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# THE MEDICAL PRACTITIONERS AND DENTISTS BOARD

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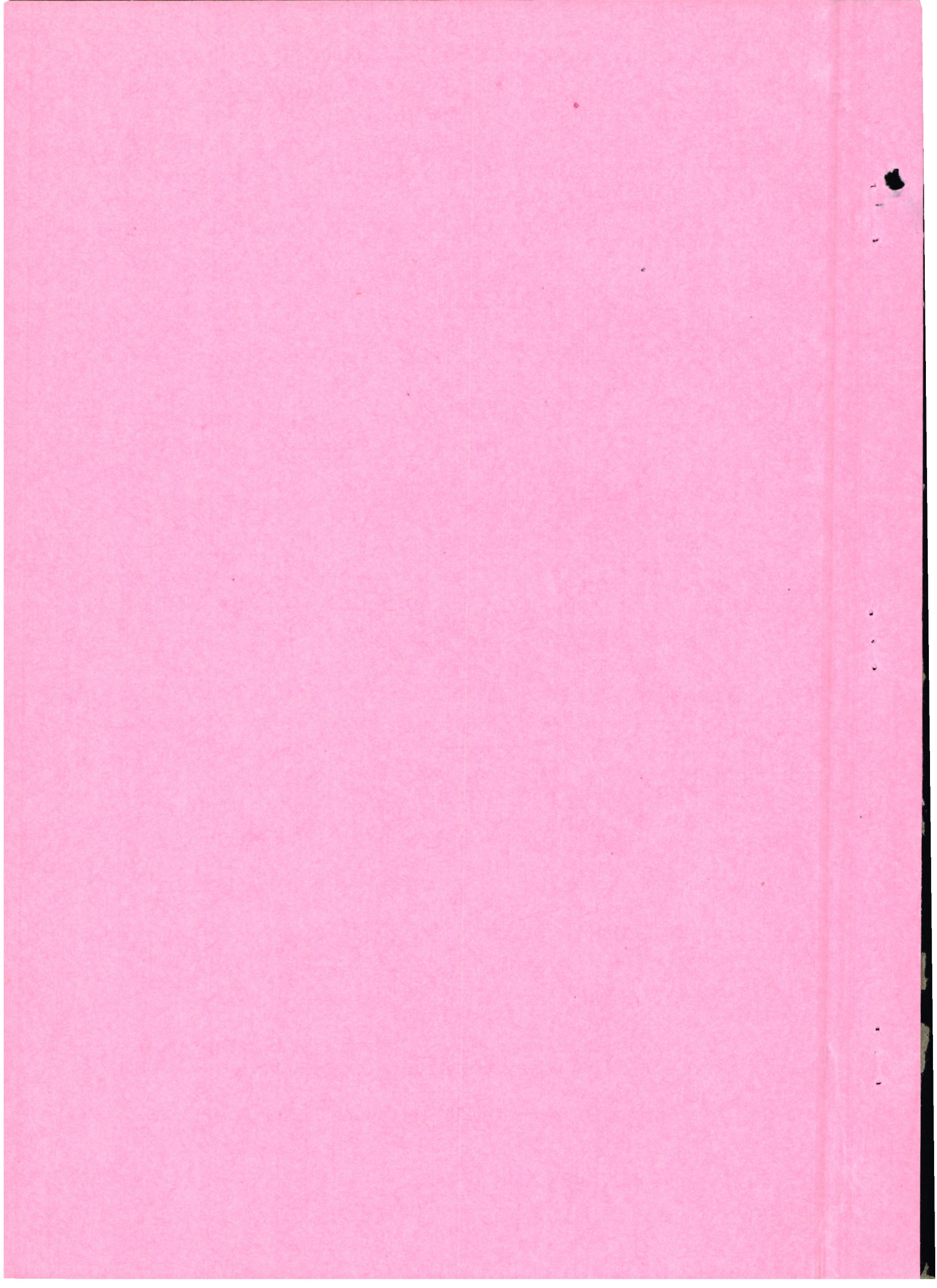
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## FINANCIAL STATEMENT FOR YEAR ENDED

