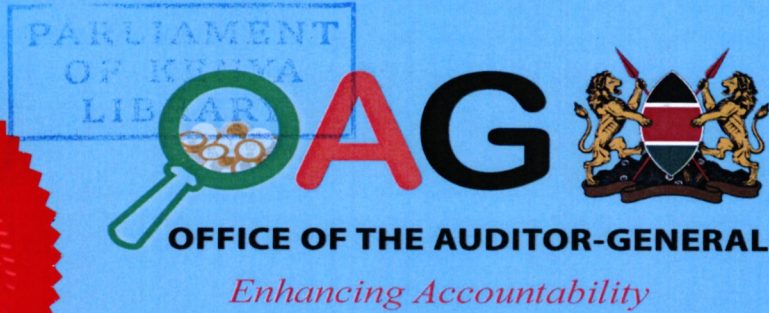


REPUBLIC OF KENYA



# REPORT

OF

**THE AUDITOR-GENERAL**

THE NATIONAL ASSEMBLY PAPER LAIN	
DATE: 26 APR 2023	DAY: Wednesday
TABLED BY: Hon. Naomi Wago Deputy Majority Whip	
CLERK-AT-THE-TABLE: Finlay Monuki	

ON

**KENYA MEDICAL TRAINING COLLEGE**

**FOR THE YEAR ENDED  
30 JUNE, 2022**

OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
REGISTRY

02 MAR 2023

RECEIVED



**KENYA MEDICAL TRAINING COLLEGE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDING**

**JUNE 30, 2022**

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

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2022-2023  
2022-2023  
2022-2023

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

---

**Contents**

1. KEY ENTITY INFORMATION AND MANAGEMENT .....	4
(2) BOARD OF DIRECTORS PROFILES .....	10
(3) MANAGEMENT TEAM.....	16
(4) CHAIRPERSON’S STATEMENT .....	19
(5) REPORT OF THE CHIEF EXECUTIVE OFFICER.....	22
(6) STATEMENT OF PERFORMACE AGAINST PRE-DETERMINED OBJECTIVES FOR FY 2021/2022 .....	24
(7) CORPORATE GOVERNANCE STATEMENT .....	28
(8) MANAGEMENT’S DISCUSSION AND ANALYSIS.....	35
(9) ENVIRONMENTAL AND SUSTAINABILITY REPORTING.....	38
(12)REPORT OF THE AUDITOR GENERAL .....	43
(13) STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 <sup>TH</sup> JUNE 2022.....	44
(16) STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 <sup>TH</sup> JUNE 2022.....	46
17. STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 <sup>TH</sup> JUNE 2022.....	47
18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022 .....	48
19. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 <sup>TH</sup> JUNE 2022 50	
20. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES .....	54
APPENDIX II: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS .....	79

**KENYA MEDICAL TRAINING COLLEGE  
ANNUAL REPORTS AND FINANCIAL STATEMENTS  
For the year ended June 30, 2022**

---

**1. KEY ENTITY INFORMATION AND MANAGEMENT**

**(a) Background information**

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

**Mandate**

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

**Vision Statement**

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

**Mission Statement**

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

**(b) Principal activities**

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

- To provide facilities for college education for national health manpower requirements
- To play an important role in the development and expansion of opportunities for Kenyans wishing to continue with their education
- To provide consultancy services in health-related areas

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

---

- To develop health trainers who can effectively teach, conduct operational research, develop relevant and usable health learning materials
- To conduct examinations for and grant diplomas, certificates, and other awards of the College
- To determine who may teach and what may be taught and how it may be taught in the College, and;
- To examine and make proposals for establishment of constituent training centers and faculties.

