

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

KENYA MEDICAL TRAINING COLLEGE

**FOR THE YEAR ENDED
30 JUNE, 2023**

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 ENDED

30TH JUNE 2023

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

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KENYA MEDICAL TRAINING COLLEGE

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1. ACRONYMS, ABBREVIATIONS AND GLOSSARY OF TERMS

A: Acronyms and Abbreviations

CEO	Chief Executive Officer
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management

B: Glossary of Terms

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resources of the organization

Comparative Year- Means the prior period.

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2. 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 the Health Laws (Amendment) 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.

(b) Principal activities

The Principal Activities of KMTC as stipulated in the Act of Parliament Cap 261 of the Laws of Kenya 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.

Mandate

The key 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.

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Vision Statement

Vision

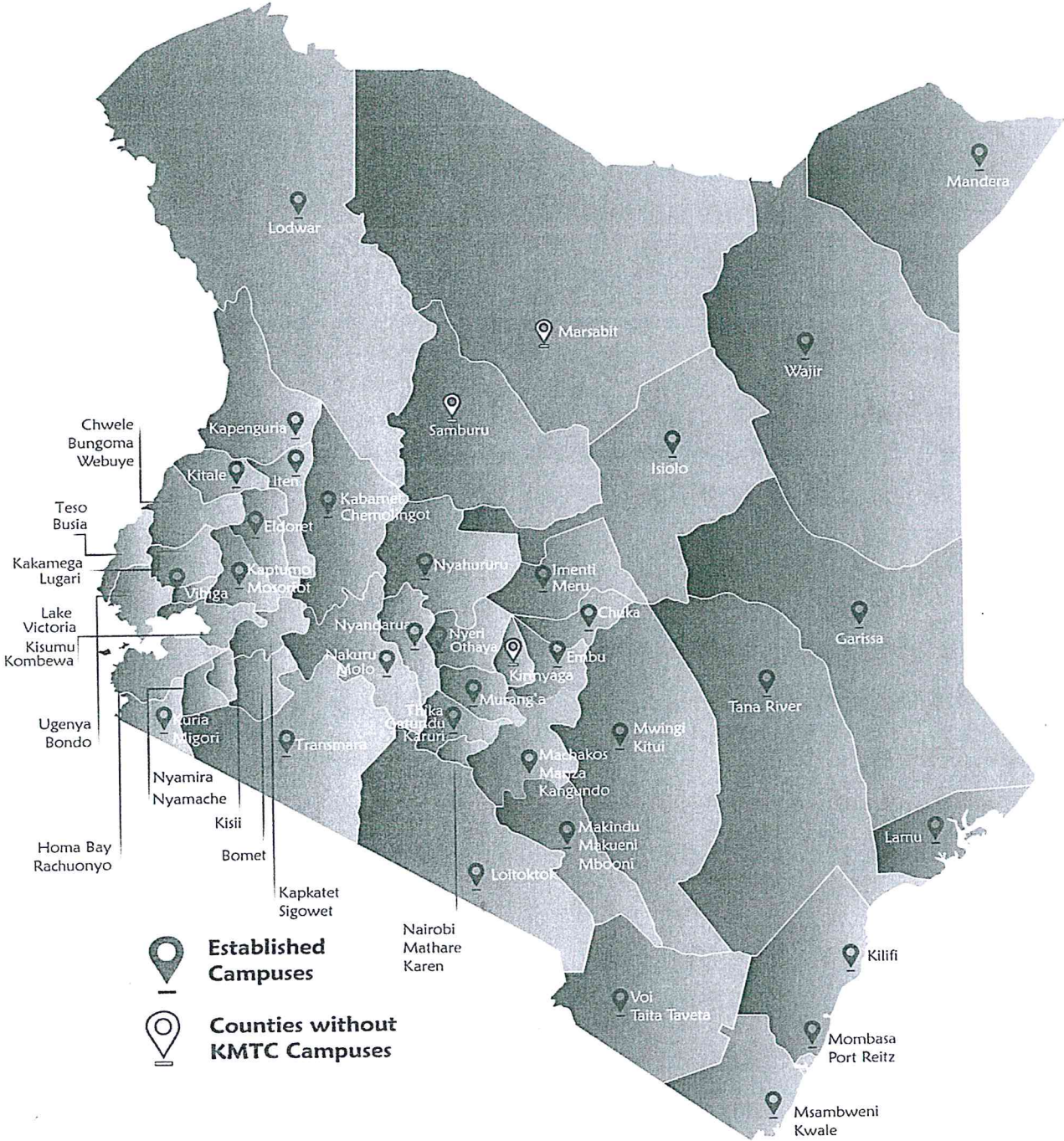
A globally competitive institution for training human resource for health

Mission Statement

To develop fit-for-purpose middle-level health professionals through transformative training, research, and consultancy

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KMTC CAMPUSES (BRANCHES)



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FACULTIES

1. Rehabilitative Sciences
2. Public Health Sciences
3. Diagnostic Sciences
4. Information Technology and Medical Education
5. Pharmaceutical Sciences
6. Nursing
7. Clinical Sciences

KMTC Departments

1. Clinical Medicine and Surgery (Diploma and Higher Diploma)
2. Community Oral Health (Diploma)
3. Dental Technology (Diploma)
4. Health Records and Information Technology (Certificate and Diploma)
5. Health Promotion (Certificate, Diploma and Higher Diploma)
6. Medical Education (Higher Diploma)
7. Medical Engineering (Certificate, Diploma and Higher Diploma)
8. Medical Imaging Sciences (Diploma and Higher Diploma)
9. Medical Laboratory Sciences (Diploma and Higher Diploma)
10. Nursing (Certificate, Diploma and Higher Diploma)
11. Nutrition and Dietetics (Certificate and Diploma)
12. Occupational Therapy (Diploma and Higher Diploma)
13. Optometry (Diploma and Higher Diploma)
14. Orthopaedic Technology (Diploma and Higher Diploma)
15. Orthopedic and Trauma Medicine (Certificate and Diploma)
16. Pharmacy (Diploma and Higher Diploma)
17. Physiotherapy (Diploma and Higher Diploma)
18. Public Health (Certificate, Diploma and Higher Diploma)

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(c) Key Management

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

- Board of Directors
- Finance and Development Committee
- Project Implementation Committee
- Academic council
- Management team
- Staff

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	Chief Executive Officer	Dr. Kelly Oluoch
2.	Ag. Corporation Secretary/Legal Services Manager	Ms. Virginia Nzioka
3.	Ag. Deputy Director (F, P&A)/ICT Manager	Dr. Kenneth Riany
4.	Deputy Director(A)	Dr. Nyawira Mwangi
5.	Finance Manager	CPA Elijah Mititi
6.	Supply Chain Manager	Mr. John Mwangi
7.	Ag. Human Resources Manager	Ms. Lilian Kemboi
8.	Administration Manager	Mr. David Ondeng
9.	Corporate Communications Manager	Ms. Onsomu Marcellah

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e) 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 advice on areas of improvement.

Finance, Planning and Development Committee of the Board

The committee is mandated overall College planning and Financial strategy to aimed at ensuring the colleges applies the resources are optimally applied.

Public Investment Committee of parliament

The committee ensures effectiveness and efficiency in use of public resources. It also examines reports of Auditor-General and examine whether the affairs of public investments are managed in accordance with sound business Practices.

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.

(f) Entity Headquarters

Kenya Medical Training College

Off – Ngong Road

P. O. Box 30195

Nairobi

Kenya

(g) Contacts

Website: <http://www.kmtc.ac.ke>

Email: info@kmtc.ac.ke

Admissions Office: admissions@kmtc.ac.ke

Complaints & Compliments:

complaints@kmtc.ac.ke

Tel: 020-2725711/2/3/4

0770999657/0737-352543/0706-541869

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(h) 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

(i) Independent Auditor

Auditor General

Office of auditor General

Anniversary Towers

P.O Box 30084-00100

Nairobi, Kenya

(J) Principal Legal Adviser

The Attorney General

State Law Office



Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya


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3. BOARD OF DIRECTORS PROFILES

PHOTO	NAME AND DATE OF BIRTH (D.o.B)	PROFILE
	<p>Amb. Zachary Muburi-Muita, MBS (D.o.B 6.6.1959)</p> <p>Date of Appointment: 04.10.2021</p> <p>Date of Expiry:18.08.2023</p>	<p>Ambassador Zachary Muburi-Muita was appointed to Chair the KMTC board of Directors on October 4, 2021. He has vast experience as a diplomat that spans decades and until recently, he was the Executive secretary to the Internal Conference of the Great Lakes region in Bujumbura Burundi. He is a graduate of Diplomacy, International trade and finance, International law from Oxford University and a post graduate diploma in Afro-Asian political studies from the University of Khartoum, Sudan with a Bachelors degree of Arts in Economics from the UON respectively. He brings on board a wealth of experience in various public and civil roles. He was awarded the Moran of the Burning Spear by H.E Mwai Kibaki in 2011.</p>
	<p>Dr. Naomi Kathure Mutea (D.o.B 4.03.1957)</p> <p>Date of Appointment: 14.10.2021</p>	<p>Dr. Naomi Kathure Mutea was appointed to the KMTC Board of directors on October 4, 2021 to represent public interest as a non-executive member. She is a member of the Academics/Training Standards and Ethics Committee and Chairs the Audit Committee of the Board. She has over 30 years' experience in the field of Healthcare. She holds a Doctor of Philosophy (D Phil) in Medicine from the Moi University School of Medicine, Masters of Science in Nursing from the University of Botswana and a Bachelor</p>



