</p> <p>Date of Appointment: 18.04.2018</p> <p>Date of Expiry: 18.04.21</p>	<p>Prof. Kaloki was appointed the Chairperson of the Kenya Medical Training College Board of Directors on 18th April 2018. Prior to his appointment, he was a Professor of Business for over 21 years at Dallas Baptist University, Texas, USA. He is a leading expert in governance, leadership and strategic management with national as well as international experience. He is a consultant in business administration and management. Prof. Kaloki was a Member of the Kenyan Parliament from 2008 - 2013, during which he served in various parliamentary committees and was a member of the Speaker's Panel. He holds a PhD in Business Administration from the University of Nairobi, has undertaken various corporate governance and leadership trainings and is a trustee of the KMTC Staff Retirement Benefits Scheme.</p>
	<p>Mr. Mithamo Muchiri (D.o.B 6.06.1982)</p> <p>Date of Appointment: 6.06.2018</p> <p>Date of Expiry: 6.06.2021</p>	<p>Mr. Muchiri was appointed to the Kenya Medical Training College Board of Directors on 6th June, 2018 to represent public interest. He holds Certified Public Accountant – Kenya Part II, with over 11 years of experience in finance, leadership and governance. He holds a Bachelor of Arts in Criminology and Security Studies and is currently pursuing a Bachelor of Law. He is member of the Finance Planning and Development Committee and chairs the Human Resource Committee of the Board.</p>



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	<p>Ms. Ruth Okowa (D.o.B 4.02.1971)</p> <p>Date of Appointment: 6.06.2018</p> <p>Date of Expiry: 6.06.2021</p>	<p>Ms. Okowa was appointed to the Kenya Medical Training College Board of Directors on 6th June, 2018 to represent public interest. She holds a Master's degree in Demography and Population Studies, with over 15 years' experience in local and international advocacy as well as child welfare. She has vast experience in vision & strategy development, resource mobilization, human capital development, monitoring & evaluation as well as program development. She is a member of the Human Resource as well as the Academic, Training, Standards and Ethics Committees and chairs the Audit Committee of the Board.</p>
	<p>Mr. Fredrick Wamwaki, (D.o.B 27.12.1959)</p> <p>Date of Appointment: 3.05.2019</p> <p>Date of Expiry: 3.05.2022</p>	<p>Mr. Wamwaki was appointed to the Kenya Medical Training College Board of Directors on 3rd May, 2019 to represent public interest. He holds a Bachelor of Science in Business Administration from United States International University and has undertaken training in strategic planning and implementation. He has over 26 years of experience and expertise in strategic formulation, financial leadership and corporate governance. He is passionate about transformational leadership and organizational growth. Mr. Wamwaki is a member of the Human Resource Committee and chairs the Finance, Planning and Development Committee of the Board.</p>



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	<p>Mr. Samuel Arachi (D.o.B 9.04.1962)</p> <p>Date of Appointment: 4.03.2019</p> <p>Date of Expiry: 4.03.2022</p>	<p>Mr. Arachi was appointed to the Kenya Medical Training College Board of Directors on 4th March, 2019 to represent the Principal Secretary, Directorate of Public Service Management.</p> <p>He holds a Master's degree in International Studies from the University of Nairobi and has undertaken several trainings locally and internally in areas of: administration, leadership, counter terrorism, border security, special firearms, elections security, large - scale- sudden-disasters management, among others.</p> <p>He has over 30 years of experience in administration. He is a member of the Human Resource as well as Finance, Planning and Development Committees of the Board.</p>
	<p>Dr. Emily Koech (D.o.B 7.05.1974)</p> <p>Date of Appointment: 6.06.2018</p> <p>Date of Expiry: 6.06.2021</p>	<p>Dr. Koech was appointed to the Kenya Medical Training College Board of Directors on 6th June, 2018 to represent public interest. She has a Master's degree in Public Health (MPH) Epidemiology as well as Master of Internal Medicine (MMed) and has programmatic and clinical experience in HIV/AIDS prevention, care and treatment.</p> <p>Dr. Koech has over 21 years extensive experience in the leadership and implementation of public health programs at national and regional level. She is a member of the Audit Committee and chairs the Academic, Training, Standards and Ethics Committee of the Board.</p>



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	<p>Ms. Susan Mucheru (D.o.B 30.12.1962)</p> <p>Date of Appointment November, 2015</p>	<p>Ms. Mucheru represents the Principal Secretary National Treasury in the Kenya Medical Training College Board of Directors having been appointed on 14th October, 2015. She holds a Master of Arts in International Studies, is a Certified Public Secretary Kenya (CPS(K)), and has over 35 years of experience in human resource management. She serves in the Finance, Planning & Development and Audit Committees of the Board.</p>
	<p>Dr. Pacificah Onyancha (D.o.B 01.01.1965)</p> <p>Date of Appointment: 24.02.2020</p> <p>Date of Expiry: 24.02.2023</p>	<p>Dr. Onyancha was appointed to the KMTC Board of Directors on 24th February, 2020 to represent the Principal Secretary Ministry of Health. She is a Psychiatrist by profession who has over 25 years' experience in health policy formulation, administration and leadership.</p> <p>She holds a Masters in Psychiatry from the University of Nairobi and is currently Acting Director, Directorate of Medical Services/ Preventive and Promotive Health at the Ministry of Health. She serves in the Academic, Training, Standards and Ethics; Finance, Planning & Development as well as Audit Committees of the Board. She is the Chairlady to National Medical Board and a member of the Ministerial Human Resource Advisory; Budget Implementation and Public Private Partnership Node Committees. She is also a member of the Medical Practitioners and Dentist Board and the Health Sector Intergovernmental Thematic Committee.</p>


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	<p>Dr. Evans Amukoye (D.o.B 18.01.1959)</p> <p>Date of Appointment: 10.04.2018</p> <p>Date of Expiry: 10.04.2021</p>	<p>Dr. Amukoye represents the Director of Kenya Medical Research Institute (KEMRI) in the Kenya Medical Training College Board of Directors having been appointed on 10th April, 2018. He is a Medical Doctor with extensive experience in pediatrics and pulmonology.</p> <p>He holds a Master of Medicine in Pediatric from the University of Nairobi and has over 21 years of experience in medical research and is a consultant in the same field. He is a member of Kenya Medical Association, European Respiratory Society, American Thoracic Society, Gertrudes Ethics Committee, among others. He serves in the Audit as well as Academic/Training, Standards and Ethics Committees of the Board.</p>
	<p>Dr. Mary Ishepe Nandili (D.o.B 22.11.1964)</p> <p>Date of Appointment: 5.01.2018</p> <p>Date of Expiry: 5.4.2021</p>	<p>Dr. Nandili sits in the Kenya Medical Training College Board of Directors as the Director Nursing Services in the Ministry of Health having been appointed on 5th January, 2018. She holds a PhD in Public Health & HIV/AIDS and has been a nurse midwife in community health with over 21 years of experience. She holds various governance and leadership trainings. Dr. Nandili serves in the Audit; Human Resource as well as in the Academic, Training, Standards and Ethics Committees of the Board.</p>

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	<p>Dr. Martin Sirengo (D.o.B. 27.07.1972)</p> <p>Date of Appointment: 5.02.2020</p> <p>Date of Expiry: 5.02.2023</p>	<p>Dr. Sirengo was appointed to the KMTC Board of Directors on 5th February, 2020 to represent the Director General Ministry of Health. He is a Reproductive Health and Program Management Specialist, Public Health Practitioner and a Policy adviser with over 19 years of professional experience. He holds a Master of Medicine (MMed), Obstetrics and Gynaecology from the University of Nairobi. He currently serves as Head, Department of Health Infrastructure Management at the Ministry of Health.</p> <p>Dr. Sirengo is a member of the Kenya Medical, Dentists and Pharmacists Board (KMDPB), Kenya Obstetrical and Gynaecological Society (KOGS) and Kenya Medical Association (KMA). He serves in the Finance, Planning & Development as well in the Academic, Training, Standards and Ethics Committees.</p>
	<p>Prof. Michael Kiptoo (D.o.B. 18.09.1971)</p> <p>Date of Appointment: 7.12.2018</p> <p>Date of Expiry: 7.12.2021</p>	<p>Prof. Kiptoo was appointed as the Chief Executive Officer of the Kenya Medical Training College by the Board of Directors on 30th November, 2018. He holds a PhD in Immunology and has undertaken several leadership and professional trainings at local and international level. Prof. Kiptoo is a member of the Kenya Society for Immunology, has contributed to book publication, peer reviewed journals and conference abstracts. He has held various professional and administrative positions and has over 21 years' <i>experience in research, training and consultancy.</i></p>

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	<p>CS Dr. Miriam Muthoka (D.o.B 9.09.1985)</p>	<p>Dr. Muthoka is the Kenya Medical Training College Corporation Secretary. She holds a PhD in Strategic Management and is a Certified Public Secretary – Kenya (CPS(K), with 10 years’ experience in leadership, governance and strategic management. She is a member of the KMTCC Staff Retirement Benefits Scheme, member of the Institute of Certified Secretaries of, Member Kenya Board of Trustees among others. Dr. Muthoka is a researcher in governance, business administration as well as management and is a part time lecturer. She is the head of Governance, Compliance and Corporate Affairs at the College.</p>
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3. MANAGEMENT TEAM

NAME	PHOTO	PROFESSIONAL/ACADEMIC QUALIFICATIONS	MAIN AREAS OF RESPONSIBILITY
Prof. Michael Kiptoo		PhD - Immunology	Chief Executive Officer
CS Dr. Miriam Muthoka		PhD - Strategic Management CPS (K)	Corporation Secretary A member of Institute of Certified Secretary, No. 3365
Dr. Kelly Olouch		PhD - Strategic Management	Deputy Director (Finance, Planning and Administration)
Dr. Nyawira Mwangi		PhD - Medicine	Deputy Director Academics

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Dr. Lucy Waweru		PhD - Nursing Education	Registrar Academics
Dr. Silas Njeru		PhD -Supply Chain Management	Supply Chain Manager
Mr. John I. Obiye		Masters - Business Administration (MBA) - HR	Human Resource Manager
Mr. David Ondeng		Masters - Business Administration	Administration Manager

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CPA Elijah Mititi		Masters - Business Administration (MBA) – Finance CPA (K)	Finance Manager
Ms. Onsomu Marcellah		Master of Arts in Communication Studies	Corporate Communications Manager
Mr. Kenneth Riany		Master of Science Strategic Business Information Technology	Information and Communication Technology (ICT) Manager
Mr. David Sifuna Kinisu		Master of Arts in Governance and Ethics	Legal Services Manager
Ms. Callen Nyabuto		Bachelor of Commerce (BCoM)	Chief Internal Auditor

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4. CHAIRPERSON'S STATEMENT

It is my pleasure to forward the Annual Report and Financial Statements for the 2020/2021 Financial Year on behalf of the Kenya Medical Training College (KMTTC).

KMTTC is a State Corporation established in 1990 through an Act of Parliament Cap 261 of the laws of Kenya as amended by Act No.5 of 2019. The College is under the Ministry of Health, entrusted with the role of training various disciplines in the health sector to serve the interests of East Africa and beyond. It has 71 Campuses strategically located in 43 of the 47 counties in the country. I'm glad to report that even through this turbulent times of Covid-19 Pandemic, the Board continued to provide a clear road map enabling the College to remain steadfast and resilient, in the delivery of its mandate and achievement of its Vision of being "a model institution in the training and development of competent health professionals".