30<sup>TH</sup> JUNE 2001



# MINISTRY OF HEALTH

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**MEDICAL PRACTITIONERS  
AND DENTISTS BOARD**  
MP & DB HOUSE,  
WOODLANDS RD, OFF LENANA RD,  
P. O. BOX 44839 - 00100  
NAIROBI

15<sup>th</sup> August, 2005

Ref: No.....  
and date

## REGISTRAR'S REPORT

On behalf of the Medical Practitioners and Dentists Board, I hereby submit the Annual Report and Statement of Accounts for the year ended 30th June, 2001 in accordance with Section 31 of the Exchequer and Audit Act, (Cap.412).

### HISTORY OF THE BOARD

- The Board is established under section 4 of the Medical Practitioners and Dentists Act Cap 253.
- The Act was enacted by Parliament in 1977 and became operational on 1<sup>st</sup> January, 1978.

### COMPOSITION OF THE BOARD

1. A Chairman who is appointed by the Minister for Health.
2. The Director of Medical Services who is the Registrar.
3. A deputy Director of Medical Services appointed by the Minister.
4. Four Medical/Dental Practitioners nominated by the Minister.
5. A representative of each of the Universities in Kenya which have the power to grant a Medical/Dental qualification which registerable under the Act.
6. Two dental practitioners elected by registered dental practitioners.
7. There is an established secretariat at Hurlingham Woodlands Road whose day-to-day operations are managed by the Executive Officer.

The current Board was inaugurated on 21<sup>st</sup> January, 2005. Every Board has a lifespan of Five (5) years.

## **BOARD COMMITTEES**

- Assessment and Registration Committee
- Education and Specialists Recognition Committee
- Preliminary Inquiry Committee
- Finance and Administration Committee
- Public Relations and Liaison Committee
- Health and Fitness Committee
- Adhoc Committees as necessary

## **FUNCTIONS OF THE BOARD**

1. Consideration and acceptance or rejection of all applications for registration as Medical or Dental Practitioners (Section 6 of the Act).
2. Assessment of the Training and supervisory requirements necessary for qualification for registration (section 11).
3. Supervision and approval of the course content of any University that offers Medical and Dental degrees in Kenya to satisfy itself that these courses meet the required standards (Section 11A).
4. Conduction appropriate oral and/or written examinations either set by the Board or delegates of the Board as considered necessary by the Board to assess the suitability of applicants for registration (section 11).
5. Conferment of licences to render Medical or Dental Services (Section 13).
6. Conferment of licences to engage in private practice either part or full-time (Section 15).
7. Authorization of premises for use in private practice (Section 15).
8. Carrying out inquiries into the conduct of practitioners who are accused of any infamous or disgraceful conduct that impact on professional matters (section 20).
9. Maintaining an appropriate register of practitioners (Section 20). Under this, the Board may suspend or restore a practitioner into the register.\
10. Holding consultations with the Minister for Health on the rules necessary to be prescribed for the carrying out the provisions of the Act (Section 23).

From the foregoing, it is clear that the Act gives the Board wide powers to:

- Protect the interest of patients and the public.
- Ensure the existence of competent manpower.
- Ensure proper standards of training and practice are maintained.

As many are aware, the Board has strived to carry out its mandate within the available resources.

Finally, I would like to conclude by recording the Board's commendation to all Medical Doctors and Dentists for their tireless efforts in Health Care Delivery and the Board's Staff for their selfless service to the Board.



**DR. JAMES W. NYIKAL, MBS**  
**DIRECTOR OF MEDICAL SERVICES/REGISTRAR**  
**MEDICAL PRACTITIONERS AND DENTISTS BOARD**

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE  
FINANCIAL STATEMENTS OF MEDICAL PRACTITIONERS AND  
DENTISTS BOARD FOR THE YEAR ENDED 30 JUNE 2001.



# KENYA NATIONAL AUDIT OFFICE

## REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF MEDICAL PRACTITIONERS AND DENTISTS BOARD FOR THE YEAR ENDED 30 JUNE 2001

I have audited the financial statements of Medical Practitioners and Dentists Board for the year ended 30 June 2001 in accordance with the provisions of section 29 of the Exchequer and Audit Act (Cap 412). I have obtained all the information and explanations considered necessary for the purpose of the audit. Proper books of account have been kept by the Board and financial statements which have been prepared under the historical cost convention as modified to include valuation of fixed assets are in agreement therewith and comply with Medical Practitioners & Dentists Board Act (Cap 253).

### Respective Responsibilities of the Board Members and the Controller and Auditor General

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

### Basis of Opinion

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

#### 1. Accuracy of the Financial Statements

The Balance Sheet as at 30 June 2001 did not balance as the credits of Kshs.46,957,690 exceeded the debits of Kshs.45,571,859 by Kshs.1,385,831, and the resultant difference of Kshs.1,385,831 was posted to a Suspense Account which has not been analysed or reconciled to show what it represents. In the absence of analysis and reconciliation, it was not possible to confirm the accuracy of the Balance Sheet as at 30 June 2001 and the results of operations for the year then ended.

## **2. Cash and Bank Balances**

During the year ended 30 June 2001 the Board did not prepare bank reconciliation statements or submit cash count certificates for audit review. Bank reconciliations provide the necessary checks over the liquid asset, cash and have, therefore, to be done regularly in order for reconciling items to be identified and promptly cleared. Failure to do this negates the internal control strengths that such reconciliations are expected to provide. In the absence of reconciliation and physical cash count certificates, it was not possible to confirm the accuracy or correctness of the Cash and Bank balances totalling Kshs.8,011,108 reported in these financial statements.

## **3. Debtors**

The Balance Sheet reflects a Debtors balance of Kshs.2,325,000 as at 30 June 2001, being an amount due from a law firm which has failed to reimburse to the Board the amount that was held by the law firm on behalf of the Board after an aborted case of purchase of land. Although the Board has indicated that it has instituted legal process to recover the amount the outcome of the suit is still unknown and as a result the chances of recovery could not be determined.

## **Opinion**

Except for the foregoing reservations, in my opinion the financial statements when read together with the notes thereon present fairly the financial position of the Board as at 30 June 2001 and of its surplus and cash flows for the year then ended.



**E. N. MWAI**  
**CONTROLLER AND AUDITOR GENERAL**

**Nairobi.**

**29 April 2005**



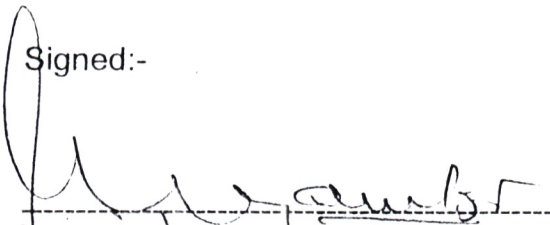
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**MEDICAL PRACTITIONERS AND DENTISTS BOARD**

**BALANCE SHEET AS AT 30.6.2001**

<u>FIXED ASSETS</u>	<u>NOTES</u>	<u>2000/2001</u> <u>Kshs.</u>	<u>1999/2000</u> <u>Kshs.</u>
Land and Building		19,926,216.00	20,437,145.00
Motor Vehicle		771,750.00	1,029,000.00
Furniture and Fittings		<u>1,453,334.00</u>	<u>1,326,427.00</u>
		22,151,300.00	22,792,572.00
 <b><u>Current Assets</u></b>			
Cash on Hand	2	1,196,273.00	2,258,045.00
Cash at Bank	3	6,814,835.00	1,935,939.00
Debtors	6	<u>2,325,000.00</u>	<u>4,528,755.00</u>
		<u>10,336,108.00</u>	<u>8,722,739.00</u>
 <b><u>Current Liabilities</u></b>			
Audit fees	5	(240,000.00)	(270,000.00)
Loan		<u>(10,845,807.00)</u>	<u>(10,829,988.00)</u>
Adjustment	7	<u>1,385,831.00</u>	-----
		<u>(9,699,976.00)</u>	<u>(11,099,988.00)</u>
 Total Net Assets		 <u>22,787,432.00</u>	 <u>20,415,323.00</u>
 <b><u>Financed By:</u></b>			
Accumulated Fund B/F	4	<u>22,787,432.00</u>	<u>20,415,323.00</u>

Signed:-



Prof. Julius M. Kyambi, MBS, MD, FAC(Giessen), FAC(Paed)Cologne  
Chairman



Dr. Richard O. Muga, OGW, MBS  
DMS/Registrar

Date

13/03/03

Date

13/03/03

## INCOME AND EXPENDITURE AS AT 30.6.01

<u>INCOME</u>	<u>2000/01</u>	<u>1999/2000</u>
Private Practice	5,812,500.00	5,947,750.00
Licence to Render	2,351,000.00	2,755,437.00
Registration fee	363,500.00	309,500.00
Retention Fee	91,600.00	284,000.00
Certificate of Good Standing	49,000.00	35,000.00
Assessment examination	120,000.00	135,000.00
Additional Qualifications	12,000.00	10,500.00
Institutional Registration	6,493,500.00	6,110,000.00
Miscellaneous income	-----	250,000.00
Insurance compensation	102,970.00	-----
Interest earned	<u>60,490.00</u>	<u>-----</u>
	<u>15,456,560.00</u>	<u>15,837,187.00</u>
 <b><u>EXPENDITURE</u></b>		
Official Entertainment	211,283.00	334,097.00
Motor vehicle running expenses	515,686.00	628,503.00
Printing and computer services	1,674,882.00	951,390.00
Traveling and accommodation	710,221.00	522,033.00
Maintenance of equipment	7,500.00	325,969.00
Honoraria & other allowances	3,112,700.00	2,736,980.00
Postage and telephone	655,642.00	818,791.00
Bank charges	114,797.00	102,233.00
Miscellaneous expenses	186,014.00	463,643.00
Salaries	246,840.00	179,520.00
Insurance expenses	222,220.00	260,798.00
Legal fees	342,516.00	383,591.00
Audit fees	60,000.00	40,000.00
Depreciation	957,667.00	750,360.00
Security	486,511.00	441,008.00
Advertising and publicity	-----	92,715.00
Electricity and Water	80,799.00	74,310.00
Rates	27,968.00	25,536.00
Interest on loan	2,824,310.00	3,458,784.00
Staff uniforms	60,000.00	-----
Gratuity	48,810.00	-----
Donations	-----	100,000.00
Cleaning services	138,425.00	75,550.00
Bonus	-----	50,000.00
Conferences	399,660.00	-----
Total expenditure	<u>13,084,451.00</u>	<u>12,879,061.00</u>
Excess of income over expenditure	<u>2,372,109.00</u>	<u>2,958,126.00</u>

**MEDICAL PRACTITIONERS AND DENTISTS BOARD**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2001**

**OPERATING ACTIVITIES**

Net Profit before Taxation 2,372,109.00

**Adjustments**

Depreciation 957,667.00

**Changes of Working Capital**

Decrease in Debtors 2,203,755.00

Decrease in Creditors (30,000.00)

2,173,755.00

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**Net cash flow from Operating activities** **5,503,531.00**

**INVESTING ACTIVITIES**

Purchase Furniture & Fittings (316,395.00)

---

**Net Cash out flow from investing Activities** **(316,395.00)**

**FINANCING ACTIVITIES**

Loan Repayment (1,370,012.00)

---

**Net cash outflow from Financing Activities** **(1,370,012.00)**

Changes in cash and Cash Equivalent 3,817,124.00

Cash and Cash equivalent at the beginning of the period 4,193,984.00

---

**Cash and Cash Equivalent at the end of the period** **8,011,108.00**

**TRIAL BALANCE FOR THE YEAR ENDING 30.6.2001**

	<u>Dr.</u>	<u>Cr.</u>
Licence to render		2,351,000.00
Retention fees		91,600.00
Certificate of Good standing		49,000.00
Registration fees		363,500.00
Private Practice		5,812,500.00
Assessment examination		120,000.00
Additional qualifications		12,000.00
Institutional registration		6,493,500.00
Miscellaneous income		-----
Insurance compensation		102,970.00
Interest earned		60,490.00
Audit Fees		240,000.00
Loan		10,845,807.00
Accumulated fund b/f		20,415,323.00
Official entertainment	211,283.00	
Motor vehicle running expenses	515,686.00	
Printing and computer services	1,674,882.00	
Traveling and accommodation	710,221.00	
Maintenance of equipment	7,500.00	
Honoraria and other allowances	3,112,700.00	
Postage & Telephone	655,642.00	
Bank charges	114,797.00	
Miscellaneous expenses	186,014.00	
Salaries	246,840.00	
Insurance expenses	222,220.00	
Legal fees	342,516.00	
Audit fees	60,000.00	
Depreciation	957,667.00	
Security	486,511.00	
Electricity and water	80,799.00	
Rates	27,968.00	
Interest on loan	282,431.00	
Staff uniforms	60,000.00	
Gratuity	48,810.00	
Cleaning services	138,425.00	
Conferences	399,660.00	
Land and Building	19,926,216.00	
Furniture and fittings	1,453,334.00	
Motor vehicle	771,750.00	
Debtors	2,325,000.00	
Cash on hand	1,196,273.00	
Cash at bank	6,814,835.00	
Adjustment	1,385,831.00	
	<u>49,957,690.00</u>	----- <u>49,957,690.00</u>

**MEDICAL PRACTITIONERS AND DENTISTS BOARD**  
**NOTES FOR THE ACCOUNTS FOR THE YEAR ENDED**  
**30<sup>TH</sup> JUNE, 2001**

1. (a) **ACCOUNTING POLICIES**

The Accounts are prepared under historical cost convention modified to include Revaluation of assets.

(b) **DEPRECIATION**

Depreciation of fixed assets is calculated to write off their cost over their estimated useful lives on a straight line basis at the following rates.

Building office and residential	2.5%
Office Equipment	12.5%
Office Furniture	12.5%
Motor vehicles	25%

2. Cash on hand	1,196,273.00
3. Cash at bank	6,814,835.00

4. **ACCUMULATED FUND**

The accumulated fund is composed of:-

Accumulated fund B/F	20,415,323.00
Surplus for the year	<u>2,372,109.00</u>
Accumulated fund	22,787,432.00

5. Current Liabilities = 240,000.00  
This represent the Audit Fees due to the Auditor General Corporations outstanding.

6. DEBTORS = 2,325,000.00

This include:-

Amount on purchase of land due from Mwenesi and Co. Advocates	<u>2,325,000.00</u>
---	---------------------

7. ADJUSTMENT – Kshs.1,385,831.00

This adjustment has come about as a result of the under-statement of the loan balance in the Previous year as follows:-

Loan balance as at 30.6.2000	-	Kshs.10,829,988.00
Actual loan balance(see)	-	Kshs.12,215,820.00 (appendix 1)
Understatement	-	Kshs. 1,385,832.00

Please also note that the loan balance as at 30.6.2001 which was given as Kshs.10,617,472.00 has been adjusted to Kshs.10,845,807.00 as per the appendix below:-

<u>Month</u>	<u>Loan Repayment</u>	<u>Balance</u>
May, 1999	-----	13,700,000.00
June, 1999	114,167.70	13,585,832.30
July, 1999 – June, 2000	114,167.70 x 12 = 1,370,012,00	12,215,820.00
July, 2000 – June, 2001	1,370,012.00	10,845,808.00