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	<p>Date of Expiry:</p> <p>18.08.2023</p>	<p>of Science in Nursing from University of Eastern Africa Baraton.</p> <p>She has also acquired various Professionals Certificates in her field of expertise and has tutored in many institutions. She is the current Programme Leader for the BScN programme and teaches various courses in the BScN programme and School of Health Sciences at Meru University of Science and Technology.</p> <p>She also sits in various boards. Dr. Mutea is a member of the Association of American Society in Clinical Oncology, National Nurses Association of Kenya, Association of African Women in Research and Development and International Council on Women’s Health issues among others.</p>
	<p>Ms. Jeniffer Bosibori Kibagendi</p> <p>(D.o.B 10.09.1962)</p> <p>Date of Appointment:</p> <p>14.10.2021</p> <p>Date of Expiry:</p> <p>18.08.2023</p>	<p>Ms. Jennifer Bosibori Kibagendi was appointed to the KMTC Board of directors on October 2, 2021 to represent public interest as a non-executive member. She is a member of the Audit Committee and chairs the Academics/Training Standards and Ethics Committee of the Board. She is a dynamic Human Resource Management professional with over 12 years of experience in the field. She holds a Masters in human Resource Management from the University of Strathclyde and a Bachelor of Arts in Community development and English Literature from UON. Mrs. Jennifer is an associate member of Chartered Institute of Personnel Development and has also sat on various boards in the professional and social field, notably Metropol Corporation BBC and the Scottish Mission of the SDA. Ms. Kibagendi is a non-executive member of the Board.</p>



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	<p>Mr. Fredrick Wamwaki, (D.o.B 27.12.1959)</p> <p>Date of Appointment: 10.06.2022</p> <p>Date of Expiry: 18.08.2023</p>	<p>Mr. Fredrick Wamwaki was first appointed to the Kenya Medical Training College Board of Directors on 10th June, 2022 to represent public interest as a non-executive member. He Chairs the Finance, Planning and Development committee of the Board. 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 28 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>
	<p>Dr. Stephen Ochiel, MBS (D.o.B 7.01.1949)</p> <p>Date of Appointment: 14.10.2021</p> <p>Date of Expiry: 18.08.2023</p>	<p>Dr. Stephen Ochiel, MBS was appointed to the KMTC Board of directors October 4, 2021 to represent public interest as a non-executive member. He is a member of the Finance, Planning and Development Committee and chairs the Human Resource Committee of the Board. He holds a Masters of Medicine degree in Obstetrics and Gynaecology from UON and a Bachelor of Medicine and surgery from the same institution. He is an accomplished doctor, lecturer and has sat in several boards over the years notably the Nairobi health Management board, Tobacco Control Board amongst others. His experience in the field spans over three decades and he has presented both published and unpublished Academia. He is a recipient of many awards over the years from various institutions and was conferred the Moran of the Order of Burning Spear by the President in recognition of his outstanding and distinguished services.</p>


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	<p>Mr. Benson Giuthua (D.o.B 30.12.1962)</p> <p>Date of Appointment: 06.03.2023</p>	<p>Mr. Benson Giuthua represents the Principal Secretary National Treasury in the Kenya Medical Training College Board of Directors having been appointed on 6th March, 2023. He is a member of the Finance, Planning & Development and Audit Committees of the Board. He holds a Masters Degree in Human Resource Planning & Development from Indraprastha University. He is a member of the Institute of Human Resource Management and has over 20 years of experience in human resource planning, management, consultancy and corporate governance.</p>
	<p>Dr. Andrew Mulwa</p> <p>(D.o.B 22.11.1983)</p> <p>Date of Appointment: 8.12.2021</p>	<p>Dr. Andrew Mulwa was appointed to the KMTC Board of Directors on 8th December, 2021 to represent the Principal Secretary Ministry of Health. He is a member of the Audit and Human Resource Committees. He is a medical doctor by profession with over 14 years' experience in public health service and management. He holds a Master of Science in Strategic Management from the Jomo Kenyatta University of Agriculture and Technology, and a Bachelor of Medicine and Bachelor of Surgery (MBChB) from the University of Nairobi. He currently serves as the Director Medical Services, Preventive and Promotive Health at the Ministry of Health. Dr. Mulwa is a member of the Kenya Medical Practitioners, Dentists and Pharmacists Board (KMDPB) and is the current Chairperson of the County Executives for Health Forum in addition to being a member of several intergovernmental and donor/partner technical working groups.</p>

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	<p>Dr. Martin Sirengo (D.o.B 27.07.1972)</p> <p>Date of Appointment: 05.02.2020</p>	<p>Dr. Martin Sirengo was appointed to the KMTC Board of Directors on 5th February, 2020 to represent the Director General Ministry of Health. He is a member of the Human Resource and Academic, Training, Standards and Ethics Committees.</p> <p>He is a Reproductive Health and Program Management Specialist, Public Health Practitioner and a Policy adviser with over 22 years of professional experience. He holds a Master of Medicine (MMed), Obstetrics and Gynaecology from the University of Nairobi.</p> <p>He currently serves as Head, Directorate of Health Sector Coordination, Intergovernmental Relations and International Health, at the Ministry of Health. Dr. Sirengo is a member of the Kenya Medical Practitioners, and Dentists Council (KMDC), Kenya Obstetrical and Gynecological Society (KOGS) and Kenya Medical Association (KMA).</p>
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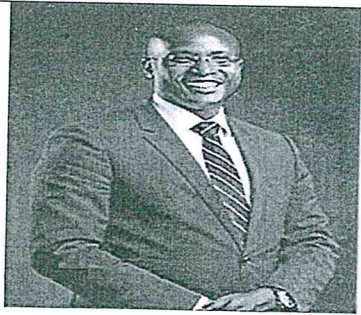



	<p>Dr. Jack Kelly Oluoch (D.o.B 22.02.83)</p> <p>Date of Appointment: 19.05.2022</p> <p>Date of Expiry: 18.05.2027</p>	<p>Dr. Jack Kelly Oluoch was appointed as the Chief Executive Officer of the Kenya Medical Training College by the Board of Directors on 19th May, 2022. Dr. Oluoch holds a Doctorate in Business Administration, Strategic Management option from the University of Nairobi and in Biotechnology, Innovation and Regulatory Pharmacy from Purdue University; a Master of Science (MSc) in Biotechnology, Innovation and Regulatory Pharmacy from Purdue University. Others include, a Master of Business Administration from the University of Nairobi; a Diploma in Industrial Pharmacy and Drug Discovery from Purdue (USA) and Howard University (USA); a Post Graduate Diploma in Medical Education and a Bachelor Degree in Pharmacy from Dr. MGR Medical University. He has conducted and completed several research projects and is currently engaged in many others. He has also authored and co-authored several peer-reviewed publications.</p>
	<p>Cs. Virginia Nzioka (D.o.B. 01.05.1979)</p>	<p>Cs. Virginia Nzioka is the Acting Corporation Secretary/Legal Services Manager appointed on 1st August, 2022, having first been appointed the Deputy Legal Services Manager in August, 2020. She previously worked as Corporation Secretary and Head of Legal Services with both the Agricultural Development Corporation and the Water Sector Trust Fund. Cs. Nzioka is a Certified Secretary and Governance Auditor with a broad practice and experience in corporate governance matters. She holds a post graduate Diploma from the Kenya School of Law. She is a member of both the ICPSK and the Law Society of Kenya,</p>

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4. MANAGEMENT TEAM

NAME	PHOTO	PROFESSIONAL/ACADEMIC QUALIFICATIONS	MAIN AREAS OF RESPONSIBILITY
Dr. Jack Kelly Oluoch		PhD – Business Administration (Strategic Management)	Chief Executive Officer
Dr. Kenneth Riany		PhD - Business Administration (Strategic Management)	Ag. Deputy Finance, Planning and Administration / Information and Communication Technology (ICT) Manager
Dr. Nyawira Mwangi		PhD - Medicine	Deputy Director Academics
Dr. Lucy Waweru		PhD - Nursing Education	Registrar Academics

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<p>Dr Silas Njeru</p>		<p>PhD-Supply Chain Management</p>	<p>Supply Chain Manager</p>
<p>Ms. Lilian Kemboi</p>		<p>Masters - Business Administration (MBA) - HR</p>	<p>Ag. Human Resource Manager</p>
<p>Mr. David O. Ondeng</p>		<p>Masters - Business Administration</p>	<p>Administration Manager</p>
<p>Ms Virginia Nzioka</p>		<p>Bachelors -LLB</p>	<p>Ag. Corporation Secretary/Legal Services Manager</p>

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<p>CPA Elijah Mititi</p>		<p>Masters - Business Administration (MBA) – Finance CPA (K)</p>	<p>Finance Manager</p>
<p>Ms. Onsomu Marcellah</p>		<p>Master of Arts in Communication Studies</p>	<p>Corporate Communications Manager</p>
<p>Ms. Callen Nyabuto</p>		<p>Bachelor of Commerce (BCoM)</p>	<p>Chief Internal Auditor</p>

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5. CHAIRPERSON'S STATEMENT

The KMTC Board reviewed Strategic Plan which presented an opportunity to realign our focus with the Government's agenda on health. This far, the College has reviewed and developed a number of policies to address emerging issues in the health sector as well as strengthen the performance of our mandate. At the same time, the Board has initiated proposals to review the College's Human Resource instruments so to enhance staff welfare, career advancement, succession planning and talent development. All this was aimed at aligning the Government's goal of strengthening health systems and the College's key role of training a professional health workforce. It is commendable that this is happening when the College is marking 95 years of its existence, since establishment way back in 1927.