Response to COVID-19

The College partnered with the Ministry of Health led by Cabinet Secretary Sen. Mutahi Kagwe EGH, to manage the COVID-19 pandemic in the country. We availed 44 of our Campuses with a bed capacity of 3,397, which hosted 5,077 clients in quarantine and isolation, effectively slowing down spread of the virus. Further, the College donated hand washing facilities and our Lecturers conducted Health Education and promotion as well as provided Mental Health and Psychosocial support, to mitigate the effects of the coronavirus.

The College is committed to implementing Presidential directives and complementing the Ministry of Health in the fight against COVID-19.

KMTTC Strategic Plan

The 2018-2023 Strategic Plan which provides a solid foundation for the training of Certificates, Diplomas and Higher Diplomas in different programmes is aligned with the Government's agenda on Universal Health Coverage (UHC) and Kenya's Vision 2030. The Plan sets us on the path to ensure we train competent health professionals to support Healthcare service delivery. It is a framework directing efforts on meeting objectives that will sustain the College's leadership position in the training of competent health professionals. The College has continued to embrace good governance, performance contracting and quality management systems, thus recording tremendous achievements over the years.

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College Performance

During the period under review, the Board spearheaded a transformative agenda resulting to numerous achievements, among them: - alignment of curriculum with Government's Big Four Agenda and Vision 2030, increase in student population and number of Graduands, growth in the College asset base, establishment of new campuses, recruitment of more staff, enhanced terms and conditions of service, promotions, training, staff rewards and recognition as well as strengthening of transport systems in the College and its Campuses.

College Expansion

The College continues to grow at an impressive rate with the number of campuses, students, graduands and staff population increasing. The College has a total of 71 Campuses, spread across 43 out of the 47 Counties in the country. We have continued to expand our programmes to meet the market demand and align them with emerging health needs.

Sound Corporate Governance

The Board of Directors has embraced and upheld sound corporate governance practices as well as strengthened internal processes and procedures by putting in place various policies and frameworks, thus embedding and consolidating a culture of good governance to ensure compliance with existing laws and regulations.

Infrastructural Development

To provide students with a conducive learning environment, the Board has spearheaded infrastructural development through construction of tuition and administration as well as other facilities critical for teaching and learning. Further, the Board has availed resources for strengthening transport systems in the College, to ease mobility of faculty and students to clinical placement sites and other extra-curricular activities.

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Amendment of the KMTC Act and Re-Categorization

Following enactment of the Health Bill 2019 which amended the KMTC Act of 1990, aligning it to other existing legislation and emerging government reforms, and the successful re-categorization of the College from category PC 2 to PC 4A, the College's mandate was expanded to include that of research in addition to training and consultancy, placing KMTC at the same level with other training and research institutions.

The re-categorization has led to allocation of more resources, and staff have continued to enjoy additional benefits through increased remuneration, ongoing promotions, and sustainable contribution to the retirement scheme, staff rewards, and mortgage facilities, among others.

Collaboration and Resource mobilization

In line with the Collaboration and Income Generation frameworks, the Board has continued to initiate collaborations and partnerships with County Governments, National Government Constituency Development Fund and other partners, through which the College has recorded growth in land, infrastructure, Student financial aid, equipment and secondment of staff, in support of teaching and training.

ICT Framework

The Board has provided Policy direction resulting to implementation and use of Enterprise Resource Planning (ERP), which has automated our systems, strengthened internal processes, teaching and learning, improved efficiency and prudent utilization of resources across our Campuses.

E-learning

When the Covid-19 pandemic struck leading to physical closure of learning institutions, the College shifted its teaching to online platforms to ensure learning is not disrupted and that students graduate as scheduled. The platform has continued to boost teaching and learning.

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Challenges

The College provides over 85% of the local Healthcare workforce in the Country as well as exports Human Resource for Health to other countries. KMTC plays a key role in supporting the Government achieve the UHC agenda and therefore the College's recent expansion supplements these efforts. The Board has made strides to ensure that the growth is supported by the available resources. However, I wish to call upon our parent Ministry and the National Treasury for additional funding in order to strengthen the College's infrastructure and build the capacity of faculty to support delivery of the UHC and attainment of Kenya's Vision 2030.

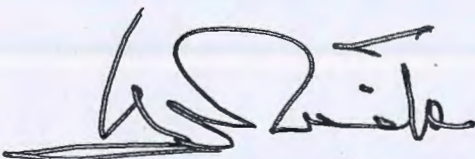
Future outlook

The Board will remain committed to continually improving infrastructure, strengthening partnerships and resource mobilization efforts as well as put in place strategies to ensure the College is run effectively and utilizes resources prudently as envisaged in its Strategic Plan.

Conclusion

I thank our stakeholders, fellow Board of Directors, the Chief Executive Officer, Management team, Principals, Staff as well as Students, for their steadfast support and contribution towards the College's success in the year and call upon all to remain committed in supporting the Government agenda on UHC, attainment of Kenya's Vision 2030, as well as in the war against COVID-19.

On behalf of the Board of Directors, I thank the Ministry of Health led by Cabinet Secretary Hon. Mutahi Kagwe, EGH, for the support and direction given to the College that has enabled us achieve our Vision and Mission. Finally, I thank the Government led by H.E President Uhuru Kenyatta CGH, for the support towards growth of the College, enabling us realize our mandate.



Amb. Zachary Muburi-Muita, MBS

Chairperson,

Kenya Medical Training College Board of Directors

30th May 2022

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5. REPORT OF THE CHIEF EXECUTIVE OFFICER

College performance

I am delighted to present the College Financial Statements and performance for the Financial Year 2020/2021.

Expansion of training programmes

During the year under review, the College expanded training programmes, reviewed curricula and introduced specialized programmes to ensure a continuous supply of competent and motivated health workforce.

Courses such as Critical Care Nursing, Family Health, Nephrology Nursing, Clinical Officers and Nursing Anesthesia, Foundation Course in Community Health, Oncology and Palliative Care, Audiology and Hearing Care Technology, Infection Prevention and Control, as well as Echocardiography, are now being offered in the College. In response to Government Policy on disability mainstreaming, KMTC mounted a course in Kenya Sign Language for Health Workers.

To strengthen Primary Health Care and how populations can access Health services, the College has collaborated with partners to offer training for Community Health Volunteers, Community Health Assistants, Community Health Extension Workers and Life Support as well as Emergency Medical Technicians.

Given our extensive expansion of programs, quality assurance remains a key focus to ensure graduates remain competitive.

Augmenting Healthcare services

During clinical placements and rural experience, our students and faculty play a significant role in augmenting healthcare service delivery alongside other healthcare professionals.

On a yearly basis, among our graduands are Enrolled Community Health Nurses drawn from Vulnerable, Marginalized, Arid and Semi-Arid communities, who are expected to improve utilization and quality of Primary Health Care services with a focus on Reproductive, Maternal, Newborn, Child and Adolescent Health services in the hard to reach areas.

The geographical spread of the 71 Campuses across 43 out of the 47 Counties in the country, which are adjacent to health facilities continue to contribute to an uninterrupted supply of Human Resource for Health to over 450 hospitals across the country. The wide spread of our Campuses continues to promote National Cohesion in the country.

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Infrastructural Development and Staff benefits

Through the Board's transformative agenda, the College has been equipped with a transport network to enhance students' mobility and ensuring they are able to reach their clinical practice and rural experience areas on time. To ensure students have an enabling learning environment, Campuses have been provided with learning materials, skills laboratories equipped and physical infrastructure expanded.

Further, staff are enjoying the fruits of the College's re-categorization in addition to participating in competence training to expand their knowledge base, encourage creativity and innovativeness, improve performance, productivity and adhere to quality standards.

Research

In line with the research Policy, the College has upscaled the uptake of Research activities to drive innovative national policies towards coordinated Health response. The College has undertaken research with several studies having been funded, conducted, published in peer reviewed journals and presented in various conferences, to contribute to a knowledge-based economy as well as enhance teaching and learning.

Implementation of Strategic Plan

In implementing the Strategic Plan 2018-2023, we have put in place the right measures to support and sustain our excellence in teaching, attain strategic objectives, attracting as well as retaining the best faculty and staff, in order to remain the best mid-level health training institution in Africa and beyond.

Implementation of excellence driven policies

During the period under review, the College implemented policies in Academics, Governance, Finance and Administration as guided by the policy frameworks provided by the Board of Directors. The Policies have created a standard which has continued to shape the strategic focus as well as alignment of operations with emerging trends, strengthening internal capacity and enhancement of quality management systems towards accountability, transparency and sustainability in support of the College mandate.

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Efficiency driven systems

Following implementation of Enterprise Resource Planning (ERP), Management has ensured that the system is continually rolled out across the College, to enhance efficiency and effectiveness as well as automation of services and harmonized reporting.

In keeping abreast with uptake of ICT and in the wake of the COVID-19 pandemic which abruptly disrupted the conventional face to face teaching method, the College leveraged on the use of E-learning platform, built the capacity of faculty and students on the use of E-learning tools and is providing continuous learner and content generation support, to ensure students cover their course content, take exams and graduate without undue delay.

Result based collaborations

The College has collaborated with stakeholders to strengthen and uphold the quality of our training to match labour and market needs. We forged strategic partnerships with like-minded partners resulting to an increased resource base, capacity building and strengthening, equipping libraries, training equipment, exchange programmes as well as curricula review and development to enhance teaching and learning.

It is in line with these collaborative efforts that we partnered with the Ministry of Health to offer training to National Youth Service in a Community Health Volunteers module on Basic and Advanced Life Support. We have collaborated with St. Johns Ambulance to train Community Health Volunteers and Emergency Medical Technicians/Respondents, to equip them with basic skills for emergency response.

The recent endorsement by the Intergovernmental Authority on Development (IGAD) for KMTC to host IGAD Regional Centre of Excellence on Nutrition training demonstrates the College's capacity to drive regional policies towards coordinated regional health response. This move will enhance the College's operational research capacity as well as innovations towards UHC and Kenya's Vision 2030, and improve graduate education for East Africa Community.

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Response to COVID-19

The College continues to uphold the Ministry of Health's protocols and supporting the Government combat the Coronavirus epidemic as well as ensuring compliance with the Head of Public Service circulars on workplace guidelines on COVID-19 in order to ensure our workforce stay safe.

KMTC has put in place the necessary measures to comply with the Ministry of Health protocols and continues to mitigate against the spread of COVID-19, in over 450 Hospitals across the country where our students undertake their Clinical placement.

We have integrated COVID-19 Infection, Prevention and Control protocols in training, a curricular which has been used to train Community Health Assistants and Community Extension Workers on the management of the pandemic.

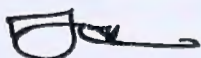
The College put in place the necessary measures to safeguard Students, Staff and stakeholders and ensure the College sustained its operations when medical training institution, KMTC being one, were allowed to continue with teaching and learning, following a pronouncement made by H.E President Uhuru Kenyatta, during a Presidential address on March 26, 2021.

Way Forward

As we take stock of achievements and challenges registered in the College over the last year, Management thanks the Board for putting in place reforms, policies and strategies to ensure the College runs effectively, utilizes resources prudently and quality of our training is continually enhanced.

Conclusion

We remain indebted to our partners for their commitment and overwhelming support throughout the year, enabling us deliver of our mandate. We look forward to working together in the New Year. I thank the Ministry of Health, our Board of Directors, Management team, Staff and Students for their hard work, dedication and commitment in supporting the College achieve its mandate.