**KENYA MEDICAL TRAINING COLLEGE  
ANNUAL REPORTS AND FINANCIAL STATEMENTS  
For the year ended June 30, 2022**

**KMTC CAMPUSES**



**KENYA MEDICAL TRAINING COLLEGE  
ANNUAL REPORTS AND FINANCIAL STATEMENTS  
For the year ended June 30, 2022**

---

**(c) Key Management**

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

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

**(d) Fiduciary Management**

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

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

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

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**(e) Fiduciary oversight arrangements**

**Audit committee of the Board**

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

**Internal Audit Function**

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

**(f) Entity Headquarters**

Kenya Medical Training College  
Off – Ngong Road  
P. O. Box 30195  
Nairobi  
Kenya


**(g) Contacts**

**Website:** <http://www.kmtc.ac.ke>  
**Email:** [info@kmtc.ac.ke](mailto:info@kmtc.ac.ke)  
**Admissions Office:** [admissions@kmtc.ac.ke](mailto:admissions@kmtc.ac.ke)  
**Complaints & Compliments:**  
[complaints@kmtc.ac.ke](mailto:complaints@kmtc.ac.ke)  
**Tel:** 020-2725711/2/3/4  
0770999657/0737-352543/0706-541869



**(h) Bankers**

1. National Bank of Kenya  
Kenyatta National Hospital Branch  
P. O. Box 30763.  
Nairobi, Kenya  
2. Kenya Commercial Bank  
Moi Avenue Branch  
P.O Box 30081.  
Nairobi, Kenya



**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

		<p>She has also acquired various Professionals Certificates in her field of expertise and has tutored in many institutions. She is the current Programme Leader for the BScN programme and teaches various courses in the BScN programme and School of Health Sciences at Meru University of Science and Technology.</p> <p>She also sits in various boards. Dr. Mutea is a member of the Association of American Society in Clinical Oncology, National Nurses Association of Kenya, Association of African Women in Research and Development and International Council on Women's Health issues among others.</p>
	<p><b>Ms. Jeniffer Bosibori Kibagendi</b>  (D.o.B 10.09.1962)</p> <p><b>Date of Appointment:</b>  06.10.2021</p> <p><b>Date of Expiry:</b>  14.10.2024</p>	<p>Ms. Jennifer Bosibori Kibagendi was appointed to the KMTC Board of directors on October 6, 2021 to represent public interest as a non-executive member. She Chairs the Human Resource Committee of the Board. She is a dynamic Human Resource Management professional with over 12 years of experience in the field. She holds a Masters in human Resource Management from the University of Strathclyde and a Bachelor of Arts in Community development and English Literature from UON. Mrs. Jennifer is an associate member of Chartered Institute of Personnel Development and has also sat on various boards in the professional and social field, notably Metropol Corporation BBC and the Scottish Mission of the SDA. Ms. Kibagendi is a non-executive member of the Board</p>



**KENYA MEDICAL TRAINING COLLEGE  
ANNUAL REPORTS AND FINANCIAL STATEMENTS  
For the year ended June 30, 2022**

	<p><b>Mr. Fredrick Wamwaki,</b> (D.o.B 27.12.1959)</p> <p><b>Date of Appointment:</b> 10.06.2022</p> <p><b>Date of Expiry:</b> 10.06.2025</p>	<p>Mr. Fredrick Wamwaki was appointed to the Kenya Medical Training College Board of Directors on 10<sup>th</sup> June, 2022 to represent public interest as a non-executive member. He Chairs the audit committee of the Board. He holds a Bachelor of Science in Business Administration from United States International University and has undertaken training in strategic planning and implementation. He has over 28 years of experience and expertise in strategic formulation, financial leadership and corporate governance. He is passionate about transformational leadership and organizational growth. Mr. Wamwaki is a member of the Human Resource Committee and chairs the Finance, Planning and Development Committee of the Board.</p>
	<p><b>Dr. Stephen Ochiel, MBS</b> (D.o.B 7.01.1949)</p> <p><b>Date of Appointment:</b> 06.10.2021</p> <p><b>Date of Expiry:</b> 14.10.2024</p>	<p>Dr. Stephen Ochiel, MBS was appointed to the KMTC Board of directors October 6, 2021 to represent public interest as a non-executive member. He Chairs the finance, planning and development committee of the Board. He holds a Masters of Medicine degree in Obstetrics and Gynaecology from UON and a Bachelor of Medicine and surgery from the same institution. He is an accomplished doctor, lecturer and has sat in several boards over the years notably the Nairobi health Management board, Tobacco Control Board amongst others. His experience in the field spans over three decades and he has presented both published and unpublished Academia. He is a recipient of many awards over the years from various institutions and was conferred the Moran of the Order of Burning Spear by the President in recognition of his outstanding and distinguished services.</p>