As we reflect on how far KMTC has come and the impact it has had in this, I am reminded of the College's vast geographical spread which has enabled us create additional health training opportunities for the Kenyan citizens and transformed the social economic well-being of many local communities. In this regard, the College has some 72 campuses spread across 44 of the 47 counties. To demonstrate that the College is indeed the preferred health training institution nationally, on a yearly basis, we receive over 30,000 applications for 22,000 available places and continue to train students admitted to universities but who choose to pursue KMTC programs instead.

During clinical placement and community engagement, the over 50,000 students in session in the College at any given time, work closely with the rural and urban populations, therefore, improving the health delivery in the country. The College's role as a leader in the middle-level medical training has never been as crucial. In recent months, we have taken up our leadership role in producing Human Resources for Health, by churning out high-quality graduates to serve local and international markets.

KMTC supplies over 85% of the middle level health professionals for the Kenyan health sector. Our quest to continually supply a quality global health workforce recently received a boost after certification by the Kenya National Qualification Authority (KNQA) equated the College's Higher National Diploma (HND) to a bachelor's degree.

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I want to take this opportunity to thank the Ministry of Health for leading the negotiations with the National Treasury to ensure the fund's sustainability.

It is the Board's resolve and determination to continue providing prudent strategic leadership towards extensively mobilizing and efficiently utilizing resources to meet the College's principle objectives. This is in addition to operationalizing a number of facilities in order to increase training and employment opportunities and possibilities for Kenyan citizens. I sincerely thank H.E Dr. William Samoei Ruto, President of the Republic of Kenya for steering the nation towards ensuring inclusivity and equality for all, for being at the forefront of driving the socio-economic development blueprint, and focusing on quality health service delivery.

I am confident that the future holds limitless opportunities for KMTC, and the College will continue to make a lasting change in the healthcare landscape.



Joseah Kiplangat Cheruiyot

Chairperson,

Kenya Medical Training College Board of Directors

30th November 2023

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6. REPORT OF THE CHIEF EXECUTIVE OFFICER

It gives me great pleasure to present the Annual report and Financial statement for the financial year 2022-2023. Since establishment in 1927, KMTC continues to churn out thousands of well-trained health workforce who immensely contribute to the Human Resources for Health in the country, a key milestone towards the realization of the Universal Health Coverage, Sustainable Development Goals, and Kenya's Vision 2030.

The College has re-positioned its strategy and made tremendous achievements in governance, administration and academics. As the demand for our training programmes continues to grow, we are working closely with the Ministry of Health, industry and academia partners to enhance training opportunities for the Kenyan youth. The College has expanded its training programs, reviewed and developed curriculum to revolutionize patient centered healthcare. Increase in academic programs from 79 to 94 (increased by 15) Even as we grow, the College remains committed to quality standards, excellence, as well as regulatory frameworks.

Kenya Medical Training College has intensified efforts towards strengthening research and innovation, as well as participation in scientific conferences to disseminate study findings, share health related knowledge and solutions. As part of embracing technology to keep abreast with the dynamic health sector and to further enhance training of specialized cadres, the College has harnessed innovativeness and creativity, built the capacity of staff, leveraged on E-learning, modern equipment, use of skills and simulation laboratories, E-library and digital repositories. This has led to minimizing the cost of operations, increased efficiency and quality, in addition to our stakeholders accessing many of our services online.

In addition to being ranked the best tertiary institution by Webometrics KMTC once again won prestigious awards at the Digital Transformation Symposium for application of ICT solutions to improve customer experience. Guided by our Collaboration Policy, we are working closely with our partners to increase access to training opportunities. Our partners have supported us through such areas as student education funding, capacity building, equipping of campuses with teaching and learning resources, secondment of staff, exchange programmes and curriculum development. For instance, in October 2022, we joined hands with the Higher Education and Loans Board (HELB) to

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launch an education fund for KMTC students. So far, the National Treasury has approved a figure of Kshs 680 million towards this scheme of which about a third of that amount has already been disbursed.

The College signed Memorandum of Understanding (MOUs) with various organizations including development partners (6), the private sector (3), and foundations (2). This has led to resource mobilization of amounting to Kshs 7 billion cumulatively.

In conclusion, I want to take this opportunity to sincerely thank the Board of Directors, all our partners, Staff, and Students for supporting the College in achieving its mandate.



Dr. Kelly Oluoch

Chief Executive Officer

30th November 2023

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7. STATEMENT OF PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES FOR FINANCIAL 2022/2023

KMTC is a strategic institution for the Government of Kenya – with important contributions to the achievement of the nation’s developmental agenda and aspirations such as Kenya Vision 2030 and Universal Health Coverage. The College has so far implemented four strategic plans. The fourth strategic plan period (2018-2023) came to an end in June 2023. This has made it necessary to develop a new plan (2023-2028), to be implemented as from 2023/2024 FY.

During the period under review, the College has been implementing the fourth strategic plan for the Period 2018 – 2023. The plan 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 was anchored on Quality training of health professionals towards realization of Vision 2030 with the following as the strategic issues;

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

The strategic plan is operationalized through annual work plans. The 2022/2023 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 developed 2022/2023 performance targets 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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Status of Performance

Strategic Issues	Objective	Key Performance Indicators	Activities	Achievements
Strategic issue 1 Enhance Quality Training	KMTC retains the quality of its training	New and revised curricula	Aligning courses to emerging global challenges and opportunities	Review of six (6) curricula and developing four (4) new curricula. The four curricula developed are for Mortician Course, Higher diploma in Industrial Pharmacy, Peer counselling training and Diploma in Emergency Medical Technology.
		New programmes	Position KMTC as a key player in the Universal Healthcare Coverage (UHC) agenda	Introduction of four (4) training programs. The programmes are; -Short Course to Train 20 Trainers in Phlebotomy -Diploma in Community Health -Higher Diploma in Orthopaedic Trauma Medicine (Paediatrics) -Higher Diploma in Oncology Nursing
		Common Examinations	Standardized examinations	Standardization of semester and Final Qualifying Examinations papers across all 18 departments
		Regular quality reports	Quality control and assurance	Collecting feedback from clinical instructors and mentors on teaching, learning and skills performance of students in clinical areas. Analyzed report was generated to assist in decision making
		Improved elearning system	Post COVID 19 recovery strategy	Upgrade of KMTC learning management system to incorporate new features

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Strategic issue 2 Staff development	KMTC retains the quality of its training	Appraisal tool	Strengthen staff appraisal	Development and implementation of a new staff appraisal tool
		Trained personnel	Staff training	Conducting training need assessment -capacity building to 1,235 staff to address the identified gaps
		STI Annual plan	Mainstreaming and integrating science, technology and innovation (STI) in programs, projects and service delivery system	The college implemented STI annual plan as follows; - Twenty (20) research proposals were funded and one research symposium held to disseminate research findings. -The college held virtual scientific conference between 29 th May 2023 and 31 st May 2023. The conference covered six (6) themes.
Strategic issue 3 Research Innovation and Consultancy	KMTC conducts research and provide solutions for delivery of healthcare.	Increased number of publications Total Research funds attracted	Policy development on research	The number of funded proposals prior to the year 2018 was 15 (2015-2017). This number has increased to 86 as at April 2023.
Strategic issue 4 Linkages, collaboration and partnerships	KMTC retains the quality of its training	A functional Linkages Collaboration and Partnerships office	Operationalize the Linkages, Collaboration & Partnerships Office	Partnership with National and County Governments
		Alumni database	Establish an office for the alumn	Alumni database has been established.
Strategic issue 5 Development of infrastructure and other facilities	KMTC retains the quality of its training	More facilities	Infrastructure development	Five projects were completed as follows; - Completion of HDU and Tuition Block at Kapkatet Campus

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				<ul style="list-style-type: none"> - Completion of Tuition Block at Othaya Campus - Completion of Library Block at Ikolomani Campus - Completion of Administration and Tuition Block at Nyandarua Campus - Completion of Tuition and Administration Block at Tana River Campus
Strategic issue 6 Information and Communications Technology (ICT)	KMTC retains the quality of its training	Increase in availability of ICT resources across all campuses	Expanding ICT infrastructure	<ul style="list-style-type: none"> -Developing e-library platform -Upgrading LAN and WIFI in KMTC Campuses -Setting up information help desk to facilitate and improve customer support. -Learning management system was upgraded to incorporate new features.
		Classes being conducting through e learning	Strengthen e-learning platform	The college increased availability of ICT resource across all the Campuses and ensured implementation of e-learning platform. Part of content theory in every module was covered via e-learning. In addition, at least one continuous assessment test in each module per semester was undertaken on e-learning platform.
		Automated operations	Ensure successful implementation of ERP	ERP system has been successfully implemented in all the 74 KMTC Campuses
Strategic issue 7 Income generation and resource mobilization	To increase KMTC's internally generated revenue by at least 50% by 2023.	Resource mobilization unit	Establishing a resource mobilization unit	Resource mobilization unit has been established and officers deployed
		Increased revenue generated	Raising Revenue through	Generating revenue amounting to Ksh. 5.1 billion from tuition fee, accommodation charges,

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			internal sources (AIA)	catering income, rental income, application fee and other miscellaneous income
		Increase in student funding	Lobbying various organizations that fund student education	The college successfully lobbied funds from various organizations including HELB (Higher Education Loans Board) to fund student education.
Strategic issue 8 Marketing, Communications & Brand recognition	To make KMTC the institution of choice for training of health professionals by 2023	Number of students enrolled across all courses	Enrollment and training of new students	The college enrolled and trained 25,891 new students.
		Increased visibility for KMTC and community buy-in	Implementing the CSR policy through CSR activities	Various corporate social responsibility activities were undertaken.