Dr. Kelly Oluoch

Chief Executive Officer

30th May 2022

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6. REVIEW OF KMTCS PERFORMANCE FOR FY 2020/2021

(A) Performance against strategic objectives

Kenya Medical Training College has three strategic objectives within 2018 – 2023 strategic plan aimed at sustaining leadership position in training of competent health professionals. The strategic objectives are;

1. KMTTC retains the quality of its training
2. To make KMTTC the institution of choice for training of health professionals by 2023
3. To increase KMTTC's internally generated revenue by at least 50% by 2023

The College developed and has been implementing a strategic plan for the Period 2018 – 2023. The plan is focused on guiding the College in providing efficient and effective services in line with the overall objectives of providing training for mid-level health professionals for the national health manpower requirements, conducting research and providing consultancy services in health-related areas.

The plan set out a five year road map with eight key result areas (pillars) that define the strategic intent. The plan is anchored on Quality training of health professionals towards realization of Vision 2030 with the following as the strategic issues;

- i) Strategic issue 1 :Enhance Quality of training
- ii) Strategic issue 2:Staff development
- iii) Strategic issue 3:Research, innovation and consultancy
- iv) Strategic issue 4:Linkages, collaboration and partnerships
- v) Strategic issue 5: Development of infrastructure and other facilities
- vi) Strategic issue 6:Information and Communications Technology (ICT)
- vii) Strategic issue 7:Income generation and resource mobilization
- viii) Strategic issue 8:Marketing, Communications & Brand recognition

The strategic plan is operationalized through annual work plans. The 2020/2021 annual work plan was based on the above pillars with the Board of Directors assessing performance on a Quarterly basis. In addition the Board of Directors also signed the 2020/2021 performance contract based on the strategic plan. Special attention was also accorded to the implementation of post COVID – 19 recovery strategies and plans.

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(B) Status of Performance

Strategic issue 1 – Enhance Quality Training

Some of the key milestones realized include alignment of Courses to emerging global challenges and opportunities by reviewing the curricula and development of new curricula. To ensure provision of human Resource for health, the college enrolled 15,859 new students. In response to COVID 19 Pandemic, the college further enrolled 305 Community health assistants who are to be involved in home based care, contact tracing and health promotion. In addition, the college sensitized Community on COVID 19 infection, prevention and stigma and developed content for both certificate and diploma programs on prevention and control of COVID 19.

E-learning platform was implemented and various measures put in place in conduct of examinations and quality assurance with sole objective of retaining quality training. The college has continued to implement Quality Management systems to improve efficiency in delivery of services.

Strategic issue 2 - Staff development

The college among other activities conducted training need assessment and capacity building of staff to address the identified gaps. Annual staff appraisal was conducted.

Strategic issue 3 - Research, innovation and consultancy

Some of the activities realized include conducting research and publishing research papers in peer reviewed journals as well as developing proposals that can be funded. A virtual scientific conference was held (The theme was Optimizing Training and Research towards attainment of universal Health Coverage in the wake of COVID 19).

Strategic issue 4 - Linkages, collaboration and partnerships

The college continued to position itself as a key player in the universal health coverage (UHC) agenda by introducing new programmes and continuing to train health professionals.

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Strategic issue 5 - Development of infrastructure and other facilities

The college implemented the recommendations of infrastructure inventory. The college rehabilitated plumbing systems in its Nakuru Campus, completed tuition blocks in its Kuria and Mathare Campuses and completed a boundary wall at Garissa Campus.

Strategic issue 6 - Information and Communications Technology (ICT)

The college increased availability of ICT resource across all the Campuses. The college ensured successful implementation of ERP and conducted classes through e-learning.

Strategic issue 7 - Income generation and resource mobilization

Some of the key milestones realized include partnership with both National and County government. The college established a resource mobilization unit.

Strategic issue 8 - Marketing, Communications & Brand recognition

The college redesigned certificates and transcripts. The college enhanced security features in certificates and transcripts. Electronic signing was incorporated in transcripts and certificates issued.

Overall status of performance

The overall performance is broken down as follows;

S.NO	Performance criteria	Comments
1	Financial stewardship and Discipline	-All the funds allocated to the college were fully absorbed. A-in-A collected was Ksh. 2.8 billion against a target of 3.6 billion. The deficit is attributed to disruption of learning by COVID 19.A whole semester was lost hence the deficit.
2	Service delivery	The college achieved the target by application of service delivery innovations, implementation of citizen's service delivery charter and resolution of public complaints.

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3	Core Mandate	-The college enrolled 15, 859 students against a target of 8,000. Use of e-learning was implemented as per target. Twenty two (22) research proposals were funded as per the target. Twenty eight (28) publications done in peer reviewed journals against a target of 14. A virtual scientific conference was held between 2 nd and 4 th June 2021. The theme was Optimizing Training and Research towards attainment of universal Health Coverage in wake of COVID 19.
4	Implementation of Presidential directives	The college procured Rice from Kenya National Trading corporation Limited. Trees were planted in Ngong forest and in KMTC Campuses.
5	Access to Government Procurement Opportunities	Cumulative performance was Ksh. 420, 169,144 against a target of Ksh. 572,049,750. The under achievement is attributed to disruptions by COVID 19 pandemic
6	Promotion of Local content in procurement	The target was surpassed by Ksh. 1,931,327.50
7	Cross cutting	Quarterly reports were submitted to various agencies and performance contract sensitizations done virtually.

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7. CORPORATE GOVERNANCE STATEMENT

The importance for all government agencies to apply resources to address national development and spur economic growth remains a fundamental aspect at all times. The benefits of a properly implemented and effective corporate governance system cannot be gainsaid. The College has built its operations on sound corporate governance principles based on the application of high and consistent ethical standards in its relationships with stakeholders creating stakeholder confidence. This is in line with the provisions of transparency, accountability, responsibility, compliance with relevant laws and regulations, risk management, appropriate checks and balances, Ethical leadership and integrity and socio-environmental responsibility. The College has kept abreast with international developments in corporate governance for the promotion of enhanced transparency, integrity and rule of law.

The Board of Directors has during the year under review, reviewed the College performance, protected the College assets, and counseled the executive management and Chief executive officer on strategy and key aspects of College operations. All Directors have been responsible for ensuring proper and sound corporate governance within the College hence corporate governance has become a fundamental part of the culture and the operational practices of the institution.

(A) Oversight role of Board of Directors

The Board of Directors' most significant responsibilities includes guiding the College with view to ensuring long-term, sustainable returns for stakeholders, whilst delivering exceptional services to students and having regard to the interests of all other stakeholders, including staff, regulators and the communities in which the College operates. The Board provides strategic direction with a focus on consistent business performance in an atmosphere of transparency and accountability whilst reviewing and monitoring proper governance. The Board has provided strong leadership to the College, resulting to institutional expansion to different parts of the country and generation of stakeholder wealth.

The Board has attracted outstanding Directors who have shown great commitment and enthusiasm in discharging their duties and obligations to the institution while also demonstrating the spirit and ethos of the organization. The Directors subscribe to the code of conduct as well as the code of governance and practices which guides them in the fulfillment of their duties and responsibilities.

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(B) Process of Appointment, removal, composition, and qualification of the Board members

During the time under review, the Board was headed by a chairperson appointed by the president whose term expired on 18th April,2021, four (4) independent members appointed by the Cabinet Secretary in charge of Health, whose term expired on 6th June,2021, a Chief executive Officer (Ex-official) appointed by the Board to manage the day to day affairs of the College, a representative of the Principal Secretary National Treasury, a representative of Principal Secretary ministry of Health, The director Nursing Services ministry of Health, Whose term of service expired on 5th April,2021, a representative of the director general for Health, a representative of director Kenya Medical Research Institute whose term of service expired on 10th April,2021 and a representative to Principal secretary ministry of public service. All Board members including the Chairperson are appointed for a three (3) year term renewable once. The appointment to the Board considers academic qualifications, technical expertise, experience, age and gender and the College Board composition complies with requirements in the constitution of Kenya, 2010, the KMTC Act, 1990 as amended and other relevant law. The appointing authorities have the powers to remove a director from the Board.

During the year under review, the Board held nine (9) meetings, three (3) quarterly and Six (6) special to discuss strategic issues of the College. The members who attended the meetings are Chairperson of the Board, the Chief Executive officer, the Alternate to Principal Secretary National Treasury, the director Nursing services Ministry of Health, four (4) members representing public interest who are also the Board committee chairs. The alternate to Principal Secretary Ministry of public service, and a representative to the director Kenya Medical Research Institute depending on the dates the meetings were held.

The Board has developed a succession plan policy to ensure sustainability and continuity of the College operations. Further, notice of expiration of terms is given to members and to their appointing authorities in order to ensure that the College has a functional Board at all times. The Board and its committees have charters that guides the conduct of its business. The Charter is developed in accordance to the Code of governance for state corporations as issued by H.E The president in 2015.

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During the year under review, no one member or group of members had unfettered powers and there was an appropriate balance of power on the Board. One third of the members were independent allowing the board to exercise objective and independent judgment in accordance with the code of Governance for State Corporation.

There is a clear separation of roles played by the Board chairperson, the chief executive officer, and that played by the Corporation secretary as provided for by the code of governance for state corporations. The offices are also held by different persons.

(C) Induction and Training for continuous skill development

The Board directors were well trained/inducted and updated on matters of governance as provided by the code of governance. This has enabled the Board to become as effective as possible in their roles. The skills and knowledge are updated at regular intervals to ensure that the emerging trends are captured. The induction/training did among others, build an understanding of the College main relationships and created an understanding of the role of Directors and the framework within which the Board operates.

(D) Board tools of governance

The Board has availed various policies to guide the College operations and there exists a code of Ethics and Conduct, which has been cascaded down to all employees. Additionally, there is in place a Board and committee charters which serves as a guide to Board's business. A board calendar is developed and approved annually to guide the activities of the Board.

(E) Conflict of Interest

A conflict of Interest Register is kept, where if any member has an interest on matters before the Board for deliberation a declaration is done and recorded accordingly.

(F) Governance and legal audit

During the year under review, an annual governance audit meant to ensure and confirm that the College is operating on sound governance practices was conducted. The findings thereof were picked and actioned for continual improvement.

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(G) Compliance with laws and regulations

During the year under review, the College complied with the Constitution of Kenya 2010, the KIMTC Act of 1990, code of governance for state corporations, the procurement and disposal Act, 2015, the public finance management Act, 2012, and other government law, regulations and procedures.

(H) Fiduciary Duties of the Board of Directors

The following are the duties of the Board of directors;

- i. Duty to act within its powers; a Director is required to only exercise their powers for purposes which they were conferred.
- ii. Duty to avoid conflicts of interest; a Director is expected to identify and disclose the nature of a conflict and procure authorization for the same if permitted.
- iii. Duty to declare interests in proposed or existing transactions or arrangements.
- iv. Duty to Exercise their role collectively and not individually.
- v. To determine the organization's mission, vision, purpose and core values
- vi. Duty to set and oversee the overall strategy and approve policies of the organization.
- vii. Ensure that the strategy is aligned with the purpose of the organization and the legitimate interests and expectations of its stakeholders.
- viii. Ensure that the strategy of the organization is aligned to the long term goals of the organization on sustainability so as not to compromise the ability of future generations to meet their own needs.
- ix. Duty to approve the organizational structure.
- x. To approve the annual budget of the organization.
- xi. Monitor the organization's performance and ensure sustainability.
- xii. Duty to enhance the corporate image of the organization.
- xiii. Ensure availability of adequate resources for the achievement of the organization's objectives.
- xiv. Duty to hire the Chef executive officer on such terms and conditions of service as may be approved by the relevant government organ(s) and approve the appointment of senior management staff.
- xv. Duty to ensure effective communication with stakeholders.