**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

	<p><b>Ms. Susan Mucheru</b> (D.o.B 30.12.1962)</p> <p><b>Date of Appointment:</b> 14.10.2015</p>	<p>Ms. Susan Mucheru represents the Principal Secretary National Treasury having been appointed on 14<sup>th</sup> October, 2015. She serves in the Human Resource, Finance, Planning &amp; Development and Audit Committees. She holds a Master of Arts in International Studies, is a Certified Public Secretary – Kenya (CPS (K)), and has over 34 years of experience in human resource management.</p>
	<p><b>Dr. Andrew Mulwa</b></p> <p>(D.o.B 22.11.1983)</p> <p><b>Date of Appointment:</b> 8.12.2021</p>	<p>Dr. Andrew Mulwa was appointed to the KMTC Board of Directors on 8<sup>th</sup> December, 2021 to represent the Principal Secretary Ministry of Health. He serves in the Audit and Academics/Training Standards and Ethics Committees. He is a medical doctor by profession with over 14 years’ experience in public health service and management. He holds a Master of Science in in Strategic Management from the Jomo Kenyatta University of Agriculture and Technology, and a Bachelor of Medicine and Bachelor of Surgery (MBCbB) from the University of Nairobi. He currently serves as the Director Medical Services, Preventive and Promotive Health at the Ministry of Health. Dr. Mulwa is a member of the Kenya Medical Practitioners, Dentists and Pharmacists Board (KMDPB) and is the current Chairperson of the County Executives for Health Forum in addition to being a member of several intergovernmental and donor/partner technical working groups.</p>

**KENYA MEDICAL TRAINING COLLEGE  
ANNUAL REPORTS AND FINANCIAL STATEMENTS  
For the year ended June 30, 2022**




	<p><b>Dr. Martin Sirengo</b> (D.o.B 27.07.1972)</p> <p><b>Date of Appointment:</b> 5.02.2020</p>	<p>Dr. Martin Sirengo was appointed to the KMTTC Board of Directors on 5<sup>th</sup> February, 2020 to represent the Director General Ministry of Health. He serves in the Finance, Planning &amp; Development as well in the Academic, Training, Standards and Ethics Committees.</p> <p>He is a Reproductive Health and Program Management Specialist, Public Health Practitioner and a Policy adviser with over 18 years of professional experience. He holds a Master of Medicine (MMed), Obstetrics and Gynaecology from the University of Nairobi.</p> <p>He currently serves as Head, Department of Health Infrastructure Management at the Ministry of Health. Dr. Sirengo is a member of the Kenya Medical Practitioners, Dentists and Pharmacists Board (KMDPB), Kenya Obstetrical and Gynecological Society (KOGS) and Kenya Medical Association (KMA).</p>
	<p><b>Dr. Jack Kelly Oluoch</b> (D.o.B 22.02.83)</p> <p><b>Date of Appointment:</b> 19.05.2022</p> <p><b>Date of Expiry:</b> 18.05.2027</p>	<p>Dr. Jack Kelly Oluoch was appointed as the Chief Executive Officer of the Kenya Medical Training College by the Board of Directors on 19<sup>th</sup> May, 2022. Dr. Oluoch holds a Doctorate in Business Administration, Strategic Management option from the University of Nairobi and in Biotechnology, Innovation and Regulatory Pharmacy from Purdue University; a Master of Science (MSc) in Biotechnology, Innovation and Regulatory Pharmacy from Purdue University.</p> <p>He also holds, a Master of Business Administration from the University of Nairobi; a Diploma in Industrial Pharmacy and Drug Discovery from Purdue (USA) and Howard University (USA); a Post Graduate Diploma in</p>