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. 4.6 billion against a target of 3.6 billion.
2	Service delivery	The college achieved the target by implementing the citizens' service delivery charter, resolving all public complaints and re-engineering the verification of Academic transcripts and certificates.
3	Core Mandate	The college enrolled 25,891 students against a target of 18,250. Indicators to enhance quality training were implemented as per the target. One research symposium was conducted and one scientific conference held as had been targeted. The aim was to disseminate research findings and technology innovations.

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4	Implementation of Presidential directives	The college procured Rice from Kenya National Trading Corporation Limited. Trees were planted in targeted Campuses and locally manufactured garment was procured.
5	Access to Government Procurement Opportunities	Cumulative performance was Ksh.565,136,362 against a target of Ksh. 393,568,105. Allocation to persons with disabilities (PWDs) was Ksh. 28,986,575 against a target of Ksh. 7,871,362.10.
6	Promotion of Local content in procurement	Cumulative performance was Ksh. 583,221,619 against a target of Ksh. 524,753,473.
7	Cross cutting	Quarterly reports were submitted to various agencies as per the target.

8. 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

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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.

(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

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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.

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.

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(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.

(G) Compliance with laws and regulations

During the year under review, the College complied with the Constitution of Kenya 2010, the KMTC 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.

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- xiii. Ensure availability of adequate resources for the achievement of the organization's objectives.
- xiv. Duty to hire the Chief 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.

(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.

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- e. Admissions and examinations.
- f. Curriculum development/reviews
- g. Quality Management Systems.
- h. Student extracurricular activities
- i. Graduation updates
- j. Research Activities

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

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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

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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9. MANAGEMENT'S DISCUSSION AND ANALYSIS

(A) OPERATIONAL HIGHLIGHTS

The College has played a critical role in the attainment of Kenya Vision 2030 flagship project for the Health Sector and achievement of the Governments Big Four Agenda on Universal Health Coverage through training Health professionals to bridge the Human Resource Gaps in the Health Sector. In executing its mandate, the college has continued to align itself with government agenda to achieve Universal Health Care.

KMTC supplies over 85% of the middle level health professionals for the Kenyan health sector. Our quest to continually supply a quality global health workforce recently received a boost after certification by the Kenya National Qualification Authority (KNQA) equated the College's Higher National Diploma (HND) to a bachelor's degree.

The college receives over 30,000 applications against the available 22,000 places available for training. For the financial year under review the college graduated 15,914 health workers.

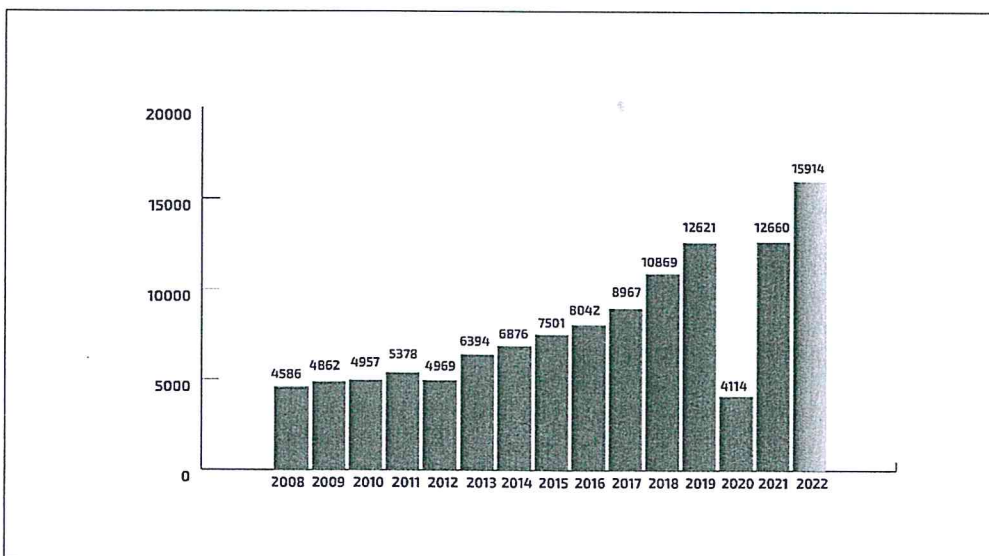


Figure 1 GRADUATION TRENDS

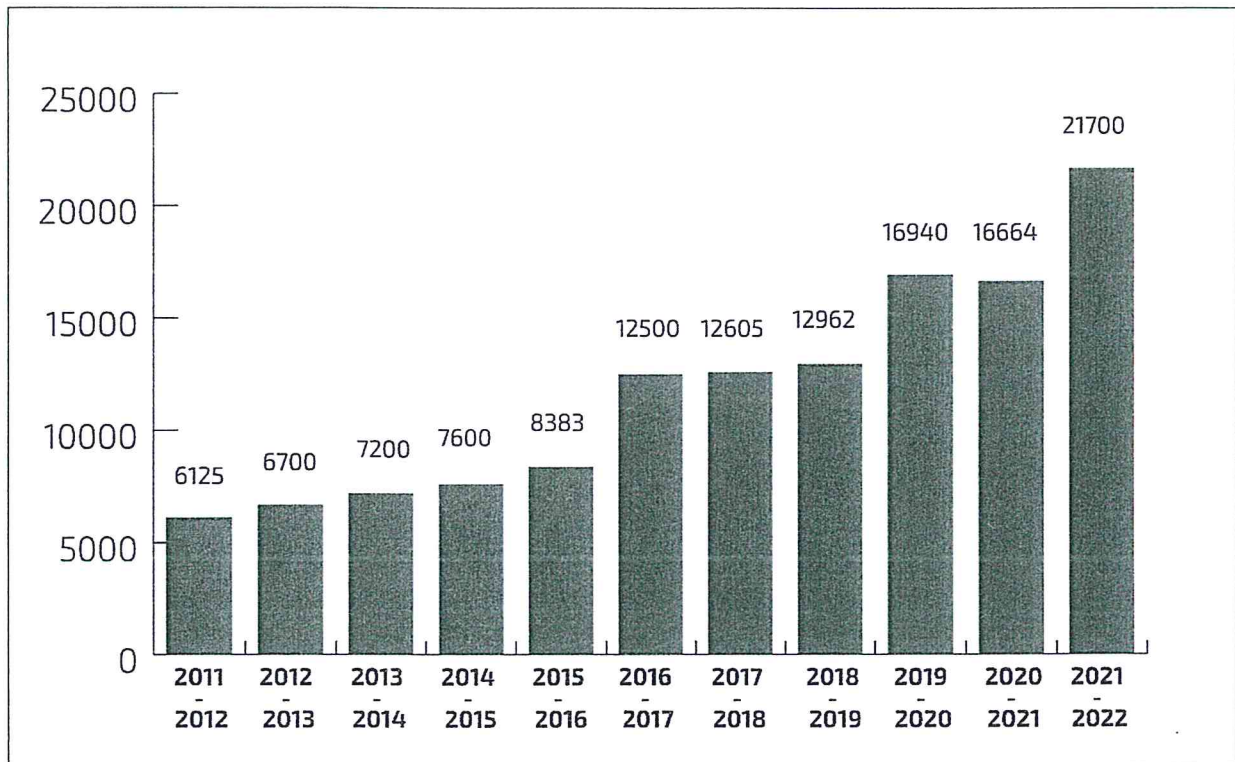


Figure 2 ADMISSION TRENDS

(B) Financial Highlights

(i) Revenue

Internally generated revenue has grown from Kshs. 4.8 Billion in 2021/2022 to Kshs. 5.2 Billion in 2022/2023 Financial Year. This shows a positive recovery path post Covid-19 pointing towards stability in the training programmes. Substantially internally generated revenue is derived from tuition, boarding and application fees which is dependent on students hence there is an indication of growth in Numbers. Total revenues from various streams during the year amounted to Kshs10.3 Billion.

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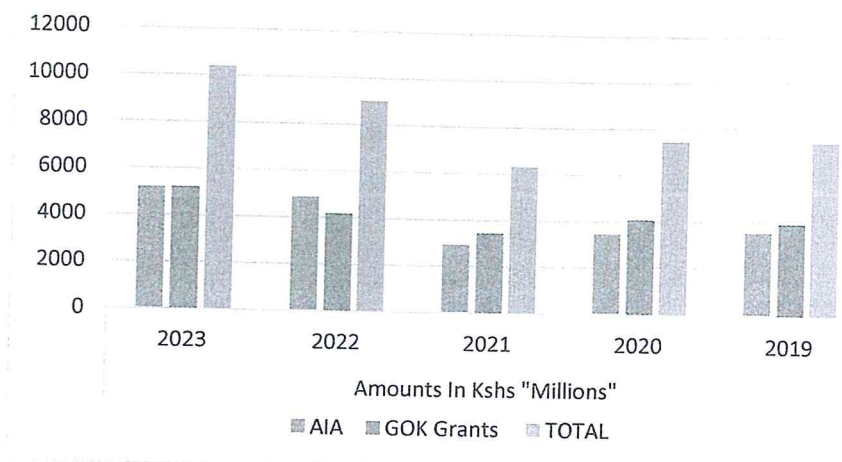


Figure 3 REVENUE TRENDS

(ii) Capital Expenditure

The College invested additional resources to the tune of Kshs. 1.06 Billion on capital expenditure mainly building works, software computers and accessories, teaching equipment and furniture and fittings. This investment is geared towards improving the physical infrastructure for training of students.