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(I) Board Remuneration

The Board is remunerated in accordance to the relevant government circulars that dictates the allowances payable to Board directors while on duty and any other benefits due to Board members. The Circulars are issued by government from time to time to guide State agencies on the same.

(J) Committees of the Board

To effectively discharge its mandate, the Board functions through four committees as stated below with specific terms of reference:

1. Human Resource Committee

- a. Human Resource Strategy, Policies and Procedures.
- b. Terms and conditions of employment for the College staff.
- c. To discuss all personnel issues affecting College employees.
- d. The College Retirement Benefits Scheme.
- e. Staff recruitment, selection, deployment and career development.

2. Academic, Training, Standards and Ethics Committee

- a. To receive and consider reports from the Academic Board and make appropriate recommendations to the Board.
- b. To advise the Board on issues relating to student's affairs.
- c. To receive and consider reports from regulatory bodies pertaining to KMTC's programs.
- d. To recommend and advice the Board on establishment of new Campuses.
- e. Admissions and examinations.
- f. Curriculum development/reviews
- g. Quality Management Systems.
- h. Student extracurricular activities
- i. Graduation updates
- j. Research Activities

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3. Finance, Planning and Development Committee

- a. The College planning and financial strategy.
- b. Annual budget and Medium Term Expenditure Framework.
- c. Appointment of banks, opening of accounts and signatories approvals.
- d. Resource mobilization initiatives.
- e. Purchase and sale of property
- f. The College investment and borrowings.
- g. Progress of implementation of plans and policies
- h. Projects development/reviews
- i. The progress of building/projects implementation
- j. Maintenance and development of buildings and land.
- k. Development, investment and enterprise.
- l. Strategic planning and management
- m. Communication and corporate affairs
- n. Collaboration and Partnerships
- o. Disposal of idle Assets
- p. College Legal Affairs
- q. Information Communication Technology affairs
- r. Performance Contracting activities

4. Audit Committee

- a. Internal and external audit reports.
- b. Internal Audit annual plan.
- c. Internal control.
- d. Risk management.
- e. Compliance to laws, regulations and standards.
- f. Governance and standards.
- g. Implementation of Performance Contract.
- h. Implementation of Board resolution
- i. Internal and external audit reports
- j. Internal Audit plans

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KMTC Board remains collectively responsible for the decisions and actions taken by any committee. A committee only perform the tasks delegated to it by the Board and does not exceed the authority or the powers of the Board.

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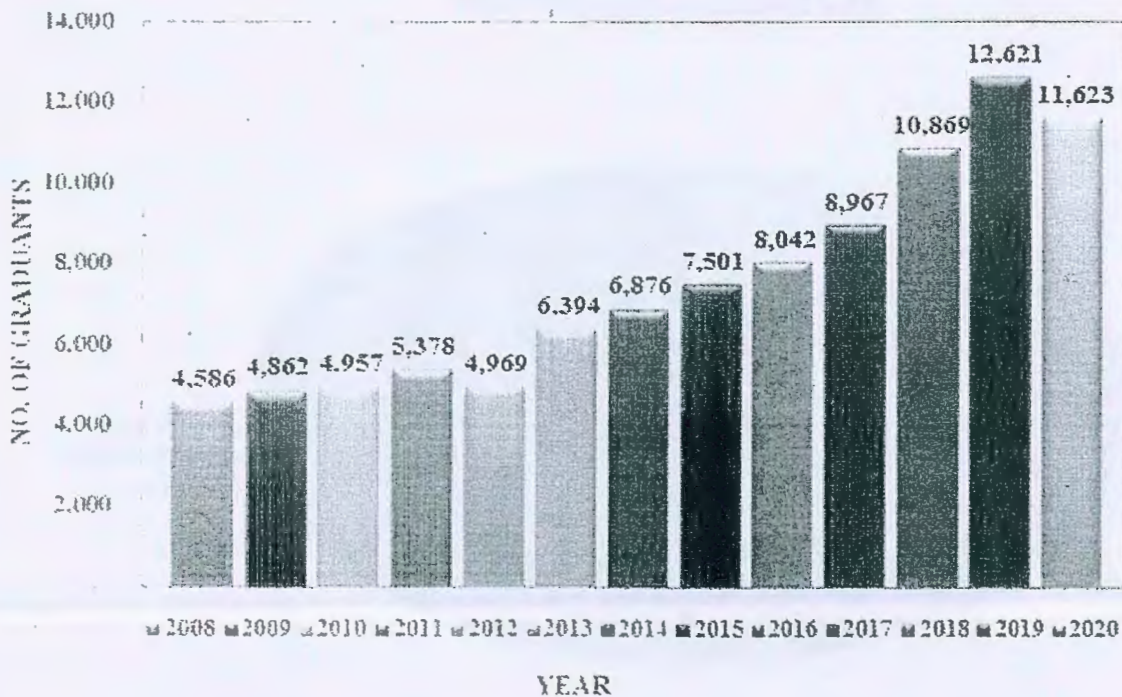
8. MANAGEMENT'S DISCUSSION AND ANALYSIS

(A) OPERATIONAL HIGHLIGHTS

Kenya medical training college is a premier institution whose reputation for quality training and development of health professionals in Africa and beyond. In line with the health objectives of Universal Health Coverage, Vision 2030 and Sustainable Development Goals (SDG). In the FY 2020/21, despite the Covid -19 pandemic, the college was able to.

i. Graduation

The college graduated a total of 11,623 students which is a remarkable contribution to health workforce



- ii. Provide accommodation and services for 5077 clients for Isolation and quarantine
- iii. Develop and admit students for specialised courses e.g. Nephrology, Critical Care Nursing, Family medicine and health promotion and sign language for the deaf to support UHC and Vision 2030
- iv. To enhance efficiency, the college embraced E-learning, ERP system and enhanced transport services.

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(B) Financial Highlights

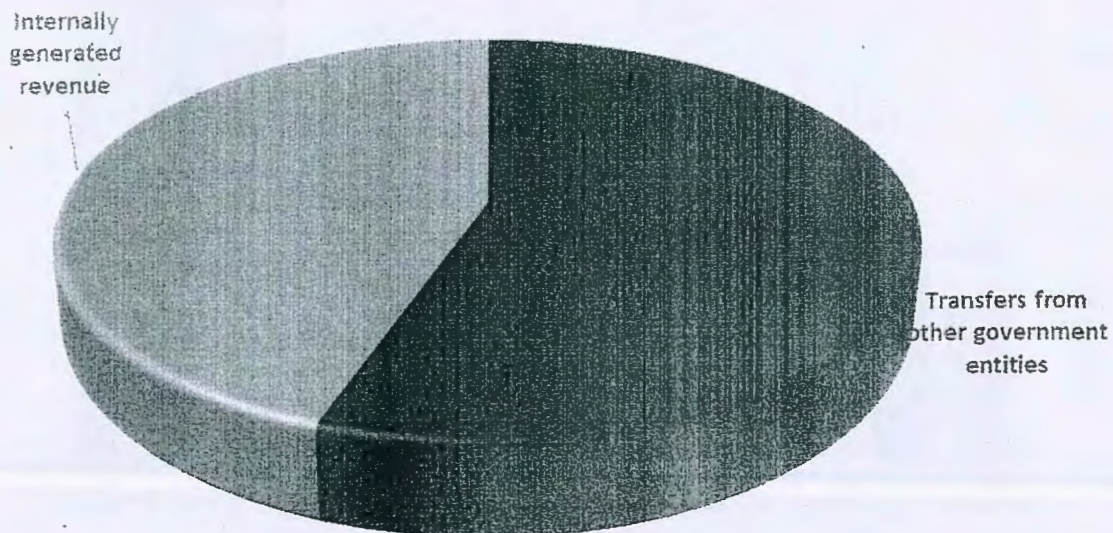
(i) Revenue

Internally generated revenue has declined from Kshs. 3.399B in 2019/2020 to Kshs. 2.888B in 2020/2021 Financial Year. Following the confirmation of the first novel COVID-19 outbreak in march 2020 the college alongside all training institutions closed and this affected the subsequent semesters until reopening of the college in January 2021. Substantially internally generated revenue is derived from tuition, boarding and application fees which is dependent on students hence the decline in revenue collection.

The internally generated revenue is composed of the following:

Total revenues from various streams during the year amounted to Kshs.6.332 Billion. This is comparatively shown as follows

REVENUE COMPOSITION

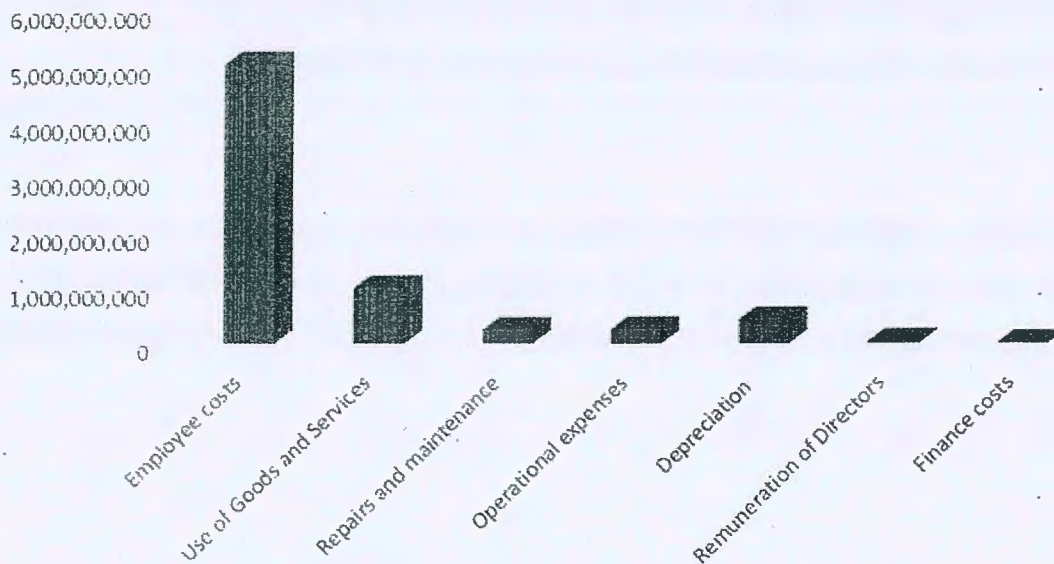


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(ii) Recurrent Expenditure

The total recurrent expenditure amounted to Kshs.6.998Billion of which 65.6% catered for employee costs reflecting less operational activities with key focus to staff welfare during the Covid 19 pandemic.

RECURRENT EXPENDITURE



(iii) Capital Expenditure

The College incurred additional resources to the tune of Kshs.541Million on capital expenditure mainly building works, software computers and accessories, teaching equipment and furniture and fittings.

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9. COMPLIANCE WITH STATUTORY REQUIREMENTS

The college has also been remitting statutory deductions such as Pay As You Earn, NHIF, NSSF and HELB as required by law.

In compliance with the Public Finance and Management Act, the college did the following:

- i. Submission of the Financial Programme Performance report to Controller of Budget every quarter within the deadline
- ii. Submission of Draft Budget Estimates by 30th April 2021
- iii. Submission of Annual Procurement Plan by 30th July 2020.
- iv. Submission of Annual Work plan and Cash flow projections by 30th July 2020.
- v. Compliance with other circulars from National treasury issued in 2020/2021

CONCLUSION

The college's financial performance has been strong and improving. There have not been any material arrears in statutory or any other financial obligations that are likely to affect the going concern status of the college. The college is impressively performing and has a lot of opportunities for growth.