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**




		<p>Medical Education and a Bachelor Degree in Pharmacy from Dr. MGR Medical University. He has conducted and completed several research projects and is currently engaged in many others. He has also authored and co-authored several peer-reviewed publications.</p>
	<p><b>Mr. David Sifuna Kinisu</b>  (D.o.B. 05.05.1967)</p>	<p>Mr. Sifuna was appointed as the Legal Services Manager at the Kenya Medical Training College on 24<sup>th</sup> May, 2019. He holds a Master of Arts in Governance and Ethics from Mount Kenya University, a Bachelor’s degree of Law from the University of Nairobi and a post graduate Diploma from the Kenya School of Law. He is a member of the Law Society of Kenya, International Bar Association and Commissioner of Oaths and Notary Public.</p>

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

**(3) MANAGEMENT TEAM**

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

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

<p>Mr. John Mwangi</p>		<p>Masters in Economics</p>	<p>Ag. Supply Chain Manager</p>
<p>Ms. Lilian Kemboi</p>		<p>Masters - Business Administration (MBA) - HR</p>	<p>Ag. Human Resource Manager</p>
<p>Mr. David O. Ondeng</p>		<p>Masters - Business Administration</p>	<p>Administration Manager</p>

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

<p>Mr. David Sifuna Kinisu</p>		<p>Master of Arts in Governance and Ethics</p>	<p>Ag. Corporation Secretary/Legal Services Manager</p>
<p>CPA Elijah Mititi</p>		<p>Masters - Business Administration (MBA) – Finance  CPA (K)</p>	<p>Finance Manager</p>
<p>Ms. Onsomu Marcellah</p>		<p>Master of Arts in Communication Studies</p>	<p>Corporate Communications Manager</p>
<p>Ms. Callen Nyabuto</p>		<p>Bachelor of Commerce (BCoM)</p>	<p>Chief Internal Auditor</p>

**(4) CHAIRPERSON'S STATEMENT**

I am pleased to present the Kenya Medical Training College 2021-2022 Annual Report. In the subsequent pages, we will update you on the progress made in steering the College to greater heights. We also outline the steps we took to expand our operations during the past 12 months while retaining the quality of teaching and learning.

The College's role as a leader in middle-level medical training for the country has never been as crucial. In recent months, we have taken up our leadership role in producing human resources for health, by churning out high-quality graduates to serve local and international markets.

This was affirmed on February 1, 2021, when the institution launched our first-ever English Language Training Programme to build English and occupational skills for migrating health workers.

This followed the signing of a bilateral agreement between the Governments of the Republic of Kenya and of the United Kingdom of Great Britain and Northern Ireland (UK) on collaboration in the healthcare workforce, thus paving the way for the employment of Kenyan healthcare workers in the UK.

In regards to the current global pandemic that has affected all aspects of life, it is our commitment to continue availing both physical and human resources to complement Government efforts in managing the Covid-19 pandemic in the country. I am glad to report that even through these turbulent times, the College has remained steadfast in the delivery of its mandate.

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

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The challenges posed by the outbreak of COVID-19 paved way for innovative solutions, resulting to reliable and robust systems for continuity of service delivery. The college has made considerable milestones in the digitization of our operations by scaling up E-Learning and Enterprise Resource Planning. As a result, our stakeholders now access many of our services online.

The college presently has 72 Campuses strategically located in 44 of the 47 counties in the country, with 18 departments offering 93 medical courses. The student population as at June 2022 stands at over 50,000.

Underpinning these various initiatives, the College embarked on streamlining its business processes with a view to maximizing the limited resource in an effort to generate optimal performance.

Implementation of Strategic Plan 2018-2023 has progressed considerably, both in terms of achieving the set strategic goals and objectives. Even as it concludes in the next few months, the college is on track to harvesting key lessons and achievements as we get ready to kick start the development of the 2014-2019 Strategic Plan.

These outstanding successes mean a lot in the communities we operate in. For this reason, the College doubled its vital assistance to communities through its Corporate Social Responsibility initiatives in the fields of education, environmental conservation, health and medical services, disaster response, and social upliftment.

Finally, the growth of our admissions is fast outpacing the rate at which the college recruits its staff. In order to address this, we are exploring ways of diversifying our funding sources including, expanding partnerships as well as lobbying for additional funds for the recruitment of faculty.

Looking ahead, the College has come of age and in the next couple of months, we will be turning 96 years. In order to appreciate how far we have come, we will be holding a roundtable stakeholder meeting with an aim of tracking the achievements we have recorded since inception in 1927.

On behalf of the KMTC fraternity, I thank H.E President Uhuru Kenyatta for steering the nation to make significant strides in the fight against COVID-19, uplifting the standards of living, for being

**KENYA MEDICAL TRAINING COLLEGE  
ANNUAL REPORTS AND FINANCIAL STATEMENTS  
For the year ended June 30, 2022**

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at the forefront of driving the economic social development blue print - Kenya's Vision 2030, and focusing on UHC as one of the Government's Big Four Agenda.

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

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**Amb. Zachary Muburi-Muita, MBS**

**Chairperson,**

**Kenya Medical Training College Board of Directors**

**31st January 2023**

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

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**(5) REPORT OF THE CHIEF EXECUTIVE OFFICER**

This has been a very successful year for the Kenya Medical Training College (KMTTC). Over the past twelve months, our organization has grown tremendously, and we have accomplished a number of very noteworthy accomplishments. We are getting fresh opportunities. The future is quite bright for us.

When it comes to the introduction of new courses, too much has happened. Following the Presidential directive and training needs analysis, we introduced various courses including Emergency Medical Technician, Higher Diplomas in Oncology, Palliative Care, Emergency and Critical Care. The new courses will help alleviate the shortage of expert healthcare workers and improve accessibility within the standards of healthcare services.

In the area of research, the College recorded yet another milestone. We prepared our very first Science Technology and Innovation strategy, which will guide the institution towards achieving its mandate in research. Other notable achievements include facilitating the funding of 17 research proposals. Consequently, a total of 11 research papers were published in peer-reviewed Journals. Similarly, we initiated discussions to have the College accredited by the National Commission for Science, Technology, and Innovation (NACOSTI).

Driven by a positive recovery post-Covid pointing towards stability in training programmes, internally generated revenue rose to Kshs. 4.806 billion, up from Kshs 2.888 billion in the 2021/2021 Financial Year. The internally generated revenue is derived from tuition, boarding, and application fees which are dependent on students hence an indication of growth in numbers.

Subsequently, the College reported an increment in capital expenditure amounting to Kshs. 908 million. The expenditure was mainly incurred in building works, software computers and accessories, teaching equipment, furniture and fittings. This investment is geared towards improving the physical infrastructure for the training of students.

A major development over the last year has also been the establishment of an education financing scheme for needy students. The College secured Kshs. 648 million funding from the National Treasury to cater to students' fees. Further, the College has signed a service contract with the Higher

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

---

Education Loans Board (HELB) to manage the funds. Following the signing of the service contract, plans are underway to develop documents to operationalize the financing scheme. More importantly, the College has stepped up efforts toward implementing its partnerships and collaboration policy. Given this, the College embarked on writing proposals targeting projects of bilateral partners such as the United States Agency for International Development (USAID), the Centres for Disease Control and Prevention (CDC), the U.S. President's Emergency Plan for AIDS Relief (PEPFAR), etc. Equally, the College is holding discussions with various local and international corporate organizations with a view to obtaining additional funding to strengthen its teaching and learning.

Even as we grow, we continue to recognize the central role played by staff in driving this growth. That is why staff welfare is at the center of our operations. In particular, during the year, we entered an agreement with the Kenya Union of Domestic Hotels Educational Institutions Hospitals & Allied Workers (KUDHEIHA) to represent staff in labor negotiations. In addition, during the year under review, the College fully settled the Collective Bargaining Agreement for a period of four (4) cycles (2014-2018).

Lastly, the College has continued to increase its admission and graduation numbers. We admitted 21,700 students and graduated 12,660, efforts geared towards producing additional workforce to bridge the Human Resources for Health in the country.

These are just a few highlights of our achievements. As you browse through the document, you will discover why we were named the best tertiary institution in the country in the Webometric rankings.