(iii) 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 2023
- iii. Submission of Annual Procurement Plan by 30th July 2022.
- iv. Submission of Annual Work plan and Cash flow projections by 30th July 2022.
- v. Compliance with other circulars from National treasury issued in 2022/2023

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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

Kenya Medical Training College exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is an outline of the KMTC policies and activities that promote sustainability.

i) Sustainability strategy and profile

In fulfilling its mandate, KMTC has expanded its operations arising from increased national and county health needs, emerging and re-emerging health challenges and need to implement the flagship projects under the Vision 2030 in line with the Health Sector Strategic Plan and Sustainable Development Goals (SDGs), among other Health Policy guidelines.

ii) Environmental performance

The college commits to management of its environmental aspects by ensuring E-waste management is handled to reduce harmful impact on the environment by ensuring absolute ICT equipment is handled in liaison with licensed by National Environmental Management Authority (NEMA)

iii) Employee welfare

The college has continued to implement initiatives to sustain staff retention and motivation. This is achieved through continuous professional development, staff training and provision of comprehensive medical cover which covers both In-Patient and Out-patient.

iv) Market place practices-

In order for the college to achieve its mandate it has implemented the following

a) Responsible competition practice.

The college ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors.

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b) Responsible Supply chain and supplier relations

Kenya Medical Training College maintains good business practices by ensuring that suppliers contracts are honored and respecting payment practices. This has ensured good working relationships with the vendors and contractors.

c) Responsible marketing and advertisement

The college has implemented a marketing strategy which is student centered and focuses on influencing students to make a change in the medical field. The colleges harnesses technology to carry out marketing and social media to influence the environment.

d) Product stewardship

The college has established centers of excellence, automated services and reduce paperwork, equip learning facilities with state-of-the-art equipment, enhance strategic partnerships, and strengthen staff capacity to enhance student experience and satisfaction. This has created a market niche for students.

(iv) Corporate Social Responsibility / Community Engagements

Environmental Conservation

Recognizing the critical need for environmental conservation, KMTC engaged in extensive tree-planting activities during the 2022/2023 financial year. Our aim was to raise awareness about the importance of protecting the environment while actively contributing to reforestation efforts. Through partnerships with local communities and environmental organizations, campuses across the country planted trees in various locations, promoting biodiversity, mitigating climate change, and creating greener, healthier spaces.

KMTC Bungoma, Busia, Chuka, Kombewa, Gatundu, Karen, Kaptumo, Kisumu, Lake Victoria, Kitui, Loitokitok, Makueni, Manza, Mandera, Homabay, Imenti among others organized environmental days where they took part in tree planting activities, in line with the College's continued efforts to make its Campuses and environment green hubs.

On the other hand, Kitale Campus staff and students on 16th June, 2023 joined residents and local leaders at Mosop in Trans-Nzoia County to undertake a tree planting exercise that saw 200 tree

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seedlings planted. In Tharaka Nithi County, Chuka Campus planted 200 tree seedlings at Marimanti level four Hospital and 240 at the Governor's office on 30th November, 2023.

On their part, KMTC Bungoma planted 500 tree seedlings at Sangale institute on 26th November 2022 while Port-Reitz undertook a similar exercise in Mombasa County on 7th October 2022 and 12th January 2023. In Meru County, KMTC Imenti Campus conducted market cleaning exercises at Kanyakine on 26th April 2023 and Tharene on April 27, 2023.

On June 9, 2023, the First Lady of Kenya, Her Excellency Mama Rachel Ruto visited KMTC Iten Campus after spearheading a tree planting activity in several areas within Elgeyo Marakwet County with staff and students participating in the planting of 13,000 indigenous trees.

Sanitation Activities

In cognizance that sanitation activities hold immense significance in safeguarding public health, preventing the spread of diseases, and upholding cleanliness, KMTC Makueni undertook a market cleaning exercise Mbuvo while Imenti Campus on 24th and 26th April 2023 took part in Kanyakine and Ntherene markets clean up exercises.

Open Day

During the Annual Open Day held by KMTC Campuses across the Country between July 2022-April 2023, members of the public got a chance to receive free medical check-ups, treatment, and health talks on non-communicable diseases from Staff and Students.

Over 30 Campuses across the Country participated in World Aids Day commemorated on the 1st of December annually by offering health talks, free HIV & AIDS screening and participating in sensitization processions in partnership with different stakeholders.

Blood Transfusion

KMTC partnered with the Kenya Tissue and Transplant Authority (KTTA) in a countrywide blood donation drive dubbed "Kenyan by blood." The campaign which was officially launched at the KMTC Headquarters on November 18, 2022, ran for six months and sought to leverage the patriotic nature of the Kenyan youth to develop a blood donation culture to ensure availability of sufficient safe blood for every Kenyan.

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Additionally, several Campuses in partnership with Red Cross and County Governments Blood Transfusion centers organized blood donation drives that led to the donation of over 500 units of blood in different parts of the country.

In Mombasa County, Port Reitz Campus undertook a blood screening exercise for locals at the Mombasa Show ground from 1st to 6th November, 2022 before undertaking a blood donation exercise from 8th to 9th December, 2022.

Free Medical Camps

One of the cornerstone initiatives of KMTC's CSR program is the organization and execution of medical camps in underserved areas. These camps brought vital healthcare services, including general check-ups, consultations, and medical screenings, to communities lacking adequate medical facilities. By collaborating with local healthcare professionals and student volunteers, we were able to reach out to numerous individuals who would otherwise have limited access to quality healthcare. Subsequently, a cross section of KMTC Campuses from across the country including Bomet, Bondo, Eldoret, Kilifi, Gatundu, Imenti, Kitui and Makindu conducted free medical camps which included activities such as community diagnosis, free medical check-ups, blood sugar screening and HIV testing.

In addition, the KMTC Headquarters organized a free medical camp on June 23, 2023 where more than 20 people struggling with physical challenges got fitted with prosthetic legs. Further, the medical camp saw area residents benefit from a wide range of free medical services including eye, ear, nose, and dental clinics as well as ultrasound for expectant mothers.

Social upliftment

For College stay in touch with the community and make a positive impact to the most vulnerable members of society, a number of Campuses such as KMTC Webuye and Nyandarua visited Children's homes during the festive season, and donated foodstuffs, clothes, sanitary towels, diapers, and other assorted Christmas gifts.

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Conclusion

The KMTC 2022/2023 CSR report showcases our unwavering commitment to social responsibility, community engagement, and sustainable practices. The College remains dedicated to fostering a culture of service, compassion, and sustainable development, and looks forward to continuing with CSR efforts in the coming years. Together, we can build stronger, healthier communities and create a brighter future for all.

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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 2023 which show the state of the college's affairs.

i) Principal activities

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

ii) Results

The results of the college for the year ended June 30, 2023 are set out on pages 51 to 91

iii) Directors

The Board of Directors who held office during the year are shown on pages 11 to 16. During the year **Ms Susan Mucheru** retired and **Mr. Benson Giuthua** was appointed with effect from 6.03.2023.

iv) 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.

v) 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



Ms. Virginia Nzioka

Ag. Corporation Secretary

30th November 2023

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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, 2023. 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.

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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, 2023.

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 November 2023


.....

Joseah Kiplangat Cheruiyot
Chairperson
30th November 2023

REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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, 2023

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, gazette 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 the 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 51 to 91, which comprise of the statement of financial position as at 30 June, 2023, and the statement of financial performance, statement of changes in net

Report of The Auditor-General on Kenya Medical Training College for the year ended 30 June, 2023

assets, statement of cash flows and the 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 matter 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, 2023, 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

Long Outstanding and Doubtful Receivables

The statement of financial position reflects receivable from exchange transactions balance of Kshs.697,116,998 as disclosed in Note 34 to the financial statements. The amount includes rent receivable totalling Kshs.88,908,112 out of which Kshs.78,672,640 relates to outstanding rent from the University of Nairobi and Kshs.7,432,272 relates to staff houses occupied by Non KMTC staff all totalling Kshs.86,104,912. Further, receivables from non-exchange transactions balance of Kshs.908,396,013 as disclosed in Note 35 to the financial statements includes long outstanding debts amounting to Kshs.19,812,180 from the Ministry of Health.

In the circumstances, the accuracy and recoverability of receivables from exchange and non-exchange transactions balance of Kshs.86,104,912 and Kshs.19,812,180 respectively 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.

Emphasis of Matter

Pending Account Payables

The statement of financial position reflects trade and other payables amounting to Kshs.958,558,283 as disclosed in Note 39 to the financial statements attributed to unpaid supplies and audit fees. No reasons were provided for not settling the bills within the financial year.

Failure to settle bills during the year to which they relate distorts the financial statements and adversely affects the budgetary provisions for the subsequent year as they form a first charge.

My report is not modified in respect of this matter.

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. Budget Imbalance

The statement of comparison of budget and actual amounts reflects final revenue budget of Kshs.9,522,833,830 and final expenses budget of Kshs.10,237,910,495 resulting to unbalanced budget by Kshs.715,076,665. This is contrary to Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015 which states that budget shall be balanced.

In the circumstances, Management was in breach of the law.

2. Ungazetted Campuses

During the year under review, it was noted that the registered campuses were seventy four (74) while the schedule in the Kenya Medical Training College Act, 2019 reflects twenty (20) gazetted campuses. No satisfactory explanation has been provided on why the additional fifty-four (54) campus have not been gazetted. This is contrary to Section 3 Sub-section1 (a) of the Kenya Medical Training College Act, 2019 which states that there shall be a college that is Kenya Medical Training College and medical training centers (campus) as specified in the schedule in the Act. In addition, other institutions shall be declared constituent training centres (campus) of the college by the Minister in consultation with the Board and upon Gazettement in the Kenya gazette.

Further, it was noted that Kakamega campus has two (2) constituent campus (Shianda and Ikolomani) which is contrary to Kenya Medical Training College Act which clearly states that the KMTC college shall have constituent training centres as described in the schedule and not training centres having constituent campus.

In the circumstances, Management was in breach of the law.

3. Non-Compliance with Directive on Board Meetings

The statement of financial performance reflects remuneration of directors Kshs.21,516,723 as disclosed in Note 30 to the financial statements. Review of the College's full board attendance register revealed that fourteen (14) full board meetings were held during the year under review thus exceeding the limit of six meetings. This is contrary to Circular OP/CAB.9/1A of 11 March, 2020 Section A which states that board meetings should be restricted to a minimum of four and capped at a maximum of six (6) in each financial year. Approval of extra meetings are to be provided by the Cabinet Secretary in consultation with State Corporation Advisory Committee. However, such approval was not provided for audit.

In the circumstances, Management was in breach of the law.

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 matter 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

Weak Controls on Inventory Management

The statement of financial position reflects inventory balance of Kshs.52,396,716. Review of the inventory management system revealed that it could allow issuance of stock items when they are out of stock or indicate negative stock balance while items were in the

store. Further, there was no evidence of regular stock takes through reports which would indicate among other details the conditions of the store, including security controls and status of obsolete goods if any.

In the circumstances, the effectiveness of internal controls on inventory management could not be confirmed.

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 controls 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 controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the College's ability to sustain its 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 financial reporting process, reviewing the effectiveness of how Management 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 controls 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 controls would not necessarily disclose all matters in the internal controls 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 controls 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 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 controls.

- 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 continue 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 continue 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 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.


 FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

16 February, 2024

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14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED
30TH JUNE 2023


	Notes	2022-2023	2021-2022
		Kshs	Kshs
Revenue from Non-Exchange Transactions			
Transfers from Other Government entities	21	4,352,833,830	4,182,300,001
Sub-total		4,352,833,830	4,182,300,001
Revenue From Exchange Transactions		-	
Tuition, Boarding and application fees	22	5,073,348,815	4,782,584,157
Rental revenue from facilities and equipment	23	19,544,182	21,538,143
Other income	24	74,046,695	31,548,576
Sub-total		5,166,939,693	4,835,670,876
Total Revenue		9,519,773,523	9,017,970,877
Expenses		-	
Employee costs	25	4,424,826,521	4,358,047,618
Use of Goods and Services	26	2,661,935,752	2,283,405,204
Repairs and maintenance	27	390,740,417	314,494,878
Operational expenses	28	412,410,816	318,678,498
Depreciation and amortization expense	29	1,334,540,187	1,406,775,486
Remuneration of Directors	30	21,516,723	19,747,071
Finance costs	31	11,185,151	11,194,980
Transfers to Other Government entities(HELB)	32	566,666,670	0
Total Expenses		9,823,822,238	8,712,343,735
Surplus/Deficit for the Period		(304,048,715)	305,627,143
Corporation Tax		16,286,072	24,976,418
Surplus/(Deficit		(320,334,787)	280,650,725

The Financial Statements set out on pages 51 to 91 were signed on behalf of the Board of Directors by:



Dr. Kelly Oluoch
Chief Executive Officer

30th November 2023



CPA Elijah Mititi
Finance Manager
ICPAK No: 23480

30th November 2023



Joseah Kiplangat Cheruiyot
Chairperson

30th November 2023

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15. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2023

	Notes	2022-2023	2021-2022
Assets		Kshs	Kshs
Current Assets			
Cash and cash equivalents	33	627,509,099	1,008,683,742
Receivables from exchange transactions	34	697,116,998	717,918,807
Receivables from non-exchange transactions	35	908,396,013	19,812,180
Inventories	36	52,396,716	41,927,803
Total Current Assets		2,285,418,826	1,788,342,532
Non-Current Assets			
Property, plant and equipment	37	30,165,596,078	30,301,451,912
Intangible assets	38	25,653,570	17,331,156
Total Non-Current Assets		30,191,249,648	30,318,783,068
Total Assets		<u>32,476,668,474</u>	<u>32,107,125,600</u>
Current Liabilities			
Trade and other payables	39	958,558,283	268,680,623
Total Liabilities		958,558,283	268,680,623
Net assets		<u>31,518,110,191</u>	<u>31,838,444,977</u>
Equity			
Capital fund	40	4,727,538,005	4,727,538,005
Accumulated fund	41	3,616,649,540	3,936,984,326
Revaluation Reserve	42	23,173,922,646	23,173,922,646
Total Equity		<u>31,518,110,191</u>	<u>31,838,444,977</u>

The Financial Statements set out on pages 51 to 91 were signed on behalf of the Board of Directors

by:



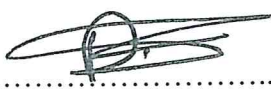
Dr. Kelly Oluoch
Chief Executive Officer

30th November 2023



CPA Elijah Mititi
Finance Manager
ICPAK No: 23480

30th November 2023



Joseah Kiplangat Cheruiyot
Chairperson

30th November 2023

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for the year ended June 30, 2023

16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30TH**JUNE 2023**

Particulars	Capital Fund	Accumulated Funds	Revaluation Reserve	Total
	Kshs.	Kshs.	Kshs.	Kshs.
Balance as at 01.07.2021	4,727,538,005	3,656,333,602	-	8,383,871,607
Surplus for the year	-	280,650,725	-	280,650,725
Revaluation Gain	-	-	23,173,922,646	23,173,922,646
Balance as at 30.06.2022	4,727,538,005	3,936,984,327	23,173,922,646	31,838,444,978
Balance as at 01.07.2022	4,727,538,005	3,936,984,327	23,173,922,646	31,838,444,978
Surplus for the year	-	-320,334,787	-	-320,334,787
Revaluation Gain	-	-	-	-
Balance as at 30.06.2023	4,727,538,005	3,616,649,540	23,173,922,646	31,518,110,191

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17. STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30TH JUNE 2023

	Notes	2022-2023	2021-2022
CASH FLOWS FROM OPERATING ACTIVITIES			
		Kshs	Kshs
Cash generated from operations	43	825,832,125	1,442,351,894
Net cash flow from operating activities		825,832,125	1,442,351,894
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant, equipment	37	(1,187,689,967)	(896,641,121)
Purchase of Intangible asset		(19,316,801)	(11,899,366)
Net cash flows used in investing activities		(1,207,006,768)	(908,540,487)
CASH FLOWS FROM FINANCING ACTIVITIES			
Bank OD	38	-	(187)
Net cash flows used in financing activities		-	(187)
Net increase/(decrease) in cash and cash equivalents		(381,174,643)	533,811,220
Cash and cash equivalents at 1 JULY 2022		1,008,683,742	474,872,522
Cash and cash equivalents at 30 JUNE 2023		627,509,099	1,008,683,742

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18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

FOR THE YEAR ENDED 30 JUNE 2023

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	%	Note
Revenue from Non-Exchange Transactions	2022-2023	2022-2023	2022-2023	2022-2023	2022-2023		
	Kshs	Kshs	Kshs	Kshs	Kshs		
Grants and donations	4,039,000,000	313,833,830	4,352,833,830	4,352,833,830	-	0	
	4,039,000,000	313,833,830.0	4,352,833,830	4,352,833,830			
Revenue from Exchange Transactions							
Tuition, Boarding and application fees	3,563,698,000	1,500,000,000	5,063,698,000	5,073,348,815	-9,650,815	0.002	
Rental revenue from facilities and equipment	32,602,000	-	32,602,000	19,544,182	13,057,818	0.67	a
Other income	43,700,000	30,000,000	73,700,000	74,046,695	-346,695	0.26	b
	3,640,000,000	1,530,000,000	5,170,000,000	5,166,939,692	3,060,308		
Total Revenue	7,679,000,000	1,843,833,830	9,522,833,830	9,519,773,522	3,060,308		
Expenses							
Employee costs	4,616,230,409	-	4,616,230,409	4,424,826,521	191,403,888	0.04	
Use of Goods and services	2,702,851,325	-	2,702,851,325	2,661,935,752	40,915,573	0.02	
Repairs and maintenance	401,097,649	-	401,097,649	390,740,417	10,357,232	0.03	
Operational expenses	481,470,042	-	481,470,042	412,410,816	69,059,226	0.14	c
Depreciation and amortization expense	230,495,000	1,200,000,000	1,430,495,000	1,334,540,187	95,954,813	0.07	d
Directors' remuneration	30,000,000	-	30,000,000	21,516,723	8,483,277	0.28	e
Finance costs	9,099,400	-	9,099,400	11,185,151	-2,085,751	-0.23	f
Transfers from Other Government entities(HELB)	680,000,000	(113,333,330)	566,666,670	566,666,670	0	0	
Total Expenses	9,151,243,825	1,086,666,670	10,237,910,495	9,823,822,238	414,088,258		

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Notes

- (a) Rental income declined in the financial year owing to slow down in activities in site rentals and facilities hire.
- (b) Other income was affected by students who graduated and have been seeking for employment opportunities outside the country hence an increase in payment for documents verification.
- (c) The operational activities were rationalised to as part of the austerity measures on cost reduction.
- (d) Depreciation and amortisation cost increased significantly arising from asset valuation.
- (e) Directors' remuneration costs reduction was attributable to new board composition which reduced the membership to eleven.
- (f) Finance costs increased due to increase in transactional costs levied by the banks.

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19. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED

30TH JUNE 2023

1. 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.

2.Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the colleges accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the college. The financial statements have been prepared in accordance with the PFM Act, the State Corporations 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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1. Adoption of new and revised standards

- i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2023.*

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 of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p><i>The change in the standard will not have an impact in the college 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, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p>

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Standard	Effective date and impact:
	<p>(a) The nature of such social benefits provided by the Entity.</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Entity’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>The amendments will not affect the college.</i></p>
<p>Other improvements to IPSAS</p>	<p><i>Applicable 1st January 2023</i></p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p>

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Standard	Effective date and impact:
	<p>IPSAS 29: Financial instruments: Recognition and Measurement</p> <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p> <p><i>The improvements will not have impact on colleges activities</i></p>

ii. *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.*

IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.</p> <p><i>The amendments will not affect the college.</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>The amendments will not affect the college.</i></p>

iii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in year 2021/2022.

13. Summary of significant accounting policies

a) 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

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.

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.

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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.

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.

b) Budget Information

The original budget for FY2022/2023 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.

The KMTCs budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts

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and the actuals as per the statement of financial performance has been presented in statement of comparison of budget and actual amounts.

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the college operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable College and the same taxation authority.

Sales tax

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

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- ii) When receivables and payables are stated with the amount of sales tax included

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The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, Plant and Equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the 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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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

- (i) Basis of Depreciation: Non-current assets are fully depreciated in the year of acquisition and no depreciation is provided for in the year of disposal 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

f) 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. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

g) Research and development costs

The college expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the college can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale.

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- ii) Its intention to complete and its ability to use or sell the asset.
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset.
- v) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

h) Financial Instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The college does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the college. A financial instrument is any contract that gives rise to a financial asset of one College and a financial liability or equity instrument of another College. At initial recognition, the College measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

a) Financial Assets

Classification of financial assets

The College classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is

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measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

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Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Impairment

The college assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss.

b) Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

i) 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

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- 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.

j) Provisions

Provisions are recognized when the college has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the college expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

k) 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.

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l) 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.

m) 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.

n) Related Parties

The College regards a related party as a person or an College 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

	2023	2022
	Kshs	Kshs
a) Ministry of health		
Transfers from Ministry of Health	5,214,999,996	4,182,300,001
Transfers to Ministry of Health	NIL	NIL
b) Compensation to key Management		
Directors Emoluments	21,596,723	19,747,071
Key management staff	40,317,053	33,303,060
c) Due from related parties		
Due from Ministry of Health	19,812,180	19,812,180

o) 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.

p) Comparative Figures

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

q) 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

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outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

r) 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.

s) 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, 2023

t) Taxation

The statement of financial performance for the year ended June 30, 2023 include a taxation charge for corporation tax.

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u) 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:

(g) 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.

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:

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	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30TH JUNE 2023				
Receivables from exchange transactions	697,116,998	697,116,998		
Receivables from non-exchange transactions	888,583,833	888,583,833	19,812,180	
Total	1,585,700,831	1,585,700,831	19,812,180	
At 30TH JUNE 2022				
Receivables from exchange transactions	717,918,807	717,918,807	Nil	Nil
Receivables from non-exchange transactions	19,812,180		19,812,180	
Total	737,730,987	717,918,807	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 College 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.

(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 College manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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v) 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>1. 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>
<p>2. National Social Security Fund</p>	<p>The Minister for Labour, through a Notice to all Employers stressed that following the Kenya Gazette Notice No. 159 of 30th October 2009, it was now mandatory for all employers to remit contributions to NSSF. No employer is exempted from the provisions of the NSSF Act on the strength of having an in-house occupational pension scheme. Exemption may only be granted by the Minister for Labour on the recommendations of the NSSF Board of Trustees where an employer operates a universal national scheme that offers benefits comparable to NSSF and that the NSSF is such a scheme. The estimated financial effect is kshs 732,011,937</p>
<p>3. KMTC Staff Retirement Benefits scheme</p>	<p>The college has converted its staff pension scheme from Defined Benefit(DB) to Defined Contribution (DC) pension scheme in accordance with treasury circular No. 18/2010 of 24.11. 2010. The DB scheme was frozen as at 30.06.2013. Members who were 45 years and above had the option of their benefits being retained in the scheme without freezing. Service from 1.7.2013 is accrued in a separate defined contribution scheme (DCS) except for those members who were retained in the</p>

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	<p>DBS. The college has been remitting pension to the DB and DC schemes. The actuarial valuation for the scheme as at 30.06.2023, conducted by the consultants revealed a pension deficit of Kshs 2,125,540,000 that has to be repaid within a period of six years. The board is considering modalities of settling the deficit.</p>
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NOTE:

In the printed estimates for the financial year 2022/2023 the college had not received Grants amounting to Kshs 862,166,166 and it is uncertain the amount will be realized.

Note 21:
Transfer from other government entities

	2023	2022
	(Kshs.)	(Kshs.)
Government of Kenya grants		
Recurrent	3,515,833,830	3,601,000,001
Development	837,000,000	581,300,000
TOTAL	4,352,833,830	4,182,300,001

Note 22:
Tuition, Boarding and application fees

	2023	2022
	(Kshs.)	(Kshs.)
Tuition Boarding fees and meals	4,836,729,494	4,517,958,134
Boarding fees	148,721,153	144,200,105
Catering fees	9,269,210	5,554,598
Application fees	78,628,958	114,871,321
TOTAL	5,073,348,815	4,782,584,158

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Note 23:

Rental Revenue from Facilities and Equipment

	2023	2022
	(Kshs.)	(Kshs.)
Staff Houses	19,544,182	21,538,143
TOTAL	19,544,182	21,538,143

Note 24:

Other Income

	2023	2022
	(Kshs.)	(Kshs.)
Sale of Tender documents	24,000	6,500
Sale of Non-Capital goods	61,600	297,207
Graduation Fees	39,785,000	-
Miscellaneous income	34,176,095	31,244,869
TOTAL	74,046,695	31,548,576

Note 25:

Employee Costs

	2023	2022
	(Kshs.)	(Kshs.)
Salaries and wages	2,010,368,693	1,940,029,042
Contributions to pensions	370,936,144	345,180,569
House allowances	526,531,751	537,854,427
Medical insurance	255,929,813	384,318,394
Commuter and other allowances	673,995,809	544,335,639
Health workers extraneous allowances	587,064,313	606,329,547
TOTAL	4,424,826,521	4,358,047,618

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Note 26

Use of goods and services

	2023	2022
	(Kshs.)	(Kshs.)
Travelling and accommodation – local	845,351,082	815,728,572
Travelling and accommodation – external	1,905,429	1,201,128
Purchase of uniforms and clothing	17,184,560	7,097,855
Personal Protective Equipment	2,600,112	13,380,871
Fees and commissions	404,147,210	295,727,013
Staff training expenses	45,280,673	122,321,632
Postal and telegrams	14,669,774	16,885,364
Telephone	26,540,761	28,326,661
Electricity	82,278,155	79,640,967
Water and conservancy	45,298,195	44,263,255
Stationery	86,615,490	87,543,644
Rent and rates	3,890,240	3,170,028
Contracted professional services	345,705,557	307,475,901
Insurance of property	399,570,423	180,684,216
Internet Expenses	76,080,112	52,952,467
Advertising, printing and publicity	130,876,439	104,228,654
Official entertainment	58,656,574	56,745,676
Computer expenses	73,806,562	68,600,167
Audit Fee	3,480,000	3,480,000
Corporate Social Responsibility	2,570,270	2,198,188
Increase/Decrease in provision for bad debts	(4,571,867)	(8,247,055)
TOTAL	2,661,935,752	2,283,405,204

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Note 27:

Repairs and Maintenance

	2023	2022
	(Kshs.)	(Kshs.)
Maintenance of plant and machinery	43,227,073	39,481,767
Maintenance of buildings and stations	347,513,344	275,013,112
TOTAL	390,740,417	314,494,878

Note 28:

Operational costs

	2023	2022
	(Kshs.)	(Kshs.)
Transport operating	98,307,915	78,570,149
Food and rations	14,564,462	16,227,661
Library expenses	49,476,607	44,225,477
Cleansing materials	19,250,618	15,979,973
Teaching materials	116,491,497	96,477,463
Student activity and sports	82,665,017	20,990,339
Student Allowance	19,154,370	32,058,930
Fuel, gas and firewood	2,342,553	1,665,828
Insecticides and pesticides	8,390,028	11,481,677
Drugs and dressings	1,767,749	1,001,001
TOTAL	412,410,816	318,678,498

Note 29

Depreciation and Amortization Expenses

	2023	2022
	(Kshs.)	(Kshs.)
Depreciation Expenses	1,334,540,187	1,406,775,486
TOTAL	1,334,540,187	1,406,775,486

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Note 30

Remuneration of Directors

	2023	2022
	(Kshs.)	(Kshs.)
Sitting allowances	9,380,000	11,260,000
Honoraria (Chairman)	1,044,000	681,967
Lunch allowances	418,000	472,000
Mileage	198,604	352,885
Travelling and accommodation (local	8,508,100	6,095,200
Medical insurance	705,019	705,019
Training	1,263,000	180,000
TOTAL	21,516,723	19,747,071

31. Finance Costs

	2023	2022
	(Kshs.)	(Kshs.)
Bank charges	10,613,539	9,414,020
Paybill charges	571,612	1,780,960
TOTAL	11,185,151	11,194,980

Note 32:

Transfer to Other government entities

	2023	2022
	(Kshs.)	(Kshs.)
Student Loans HELB	566,666,670	-
TOTAL	566,666,670	-

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33 (i) Cash and Cash Equivalent

	2023	2022
	(Kshs.)	(Kshs.)
Cash at Hand	701,541	776,912
Cash at Bank	626,662,266	998,929,957
Pay bill	145,292	8,976,873
TOTAL	627,509,099	1,008,683,742

(ii) Detailed cash and cash equivalents

		2023	2022
Current accounts	Account numbers	(Kshs.)	(Kshs.)
National bank of Kenya	Various	381,253,384	730,216,957
Kenya commercial bank	Various	245,191,663	266,542,720
Cooperative bank of Kenya	Various	217,219	2,170,280
Others			
Cash in hand	Various	701,541	776,912
Safaricom Pay bill	964150	145,292	8,976,873
Total		627,509,099	9,753,785

Note 34:

Receivables from Exchange Transactions

	2023	2022
	(Kshs.)	(Kshs.)
Trade receivables (outstanding fee balances)	612,476,927	665,831,791
Rent receivable	88,908,112	81,271,922
Temporary imprests	14,218,170	12,496,775
Salary advances	705,200	524,463
Prepayments	50,947,093	32,504,228
Provision for bad debts	(70,138,504)	(74,710,371)
Total	697,116,998	717,918,807

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	2023	2022
	(Kshs.)	(Kshs.)
Government of Kenya grant	888,583,833	-
Ministry of Health	19,812,180	19,812,180
Total	908,396,013	19,812,180

Note 36:**Inventory**

	2023	2022
	(Kshs.)	(Kshs.)
Stationery and related items	32,324,628	28,569,743
Electrical items	2,246,168	1,214,762
Maintenance items	771,686	1,921,992
Other consumables	17,054,234	10,221,306
Total	52,396,716	41,927,803

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Note 37. PROPERTY PLANT & 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 (01.07.2021)		1,165,920,000		4,008,180,205		1,327,477,916		599,514,694		3,145,427,015		728,401,914		670,327,818		11,645,249,562
Revaluation surplus		15,196,332,000		7,283,487,831		-		320,707,281				250,357,321		123,038,213		23,173,922,646
Transfer TO/(FROM)		-		1,327,477,916		(1,327,477,916)		-				-		-		-
Additions during the year		0		322,173,238		33,591,432		23,700,000		325,377,636		125,121,571		66,677,244		896,641,121
Balance as at 30.06.2022		16,362,252,000		12,941,319,190		33,591,432		943,921,975		3,470,804,651		1,103,880,806		860,043,275		35,715,813,329
COST:																
Balance b/f (01.07.2022)		16,362,252,000		12,941,319,190		33,591,432		943,921,975		3,470,804,651		1,103,880,806		860,043,275		35,715,813,329
Revaluation surplus		-		-		-		-		-		-		-		-
Transfer TO/FROM																
Additions during the year						411,283,951		156,989,999		342,278,745		95,294,747		181,842,525		1,187,689,967
Balance as at 30.06.2023		16,362,252,000		12,941,319,190		444,875,383		1,100,911,974		3,813,083,396		1,199,175,553		1,041,885,800		36,903,503,296
DEPRECIATION:																
Balance as at 01.07.2021		-		1,050,921,736		-		380,726,975		1,796,260,815		316,974,935		493,276,081		4,038,160,542
Charge for the year		-		323,532,980		-		235,980,494		420,689,318		137,985,101		258,012,983		1,376,200,875
As at 30.06.2022		-		1,374,454,716		0		616,707,469		2,216,950,133		454,960,036		751,289,064		5,414,361,417
DEPRECIATION:																
Balance as at 01.07.2022		-		1,374,454,716		0		616,707,469		2,216,950,133		454,960,036		751,289,064		5,414,361,418
Charge for the year		-		323,532,980		0		275,227,994		476,635,424		149,896,944		98,252,458		1,323,545,800
As at 30.06.2023		-		1,697,987,696		0		891,935,463		2,693,585,557		604,856,980		849,541,522		6,737,907,218
Net Book Values																
As at 30.06.2022		16,362,252,000		11,566,864,474		33,591,432		327,214,506		1,253,854,518		648,920,770		108,754,211		30,301,451,912
As at 30.06.2023		16,362,252,000		11,243,331,494		444,875,383		208,976,512		1,119,497,838		594,318,573		192,344,278		30,165,596,078

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Note 38:

Intangible assets

Description	2023	2022
	Kshs	Kshs
Cost		
At beginning of the year	101,915,366	90,016,000
Additions	19,316,801	11,899,366
At end of the year	121,232,167.00	101,915,366
Additions–internal development	-	-
At end of the year	121,232,167.00	101,915,366
Amortization and impairment		
At beginning of the year	84,584,210.00	54,009,600
Amortization	10,994,387.00	30,574,610
At end of the year	95,578,597.00	84,584,210
Impairment loss	-	-
At end of the year	95,578,597.00	84,584,210
NBV	25,653,570.00	17,331,156.00

Note 39:

Payables

	2023	2022
	(Kshs.)	(Kshs.)
Trade and other Payables from Exchange Transactions		
Use of Goods and services	262,188,132	102,384,009
Repairs and Maintenance	86,862,717	42,818,387
Operational Expenses	381,647,065	45,584,472
Capital items	227,860,369	77,893,755
Total	958,558,283	268,680,623

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Note 40:

Capital Fund

	2023	2022
	(Kshs.)	(Kshs.)
GOK Capital investment	4,727,538,005	4,727,538,005

Note 41:

Accumulated Fund

	2023	2022
	(Kshs.)	(Kshs.)
Balance at start of the year	3,936,984,327	4,322,047,083
Surplus/(Deficit for the year)	(320,334,787)	280,650,724
Balance at end of year	3,616,649,540	4,602,697,807

Note.42:

Revaluation Reserve	2023	2022
	(Kshs.)	(Kshs.)
Balance at start of the year	23,173,922,646	-
Revaluation Gain	-	23,173,922,646
Balance at end of year	23,173,922,646	23,173,922,646

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Note 43:

Cash generated from operations

	2023	2022
	(Kshs.)	(Kshs.)
Surplus for the year before tax	(320,334,787)	280,650,725
Adjusted for:		
Depreciation expense	1,334,540,187	1,406,775,486
Working capital adjustments:		
Decrease (Increase) in inventory	(10,468,912)	3,156,767
Decrease(Increase)in receivables	(867,782,023)	413,689,319
Increase (Decrease)in payables	689,877,660	-661,920,402
Net cash flows from operating activities	825,832,125	1,442,351,894

Note 44.

Events after the Reporting Period

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

Note 45.

Ultimate and Holding College

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

Note 46.

Currency

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

Note 47.

Seconded Employees

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

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Appendix I

COLLEGE NAME:		Kenya Medical Training College		
Break down of Transfers from the State Department of Medical Services 2022/2023 Financial Year				
a.	Recurrent Grants			
		Bank Statement Date	Amount (KShs)	FY to which the amounts relate
		1/8/2022	351,583,333.00	2022/2023 July Grant
		21/9/2022	351,583,333.00	2022/2023 August Grant
		5/10/2022	351,583,333.00	2022/2023 September Grant
		11/10/2022	10,500,000.00	2022/2023 CHAs 1 st Quarter
		14/11/2022	351,583,333.00	2022/2023 October Grant
		13/12/2022	351,583,333.00	2022/2023 November Grant
		4/1/2023	351,583,333.00	2022/2023 December Grant
		9/2/2023	351,583,333.00	2022/2023 January Grant
		24/3/2023	351,583,333.00	2022/2023 February Grant
		1/4/2023	10,500,000.00	2022/2023 CHAs 2 nd Quarter
		28/4/2023	300,000,000.00	2022/2023 March Grant
		Total	3,133,666,664.00	
b.	Development Grants			
		Bank Statement Date	Amount (KShs)	FY to which the amounts relate
		3/7/2023	159,000,000.00	2022/2023 1 st Quarter Grant
		3/7/2023	159,000,000.00	2022/2023 2 nd Quarter Grant
		3/7/2023	159,000,000.00	2022/2023 3 rd Quarter Grant
		4/7/2023	330,000,000.00	2022/2023 Supplementary
		Total	807,000,000.00	
c.	Direct Payments			
		Bank Statement Date	Amount (KShs)	FY to which the amounts relate
		Total	3,940,666,664.00	

The above amounts have been communicated to and reconciled with the parent Ministry.

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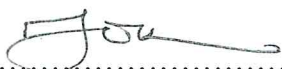
APPENDIX II: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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	Timeframe
1	Doubtful student debtors balance	For the students who graduated with balances have been followed up to clear.	Finance Manager	Fully Addressed	
2	Unreconciled tuition, boarding and application fees.	The data in ERP was reconciled and records aligned	Finance Manager	Fully Addressed	
3	Failure to Maintain Fixed Asset Register	The process of finalizing the update of fixed asset register update after successfully finalized valuation of all college assets	Administrative services manager	Ongoing	Ongoing
4	Weak internal controls on inventory management	inventory control system is in place already domiciled in the ERP system under procurement and stores module. The Management noted minor inefficiency in the ERP system and addressed through ICT department in liaison with the service provider.	Supply Chain Manager	Fully Addressed	

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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
5	Irregularities in Payroll Management	Duplicate personnel records which were occasioned by a system error were rectified and college has since moved to Integrated Personnel Payroll Management system	Human Resources Manager	Fully Addressed	



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Dr. Kelly Oluoch
Chief Executive Officer