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10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

The Kenya Medical Training College Board of Directors has put in place a framework to guide in its endeavor to give back to the communities within which we operate by delivering social, environmental and economic benefits. We have entrenched in our values the culture of creating an impact in the lives of populations within which our Campuses are placed.

In conformity with the College Corporate Social Responsibility (CSR) Policy, KMTC has over the years supported efforts to give back to the community through various initiatives, among them health and medical services, aimed at strengthening Primary Healthcare which is the cornerstone for the realization of the Government's Universal Health Coverage agenda.

The College has continued to enhance value by supporting various environmental sustainability initiatives, provide social upliftment as well as respond to disaster, to positively impact and transform the livelihoods of the greater community.

i. College's CSR initiatives in response to COVID-19

As the world deals with the COVID-19 menace that has affected all aspects of life, the College shifted focus towards CSR initiatives that address the urgent global social and environmental challenges brought about by the pandemic by taking an active role in supporting Government efforts in flattening the Coronavirus disease curve.

The College partnered with the Ministry of Health to manage the COVID-19 pandemic in the country. The College's facilities were the first in the country to be used to host travellers to the country at the onset of the Coronavirus. We availed 44 of our Campuses with a bed capacity of 3,397, which hosted 5,077 clients in quarantine and isolation, effectively slowing down spread of the virus. Further, the College donated hand washing facilities and continue to conduct health education and promotion as well as provide Mental Health and Psychosocial support in surrounding communities and schools, to sensitize them on COVID-19 containment and management measures as well as the importance of being vaccinated, to mitigate the effects of the coronavirus.

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Prior to the countrywide vaccination rollout, our Campus facilities across the country were used as training centers for health workers to administer the vaccine and are currently being used as vaccination centers.

The College is a member of the National Multi-Agency Team on COVID-19 tasked with quarantine and isolation facilities preparedness and a member of the National Advisory Committee assisting in planning for COVID-19 containment interventions and strengthening of health systems for UHC in the Counties.

Further, the College stepped up efforts to create awareness of the disease through the dissemination of messages via its social media platforms, using the hashtag #KomeshaCorona.

ii. Environmental conservation

The College recognizes that conservation of nature is an act of protecting the planet Earth for present and future generations. In line with this, the College undertook various environmental conservation aimed at contributing to the Country's net forest cover and joining the world in commemorating key international environmental related events such as the World Wetlands Day and World Environment Day.

We conducted several environmental clean-ups and promoted various waste management and recycling initiatives. The College joined hands in the Government's directive of "Adopt a Forest Initiative" where our Campuses adopted various forests across the country. This initiative resulted to thousands of trees being planted, and sustainability measures put in place to protect the environment and conserve natural resources.

Free medical services offered to communities

To promote the health of the residents within communities of our operations, the College through its Campuses spread across the country pitched free medical camps, where thousands were treated and several others referred for further medical attention.

The College collaborated with like-minded partners to mount the medical camps where, free screening, testing, treatment, counselling and referral services were offered to members of the public.

Services offered included; COVID-19 testing, prevention and management, cervical and prostate cancer screening, nutritional assessment, oral health services, diabetes, sickle-cell, hypertension, malaria and HIV/AIDS screening, as well as psychosocial support.

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Health conditions related to alcohol, drug and substance abuse, mental health, cancer, polio, maternal and child health, family planning, dental, Ear Nose and Throat infections, lifestyle conditions, emerging and re-emerging diseases were attended to by College Medical Staff and Students.

Sensitization on general disease prevention, need for vaccinations, early screening, diagnosis, treatment, lifestyle changes was conducted. Staff and Students donated blood to support health facilities blood banks and save lives.

iii. Social up-liftment and disaster response

College Staff and Students participated in disaster response and rescue missions within communities affected by various calamities. They visited children homes where they donated various items and foodstuffs to support vulnerable populations.

iv. Responsible market practices

The College recognizes the importance of socially responsible marketing campaigns as they impact in its social, economic, political and ethical being.

The College has put in place Publicity and Marketing Guidelines as well as a Communication Policy which provides mechanisms for retention and growth of its market share. Further, the framework provides for a clear publicity and marketing strategy aimed at maintaining responsible involvement in creating brand awareness and promotion.

Over the years, the College has maintained a good working relationship with its suppliers in compliance with the Finance and Procurement Manuals in meeting contractual obligations. Additionally, the College is sensitive to the needs of its Students, Staff and other stakeholders.

v. Employee welfare

The College has put in place a Policy on Stakeholder Management which provides a framework on modalities of stakeholder engagement, which was reviewed in 2019. Further, there is in place a Policy on Rewards and Recognition in addition to continual training done to improve competence of staff. In ensuring that employees are safe, the Board has availed an Occupational Safety and Health Policy detailing issues of safety as well as provisions for compliance with Occupational Safety and Health Act of 2007.

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To ensure Students, Staff and stakeholders are safe during the Covid-19 pandemic, the College has put in place measures to ensure adherence to the Ministry of Health protocols to mitigate against the effects of the virus and manage its spread.

In conclusion, the KMTC Board of Directors remains cognizant of the fact that sustained economic growth will be achieved with social progress and the well-being of local communities.

Consequently, the Board has over the years ensured that KMTC is a socially responsible institution by setting aside resources to support Corporate Social Responsibility initiatives in an effort to give back to the community aim of benefiting those residing in regions of our operations.

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11. REPORT OF THE DIRECTORS

The directors have the pleasure of presenting their report together with the audited Financial Statements for year ended 30th June 2021 which show the state of the college's affairs.

PRINCIPAL ACTIVITIES

The Board is primarily engaged in management of Kenya Medical Training College together with other mandates specified in KMTC Act Cap 261.

RESULTS

The results of the college for the year ended June 30, 2021 are set out on pages 46 to 78

DIRECTORS

The Board of Directors who held office during the year are shown on pages 5 to 11.

In accordance with section 9 (2) of KMTC Act as amended by Act No.5 of 2019, the Board of Directors other than an ex officio member, shall hold office for a period of three years from the date of appointment as specified in the instrument of appointment, but shall be eligible for re-appointment. The appointment and vacation of office of any member of the Board shall be in accordance with section 9 sub section 3 of Kenya Medical Training College Act.

SURPLUS REMISSION

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds. KMTC did not make any Surplus during the year and hence no remittance to the Consolidated Fund.

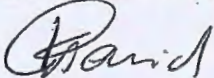
FINANCIAL STATEMENTS

At the date of this report, The Board was not aware of any circumstances which would have rendered the financial statement misleading.

AUDITORS

The Auditor General is responsible for statutory audit of Colleges accounts in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015

By order of the Board



Mr. David Sifuna Kinisu

Ag. Corporation Secretary

30th May 2022

KENYA MEDICAL TRAINING COLLEGE
ANNUAL REPORTS AND FINANCIAL STATEMENTS
For the year ended June 30, 2021

12. STATEMENT OF BOARD OF DIRECTORS RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and Kenya Medical Training College Act, (Cap 261) of the laws of Kenya as amended by Act No.5 of 2019 requires the Directors to prepare financial statements in respect to the college which give a true and fair view of the state of the college affairs at the end of each financial year and operating results of the college for that year. The Board of Management is required to ensure that the college maintains proper accounting records which disclose, with reasonable accuracy, the financial position of the college. The Directors are responsible for safeguarding the assets of the college.

The Directors are responsible for preparation and presentation of the Colleges Financial Statements, which give a true and fair view of the state of affairs of the college for and as at the end of financial year ended June 30, 2020. This responsibility includes:

- i. Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the period;
- ii. Maintaining proper Accounting records, which disclose reasonable accuracy at any time financial position of the college;
- iii. Designing, implementing and maintaining Internal Controls relevant to preparation and fair presentation of Financial Statements, and ensuring they are free from Material Misstatements, whether due to error or fraud;
- iv. Safeguarding the assets of the college;
- v. Selecting and applying appropriate Accounting Policies; and
- vi. Making accounting estimates that are responsible in the circumstances.

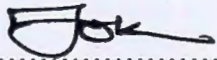
The Directors accepts responsibility of Financial Statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimate, in conformity with International Public Sector Accounting Standards (IPSAS), and in manner required by PFM Act and State Corporations Act. The Directors confirm the completeness of accounting records maintained for the College; which have been relied upon in the preparation of the Colleges financial statements as well as the adequacy of the systems of financial control. Nothing has come to the attention of the Directors to indicate that the College will not remain a going concern for at least the next twelve months from the date of this statement.

**KENYA MEDICAL TRAINING COLLEGE
ANNUAL REPORTS AND FINANCIAL STATEMENTS
For the year ended June 30, 2021**

The Directors are of the opinion that the College's financial statements give a true and fair view of its transactions during the financial year ended June 30, 2021.

Approval of the Financial Statements

The colleges Financial Statements were approved by the Board and signed on behalf by:



.....
Dr. Kelly Oluoch
Chief Executive Officer
30th May 2022



.....
Amb. Zachary Muburi-Muita, MBS
Chairperson
30th May 2022

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KENYA MEDICAL TRAINING COLLEGE FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazetted notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kenya Medical Training College set out on pages 46 to 77, which comprise of the statement of financial position as at

Report of the Auditor-General on of Kenya Medical Training College for the year ended 30 June, 2021

30 June, 2021, 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, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Kenya Medical Training College as at 30 June, 2021, 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 Public Finance Management Act, 2012 and the Kenya Medical Training College Act, CAP 261 (Revised 2019).

Basis for Qualified Opinion

1. Unsupported Rental Revenue from Facilities and Equipment

The statement of financial performance reflects rental revenue from facilities and equipment of Kshs.31,795,911 and as disclosed in Note 23 to the financial statements. Included in the amount is Kshs.8,098,175 collected from rental facilities in seven (7) campuses. However, the amount was not supported by detailed schedules indicating the respective amounts for each revenue stream per campus. In addition, four (4) tenants did not pay rent amounting to Kshs.3,625,200 while a prepayment of Kshs.472,500 was not disclosed in the financial statements.

In the circumstances, the accuracy and completeness of rental revenue from facilities and equipment of Kshs.31,795,911 could not be confirmed.

2. Receivables from Exchange Transactions

The statement of financial position reflects receivables from exchange transactions balance of Kshs.763,891,464 as disclosed in Note 33 to the financial statements. However, the following unsatisfactory matters were noted;

2.1. Long Overdue Trade Receivables

Included in the trade receivables balance is an amount of Kshs.747,317,583 for trade receivables from tuition fees out of which an amount of Kshs.34,108,580 had been outstanding for more than one year. No explanations were provided for failure to collect the long outstanding receivables.

2.2. Unaccounted Receivables

The trade receivables amount includes Kshs.16,445,339 in respect of outstanding tuition fee from Kuria Campus, out of which Kshs.7,453,021 was collected in cash from students

and there was no evidence of crediting students accounts or banking the amount. In addition, the campus received rent arrears of Kshs.1,619,550 which was not posted in the ledger.

2.3. Uncleared Write-off

As previously reported an amount of Kshs.21,831,155 due from Kenyatta National Hospital had been recommended for write-off by the Board in February, 2007 but appears in the College books since approvals from Ministry of Health and National Treasury have not been obtained.

In the circumstances, the accuracy and completeness of receivables from exchange transactions balance of Kshs.763,891,464 as at 30 June, 2021 could not be confirmed.

3. Long Outstanding Receivables from Non-Exchange Transactions

The statement of financial position reflects receivables from non-exchange transactions of Kshs.387,528,843 as disclosed in Note 34 to the financial statements. Included in the amount is Kshs.19,812,180 relating to outstanding Grant from the Ministry of Health dating back to financial year 1995/1996 whose recoverability is doubtful.