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

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**Dr. Kelly Oluoch**

**Chief Executive Officer**

**31st January 2023**

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

---

**(6) STATEMENT OF PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES**  
**FOR FY 2021/2022**

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

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

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

The strategic plan is operationalized through annual work plans. The 2021/2022 annual work plan was based on the above pillars with the Board of Directors assessing performance on a Quarterly basis. In addition, the Board of Directors developed 2021/2022 performance targets based on the strategic plan. Special attention was also accorded to the implementation of post COVID – 19 recovery strategies and plans.

**Status of Performance**

**Strategic issue 1 – Enhance Quality Training**

Some of the key milestones realized include alignment of Courses to emerging global challenges and opportunities by reviewing the curricula and development of new curricula. Further, the college introduced three (3) training programs in its aim to create health workforce that has necessary skills and knowledge to implement the objectives of primary Health care which contribute to the universal Health Coverage.

To ensure provision of human Resource for health, the college enrolled and trained 21,700 new students. The college also intergraded EmoNC content and skills practices in curriculum for higher diploma in reproductive health to conform to changes in professional advancement and evidence-based practices.

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

**Strategic issue 2 - Staff development**

The college among other activities conducted training need assessment and capacity building of staff to address the identified gaps. The college offered attachment and internship opportunities.

**Strategic issue 3 - Research, innovation and consultancy**

Some of the activities realized include mainstreaming and integrating science, technology and innovation (STI) in programs, projects and service delivery system. The college developed STI strategy, conducted research as well as a virtual training to train researchers in research grant application. One research symposium was held to disseminate research findings.

**KENYA MEDICAL TRAINING COLLEGE  
ANNUAL REPORTS AND FINANCIAL STATEMENTS  
For the year ended June 30, 2022**

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**Strategic issue 4 - Linkages, collaboration and partnerships**

The college has functional linkages, collaboration and partnership office. The college among other activities partnered with county and national governments.

**Strategic issue 5 - Development of infrastructure and other facilities**

The college completed partitioning of office block at Headquarters. Tuition block at Mathare Campus was also completed.

**Strategic issue 6 - Information and Communications Technology (ICT)**

The college increased availability of ICT resource across all the Campuses. The college ensured implementation of e-learning platform. A total of 71 Campus representatives were trained on the use of e-learning platform. Part of content theory in every module was covered via e-learning. In addition, at least one continuous assessment test in each module per semester was undertaken on e-learning platform.

The college also developed ICT strategy and reviewed the ICT policy.

**Strategic issue 7 - Income generation and resource mobilization**

Some of the key milestones realized include generating revenue amounting to Ksh. 4.5 billion from tuition fee, accommodation charges, catering income, rental income, application fee and other miscellaneous income.

**Strategic issue 8 - Marketing, Communications & Brand recognition**

The college has a corporate social responsibility policy. Various corporate social responsibility activities were undertaken including medical Camps, planting trees as well as cleaning the community.

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

**Overall status of performance**

The overall performance is broken down as follows;

S.NO	Performance criteria	Comments
1	Financial stewardship and Discipline	All the funds allocated to the college were fully absorbed. A-in-A collected was Ksh. 4.7 billion against a target of 3.6 billion.
2	Service delivery	The college achieved the target by application of service delivery innovations, implementation of citizen's service delivery charter and resolution of public complaints.
3	Core Mandate	The college enrolled 21,700 students against a target of 15, 859. Indicators to enhance quality training were implemented as per the target. One research symposium was conducted as had been targeted. The aim was to disseminate research findings and technology innovations.
4	Implementation of Presidential directives	The college procured Rice from Kenya National Trading Corporation Limited. Trees were planted in targeted Campuses and locally manufactured garment was procured.
5	Access to Government Procurement Opportunities	Cumulative performance was Ksh. 596,381,755. Allocation to persons with disabilities (PWDs) was Ksh. 22,880,882 against a target of Ksh. 13,942,630.
6	Promotion of Local content in procurement	The target was surpassed by Ksh. 38,288,457.69
7	Cross cutting	Quarterly reports were submitted to various agencies as per the target.

**KENYA MEDICAL TRAINING COLLEGE  
ANNUAL REPORTS AND FINANCIAL STATEMENTS  
For the year ended June 30, 2022**

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**(7) CORPORATE GOVERNANCE STATEMENT**

The importance for all government agencies to apply resources to address national development and spur economic growth remains a fundamental aspect at all times. The benefits of a properly implemented and effective corporate governance system cannot be gainsaid. The College has built its operations on sound corporate governance principles based on the application of high and consistent ethical standards in its relationships with stakeholders creating stakeholder confidence.

This is in line with the provisions of transparency, accountability, responsibility, compliance with relevant laws and regulations, risk management, appropriate checks and balances, Ethical leadership and integrity and socio-environmental responsibility. The College has kept abreast with international developments in corporate governance for the promotion of enhanced transparency, integrity and rule of law.

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

**(A) Oversight role of Board of Directors**

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

The Board has attracted outstanding Directors who have shown great commitment and enthusiasm in discharging their duties and obligations to the institution while also demonstrating the spirit and

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

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ethos of the organization. The Directors subscribe to the code of conduct as well as the code of governance and practices which guides them in the fulfillment of their duties and responsibilities.

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

During the time under review, the Board was headed by a chairperson appointed by the president whose term expired on 18<sup>th</sup> April,2021, four (4) independent members appointed by the Cabinet Secretary in charge of Health, whose term expired on 6<sup>th</sup> June,2021, a Chief executive Officer (Ex-official) appointed by the Board to manage the day to day affairs of the College, a representative of the Principal Secretary National Treasury, a representative of Principal Secretary ministry of Health, The director Nursing Services ministry of Health, Whose term of service expired on 5<sup>th</sup> April,2021, a representative of the director general for Health, a representative of director Kenya Medical Research Institute whose term of service expired on 10<sup>th</sup> April,2021 and a representative to Principal secretary ministry of public service.

All Board members including the Chairperson are appointed for a three (3) year term renewable once. The appointment to the Board considers academic qualifications, technical expertise, experience, age and gender and the College Board composition complies with requirements in the constitution of Kenya, 2010, the KMTC Act, 1990 as amended and other relevant law. The appointing authorities have the powers to remove a director from the Board.

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

The Board has developed a succession plan policy to ensure sustainability and continuity of the College operations. Further, notice of expiration of terms is given to members and to their appointing authorities in order to ensure that the College has a functional Board at all times. The Board and its

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

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committees have charters that guides the conduct of its business. The Charter is developed in accordance to the Code of governance for state corporations as issued by H.E The president in 2015.

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

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

**(C) Induction and Training for continuous skill development**

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

**(D) Board tools of governance**

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

**(E) Conflict of Interest**

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

**(F) Governance and legal audit**

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

**(G) Compliance with laws and regulations**

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

**(H) Fiduciary Duties of the Board of Directors**

The following are the duties of the Board of directors;

- i. Duty to act within its powers; a Director is required to only exercise their powers for purposes which they were conferred.
- ii. Duty to avoid conflicts of interest; a Director is expected to identify and disclose the nature of a conflict and procure authorization for the same if permitted.
- iii. Duty to declare interests in proposed or existing transactions or arrangements.
- iv. Duty to Exercise their role collectively and not individually.
- v. To determine the organization's mission, vision, purpose and core values
- vi. Duty to set and oversee the overall strategy and approve policies of the organization.
- vii. Ensure that the strategy is aligned with the purpose of the organization and the legitimate interests and expectations of its stakeholders.
- viii. Ensure that the strategy of the organization is aligned to the long term goals of the organization on sustainability so as not to compromise the ability of future generations to meet their own needs.
- ix. Duty to approve the organizational structure.
- x. To approve the annual budget of the organization.

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

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- xi. Monitor the organization's performance and ensure sustainability.
- xii. Duty to enhance the corporate image of the organization.
- xiii. Ensure availability of adequate resources for the achievement of the organization's objectives.
- xiv. Duty to hire the Chief executive officer on such terms and conditions of service as may be approved by the relevant government organ(s) and approve the appointment of senior management staff.
- xv. Duty to ensure effective communication with stakeholders.

**(I) Board Remuneration**

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

**(J) Committees of the Board**

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

**1. Human Resource Committee**

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

**2. Academic, Training, