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REPORT

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OF

THE AUDITOR-GENERAL

ON

PHYSIOTHERAPY COUNCIL OF KENYA

FOR THE YEAR ENDED
30 JUNE, 2024



PHYSIOTHERAPY COUNCIL OF KENYA

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2024

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

**Physiotherapy Council of Kenya
Annual Report and Financial Statements
for the year ended June 30, 2024.**

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Physiotherapy Council of Kenya
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for the year ended June 30, 2024.

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1. Acronyms and Definition of Key Terms

A: Acronyms

HR	Human Resource
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PCK	Physiotherapy Council of Kenya
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
SDPH&PS	State Department of Public Health And Professional Standards
FY	Financial Year

B: Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Council Information and Management

(a) Background information

The Physiotherapy Council of Kenya was established under the Physiotherapists Act No. 20 of 2014(Rev 2019). The Council is based in Nairobi, Kenya, with its head office located at Bermuda Plaza, Ngong Road. Currently we do not have any branches.

(b) Principal Activities

The principal mandate of the Council is to exercise general supervision and control over the training and practice of physiotherapists in Kenya and to advise the Government in relation to all aspects thereof.

The principal activities of the Council as per the act are to;

- i) prescribe the minimum educational requirements for persons wishing to be registered as physiotherapists under this Act;
- ii) consider and approve the qualifications of physiotherapists for the purposes of registration under this Act;
- iii) cause to be maintained a register of all persons registered as physiotherapists in accordance with this Act;
- iv) prescribe and conduct examinations for purposes of registration under this Act
- v) collaboration with the approved institutions;
- vi) in collaboration with the Council for University Education and Technical and Vocational Educational and Training Authority, approve and accredit institutions offering physiotherapy training leading to registration under this Act;
- vii) license the private practice of physiotherapists;
- viii) establish and maintain a professional code of conduct for all persons registered under this Act;
- ix) regulate the professional conduct of registered physiotherapists and take such disciplinary measures as may be appropriate to maintain proper professional standards;
- x) establish, approve and accredit programs for continuing professional educational programs;
- xi) cause to be published in the *Kenya Gazette* every calendar year or such other period as may be prescribed, the names of all registered physiotherapists;
- xii) perform such other function as may be provided for in this Act or any other written law

(c) Key Management

The day-to-day management is under the following key organs:

No.	Designation	Name
1.	Registrar	Douglas Kotut

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Registrar	Douglas Kotut
2.	Accountant 1	Fredrick Omondi

(e) Fiduciary Oversight Arrangements

The Council has 5 Committees which ensure that its mandate is executed They include:

- i) **Audit Committee** : It is responsible for overseeing The Council’s financial reporting processes, internal controls, and compliance with legal and regulatory requirements. Its key functions include monitoring the integrity of financial statements, reviewing internal and external audit activities, assessing risks, and ensuring effective internal control systems. The committee liaises with external auditors, evaluates their performance and independence, and addresses any issues arising from audits. Additionally, it ensures adherence to corporate governance practices, investigates financial irregularities, and makes recommendations to the Council on improving accountability and transparency.
- ii) **Finance Committee** : It is responsible for overseeing an organization’s financial health, planning, and management. Its key functions include reviewing and approving budgets, monitoring financial performance against targets, and ensuring effective financial policies and controls are in place. The committee provides guidance on financial strategies, investment decisions, and risk management practices. It also oversees financial reporting to ensure accuracy, transparency, and compliance with regulations. Additionally, the committee advises the board on long-term financial planning, funding strategies, and major financial decisions to support the organization’s goals and sustainability.
- iii) **Examination, Registration And Licensing Committee**: This committee oversees processes related to professional certification, ensuring that standards for competency, fairness, and transparency are

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maintained. Its functions include developing and monitoring examination policies, coordinating the administration of exams, and ensuring their alignment with regulatory and professional requirements. The committee also manages the registration of candidates, evaluates eligibility criteria, and ensures compliance with licensing standards. Additionally, it oversees the issuance and renewal of licenses, addresses disputes or appeals, and implements measures to uphold the integrity and credibility of the certification and licensing process.

- iv) **Inspection, Accreditation And Training Committee:** The inspection, accreditation, and training committee is responsible for maintaining and enhancing the quality of professional standards through oversight of inspection, accreditation, and training processes. Its functions include developing and implementing policies for the inspection of institutions, programs, or facilities to ensure compliance with established standards and regulations. The committee oversees the accreditation process, evaluating and approving institutions or programs based on set criteria. Additionally, it identifies training needs, develops curricula, and ensures the delivery of high-quality training programs. The committee also monitors the effectiveness of training and accreditation initiatives and recommends improvements to promote excellence and continuous professional development.
- v) **PCK Research And Innovation Centre Committee:** The PCK Research and Innovation Centre Committee is tasked with fostering research, innovation, and development to advance the organization's objectives. Its functions include identifying and prioritizing research areas aligned with strategic goals, overseeing the development and execution of research projects, and promoting innovative solutions to address industry challenges. The committee evaluates the feasibility and impact of proposed innovations, facilitates partnerships with academic, industry, and government stakeholders, and ensures adequate funding and resources for research initiatives. Additionally, it monitors the progress and outcomes of research projects, disseminates findings, and encourages the adoption of innovative practices to drive organizational growth and competitiveness.

(f) Council Headquarters

P.O. Box 9318-00100
Bemuda Plaza
Ngong Road
Nairobi, KENYA

(g) Council Contacts

Telephone: (254) 20440 4110/ 0701165338
E-mail: ceo@pck.gp.ke

Website: www.pck.go.ke

(h) Council Bankers

1. Kenya Commercial Bank Limited
Moi Avenue
P.O. Box 30081-00100
NAIROBI, KENYA

(i) Independent Auditor

Auditor-General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(j) Principal Legal Adviser




The Attorney General
State Law Office and Department of Justice
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya




2. Other Banks

The Council has no other banks.

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3. The Council

SN	Directors	Details
1.	 <p>Mr. Henry Opondo Chairman Diploma in Physiotherapy, Higher diploma in Orthopaedic Manual Physiotherapy. Bachelor of Science in Health Systems Management and development.</p>	<p>DOB -1984 Experience: Over 20 years of clinical and managerial experience. He is currently the Head of rehabilitation services in Karen Hospital. He is also the president of the Kenya society of Physiotherapy as well as the president of east Africa physiotherapy association. Representing Kenya Society of Physiotherapists Date of Appointment – 5th August 2022 for a term of 3 years</p>
2.	 <p>Teresa Ogumbo Alternate to Principal Secretary State Department for Public Health and Professional Standards Diploma in Physiotherapy, B.Sc. in Physiotherapy, Ongoing M.Sc. Health Systems Management Strategic Leadership Development Course (SLDP)</p>	<p>DOB 1980 Academic qualifications: Diploma in Physiotherapy, Bsc in Physiotherapy, Ongoing M.Sc. Health Systems Management Senior Management Course Strategic Leadership Development Course (SLDP) Experience: Over 20yrs of clinical and managerial experience. Alternate Principal Secretary Ministry of Health Date of Appointment – 15th August 2022 Chairs The Training, Education, Standards, Registration and Licensing Committee</p>
3.	 <p>Victoria Musyoka Representing physiotherapists in private sector</p>	<p>DOB :1978 Experience: Over 20 years of clinical and managerial experience. Currently a proprietor of Moshon Physiotherapy Services, she is also a trainer and mentor in pelvic health rehabilitation as well as lymphoedema management Date of Appointment – 5th August 2022 for a term of 3 years Chairs the Finance and Administration committee</p>

	Diploma in Physiotherapy, Higher diploma in pelvic health Physiotherapy. Degree in health systems management.	
4.	 <p>Dr. Daniel Nyamongo Representing Universities</p> <p>Diploma in Physiotherapy, M.Sc. In International Health PhD In Epidemiology</p>	<p>DOB-1966 Date of Appointment – 5th August 2022 for a term of 3 years Chairs the Inspection, Accreditation and Training Committee</p>
5.	 <p>Rahab Ngatia Representing Counties</p> <p>Diploma in Physiotherapy, Bachelor of Science in Counselling Psychology Senior Management Course.</p>	<p>Experience: Over 30yrs of clinical and managerial experience. Date of Appointment – 5th August 2022 for a term of 3 years Currently the County Physiotherapist Nyeri</p>
6.	 <p>Mr. Douglas Kotut Registrar /Secretary</p> <p>Diploma in Physiotherapy, B.Sc. in Physiotherapy, Ongoing M.Sc. Health Systems Management Senior Management Course Strategic Leadership Development Course (SLDP)</p>	<p>DOB -1980 Experience: Over 20yrs of clinical and managerial experience. Date of Appointment: 15th September 2015</p>

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4. Key Management Team

	Management	Details
1.	 <p>Mr. Douglas Kotut Registrar /Secretary</p>	<p>Qualifications- Diploma in Physiotherapy, Bsc in Physiotherapy, Ongoing Msc Health Systems Management Senior Management Course Strategic Leadership Development Course (SLDP) Date of Appointment: 15th September 2015</p>
2.	 <p>Fredrick Omondi Accountant I SDPH&PS</p>	<p>Bachelors in Commerce CPA Date of Appointment: 7th August 2024 Deployed from Ministry of Health</p>

5. Chairman's Statement

This year has been marked by a renewed focus on collaboration, governance, and strengthening our communication channels.