In the circumstances, the accuracy, completeness and recoverability of receivables from non-exchange transactions of Kshs.19,812,180 as at 30 June, 2021 could not be confirmed.

4. Property Plant and Equipment

The statement financial position reflects property, plant and equipment of Kshs.7,643,095,420 as disclosed in Note 36 to the financial statements. However, the following unsatisfactory matters were noted:

4.1. Outdated Value of Assets

Included under property, plant and equipment balance is the cost value of land of Kshs.1,165,920,000 and buildings of Kshs.2,957,258,469. However, the cost values are based on a valuation of 2005 which is sixteen (16) years ago. In addition, the College undertook valuation of college assets in all campuses for book keeping and insurance purposes at a contract sum of Kshs.17,556,200. The valuation report handed over to the Management in April, 2021, has not been deliberated and adopted by the Board.

4.2. Lack of Land Ownership Documents

As previously reported, property, plant and equipment balance of Kshs.1,165,920,000 includes eighteen (18) parcels of land at the headquarters and constituent colleges with a total acreage of 241.731 acres valued at Kshs.333,385,000 and whose title documents were not provided for audit verification.

4.3. Motor Vehicles and Motorcycles Without Ownership Documents

The property, plant and equipment movement schedule at Note 36 to the financial statements reflects motor vehicle net book value of Kshs.218,787,719. The Management provided a list of one hundred and thirty-two (132) motor vehicles and three (3) motor cycles owned by the College. However, log books of thirty-one (31) motor vehicles and two (2) motor cycles were not provided for audit review. In addition, a vehicle belonging to one of the campus with a cost of Kshs.4,900,000 that was involved in an accident and written off has not been expunged from the books of accounts.

In the circumstances, the accuracy, completeness and ownership of property, plant and equipment of Kshs.7,643,095,420 as at 30 June, 2021 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Medical Training College Management in accordance with ISSAI 130 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 qualified 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 ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Failure to Remit Statutory Deductions

The statement of financial position reflects employee costs of Kshs.4,591,103,153 as disclosed in Note 25 to the financial statements. Review of human resource committee minutes meeting of 23 April, 2021 indicated that National Social Security Fund (NSSF) required the College to pay Kshs.732,011,937 being penalties on late remittance of deductions relating to the period October, 2007 to June 2020. Failure to remit deductions is contrary to Section 19 (4) of the Employment Act, 2007 which states that an employer

who deducts an amount from an employee's remuneration in accordance with subsection (1)(a), (f), (g) and (h) shall pay the amount so deducted in accordance with the time period and other requirements specified in the law, agreement court order or arbitration as the case may be. No explanation was provided for the failure by the Management to remit deductions on time to avoid penalties.

Consequently, Management was in breach of the law.

2. Non-Disclosure of Contingent Liability

The demand by National Social Security Fund (NSSF) of Kshs.732,011,937 was not disclosed in the financial statement as a contingent liability. This is contrary to paragraph 100 of IPSAS 19, which states that unless the possibility of any outflow in settlement is remote, an entity shall disclose, for each class of contingent liability at the reporting date, a brief description of the nature of the contingent liability and, where practicable an estimate of its financial effect, measured under paragraphs 44-62.

In the circumstances, the College Management was in breach of International Public Sector Accounting Standards disclosure requirements.

3. Opening of New Constituent Colleges without Approval

As previously reported, the College opened twenty-two (22) new constituent colleges during the years 2013/2014, 2014/2015, 2015/2016 and 2016/2017, contrary to Part 4.0 of Expansion and Policy Guidelines Section 1 and 3 which states that new infrastructure should only be developed after concept paper and proposal in compliant with the respective Kenya Medical Training College strategic plan are prepared and approved, and source of financing identified. These colleges were not budgeted for in the years they were established and the total expenditure of Kshs.180,997,555 incurred on the same was not included in the annual estimates for the respective years. This is contrary to Section 12 of the State Corporations Act, CAP 446 (Revised 2015) which states that no Corporation shall without the prior approval in writing of the Minister and the Treasury incur any expenditure for which provision has not been made in annual estimates.

No reason has been provided for failure to comply with the expansion Policy and the State Corporations Act, CAP 446 (Revised 2015).

4. Quality of Training

As previously reported, the Kenya Medical Training College had seventy-one (71) campuses spread across the Country with a student population of thirty-four thousand nine hundred and eighteen (34,918) and total number of lectures including principals, dean of students and head of departments of one thousand and eighty (1,080) as at 30 June, 2021. This translates to lecture student ratio of 1:32 which is below the International Standards on Quality Training of Health Workers which places the lecturer student ratio during classroom teaching 1:10 resulting to a shortfall of about two thousand four hundred and eleven (2,411) lecturers for the college to attain quality training level.

It is not clear the compliance strategies being put in place by the Management to bridge the gap between the current lecturer students' ratio and the recommended optimum ratio.

5. Project Verification Status

The statement of financial position reflects property, plant and equipment balance of Kshs.7,643,095,420 as disclosed in Note 36 to the financial statements which includes a balance of Kshs.1,327,477,917 in respect to work in progress. Included in this balance is a total amount of Kshs.189,162,482 paid for seven (7) projects which had stalled at difference levels of completion and the contractors were not on site as revealed by an audit verification done in February, 2022.

Consequently, value for money from the expenditure of Kshs.189,162,482 on the seven (7) sampled projects for the year ended 30 June, 2021 could not be confirmed.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Lack of a Fixed Assets Register

The statement of financial position reflects property, plant and equipment of Kshs.7,643,095,420 as disclosed in Note 36 to the financial statements. The College Management did not provide an asset register detailing dates of acquisition, cost of acquisition, depreciation rates, location, for parcels of land and each building the terms on which it is held, with reference to the conveyance, address, area, disposal or major change in use, capital expenditure, lease hold terms, maintenance contracts.

In the circumstances, the College Management may not be able to track the value and status of every fixed assets thus putting them at risk of loss.

2. Lack of a Rental Policy

The statement of financial performance reflects rental revenue from facilities and equipment of Kshs.31,795,911 as disclosed in Note 23 to the financial statements. However, the College did not have a rent policy to guide on rentals especially application of staff houses, selection methods, allocations and effective dates for rent deductions;

In the circumstances, the controls to ensure fair allocations and timely rent collections could not be confirmed.

3. Lack of Lease Agreement

The statement of financial position reflects receivables from exchange transactions balance of Kshs.763,891,464 as disclosed in Note 33 to the financial statements. This amount includes Kshs.75,869,440 in respect of accumulated rent arrears due from the University of Nairobi for ninety-six (96) rooms occupied by the University's medical students. However, no lease agreement between the College and the University was provided for audit verification.

In the absence of a lease agreement, the amounts to be collected, due dates and default measures could not be established.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and the Board of Directors

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 maintaining effective 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 and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the College's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the College or to cease operations.

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.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the

activities, revenue transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

The Board of Directors is responsible for overseeing the College's revenue reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and review of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the College's policies and procedures may deteriorate.

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.
- 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 applicable 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 College'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 College to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the revenue 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 College 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 communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

20 July, 2022

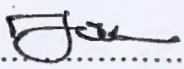
Report of the Auditor-General on of Kenya Medical Training College for the year ended 30 June, 2021

KENYA MEDICAL TRAINING COLLEGE
ANNUAL REPORTS AND FINANCIAL STATEMENTS
For the year ended June 30, 2021

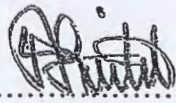
14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2021

	Notes	2020-2021	2019-2020
		Kshs	Kshs
Revenue from Non-Exchange Transactions			
Transfers from Other Government entities	21	3,444,695,000	4,065,559,152
Sub-total		3,444,695,000	4,065,559,152
Revenue From Exchange Transactions			
Tuition, Boarding and application fees	22	2,820,038,190	3,333,842,858
Rental revenue from facilities and equipment	23	31,795,911	25,838,038
Other income	24	35,770,892	40,140,792
Sub-total		2,887,604,993	3,399,821,688
Total Revenue		6,332,299,993	7,465,380,840
Expenses			
Employee costs	25	4,591,103,153	4,210,159,493
Use of Goods and Services	26	1,423,428,056	1,907,746,639
Repairs and maintenance	27	264,449,233	427,692,110
Operational expenses	28	255,100,444	340,609,304
Depreciation and amortization expense	29	430,327,519	384,801,418
Remuneration of Directors	30	26,763,996	32,197,420
Finance costs	31	6,841,073	8,484,353
Total Expenses		6,998,013,474	7,311,690,737
Surplus/Deficit for the Period		(665,713,481)	153,690,103

The Financial Statements set out on pages 46 to 74 were signed on behalf of the Board of Directors by:


.....

Dr. Kelly Oluoch
Chief Executive Officer
30th May 2022


.....

CPA Elijah Mititi
Finance Manager
ICPAK No: 23480
30th May 2022


.....

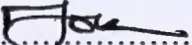
Amb. Zachary Muburi-Muita, MBS
Chairperson
30th May 2022

KENYA MEDICAL TRAINING COLLEGE
ANNUAL REPORTS AND FINANCIAL STATEMENTS
For the year ended June 30, 2021

15. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2021

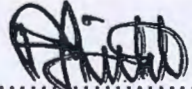
	Notes	2020-2021	2019-2020
		Kshs	Kshs
Assets			
Current Assets			
Cash and cash equivalents	32	474,872,522	536,976,120
Receivables from exchange transactions	33	763,891,464	864,601,096
Receivables from non-exchange transactions	34	387,528,843	519,812,180
Inventories	35	45,084,570	36,477,432
Total Current Assets		1,671,377,399	1,957,866,828
Non-Current Assets			
Property, plant and equipment	36	7,643,095,420	7,532,433,366
Total Assets		9,314,472,819	9,490,300,194
Current Liabilities			
Trade and other payables	37	930,601,025	440,715,106
Bank OD	38	187	
Total Liabilities		930,601,212	440,715,106
Net assets		<u>8,383,871,607</u>	<u>9,049,585,088</u>
Equity			
Capital fund	39	4,727,538,005	4,727,538,005
Accumulated fund	40	3,656,333,602	4,322,047,083
Total Equity		<u>8,383,871,607</u>	<u>9,049,585,088</u>

The Financial Statements set out on pages 46 to 74 were signed on behalf of the Board of Directors by:



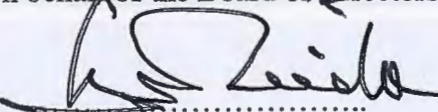
 Dr. Kelly Oluoch

Chief Executive Officer
30th May 2022



 CPA Elijah Mititi

Finance Manager
ICPAK No: 23480
30th May 2022



 Amb. Zachary Muburi-Muita, MBS

Chairperson
30th May 2022

**KENYA MEDICAL TRAINING COLLEGE
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For the year ended June 30, 2021**

16. STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30TH JUNE 2021

	Notes	2020-2021	2019-2020
CASH FLOWS FROM OPERATING ACTIVITIES			
		Kshs	Kshs
Cash generated from operations	41	478,885,788	35,224,906
Net cash flow from operating activities		478,885,788	35,224,906
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant, equipment and intangible assets	36	(540,989,573)	(1,057,987,075)
Net cash flows used in investing activities		(540,989,573)	(1,057,987,075)
CASH FLOWS FROM FINANCING ACTIVITIES		-	-
Bank OD	37	187	
Net cash flows used in financing activities		187	-
Net increase/(decrease) in cash and cash equivalents		(62,103,785)	(1,022,762,169)
Cash and cash equivalents at 1 JULY 2020		536,976,120	1,559,738,289
Cash and cash equivalents at 30 JUNE 2021		474,872,522	536,976,120

**KENYA MEDICAL TRAINING COLLEGE
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**17. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30TH
JUNE 2021**

	Capital Fund	Accumulated Funds	Total
	Kshs.	Kshs.	Kshs.
Balance as at 01.07.2019	4,727,538,005	4,168,356,980	8,895,894,985
Surplus for the year	0	153,690,103	153,690,103
Balance as at 30.06.2020	4,727,538,005	4,322,047,083	9,049,585,088
Balance as at 01.07.2020	4,727,538,005	4,322,047,083	9,049,585,088
Surplus for the year	-	(665,713,481)	(665,713,481)
Balance as at 30.06.2021	4,727,538,005	3,656,333,602	8,383,871,607

KENYA MEDICAL TRAINING COLLEGE
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**18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR
THE YEAR ENDED 30 JUNE 2021**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	%	No e
	2020-2021	2020-2021	2020-2021	2020-2021	2020-2021		
	Kshs	Kshs	Kshs	Kshs	Kshs		
Revenue from Non-Exchange Transactions							
Grants and donations	9,044,250,288	5,599,555,288	3,444,695,000	3,444,695,000	0	0	
Revenue from Exchange Transactions							
Tuition, Boarding and application fees	3,562,296,000	609,600,000	4,171,896,000	2,820,038,190	-1,351,857,810	32	a
Rental revenue from facilities and equipment	35,477,000		35,477,000	31,795,911	-3,681,089	10	b
Other income	42,627,000		42,627,000	35,770,892	-6,856,108	-16	c
	<u>3,640,400,000</u>		<u>4,250,000,000</u>	<u>2,887,604,993</u>			
Total Revenue	<u>12,684,650,288</u>	<u>5,599,555,288</u>	<u>7,694,695,000</u>	<u>6,332,299,993</u>			
Expenses							
Employee costs	10,588,817,374	6,222,579,058	4,366,238,316	4,591,103,153	-224,864,837	-5	
Use of Goods and services	2,094,218,431	152,693,570	1,941,524,861	1,423,428,056	518,096,805	27	d
Repairs and maintenance	518,036,416	46,792,767	471,243,649	264,449,233	206,794,416	44	e
Operational expenses	808,179,280	389,049,148	419,130,132	255,100,444	164,029,688	39	f
Depreciation and amortization expense	374,327,519	175,832,519	198,495,000	430,327,519	-231,832,519	-117	g
Directors remuneration	38,782,004	8,938,004	29,844,000	26,763,996	3,080,004	10	
Finance costs	6,841,073	1,121,073	5,720,000	6,841,073	-1,121,073	-20	h
Total Expenses	<u>14,429,202,097</u>	<u>6,997,006,139</u>	<u>7,432,195,958</u>	<u>6,998,013,474</u>			

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Notes

- (a) Tuition, Boarding and application fees target was under achieved due to Covid 19 outbreak which affected the second semester.
- (b) Decrease in General expenses was attributed to reduced physical activities due to closure of campuses due to Covid 19
- (c) The operational expenses under-performed by 26% due to reduced operations as result of Covid 19.
- (d) Board expenses was due to activities not undertaken due to Covid 19 outbreak.
- (e) Repairs and maintenance works slowed due to the pandemic in the year under review
- (f) Operational activities slowed due Covid 19 restrictions
- (g) Depreciation charges are based on applicable rates.
- (h) Increase in finance costs is attributable charges arising from increased Bank transactions and going paperless in bank transactions.

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**19. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE 2021**

i. General information

Kenya Medical Training College is established by and derives its authority and accountability from Kenya Medical Training College Act, (Cap 261) of the laws of Kenya as amended by Act No.5 of 2019. The college is wholly owned by the Government of Kenya and is domiciled in Kenya. The college's principal activity is Training and research.

ii. Statement of Compliance and Basis of Preparation

The college's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the college and all values are rounded to the nearest shillings. 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.

The financial statements have been prepared in accordance with PFM Act, State Corporations Act KMTCC Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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ADOPTION OF NEW AND REVISED STANDARDS

Standard	Impact
<p>Other Improvements to IPSAS</p>	<p>Applicable: 1st January 2021:</p> <p>a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks.</p> <p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.</p> <p><i>The improvements do not have an impact in the college activities</i></p>

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New and amended standards and interpretations in issue but not yet effective in the year ended 30th June 2021

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting financial assets and liabilities that will present relevant and useful information users of financial statements for their assessment of the amounts, timing a uncertainty of an college's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information th IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial asse that considers the characteristics of the asset's cash flows and the objective f which the asset is held; • Applying a single forward-looking expected credit loss model that is applicat to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedgin arrangements in scope of the guidance. The model develops a strong li between an college's risk management strategies and the accounting treatme for instruments held as part of the risk management strategy. <p><i>The college does not deal with financial instruments hence the standard will n impact operations</i></p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithf representativeness and comparability of the information that a reporting enti provides in its financial statements about social benefits. The information provide should help users of the financial statements and general purpose financial repor assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and

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Standard	Effective date and impact:
	<p>(c) The impact of such social benefits provided on the college's financial performance, financial position and cash flows.</p> <p><i>The college does not provide social benefits hence this will not impact the activities.</i></p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p><i>This will not impact college activities</i></p>

Early adoption of standards

The College did not early – adopt any new or amended standards in year 2020/2021.

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20. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1) Revenue Recognition

i) Revenue from Non – Exchange Transactions

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 college and can be measured reliably.

ii) Revenue from Exchange Transactions

a) Rendering of Services

The college 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 labor hours incurred to date as a percentage of total estimated labor hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

b) 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 college.

c) 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.

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d) Rental Income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

2) Budget Information

The original budget for FY2021/2021 was approved by the National Assembly on Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of Kshs 553 Million on the 2019/2020 budget following the governing body's approval.

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 college. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or college 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.

3) Property, Plant and Equipment

- (i) 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 college 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 the Surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

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(ii) Basis of Depreciation: Non-current assets are fully depreciated in the year of disposal and no depreciation is provided for in the year of acquisition using the straight line basis at annual rates estimated to write off the asset over useful lives. The following annual depreciation rates in use are:-

	<u>Percentage (%)</u>
1. Land	Nil
2. Buildings	2.5
3. Work in Progress	Nil
4. Motor Vehicles	25
5. Plant, Office and Other Equipment	12.5
6. Furniture and Fittings	12.5
7. Computers and Accessories	30

4) 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. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

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

5) Financial Instruments

a) Financial Assets

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 College determines the classification of its financial assets at initial recognition.

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b) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

c) Impairment of Financial Assets

The College assesses at each reporting date whether there is objective evidence that a financial asset is impaired. A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the college of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or a college of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

6) 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 College 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.

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7) Loans and Borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

IPSAS 29.65

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

8) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the College.

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9) Nature and Purpose of Reserves

The College creates and maintains reserves in terms of specific requirements. College to state the reserves maintained and appropriate policies adopted.

10) Changes in Accounting Policies and Estimates

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

11) Employee Benefits

Retirement Benefit Plans

The College provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which a college pays fixed contributions into a separate college (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

12) Related Parties

The College regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the College, or vice versa. Kenya Medical Training College is related to The National government, The Ministry of Health, Key management personnel and the Board of management. The board of management consists of 9 members who are responsible for strategic direction and operational management of KMTC and is entrusted with significant authority to execute KMTC's mandate.

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Related party transactions

Ministry of health	2021	2020
Transfers from Ministry of Health	3,444,695,000	4,065,559,152
Transfers to Ministry of Health	Nil	Nil

Compensation to key Management	2021	2020
Directors Emoluments	13,855,688	14,855,533
Key management staff	34,138,569	40,840,804

Due from related parties

Due from Ministry of Health	19,812,180	19,812,180
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13) 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 various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

14) Comparative Figures

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

15) Significant Judgments and Sources of Estimation Uncertainty

The preparation of the College'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. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

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16) Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The College based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the College. Such changes are reflected in the assumptions when they occur.

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 College
- 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

17) 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, 2020

18) Taxation

The statement of financial performance for the year ended June 30, 2020 does not include a taxation charge since the institution is exempted from corporation tax.

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19) Financial Risk Management

The College's activities expose it to a variety of financial risks including credit and liquidity risks. The College does not deal with foreign currency and thus has no effects of changes in foreign currency. The college's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The company does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The college's financial risk management objectives and policies are detailed below:

(i) Credit risk

The college has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from trade and other receivables.

Management controls credit risk through a strict fee collection policy that endeavours to ensure revenue is collected in full. Management assesses the credit quality of each customer, mostly sponsors, taking into account its financial position, past experience and other factors.

Individual risk limits are set based on internal or external assessment in accordance with limits set by the board of directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the college's management based on prior experience and their assessment of the current economic environment.

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The carrying amount of financial assets recorded in the financial statements representing the college's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30TH JUNE 2021				
Receivables from exchange transactions	763,478,141	763,478,141	Nil	Nil
Receivables from non-exchange transactions	387,528,843	367,716,663	19,812,180	Nil
Total				
At 30 June 2019				
Receivables from exchange transactions	<u>864,601,096</u>	<u>864,601,096</u>	Nil	Nil
Receivables from non-exchange transactions	519,812,180	500,000,000	19,812,180	Nil
Total	1,384,413,276	1,364,601,096	19,812,180	

Credit risk (Continued)

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The entity has significant concentration of credit risk on amounts due from outstanding tuition fees.

The board of directors sets the college's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

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(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the college's board of directors, who have built an appropriate liquidity risk management framework for the management of the college's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

20) Contingent Liabilities

The college 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. The following are considered as contingent liabilities.

<p>Wathanagu Holdings Ltd -Vs- The Hon. Attorney General & 4 Others</p>	<p>Plaintiff states that the defendants have been interfering with its rights of ownership and occupation of its property LR No. 209/12109 and prays that the court makes a declaration that the defendants are jointly and severally liable to compensate them by way of damages for the loss of user and other infringement of its rights and privileges amounting to Kshs.1, 652,087,004 and the costs of the suit. Our legal team is pursuing the matter towards speedy conclusion.</p>
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Note 21:

Revenue from Non Exchange Transactions

Grants and Donations

	2021	2020
	(Kshs.)	(Kshs.)
Government of Kenya grants	3,444,695,000	4,065,559,152
TOTAL	3,444,695,000	4,065,559,152

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Note 22:

Revenue from Exchange transactions

	2021	2020
	(Kshs.)	(Kshs.)
Tuition and Boarding fees	2,755,303,992	3,273,632,763
Application fees	64,734,198	60,210,095
TOTAL	2,820,038,190	3,333,842,858

Note 23:

Rental Revenue from Facilities and Equipment

	2021	2020
	(Kshs.)	(Kshs.)
Staff Houses	31,795,911	25,838,038
TOTAL	31,795,911	25,838,038

Note 24:

Other Income

	2021	2020
	(Kshs.)	(Kshs.)
Sale of Tender documents	551,600	5,000
Sale of Capital Goods	6,900	-
Sale of Non-Capital goods	170,783	33,032
Miscellaneous income	35,041,609	40,102,760
TOTAL	35,770,892	40,140,792

Note 25:

Employee Costs

	2021	2020
	(Kshs.)	(Kshs.)
Salaries and wages	1,934,019,912	1,849,447,343
Contributions to pensions	385,099,676	284,754,013
House allowances	614,848,154	438,746,959
Medical insurance	492,308,006	490,534,059
Commuter and other allowances	552,114,442	594,698,489
Health workers extraneous allowances	612,712,963	551,978,629
TOTAL	4,591,103,153	4,210,159,492

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Note 26

Use of goods and services

	2021	2020
	(Kshs.)	(Kshs.)
Travelling and accommodation – local	425,923,914	594,636,451
Travelling and accommodation – external	-	4,796,487
Purchase of uniforms and clothing	8,576,116	19,466,586
Personal Protective Equipment	36,792,228	
Fees and commissions	119,141,205	214,879,090
Staff training expenses	62,598,681	88,313,951
Postal and telegrams	10,047,898	13,743,988
Telephone	23,566,710	27,244,624
Electricity	52,787,406	66,082,873
Water and conservancy	23,171,074	35,515,508
Stationery	50,464,727	151,391,816
Rent and rates	2,354,200	3,979,138
Contracted professional services	268,570,716	234,069,432
Insurance of property	170,308,455	184,325,602
Internet Expenses	50,200,748	39,415,826
Advertising, printing and publicity	32,588,402	92,728,500
Official entertainment	42,600,105	44,572,524
Computer expenses	48,470,544	39,465,103
Audit Fee	3,480,000	3,480,000
Corporate Social Responsibility	3,868,059	
Increase/Decrease in provision for bad debts	- 12,083,130	49,639,140
TOTAL	1,423,428,056	1,907,746,639

Note 27:

Repairs and Maintenance

	2021	2020
	(Kshs.)	(Kshs.)
Maintenance of plant and machinery	22,872,796	22,028,196
Maintenance of buildings and stations	241,576,437	405,663,914
TOTAL	264,449,233	427,692,110

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Note 28:

Operational costs

	2020	2019
	(Kshs.)	(Kshs.)
Transport operating	51,902,863	55,737,431
Food and rations	6,599,962	30,731,323
Library expenses	44,084,308	40,151,149
Cleansing materials	43,020,734	15,055,289
Teaching materials	58,998,360	79,907,881
Student activity and sports	10,728,099	38,735,852
Student Allowance	29,341,786	58,214,500
Fuel, gas and firewood	990,312	2,622,593
Insecticides and pesticides	6,262,185	10,096,198
Drugs and dressings	3,171,835	9,357,088
TOTAL	255,100,444	340,609,304

Note 29

Depreciation and Amortization Expenses

	2020	2019
	(Kshs.)	(Kshs.)
Depreciation Expenses	430,327,519	384,801,418
TOTAL	430,327,519	384,801,418

Note 30

Remuneration of Directors

	2021	2020
	(Kshs.)	(Kshs.)
Sitting allowances	12,320,000	12,156,000
Honoraria(Chairman)	919,300	1,044,000
Lunch allowances	528,000	788,000
Mileage	2,506,096	3,584,470
Travelling and accommodation (local	9,755,200	13,959,400
Medical insurance	735,400	665,550
TOTAL	26,763,996	32,197,420

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Note 31:

Finance Costs

	2021	2020
	(Kshs.)	(Kshs.)
Bank charges	6,841,073	8,484,353
TOTAL	6,841,073	8,484,353

Note 32:

(i) Cash and Cash Equivalents

	2021	2020
	(Kshs.)	(Kshs.)
Cash at Hand	412,045	706,598
Cash at Bank	439,300,941	536,060,228
Pay bill	35,159,535	209,294
TOTAL	474,872,522	536,976,120

(ii) Detailed cash and cash equivalents			
		2021	2020
Current accounts	Account numbers	kshs	kshs
National bank of Kenya	Various	246,222,897	286,473,902
Kenya commercial bank	Various	189,220,256	245,414,114
Cooperative bank of Kenya	Various	3,857,789	4,172,212
Others		0	
Cash in hand	Various	412,045	706,598
Safaricom Pay bill	964150	35,159,535	209,294
Total		474,872,522	536,976,120

Note 33:

Receivables from Exchange Transactions

	2021	2020
	(Kshs.)	(Kshs.)
Trade receivables (outstanding fee balances)	747,317,581	873,727,770
Rent receivable	82,256,666	76,677,780
Temporary imprests	3,004,935	7,983,200
Salary advances	997,154	926,229
Prepayments	13,272,553	326,673
Provision for bad debts	(82,957,425)	(95,040,555)
Total	763,891,464	864,601,096

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Note 34:

**Receivables from Non-Exchange
Transactions**

	2021	2020
	(Kshs.)	(Kshs.)
Government of Kenya grant	367,716,663	500,000,000
Ministry of Health	19,812,180	19,812,180
Total	387,528,843	519,812,180

Note 35:

Inventory

	2021	2020
	(Kshs.)	(Kshs.)
Stationery and related items	23,643,635	22,940,939
Electrical items	3,556,010	2,178,718
Maintenance items	2,425,849	1,408,282
Other consumables	15,459,076	9,949,492
Total	45,084,570	36,477,432

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Note 36

PROPERTY, PLANT AND EQUIPMENT								
	Land	Buildings	Work in Progress	Motor Vehicles	Plant, Office and Other Equipment	Furniture and Fittings	Computers and Accessories	Totals
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
COST								
Balance b/f (01.07.2019)	1,165,920,000	3,916,630,664	681,856,286	427,419,945	2,740,575,647	559,462,741	644,423,631	10,136,288,914
Transfer TO/(FROM)	-	-	-	-	-	-	-	-
Additions during the year	-	-	463,142,437	136,714,000	287,172,548	104,139,142	66,818,949	1,057,987,075
Balance ns at 30.06.2020	1,165,920,000	3,916,630,664	1,144,998,723	564,133,945	3,027,748,195	663,601,883	711,242,580	11,194,275,989
DEPRECIATION:								
Balance as at 01.07.2019	-	902,078,208	-	283,648,443	1,460,299,533	225,741,666	405,273,355	3,277,041,205
Charge for the year	-	75,363,812	-	35,942,875	160,034,514	41,715,134	71,745,083	384,801,418
As at 30.06.2020	-	977,442,020	-	319,591,318	1,620,334,047	267,456,800	477,018,438	3,661,842,623
Net Book Value (as at 30.06.2020)	1,165,920,000	2,939,188,644	1,144,998,723	244,542,627	1,407,414,148	396,145,083	234,224,142	7,532,433,366
COST:								
Balance b/f (01.07.2020)	1,165,920,000	3,916,630,664	1,144,998,723	564,133,945	3,027,748,195	663,601,883	711,242,580	11,194,275,989
Transfer TO/FROM	-	91,549,541	- 91,549,541	-	-	-	-	-
Additions during the year	-	-	274,028,735	35,380,749	117,678,820	64,800,031	49,101,238	540,989,573
Balance as at 30.06.2021	1,165,920,000	4,008,180,205	1,327,477,917	599,514,694	3,145,427,015	728,401,914	760,343,818	11,735,265,562
DEPRECIATION:								
Balance as at 01.07.2020	-	977,442,020	-	319,591,318	1,620,334,047	267,456,800	477,018,438	3,661,842,623
Charge for the year	-	73,479,716	-	61,135,657	175,926,768	49,518,135	70,267,243	430,327,519
As at 30.06.2021	-	1,050,921,736	-	380,726,975	1,796,260,816	316,974,935	547,285,681	4,092,170,142
Net Book Value (as at 30.06.2021)	1,165,920,000	2,957,258,469	1,327,477,917	218,787,719	1,349,166,200	411,426,979	213,058,137	7,643,095,420

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Note 37:

Bank Over Draft

	2021	2020
	(Kshs.)	(Kshs.)
Nyandarua Accommodation	187	-
Total	187	-

Note 38

Payables

	2021	2020
	(Kshs.)	(Kshs.)
Trade and other Payables from Exchange Transactions	930,601,025	440,715,106
Total	930,601,025	440,715,106

Note 39:

Capital Fund

	2021	2020
	(Kshs.)	(Kshs.)
GOK Capital investment	4,727,538,005	4,727,538,005

Note 40:

Accumulated Fund

	2021	2020
	(Kshs.)	(Kshs.)
Balance at start of the year	4,322,047,083	4,168,356,980
Surplus for the year	-665,713,481	153,690,103
Balance at end of year	3,656,333,602	4,322,047,083

Note 41

Cash flow from operating activities

	2021	2020
	(Kshs.)	(Kshs.)
Surplus for the year before tax	(665,713,481)	153,690,103
Adjusted for:		
Depreciation expense	430,327,519	384,801,418
Working capital adjustments:		
Decrease (Increase) in inventory	(8,607,138)	(4,168,285)
Decrease(Increase)in receivables	232,992,969	(143,164,851)
Increase (Decrease)in payables	489,885,919	(355,933,479)
Net cash flows from operating activities	478,885,788	35,224,906

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Note 42.

Events after the Reporting Period

There were no material adjusting and Non-adjusting events after the reporting period.

Note 43.

Ultimate and Holding Entity

The college is a state corporation under the Ministry of Health. Its ultimate parent is the Government of Kenya.

Note 44.

Currency

The financial statements are presented in Kenya shillings (Kshs).

Note 45.

County governments have seconded one hundred and ten (110) employees to twenty-seven campuses

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APPENDIX I: INTER-ENTITY TRANSFERS

BREAK DOWN OF TRANSFERS			
FY 2020/2021			
A	Recurrent Grants		
	Ministry Of Health	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>
			<u>Financial year it relates</u>
		25.08.2020	262,416,667.00
		04.09.2020	262,416,667.00
		02.10.2020	262,416,667.00
		03.12.2020	262,416,667.00
		30.12.2020	262,416,667.00
		06.01.2021	262,416,667.00
		09.02.2021	262,416,667.00
		10.03.2021	262,416,667.00
		11.03.2021	31,500,000.00
		09.04.2021	262,416,667.00
		07.05.2021	10,500,000.00
		17.05.2021	262,416,667.00
		23.06.2021	262,416,667.00
		05.07.2021	62,416,663.00
		06.07.2021	13,300,000.00
		Total	3,004,300,000.00
B	Development Grants		
	Ministry Of Health	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>
			<u>FY it relates to</u>
		30.09.2020	190,395,000.00
		06.07.2021	190,915,000.00
		06.07.2021	101,085,000.00
		Total	482,395,000.00
C	Direct Payments		
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>
			<u>FY it relates to</u>
		NIL	NIL
		Total	NIL
d.	Donor Receipts		
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>
			<u>FY it relates to</u>
		NIL	NIL
		Total	NIL

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APPENDIX II: 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	Status	Time
1.1	Receivables from exchange and non-exchange transactions include brought forward amounts of Kshs.19,812,181 & 21,831,115 from Kenya National Hospital and Ministry of Health respectively and which although recommended for write off by the Board were not expunged from the books of account because approval had not been obtained from the parent ministry	The issue has been presented to the Public Investment Committee and in progress to being finalized	Chief Executive Officer-KMTC	Ongoing	Ongoing
1.2	No lease agreement between Kenya Medical Training College & Nairobi University to enable verification of receivables amount of Kshs.61,853,440 from Nairobi University	The issue has been presented to the Public Investment Committee. The college and University of Nairobi are currently having the matter arbitrated by Attorney General	Chief Executive Officer-KMTC	Ongoing	Ongoing
2.	Title documents of 22 parcels of land which form part of the Property Plant and Equipment valued at Kshs.502,485,000 have not been availed for audit review	The college has appointed regional surveyors to sort out the valuation and title deed issue	Chief Executive Officer-KMTC	Ongoing	Ongoing

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status	Timeframe
3.	The college opened new constituent campuses contrary to part 4.0 of expansion and policy guidelines section 1 and 3	The issue has been handled by the Board of Directors.	Board of Directors- KMTC	Currently the college has Expansion policy	Ongoing



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Dr. Kelly Oluoch
Chief Executive Officer