One of the most significant milestones was the Council's move to Bermuda Plaza, a spacious and well-equipped facility that has enhanced our operational capacity. This new office space aligns with our commitment to improving service delivery and providing an environment where our staff and Council members can operate efficiently.

The Council also finalized the acquisition of a vehicle, which has greatly enhanced our mobility. This has enabled us to conduct more extensive inspections of healthcare facilities, ensuring that physiotherapy services across Kenya meet the highest standards of quality and compliance.

In 2023/2024, we made substantial progress in fostering partnerships and strengthening collaboration with key stakeholders in the health sector. These partnerships are critical in advancing the physiotherapy profession and aligning our goals with national health priorities.

Our engagements have expanded beyond the traditional stakeholders to include other health professionals, regulatory bodies, and academic institutions. These collaborative efforts are instrumental in ensuring that we continuously adapt to the evolving healthcare landscape and maintain relevance in policy discussions.

Recognizing the importance of effective communication, we have made significant strides in improving how we engage with the public and our stakeholders. A key achievement this year was the redesign of our website, which now offers a more user-friendly interface and provides easy access to information about our services and regulatory updates.

In addition, we activated the Council's social media platforms, allowing for more dynamic interaction with the public and our registered professionals. These channels have proven to be valuable tools in disseminating important information, promoting public awareness of physiotherapy, and providing real-time updates on Council activities.

A significant milestone was the successful induction of new Council members. This induction process provided the new members with comprehensive training on their roles and responsibilities, equipping them to make informed decisions that will drive the Council forward.

The Council also finalized several important documents this year, including the Council Charter and the PCK Services Charter, which will guide our activities and service standards. These frameworks ensure that the Council operates with transparency and accountability, setting a solid foundation for governance.

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Maintaining high professional standards in physiotherapy remains a core focus of the Council. In line with this, we successfully administered pre-registration examinations to two groups of candidates in August and November 2023. These exams are crucial in assessing the readiness of new entrants to the physiotherapy profession, ensuring they meet the required standards.

Furthermore, we developed and finalized the Pre-Registration Examination Guidelines, which will standardize the assessment process and ensure consistency in evaluating future candidates.

This year, we also concluded the development of the Strategic Plan 2023-2027. This forward-looking plan outlines our key objectives and strategic priorities for the next five years. It will guide our efforts to strengthen the physiotherapy profession, improve regulatory oversight, and ensure that the Council remains responsive to the needs of the healthcare sector.

Additionally, we finalized the Finance, Audit, Risk, and Procurement Policy Manual, which will streamline our financial management and risk assessment processes, ensuring prudent use of resources.

Looking to the future, one of the most exciting developments is the initial groundwork laid for the establishment of a Physiotherapy Research and Innovation Centre (PIRC). This Centre will be a hub for physiotherapy research, innovation, and specialized services, contributing to the advancement of the profession in Kenya. We are in the early planning stages, and the Council is committed to making this initiative a reality in the coming years.

As we conclude the 2023/2024 financial year, I am proud of the Council's accomplishments. We have made substantial progress in improving our operations, enhancing communication with stakeholders, and setting a strong foundation for future growth. These achievements are a result of the dedication of our staff, Council members, and partners, whose support has been invaluable.

The year ahead promises to be an exciting one as we continue to build on this momentum, expand our partnerships, and strengthen the physiotherapy profession in Kenya.



Henry Opondo

Chairman

Physiotherapy Council of Kenya (PCK)

6. Report of the Registrar

The Financial Year 2023/2024 has been a defining period for the Physiotherapy Council of Kenya, marked by significant achievements and transformative milestones. Our commitment to advancing physiotherapy standards, ensuring compliance with global best practices, and enhancing operational efficiency has yielded remarkable results.

One of the most notable accomplishments this year is the impressive growth in our financial performance. The Council's revenue almost doubled, increasing from Ksh 12,043,477 in 2022-2023 to Ksh 22,420,979 in 2024. This achievement reflects enhanced compliance, strategic initiatives, and the expansion of services, which have allowed us to fund critical programs aligned with our mission. These resources have been prudently utilized to bolster governance structures, digitize key services, and strengthen oversight across the physiotherapy profession in Kenya.

The operational capacity of the Council has been significantly enhanced through deliberate efforts to modernize service delivery. A key milestone was the migration of eight core services to the e-Citizen platform, enabling stakeholders to access services such as licensing and facility registration online. This digitization has eliminated the need for in-person visits, reduced administrative costs, and improved the efficiency of service delivery. By the end of the next financial year, we aim to achieve full digitization of all Council services, a step that will transform how we interact with physiotherapists and healthcare institutions nationwide. To further improve our operations, the Council purchased a vehicle, which has significantly enhanced our mobility. This strategic investment has enabled us to conduct more frequent inspections of health facilities, ensuring compliance with professional standards and enhancing the quality of physiotherapy services delivered to Kenyans.

In line with our mandate to safeguard public health, we conducted inspections of 187 health facilities offering physiotherapy services, a substantial increase from the 65 facilities inspected the previous year. These inspections are a critical tool in upholding the standards of physiotherapy practice, ensuring that facilities adhere to the set guidelines and that Kenyans receive high-quality care.

The Council also administered three series of pre-registration examinations over the past 18 months to 424 candidates. These examinations are vital in evaluating the readiness of new practitioners to enter the profession. This rigorous assessment process underscores our commitment to maintaining the integrity of the physiotherapy profession and protecting the public from substandard care.

Our focus on professional development and governance has been equally robust. We disseminated the recently developed Continuing Professional Development (CPD) guidelines and the Codes of Professional Conduct in the South Rift region, with plans to roll out these resources across the entire

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country. These initiatives aim to enhance compliance, ensure uniform application of standards, and equip physiotherapists with the knowledge required to navigate ethical and professional challenges. In strengthening governance, we finalized several critical policy documents, including the Council Charter, the PCK Services Charter, and the Finance, Audit, Risk, and Procurement Policy Manual. These documents provide a robust framework to guide our operations, ensuring accountability, transparency, and efficiency. Additionally, the induction of new Council members was successfully conducted, equipping them with the knowledge and skills necessary to perform their roles effectively. The Council is in the process of developing its Strategic Plan 2023-2027, which will be a landmark achievement, positioning the Council to address emerging challenges in the healthcare sector. The plan outlines our vision for the next five years, focusing on digitization, stakeholder engagement, capacity building, and enhancing compliance mechanisms. This roadmap aligns with national development strategies, including Universal Health Coverage (UHC) and Kenya Vision 2030. Our registration data underscores growth and professionalism within the physiotherapy sector. Individual registrations increased from 196 in 2022/2023 to 288 in 2023/2024, reflecting the growing recognition of the Council's role in fostering excellence. Similarly, clinic registrations rose from 25 to 37 over the same period. These trends signify increased confidence in the Council's regulatory framework and its emphasis on quality assurance.

As we reflect on the accomplishments of this financial year, it is evident that the Council is on a transformative trajectory. Our financial growth, operational efficiency, and governance reforms have strengthened our ability to serve physiotherapists, healthcare institutions, and the public effectively. Looking ahead, our focus will remain on driving further growth, fully digitizing our services, and enhancing collaboration with stakeholders to ensure that the physiotherapy profession in Kenya continues to meet global standards. Deeper gratitude to the Council team, our partners, and all stakeholders for their unwavering support. Together, we will continue to build a physiotherapy profession that is resilient, innovative, and dedicated to improving the health and well-being of all Kenyans.

Douglas C. Kotut
Registrar
Physiotherapy Council of Kenya

7. Statement of Performance against Predetermined Objectives for FY 2023/2024

The Council had not developed a strategic plan at the time of audit and therefore could not objectively compare the performance vs the strategic plan. However, the Council used its mandate as prescribed in the Physiotherapists Act to measure its performance. The Council is in the process of developing its strategic plan

Based on the mandate, the strategic pillar is to exercise general supervision and control over the training and practice of physiotherapists in Kenya.

The Council developed its annual work plans based on the above pillar. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Council achieved its performance targets set for the FY 2023-2024 period for its strategic pillar, as indicated in the table below:

Quality Objective	Performance against objectives
Prescribe the minimum educational requirements for persons wishing to be registered as physiotherapists; Sec 4, (2) 1 a)	Compliance with educational standards established and enforced
Consider and approve the qualifications of physiotherapists for the purposes of registration; Sec 4, (2) 1 b)	Timely review and approval of qualification applications undertaken
Cause to be maintained a register of all persons registered as physiotherapists: Sec 4, (2) 1 c)	Register for all persons registered as per the Act maintained
prescribe and conduct examinations for purposes of registration under this Act collaboration with the approved institutions; Sec 4, (2) 1 d)	Necessary structures to ensure delivery of credible examinations being put in place
approve institutions other than those established or accredited under the Universities Act, 2012, or the Technical and Vocational Education and Training Act, 2013 for the training of physiotherapists; Sec 4, (2) 1 e)	Ten training institutions inspected and seven given temporary accreditations. Others to be inspected in the next financial year.
license the private practice of physiotherapists; Sec 4, (2) 1 f)	Efficient process of inspection of facilities and

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	issuance of practice licenses has been put in place and is working well
Establish and maintain a professional code of conduct for all persons registered under this Act Sec 4, (2) 1 g)	Draft physiotherapy code of conduct developed, awaiting finalization.
regulate the professional conduct of registered physiotherapists and take such disciplinary measures as may be appropriate to maintain proper professional standards; Sec 4, (2) 1 h)	There is an established disciplinary committee that ensures that ensures adherence to regulations and professional codes of conduct.
establish, approve and accredit programs for continuing professional educational programs; Sec 4, (2) 1 i)	A robust process of approving CPD providers established. A list of approved CPD providers available.
cause to be published in the Kenya Gazette every calendar year or such other period as may be prescribed, the names of all registered physiotherapists; Sec 4, (2) 1 j)	List of approved physiotherapists published in the council website.

8. Corporate Governance Statement

The Council consists of a governing body (Board) and an administrative team (Secretariat) led by the Registrar. The Board is responsible for setting the overall direction of the Council, while the Secretariat manages the day-to-day operations.

The Board is composed of representatives from sectors related to physiotherapy, including government health agencies, medical training institutions, disability organizations, and the physiotherapy profession. Board members are appointed by relevant authorities and may be removed if deemed unsuitable for the position. The Chairperson must be a registered physiotherapist with at least ten years of experience.

Name	Number of Meetings Held
Full Council	6
Audit, Risk and Compliance	5
Inspection, Accreditation and Training	3
Finance and Administration	3
Examinations, Registration And Licensing	20

i. Audit, Risk and Compliance Committee

Main Responsibilities of the Audit, Risk and Compliance committee include:

Oversight of Financial Reporting

- The audit committee is responsible for reviewing the company's financial statements before they are approved by the board. This includes ensuring that the financial reports are accurate, complete, and prepared in accordance with IPSAS and other national standards.
- Internal Controls: The committee oversees the effectiveness of the company's internal control systems to detect and prevent fraud, errors, and misstatements. This includes the internal audit function and any external audit findings.

Internal Audit Oversight

- Oversight of Internal Audit: The audit committee oversees the internal audit function, ensuring it has the necessary authority, resources, and independence to perform its duties effectively. This includes reviewing the internal audit plan and reports and ensuring that management responds to findings.
- Whistle-blower Mechanisms: The audit committee often oversees or approves mechanisms through which employees or other stakeholders can report concerns about financial reporting, fraud, or other unethical behaviour (e.g., a whistleblower hotline).
- Fees and Scope: The audit committee is responsible for approving the internal auditor's compensation and ensuring that the scope of the audit is appropriate. They may also approve any non-audit services provided by the auditor to avoid conflicts of interest.
- Review of Auditor's Performance: The committee evaluates the performance of the internal auditor and may recommend their dismissal or replacement if necessary.

Risk Management and Compliance

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- **Risk Oversight:** The audit committee has a key role in overseeing risk management processes, including ensuring that risks (financial, operational, and reputational) are identified and adequately addressed.
- **Compliance with Laws and Regulations:** The committee monitors compliance with financial reporting regulations, corporate governance rules, and other relevant legal requirements. This includes ensuring that the company adheres to anti-corruption, anti-fraud, and other regulatory obligations.

ii. Finance And Administration Committee

Finance And Administration committee responsibilities include:

Financial Monitoring: The Finance Committee is responsible for overseeing the organization's financial health by reviewing budgets, financial statements, and reports quarterly.

Audit Oversight: The committee plays a critical role in both internal and external audits. It ensures that audits are conducted independently and that the findings are addressed appropriately. This includes:

- Participating in audit planning.
- Monitoring the implementation of corrective actions based on audit findings.
- Evaluating auditor performance and ensuring there is no conflict of interest.

Legal and Ethical Compliance

- **Fiduciary Duty:** Members of the Finance Committee have a legal obligation to act in the best interest of the organization, which includes exercising due diligence in financial matters to avoid negligence or illegal activities
- **Transparency and Accountability:** The committee must ensure that financial transactions are transparent and that proper records are maintained. This involves regular reporting to the board on financial matters and any significant issues identified during reviews or audit

Risk Management

- **Identifying Risks:** The Finance Committee should assess potential financial risks and ensure that appropriate controls are in place to mitigate these risks. This includes evaluating internal controls related to budgeting, accounting, and financial reporting
- **Monitoring Compliance:** The committee should also monitor compliance with applicable laws and regulations to safeguard against legal liabilities

Recommendations for Improvement

- **Continuous Improvement:** The committee should be proactive in recommending improvements to financial practices based on audit outcomes or changes in regulatory requirements. This may involve developing new policies or enhancing existing ones to promote better financial management practice

Reporting Mechanisms

- **Regular Reporting:** The Finance Committee is expected to provide regular updates to the board regarding its activities, findings from audits, and any recommendations for action. This ensures that the board remains informed about the organization's financial status and any potential issue

iii. Inspection, Accreditation and Training Committee

The Inspection, Accreditation, and Training Committee is responsible for upholding quality standards in professional practices, institutions, and programs through systematic oversight of inspection, accreditation, and training activities. The committee's key responsibilities include developing policies and frameworks for inspections to ensure compliance with regulatory standards and best practices. It conducts or oversees regular inspections of institutions, programs, or facilities to assess their adherence to established benchmarks.

In the accreditation process, the committee evaluates applications from institutions or programs, reviews their operations against defined criteria, and grants or denies accreditation based on findings. It ensures transparency, fairness, and consistency in all accreditation decisions while periodically reviewing and updating standards to reflect evolving industry needs.

In terms of training, the committee identifies skill gaps, formulates training objectives, and designs or approves curricula to address professional development needs. It oversees the delivery of training programs, ensuring quality and relevance, while monitoring participant feedback and program outcomes for continuous improvement.

Additionally, the committee provides guidance and recommendations to the board on enhancing inspection, accreditation, and training processes. By fostering accountability, quality assurance, and capacity building, the committee contributes to the overall excellence and credibility of the organization and its stakeholders.

iv. Examination, Registration and Licensing Committee

The Examination, Registration, and Licensing Committee is responsible for ensuring the integrity, fairness, and efficiency of processes related to professional certification, registration, and licensing. Its key responsibilities include developing policies and procedures for administering examinations, ensuring they are rigorous, standardized, and aligned with regulatory and professional standards. The committee oversees the preparation, scheduling, and delivery of exams, as well as the management of results and the resolution of disputes or appeals arising from the examination process.

Registration: the committee evaluates applications from candidates, verifies eligibility against established criteria, and maintains an accurate and up-to-date registry of professionals. It ensures that registration processes are transparent, equitable, and accessible to qualified individuals.

Licensing: the committee oversees the issuance of licenses to eligible candidates, ensuring compliance with regulatory requirements and adherence to ethical and professional standards. It also monitors the renewal of licenses, ensuring continuous compliance through periodic assessments, professional development, or re-certification processes.

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Additionally, the committee reviews and updates policies to reflect changing regulatory and industry landscapes, addresses complaints related to the licensing process, and implements measures to prevent fraud. By maintaining high standards and accountability, the committee safeguards public trust and upholds the credibility of the profession.

The Council is committed to maintaining the highest standards of corporate governance to ensure accountability, transparency, and the long-term sustainability of our organization. The Councils Corporate Governance Statement outlines the policies, practices, and procedures that guide our Council in fulfilling its responsibilities. Below are the key elements of our governance framework:

- **Board Meetings and Attendance**
We recognize the importance of regular Council meetings to ensure effective oversight and decision-making. The statement will include details regarding the number of Council meetings held during the reporting period and individual attendance records for each Council member.
- **Succession Planning**
Succession planning is a key component of our governance framework to ensure the continuity of leadership. We are committed to identifying, developing, and retaining talent to meet both current and future leadership needs of the Council.
- **Board Charter**
A Council Charter is in place to clearly define the roles, responsibilities, and powers of the Council and its committees. This charter provides a comprehensive guide to the governance framework and establishes the principles that the Council follows in fulfilling its duties.
- **Appointment and Removal of Members**
The process for the appointment and removal of Council members is transparent and guided by the Physiotherapy Council of Kenya's Act. This ensures that appointments are based on merit, skills, and alignment with the strategic needs of the Council. The process involves due diligence and thorough consideration by the relevant committees.
- **Roles and Functions of the Council**
The Council is responsible for providing strategic direction, overseeing risk management, ensuring financial integrity, and monitoring operational performance. Each member brings a wealth of expertise to fulfil these functions effectively.
- **Induction, Training, and Development**-Newly appointed Council members undergo a formal induction process to familiarize themselves with the Council's operations, governance policies, and strategic goals. Continuous training and development opportunities are provided to enhance their skills and keep them abreast of evolving governance practices.
- **Council and Member Performance**
Regular assessments of the Council's performance, as well as that of individual members, are conducted to ensure effectiveness. Feedback from these evaluations is used to identify areas for improvement and to strengthen the Council's overall contribution.
- **Conflict of Interest**
The Council has a robust conflict-of-interest policy to ensure that members act in the best interests of the organization. Members are required to disclose any potential conflicts, and appropriate measures are taken to address them.
- **Ethics and Conduct**
The Council is guided by a Code of Ethics that outlines the expected standards of behaviour for members, management, and employees. This code reinforces our commitment to integrity, accountability, and respect.

- **Governance Audit**
The council plans to conduct regular a governance audit to evaluate the effectiveness of its governance structures and processes. This audit will provide insights that guide continuous improvement in governance practices.
- **Whistleblowing Policy**
A whistleblowing policy is in place to encourage employees and stakeholders to report unethical conduct or any concerns regarding governance. The policy ensures confidentiality and protection against retaliation for whistleblowers.
- **Communication Policy**
The Council recognizes the importance of transparent and effective communication with stakeholders. Our communication policy outlines the channels and practices for engaging with stakeholders, including members of the public, physiotherapists, and government agencies.

9. Management Discussion and Analysis

Overview

The Physiotherapy Council of Kenya (PCK) is committed to advancing the quality of physiotherapy services, ensuring compliance with regulatory standards, and fostering professional growth in the field. The Council plays a pivotal role in licensing practitioners, accrediting institutions, and safeguarding the public interest. This report highlights the Council's performance, challenges, and strategies for the fiscal year.

Performance Review

1. Licensing and Registration

PCK achieved significant progress in licensing physiotherapists and facilities.

-2023-2024 Highlights

- Registered 236 physiotherapists.
- Licensed 27 physiotherapy facilities, ensuring adherence to quality standards.

This reflects a 15% growth compared to the previous year (188), attributed to enhanced digital systems for application and renewal processes.

2. Education and Accreditation

The Council accredited three new training institutions in 2024, bringing the total to eight accredited centres, which translates to 37% growth. Continuous monitoring ensured compliance with curricular standards, aligning with global best practices.

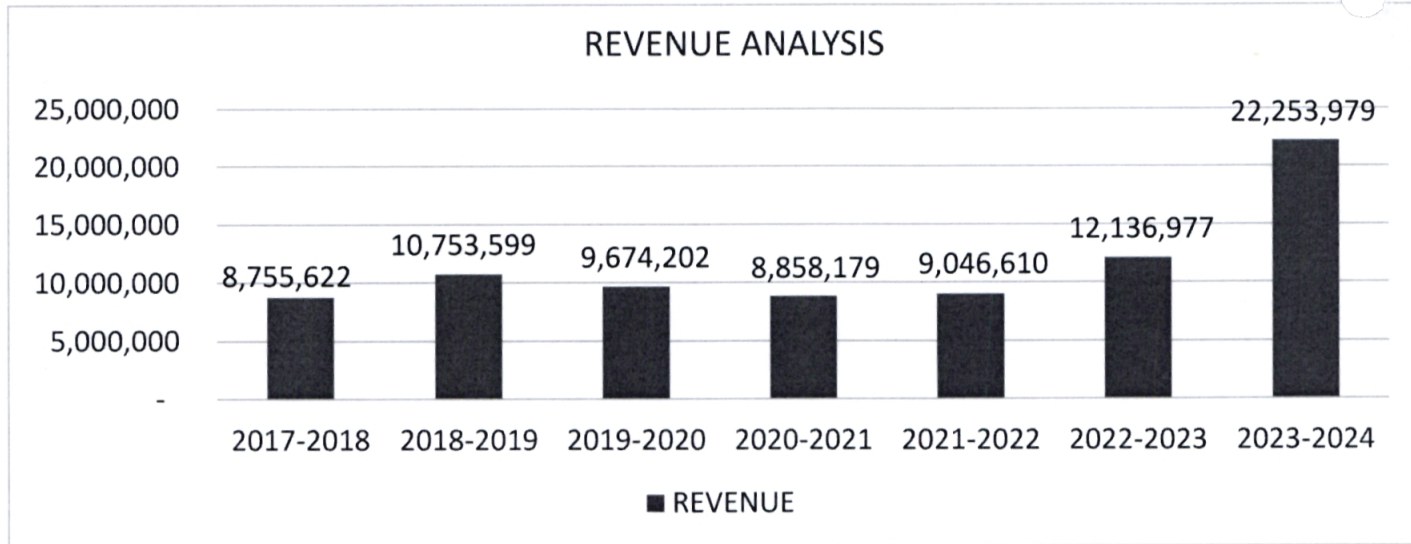
3. Advocacy and Public Awareness

To promote the role of physiotherapy in healthcare:

- Conducted nationwide campaigns highlighting the importance of physiotherapy in managing chronic diseases.
- Strengthened partnerships with healthcare organizations and government bodies.

Financial Performance

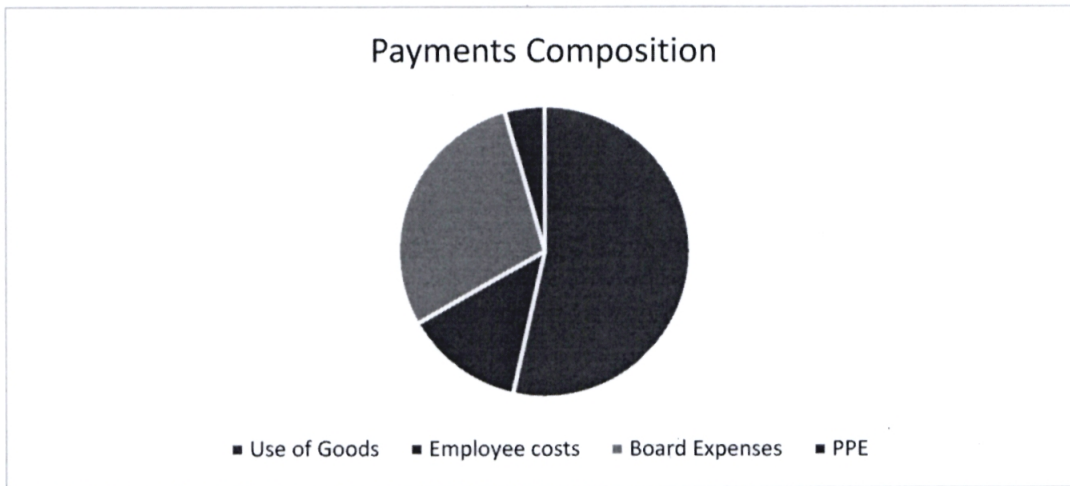
PCK's financial health remained strong, driven by increased licensing revenue.



Expenses

The Council recorded an increment of Ksh 5 million, demonstrating prudent financial management.

- 40% allocated to capacity-building initiatives.
- 25% invested in improving digital infrastructure.



Key Challenges

1. Regulatory Compliance Gaps

Despite improvements, some practitioners and facilities remain non-compliant.

Enhanced inspection and audit mechanisms are planned to address this.

**Physiotherapy Council of Kenya
Annual Report and Financial Statements
for the year ended June 30, 2024.**

2. Limited Awareness in Rural Areas

Public understanding of physiotherapy remains low, particularly in underserved regions. Expansion of outreach programs is necessary to bridge this gap.

3. Funding Constraints

Although funding increased, resource allocation remains tight, especially for large-scale advocacy projects and inspection coverage.

4. Understaffing: The Council is largely understaffed (3 employees, 3 deployed from parent ministry) As a result, mandates are not fully executed. But with approval of HR instruments, this will be solved.

Strategic Priorities for 2023-2024

Strategic Priorities for 2023-2024

- **Development of PCK Strategic Plan:** This sets the vision, mission, and direction for the Council's activities.
- **Amendment of the Physiotherapist Act and Regulations:** Aligns legal and regulatory frameworks with evolving professional standards.
- **Development of BSc Core Curriculum, Diploma Core Curriculum, and Examination Guidelines:** Establishes a foundation for quality education and professional standards.
- **Development of Scopes of Practice for Physiotherapists (Diploma, BSc, and Specialist Levels):** Defines clear professional roles and responsibilities to enhance service delivery.
- **Actualization of the PCK Innovation Center:** Drives innovation and creates a platform for research and development in physiotherapy.
- **Mapping Partners to Support Council Activities:** Builds collaborations and ensures resource mobilization for strategic initiatives.
- **Fundraising Walk:** Raises visibility and resources to support Council operations and objectives.
- **Celebrating World Physiotherapy Day:** Enhances public awareness and promotes the profession.
- **Financial Audit and Risk Management Training for Council Members and Secretariat:** Builds financial oversight and governance competencies.
- **Training of Secretariat on Planning and Budgeting:** Enhances capacity for effective resource allocation and planning.
- **Development of Finance, Risk, and Procurement Policy:** Strengthens institutional governance and operational efficiency.

- **Procurement of Office Equipment:** Ensures optimal functionality and operational support.
- **Dissemination of CPD Guidelines and Professional Codes of Conduct:** Ensures adherence to professional and ethical standards among stakeholders.
- **Inspection of Health Facilities, HND, and BSc Training Programs:** Upholds the quality of services and training institutions.
- **Administration of Pre-Registration Examinations:** Ensures competence and readiness of physiotherapy graduates.
- **Development of Professional Indexing Guidelines:** Facilitates tracking and regulation of professional practice.
- **Development of Clinical SOPs:** Standardizes clinical practices for improved patient outcomes.
- **Development and Communication of Financial Reporting Templates:** Streamlines audit and compliance processes for transparency and accountability.
- **Conduct Compliance Checks for Committees and Develop Compliance Checklists:** Ensures adherence to regulatory frameworks and continuous improvement.
- **Review Financial Budgets for Compliance:** Strengthens financial discipline and alignment with statutory requirements

Conclusion

The Physiotherapy Council of Kenya made significant strides in enhancing professional standards and public awareness in 2023-2024 Financial Year. While challenges persist, the Council's strategic focus on capacity building, regulatory enforcement, and public engagement positions it well for continued success.

Through collaboration with stakeholders, PCK remains committed to elevating physiotherapy in Kenya, ensuring that all citizens benefit from high-quality rehabilitative care.

10. Environmental and Sustainability Reporting

i) Sustainability strategy and profile

Physiotherapy Council of Kenya is dedicated to advancing sustainable healthcare practices, particularly in physiotherapy. The Council ensures that its operations and policies promote environmental conservation, equitable service delivery, and professional growth in the physiotherapy field.

Sustainability Efforts

PCK has implemented significant measures to incorporate sustainability into its operations. These include: Encouraging the use of digital platforms for licensing, training, and record-keeping to minimize paper usage, supporting physiotherapy facilities to transition to energy-efficient equipment and adopt environmentally friendly practices **and** Promoting telehealth services to reduce the carbon footprint associated with patient travel.

Political and Macroeconomic Trends

The Council operates within the framework of Bottom-up Economic Transformation Agenda (BETA) priorities, which demands increased access to healthcare. Economic challenges, including inflation and resource constraints, influence the availability of physiotherapy services, especially in underserved regions. Globally, PCK aligns its strategies with treaties like the Paris Agreement, which calls for action against climate change.

International Best Practices

PCK benchmarks its policies against global standards such as the WHO guidelines on sustainable healthcare and ISO 14001 for environmental management systems. This ensures the Council remains aligned with global sustainability goals while addressing local challenges.

The Council's is promoting renewable energy adoption in urban physiotherapy clinics.

ii) Environmental performance

The Physiotherapy Council of Kenya is dedicated to promoting sustainable practices within the physiotherapy sector, aligning with global best practices to reduce the environmental footprint of physiotherapy services. This report highlights the council's sustainability efforts across key areas such as energy efficiency, waste management, water conservation, sustainable procurement, and climate change mitigation. By adopting internationally recognized frameworks, including the United Nations Sustainable Development Goals (SDGs), the World Health Organization's (WHO) Health and Environment strategy, and the Health Care Without Harm (HCWH) initiative, the council aims to

integrate environmental responsibility into physiotherapy practice. The report also provides a roadmap for future initiatives to foster a greener and healthier healthcare system.

Physiotherapists not only enhance the well-being of individuals but can also contribute to the health of the planet by adopting sustainable practices in their operations. The Physiotherapy Council of Kenya recognizes the urgent need for environmental responsibility in healthcare and is committed to integrating sustainability into the physiotherapy sector. This report discusses the council's initiatives, which align with international best practices such as the United Nations SDGs, the WHO Health and Environment Strategy, and the Health Care Without Harm (HCWH) framework.

Our focus is on:

- Energy Efficiency
- Waste Reduction and Management
- Water Conservation
- Sustainable Procurement
- Climate Change Mitigation

iii) Employee welfare

The Council complies with national human resource management policies, offering well- defined job descriptions and competitively recruiting for open positions as needed and as resources permit. It emphasizes gender equality and fosters national unity by hiring individuals from a range of ethnic and religious backgrounds.

The Council intends to allocate funds for training to enhance staff skills and capacity for effective and efficient service delivery. It plans to implement performance management practices and commit to achieving established goals.

A safe working environment is crucial for maintaining a productive workforce. The Council adheres to the Occupational Safety and Health Act of 2007 (OSHA) through various initiatives in collaboration with the Ministry, including:

- a) Training staff to handle fire emergencies;
- b) Providing First Aid Kits and promoting personal responsibility, which fosters social responsibility.

iv) Market place practices-

a) Responsible competition practice

The Council is committed to maintaining responsible competition practices and does not engage the public in competitive products and services. Internally, the Council emphasizes the integrity of its staff, recognizing that their conduct reflects on the organization as a whole. To support this, management conducts annual anti-corruption training for employees and requires management to sign and adhere to the Public Servants Ethics and Integrity Code as outlined by the Minis

Externally, the Council actively engages with the public and other stakeholders by creating forums for stakeholder engagement and feedback mechanisms.

b) Responsible Supply chain and supplier relations

In terms of responsible supply chain and supplier relations, the Council is dedicated to following the procurement principles specified in the Public Procurement and Asset Disposal Act of 2015 once its operational policies and guidelines are fully implemented.

c) Responsible marketing and advertisement

The Council also seeks to ensure responsible marketing and advertising practices. The Council maintains confidentiality regarding the information received from suppliers about their businesses and submitted bids, in accordance with the PPDA of 2015. Transparency is prioritized in the evaluation of suppliers based on the criteria detailed in solicitation documents. Additionally, the Council ensures that it receives value for money while also benefiting suppliers for the services, goods, or work rendered.

d) Product stewardship

The Council is focused on protecting consumer rights and interests. This involves advising the Ministry on applicable licenses and rates related to physiotherapy, with these matters subjected to public participation. The Council is committed to fostering public engagement during the development of any proposed product, service, policy, or guidelines.

In its role as the lead agency for physiotherapy in the Country, the Council also aspires to give back to the community through corporate social responsibility initiative. However, it currently lacks a structured approach to implementing these CSR activities.

11. Report of the Council

The Directors submit their report together with the audited financial statements for the year ended June 30, 2024, which show the state of the Council's affairs.

i) Principal activities

The principal activities of the Council as per the Act are as indicated on page v

ii) Results

The results of the Council for the year ended June 30, 2024, are set out on page 1 to 5

iii) Directors

The members of the Board of Directors who served during the year are shown on page ix-xi.

iv) Surplus remission

The Council did not remit any funds to the consolidated fund for the year ended 30th June 2024

v) Auditors

The Auditor-General is responsible for the statutory audit of the Council in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 to carry out the audit of the Council for the year ended June 30, 2024.

By Order of the Board



.....
Douglas Kotut

Secretary to the Board

12. Statement of Council Responsibilities

Section 81 of the Public Finance Management Act, 2012 and (section 16) of the Physiotherapy Council of Kenya Act 2014 (Rev 2019) require the Council to prepare financial statements in respect of PCK, which give a true and fair view of the state of affairs of the Council at the end of the financial year and the operating results of the Council for that year. The Council is also required to ensure that the PCK keeps proper accounting records which disclose with reasonable accuracy the financial position of the Council. The Directors are also responsible for safeguarding the assets of the Council. The Council is responsible for the preparation and presentation of PCK's financial statements, which give a true and fair view at the end of the financial year ended on June 30, 2024.

This responsibility includes:

- a) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- b) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Council;
- c) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- d) Safeguarding the assets of the Council;
- e) Selecting and applying appropriate accounting policies; and
- f) Making accounting estimates that are reasonable in the circumstances.

The Council takes responsibility for the Physiotherapy Council of Kenya's financial statements, which have been prepared in accordance with appropriate accounting policies, supported by reasonable and prudent judgments and estimates, and in line with International Public Sector Accounting Standards (IPSAS) as required by the PFM Act, 2012. The Councils believe that the PCK's financial statements accurately reflect the Council's transactions for the financial year ending June 30, 2024, as well as its financial position as of that date. Additionally, the Council confirms the completeness of the accounting records maintained for the Council, which have been used in the preparation of its financial statements, and affirm the adequacy of the internal financial control systems in place.

The Council has not been made aware of any issues that would suggest the Council will not continue as a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Council's financial statements were approved by the Board on 20th December 2024 and signed on its behalf by:



.....
Henry Opondo
Chairperson of Council



.....
Douglas Kotut
Accounting Officer

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON PHYSIOTHERAPY COUNCIL OF KENYA FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

- A. Report on 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 the 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 the Government achieves value for money and that such funds are applied for the intended purpose; and,
- 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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 the Physiotherapy Council of Kenya set out on pages 1 to 23, which comprise of the statement of financial position

Report of the Auditor-General on Physiotherapy Council of Kenya for the year ended 30 June, 2024

as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Physiotherapy Council of Kenya as at 30 June, 2024 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 Physiotherapists Act, 2014 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Receivables

The statement of financial position and as disclosed in Note 14 to the financial statements reflects receivables from non-exchange transactions of Kshs.8,393,019. However, the amount was not supported with a list of members and clinics indicating the balances brought forward at the beginning of financial year, amount invoiced, amount received and the balances carried forward at the end of financial year. In addition, the Council did not maintain a debtor's ledger.

Further, Note 14 to the financial statements reflects additional provision during the year of Kshs.6,291,500 or 74% of receivables as at 30 June, 2024 of Kshs.8,393,019. However, the approved rate of provision for doubtful debts was not disclosed.

In the circumstances, the accuracy and completeness of receivable balance of Kshs.8,393,0109 could not be confirmed.

2. Variances in Capital Expenditure and Total Expenditure Performance Differences in the Statement of Comparison of Budget and Actual Amounts

The statement of comparison of budget and actual amounts reflects capital expenditure final budget, actual on comparable basis and performance difference of Kshs.10,368,100, Kshs.3,190,000 and Kshs.9,578,100 respectively. However, the capital expenditure performance difference of Kshs.9,578,100 differs with recomputed amount of Kshs.7,178,100 resulting to a variance of Kshs.2,400,000.

Further, the statement of comparison of budget and actual amounts reflects total expenditure performance difference of Kshs.7,491,608 which differs with recomputed amount of Kshs.6,291,608 resulting to unreconciled variance of Kshs.1,199,492.

In the circumstances, the accuracy of amounts reflected in the statement of comparison of budget and actual amounts could not be confirmed.

3. Unsupported Prior Year Adjustments in Statement of Changes in Net Assets

The statement of changes in net assets and as disclosed in Note 19 to the financial statements reflects prior year adjustments of Kshs.1,457,130 and 1,206,015 relating to revenue not recognized and prior year depreciation errors respectively. However, supporting documents and calculations were not provided to support the prior year adjustments.

In the circumstances, the accuracy and completeness of prior year adjustments of Kshs.1,457,130 and Kshs.1,206,015 reflected in the statement of changes in net assets could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Physiotherapy Council of Kenya Management in accordance with ISSAI 130 on the 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

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.16,940,000 and Kshs.22,253,979 respectively, resulting in over-collection of Kshs.5,313,979 of 24% of the approved budget. Similarly, the statement reflects actual recurrent expenditure Kshs.17,048,592 and capital expenditure of Kshs.3,190,000 resulting to total expenditure of Kshs.20,238,592 against actual revenue of Kshs.22,253,979, resulting to underutilization of Kshs.2,015,387 or 9% of the actual revenue.

The over-collection may be indicative of unrealistic revenue projections and the under-utilization may have affected the planned activities negatively impacting on the operations of the Council.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in

the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

The Council is responsible for the other information set out on page iv to xxxi which comprise of Key Council Information and Management, the Council, Key Management Team, Chairman's Statement, Report of the Registrar, Statement of Performance against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Council and Statement of Council's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Council's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the 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. Exceeded Board Expenses Ceiling

The statement of financial performance and as disclosed in Note 11 to the financial statements reflects board expenses of Kshs.5,191,010 which exceeds 5% of the operations and maintenance budget of Kshs.23,940,200 or Kshs.1,197,010. This was contrary to Paragraph D (1) of the Office of the President Circular Ref: OP/CAB.9/ 1A dated 11 March, 2020 which states that board expenses for a financial year shall be capped at Kshs.30 million or 5% of the operations and maintenance budget of the State Corporation, whichever is less. Any amount exceeding budgets shall require approval of the Cabinet Secretary for the National Treasury.

In the circumstances, Management was in breach of the Office of the President Circular Ref: OP/CAB.9/ 1A of 11 March, 2020.

2. Irregular Travel and Accommodation Expenditure

The statement of financial performance and as disclosed in Note 9 to the financial statement reflects use of goods and services of Kshs.9,471,986 which includes travel and accommodation of Kshs.3,734,551. Review of the expenditure revealed that an amount of Ksh.375,000 was irregularly paid as domestic, subsistence and accommodation allowances to board members who attended website development retreat. This was contrary to Section 1.22 (1) of Mwongozo Code of Governance for State Corporations, 2015 which states that the role of the Board should clearly be separated from that of Management.

In the circumstances, Management was in breach of the Mwongozo Code of Governance for State Corporations, 2015.

3. Failure to Gazette Council Members

Review of the Council register indicated that the Council had two thousand seven hundred and fifteen (2,715) registered members and two hundred and ten (210) physiotherapy clinics. However, the Council did not publish the list of members in the Kenya Gazette and Official Council website. This was contrary to Section 22(3)(a) of the Physiotherapists Act, 2014 which requires the registrar to publish in the Kenya Gazette and in the official Council website, the names, addresses and qualifications of all registered physiotherapists not later than the 31st March of every year.

In the circumstances, Management was in breach of law.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 comply 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 effects of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance

section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Approved Staff Establishment and Other Human Resource Instruments

During the year under review the Council did not have an approved staff establishment, human resource policy and human resource structure. This was contrary to the State Corporations Advisory Committee (SCAC) letter Ref. OP/SCAC.9/21/1/1 dated 15 May, 2017 which required all Chief Executive Officers of state corporations to develop and forward for approval, the corporation's human resources instruments by 15 May, 2017 which include organization structure, staff grading and establishment, career guidelines and human resource policy and procedures policy.

In the circumstances, the effectiveness of controls on human resource management could not be confirmed.

2. Missing Stakeholders in the Composition of the Council

Review of the Council composition report in the financial statements revealed that the Cabinet Secretary for Health did not appoint two (2) Council members including the Director of Kenya Medical Training College and a nominee of the National Council for Persons with Disabilities. This was contrary to Section 6(1) of the Physiotherapy Act, 2014 which states that the Council shall include the Director of the Kenya Medical Training College or a designated representative not below the level of Deputy Director and one person with disability nominated by the National Council for Persons with Disabilities.

In the circumstances, the Council was not properly constituted and the effectiveness of governance systems could not be confirmed.

3. Lack of Internal Audit Services

During the year under review Council's operations were not subjected to internal audit review. This was contrary to Section 73(1)(a) of the Public Finance Management Act, 2012 which states that every National Government entity shall ensure that it complies with this Act and has appropriate arrangements in place for conducting internal audit according to the guidelines of the Public Sector Accounting Standards Board.

In the circumstances, the effectiveness of internal controls, risk management and overall governance could not be confirmed.

4. Failure to do Board Evaluation

During the year under review, the Council Board did not carry out the annual performance evaluation for the Council as a whole, its committees, individual members, the

Chairperson and Chief Executive Officer. This was contrary to Section 1.12(1-2) of Mwongozo Code of Governance for State Corporations, 2015 which states that the Board should determine its performance criteria and undertake an annual evaluation of its performance.

In the circumstances, the effectiveness of governance systems in the Council could not be confirmed.

5. Lack of IT Internal Control Systems

During the year under audit, the Council did not have in place a disaster recovery plan that can ensure all critical data, information technology (IT) systems and networks can be recovered in case of a disaster. Further, it was observed that the Council was using manual systems in the general operations of the Council.

In circumstances, effectiveness of information system data security could not be confirmed.

6. Weaknesses in Management of Imprest

During the year under review, Management did not maintain an imprest register. This was contrary to Regulation 93(4)(c) of the Public Finance Management (National Government) Regulations, 2015 which provides that before issuing temporary imprests under paragraph (2), the Accounting Officer shall ensure that the applicant has been recorded in the imprest register including the amount applied for.

In addition, the Council did not issue imprests using imprest warrants. This was contrary to Regulation 118(1) of Public Finance Management (National Government) Regulations, 2015 which states that an imprest shall be issued for a specific purpose, and any payments made from it, shall be only for the purposes specified in the imprest warrant

In the circumstances, the effectiveness of the internal controls on management of imprests 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 controls, 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 the Management and the Council

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 Council's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to 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, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

The Council is responsible for overseeing the Council'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


My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAI will always detect a material misstatement 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

27 December, 2024

**Physiotherapy Council of Kenya
Annual Report and Financial Statements
for the year ended June 30, 2024.**

14. Statement of Financial Performance for the year ended 30 June 2024

	Notes	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
Revenue from non-exchange transactions			
Levies, Fines, and penalties	7	00	93,500
Licenses and permits	8	22,253,979	12,043,477
Total revenue		22,253,979	12,136,977
Expenses			
Use of goods and services	9	9,471,986	4,764,708
Employee costs	10	2,385,596	300,000
Board Expenses	11	5,191,010	2,354,200
Depreciation and amortization expense	12	1,042,187	00
Donations	19	00	175,000
Total expenses		18,090,779	7,593,908
Surplus/(deficit) for the period/year		4,163,200	4,543,069

The notes set out on pages 6 to 22 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:



.....
Douglas Kotut
Accounting Officer

20 December 2024



.....
Fredrick Omondi
Head of Accounts
ASSOC/4861

20 December 2024



.....
Henry Opondo
Chairman of the Board

20 December 2024

**Physiotherapy Council of Kenya
Annual Report and Financial Statements
for the year ended June 30, 2024.**

15. Statement of Financial Position as at 30 June 2024

	Notes	FY 2023-2024	2022-2023
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	13	11,209,388	13,420,021
Receivables from Non-Exchange Transactions	14	8,393,019	4,166,999
Total Current Assets		19,602,407	17,587,020
Non-Current Assets			
Property, Plant and Equipment	15	7,331,493	7,583,680
Total Non- Current Assets		7,331,493	7,583,680
Total Assets (A)		26,933,900	25,170,700
Liabilities			
Current Liabilities			
Trade and Other Payables	16	00	2,400,000
Total Current Liabilities		00	2,400,000
Total Liabilities (B)		00	2,400,000
Net Assets (A-B)		26,933,900	22,770,700
Represented by:			
Accumulated Surplus		26,933,900	22,770,700
Net Assets		26,933,900	22,770,700

The financial statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:



Douglas Kotut
Accounting Officer

20 December 2024



Fredrick Omondi
Head of Accounts
ASSOC/4861

20 December 2024



Henry Opondo
Chairman of the Board

20 December 2024

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16. Statement of Changes in Net Assets for the year ended 30 June 2024

Description	Retained earnings	Total
	Kshs	Kshs
As at July 1, 2022	17,976,516	17,976,516
Surplus/ deficit for the year	4,543,069	4,543,069
Prior year Adjustment(Note 19)	1,457,130	1,457,130
Prior year Adjustment(Note 19)	(1,206,015)	(1,206,015)
As at June 30, 2023	22,770,700	22,770,700
As at July 1, 2023	22,770,700	22,770,700
Surplus/ (deficit) for the year	4,163,200	4,163,200
As at June 30, 2024	26,933,900	26,933,900

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Statement of Cash Flows for the year ended 30 June 2024

	Notes	FY 2023-2024	FY 2022-2023
Cash flows from operating activities			
Receipts			
Levies, fines, and penalties	7	00	93,500
Licenses and permits	8	22,253,979	12,043,477
Total receipts		22,253,979	12,136,977
Payments			
Use of goods and services	9	9,471,986	4,764,708
Employee costs	10	2,385,596	300,000
Board Expenses	11	5,191,010	2,354,200
Donations	12	00	175,000
Total payments		17,048,592	7,593,908
Decrease/increase in Payables		(2,400,000)	787,049
Decrease/increase in Recievables		(4,226,020)	(4,166,999)
Prior year adjustment	19	00	1,457,130
Net cash flows from/(used in) operating activities	17	(1,420,633)	2,620,249
Cash flows from investing activities			
Purchase of PPE and Intangible assets	15	(790,000)	(7,400,000)
Net cash flows from/(used in) investing activities		(790,000)	(7,400,000)
Net cash flows from/(used in) financing activities		00	00
Net increase/(decrease) in cash & Cash equivalents		(2,210,633)	(4,779,751)
Cash and cash equivalents at 1 July	13	13,420,021	18,199,772
Cash and cash equivalents at 30 June	13	11,209,388	13,420,021

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18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2024

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	A	b	C=(a+b)	D	e=(c-d)	f=d/c*100
Revenue						
Licenses and Permits	16,940,000	0	16,940,000	22,253,979	(5,313,979)	131
Total Income	16,940,000	0	16,940,000	22,253,979	(5,313,979)	131
Expenses						
Use of Goods and Services	15,250,200	0	15,250,200	9,471,986	5,778,214	62
Employee costs	3,060,000	0	3,060,000	2,385,596	674,404	78
Remuneration of Directors	5,630,000	0	5,630,000	5,191,010	438,990	92
Contracted Services	600,000	0	600,000	0	600,000	-
Total Expenditure	23,940,200	0	23,940,200	17,048,592	7,491,608	71
Surplus for the period	(7,000,200)	0	(7,000,200)	5,205,387		(74)
Capital Expenditure	10,368,100	0	10,368,100	3,190,000	7,178,100	31

- i. The difference in Kshs.5,205,387 in the actual on comparable basis surplus above and Kshs.4,163,200 in the statement of financial performance is as a result of depreciation of Kshs.1,042,187 expense not charged in the budget.
- ii. The negative surplus of Kshs.7,000,200 of the final budget above is as of an expectation to receive exchequer grant from the national treasury but was not granted.
- iii. Employees cost- The Council did not hire any new officers due to lack of approval of HR Instruments.
- iv. Depreciation-The Council did not budget for depreciation.
- v. Contracted services-The Council did not outsource any services during the year.
- vi. Use of goods and services-Most operations of the Council were not implemented due to inadequate staffing, and vehicles to facilitate movement.
- vii. The actual capital expenditure above includes kshs 2,400,000 payment for vehicle arrears

19. Notes to the Financial Statements

1. General Information

The Physiotherapy Council of Kenya was established under the Physiotherapy Council of Kenya Act of 2014, from which it derives its authority and accountability. The Council is fully owned by the National Government and operates within Kenya. Its primary function is to safeguard public health and safety by ensuring that physiotherapists providing services are both ethical and competent.

In these financial statements, the balance sheet is presented as the Statement of Financial Position, while the profit and loss account is reflected as the Statement of Financial Performance.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical. 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 Council's 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 Council. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the Physiotherapists act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

- i. New and amended standards and interpretations in issue effective in the year ended 30 June 2024.*

There were no new and amended standards issued in the financial year.

- ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024*

Notes to the Financial Statements (Continued)

Adoption of New and Revised Standards (Continued)

Standard	Effective date and impact:
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 cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>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>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>

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Standard	Effective date and impact:
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47- Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an Entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
<p>IPSAS 48- Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
<p>IPSAS 49- Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

Notes to the Financial Statements (Continued)

Adoption of New and Revised Standards (Continued)

iii. Early adoption of standards

The Council did not early – adopt any new or amended standards in the financial year.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The Council recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Council and the fair value of the asset can be measured reliably.

Transfers from other government entities

The council did not receive any transfers from other government entities.

ii) Revenue from exchange transactions

The council does not have any exchange transactions

b) Budget information

The Council's 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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on the face of the statement.

c) 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 Council 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 surplus or deficit as incurred. The council values all its assets at historical cost.

Assets are depreciated on a straight and are allocated zero salvage value as follows:

- Motor Vehicles - 12.5%
- Computers And Related Equipment - 30%
- Office Equipment, Furniture, And Fittings - 15%

d) 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 Council does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements.

a) Financial assets

Trade and other receivables

Trade and other receivables are recognized at historical values. The council does not provide allowances for any uncollectible amounts.

b) Financial liabilities

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

c) Changes in accounting policies and estimates

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

d) Related parties

The Council regards a related party as a person or an Entity with the ability to exert control individually or jointly, or to exercise significant influence over the Council, or vice versa. Members of key management are regarded as related parties and comprise the council members, the Registrar and all employees of the Council.

e) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and bank balances. The bank account balances include amounts held at Kenya Commercial Bank Limited, Moi Avenue Branch, at the close of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

f) Comparative figures

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

g) 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, 2024.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Council's financial statements in accordance with IPSAS requires management to make judgments, estimates, and assumptions that impact the reported amounts of revenues, expenses, assets, liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainty regarding these assumptions and estimates could lead to outcomes that require significant adjustments to the carrying amounts of assets or liabilities in future periods.

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Notes to the Financial Statements (Continued)

Significant Judgments and Sources of Estimation Uncertainty (Continued)

Estimates and assumptions.

The key assumptions related to future events and other major sources of estimation uncertainty at the reporting date, which have a high likelihood of causing material adjustments to asset and liability values within the next financial year, are outlined below. The Council's assumptions and estimates are based on parameters available when the financial statements were prepared. However, changes in market conditions or unforeseen circumstances beyond the Council's control may necessitate revisions to these assumptions. Any such changes will be reflected in the assumptions as they occur.

Useful lives and residual value

The useful lives and residual values of assets are as per guidelines issued by the National Treasury in "Guidelines for Management of Specific Categories of Assets and Liabilities" of 2021. Further all assets were estimated to have no residual value at the end of their useful lives.

Depreciation

It is assumed that the Councils assets are depreciated on a straight-line basis over the useful life of the assets. The councils depreciate it assets using the rates below. The Council does not depreciate assets on the year of acquisition.

- Motor Vehicles - 12.5%
- Computers And Related Equipment - 30%
- Office Equipment, Furniture, And Fittings - 15%

6. Transfers from Other Government entities

Transfers from Ministries, Departments and Agencies (MDAs)

Description	2023-2024	2022-2023
	KShs	KShs
Unconditional Grants		
Operational Grant	00	00
Development grants	00	00
Other Grants	00	00
Total Unconditional Grants	00	00
Total Government Grants And Subsidies	00	00

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Notes to the Financial Statements (Continued)

7. Levies, Fines and Penalties

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Penalties	00	93,500
Total	00	93,500

8. Licenses, Fees and Permits

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Licenses	9,392,029	1,142,435
Fees	12,861,950	10,901,042
Total	22,253,979	12,043,477

The above relate to membership registration, Renewal of membership, inspection fees and exam fees.

9. Use of Goods and Services

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Conferences and Delegations	917,860	00
Consumables	601,000	00
Fuel and Oil	350,000	00
Rent expenses	1,332,000	00
Telecommunication	18,500	00
Training	1,517,200	00
Travel, Subsistence & Other Allowances*	3,734,551	00
Bank charges	27,646	00
Stationery	76,606	00
Exam Administration	00	81,700
Consulting Fees	655,000	00
Insurance	241,623	00
Other General Expenses	00	4,683,008
	9,471,986	4,764,708

Other general expenses for financial year ended 30th June 2024 have merged expenses for office expenses and inspection of clinics costs and other use of goods and services to comply with the PSAB template as shown below.

Description	Amount
Office Expenses	1,601,700
Inspection of clinics costs and other use of goods and services	3,081,308
Total	4,683,008

**Physiotherapy Council of Kenya
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Notes to the Financial Statements (Continued)

10. Employee Costs

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Salaries and wages	2,352,661	300,000
Employer contribution to health insurance schemes	9,175	00
Employer contribution to pension schemes	23,760	00
Employee costs	2,385,596	300,000

11. Board Expenses

Description	FY 2024-2023	FY 2022-2023
	Kshs	Kshs
Chairman/Directors' Honoraria	662,200	00
Sitting Allowances	3,374,125	2,354,200
Medical Insurance	00	00
Induction and Training	00	00
Travel and Accommodation	843,535	00
Other Allowances	311,150	00
Total	5,191,010	2,354,200

12. Depreciation and Amortization Expense

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Property, plant and equipment	1,042,187	00
Total depreciation and amortization	1,042,187	1,206,015

13. Cash and Cash Equivalents

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Current Account	11,209,388	13,420,021
Total Cash And Cash Equivalents	11,209,388	13,420,021

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1208584197	11,209,388	13,420,021

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Financial Institution	Account number	FY 2023-2024	FY 2022-2023
		Kshs	Kshs
Grand Total		11,209,388	13,420,021

Notes to the Financial Statements (Continued)

14. Receivables from Non-Exchange Transactions

Description	FY 2023-2024		FY 2022-2023	
	Kshs		Kshs	
Licences, fees and permits	6,935,889		4,166,999	
Total receivables from non- exchange transactions	6,935,889		4,166,999	
Ageing Analysis- Receivables from non-exchange transactions	FY 2023-2024	% of the total	FY 2022-2023	% of the total
Less than 1 year	6,291,500	75	4,166,999	100
Between 1-2 years	2,101,519	25	00	00
Total	8,393,019	100	4,166,999	100

Description	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
At the beginning of the year	4,166,999	00
Additional provisions during the year	6,291,500	4,166,999
Recovered during the year	(2,065,480)	00
At the end of the year	8,393,019	4,166,999

**Physiotherapy Council of Kenya
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**Notes to the Financial Statements (Continued)
15. Property, Plant and Equipment**

Cost	Motor vehicles	Furniture and fittings	Computers	Other Assets (specify)	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
As At 1 July 2022	00	100,000	1,273,000	16,695	1,389,695
Additions	7,400,000	00	00	00	7,400,000
As at 30 th June 2023	7,400,000	100,000	1,273,000	16,695	8,789,695
Additions	00	790,000	00	00	790,000
As at 30 th June 2024	7,400,000	890,000	1,273,000	16,695	9,579,695
Depreciation And Impairment					
At 1 July 2022	00	44,792	1,097,104	6,782	1,148,678
Depreciation	00	12,500	42,750	2,087	57,337
As At 30 th June 2023	00	57,292	1,139,854	8,869	1,206,015
Depreciation	925,000	12,500	102,600	2,087	1,042,187
As at 30 th June 2024	925,000	69,792	1,242,454	10,956	2,248,202
Net Book Values					
As at 30 th June 2023	7,400,000	42,708	133,146	7,826	7,583,680
As at 30 th June 2024	6,475,000	820,208	30,546	5,739	7,331,493

Other assets above represents a water dispenser
Valuation

The council values all its assets at historical cost.
15 (b) Property, Plant and Equipment at Cost

The Historical costs are as follows:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Motor Vehicles, Including Motorcycles	7,400,000	925,000	6,475,000
Computers And Related Equipment	1,273,000	1,242,454	30,546

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Office Equipment, Furniture, And Fittings	906,695	80,748	825,947
Total	9,579,695	2,248,202	7,331,493

**Notes to the Financial Statements (Continued)
Property, Plant and Equipment (Continued)**

Property plant and Equipment includes the following assets that are fully depreciated:

Description	Cost or valuation	Normal annual depreciation Charge
Computers and Related Equipment	931,000	279,580
Total	931,000	279,580

16. Trade and Other Payables

Description	FY 2023-2024		FY 2022-2023	
	Kshs		Kshs	
Trade payables	00		2,400,000	
Total trade and other payables	00		2,400,000	
Ageing analysis: (Trade and other payables)	FY 2023-2024	% of the Total	FY2022-2023	% of the Total
Under one year	00	100	2,400,000	100
Total (tie to above total)	00	100	2,400,000	100

The Payable for the financial year 2022-2023 of KES. 2,400,000 relates to the arrears for vehicle purchase whose total cost is 7,400,000 and only 5,000,000 had been paid.

17. Cash Generated from operations

	FY 2023-2024	FY 2022-2023
	Kshs	Kshs
Surplus for the year before tax	4,163,200	4,543,069
Adjusted for:		
Depreciation	1,042,187	00
Working capital adjustments		
Increase in receivables	(4,226,020)	(4,166,999)
Decrease/increase in Payables	(2,400,000)	787,049
Prior year adjustments(note 19)	00	1,457,130
Net cash flow from operating activities	(1,420,633)	2,620,249

Notes to the Financial Statements (Continued)

18. Prior Year Adjustments

- (a) Revenue of Kshs.1,457,130 in the financial year 2022-2023 was not recognised thus affecting the statement of Cash Flows and the Statement of net assets. This has since been adjusted in those statements.
- (b) The Kshs.1,206,015 includes depreciation for the financial year 2022-2023 of Kshs.57,337 and prior years' depreciation of Kshs.1,148,678. The amount was effected to the net book values for PPE but was not included as expenses for the year and previous years respectively in the statements of performance, and thus overstating the accumulated surplus for the year ended 30 June 2023. This has now been adjusted in statements of statement of net assets for the financial year 2022-2023.

19. Donations

Description	2023-2024	2022-2023
	Kshs	Kshs
Kenya Society of Physiotherapy	00	175,000
Total Donation expenses	00	175,000

20. Financial Risk Management

The Council's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Council'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 Council 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 Council's financial risk management objectives and policies are detailed below:

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i) Credit risk

The Council 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 cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Notes to the Financial Statements (Continued)

Financial Risk Management (Continued)

Management assesses the credit quality of each customer, 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 directors. The amounts presented in the statement of financial position are exact amounts owed to the Council.

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2024				
Receivables from non-exchange transactions	8,393,019	8,393,019	8,393,019	00
Bank balances	11,209,388	11,209,388	11,209,388	00
Total	19,602,407	19,602,407	19,602,407	00
As at 30 June 2023				
Receivables from non-exchange transactions	4,166,999	4,166,999	4,166,999	00
Bank balances	13,420,021	13,420,021	13,420,021	00
Total	17,587,020	17,587,020	17,587,020	00

The members under the fully performing category are paying their debts as they have not indicated intentions to unsubscribe membership. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Council as

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recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

**Notes to the Financial Statements (Continued)
Financial Risk Management (Continued)**

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Council's Board. The Council manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Council under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Total
	Kshs	Kshs
As at 30th June 2024		
Trade payables	00	00
Total	00	00
As at 30th June 2023		
Trade payables	2,400,000	2,400,000
Total	2,400,000	2,400,000

ii) Market risk

The Council has put in place measures to assist it in assessing the risk faced by the Council on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Entity's income or the value of its holding of financial instruments. The objective of market risk management is

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to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Interest rate risk

Interest rate risk is the risk that the Council's financial condition may be adversely affected as a result of changes in interest rate levels. The Council's interest rate risk arises from bank deposits. This exposes the Council to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Council's deposits.

Management of interest rate risk

Notes to the Financial Statements (Continued)

Financial Risk Management (Continued)

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

iv) Capital Risk Management

The objective of the Council's capital risk management is to safeguard the Council's ability to continue as a going concern. The Council's capital structure comprises of the following funds:

Description	FY 2023-2024	FY-2022-2023
	Kshs	Kshs
Retained Earnings	26,933,900	22,770,700
Total Funds	26,933,900	22,770,700
Total Borrowings	00	2,400,000
Less: Cash and Bank Balances	11,209,388	13,420,021
Net Debt/(Excess Cash And Cash Equivalents)	11,209,388	11,020,021
Gearing	-	11

The Council liquidity and capital risk is very low as it has a huge positive net cash and it is 100% geared.

19. Related Party Disclosures

Nature of related party relationships

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Entities and other parties related to the Council include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

Government of Kenya

The Government of Kenya is the principal shareholder of the Council, holding 100% of the Council's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Council, both domestic and external.

Notes to the Financial Statements (Continued)

Other related parties include:

- i) State Department for public Health.
- ii) Key management.
- iii) Board of directors.

The council has officers from the state department of Public Health deployed to assist in its operations.

20. Segment Information

The council does not have any segments or branches.

21. Events after the Reporting Period

The Council has adopted the developed Strategic plan.

22. Ultimate and Holding Council

The Council is a Semi-Autonomous Government Agency under the Ministry of Health, State Department for Public Health and Professional Standards. Its ultimate parent is the Government of Kenya.

23. Currency

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

20. Appendices

Appendix 1: Implementation Status of Auditor-General's Recommendations

The council has not yet received the audit report for the financial year ended 30th June 2023.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>

.....

Registrar

20 December 2024

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Appendix II: Projects implemented by Physiotherapy Council of Kenya

The Council has no projects

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements. (Yes/No)

Status of Projects completion

SN	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds

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Appendix IV: Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/ Development/Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - must be specific	
Ministry of Health-State Department for Public Health and Professional Standards			-	-	-	-	-	-	-
Total			-	-	-	-	-	-	-

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Appendix V- Inter-Council Confirmation Letter

Name of Transferring Entity STATE DEPARTMENT FOR PUBLIC HEALTH AND PROFESSIONAL STANDARDS

Name of Beneficiary Entity PHYSIOTHERAPY COUNCIL OF KENYA

Confirmation of amounts received by Physiotherapists Council of Kenya as at 30 th June 2024					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
NA	NA	00	00	00	Council did not receive any exchequer grant during the year ended 30 June 2024
Total		00	00	00	

I confirm that the amounts shown above are correct as of the date indicated.

Head of Accounts Department - Disbursing Entity:
 Name Sign Date

Head of Accounts Department - Beneficiary Entity:
 Name Sign Date.....

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Appendix VI: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities	Quarter				Source of Funds	Implementing Partners
				Q 1	Q 2	Q 3	Q 4		

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Appendix VII: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Ksh s.)	Comments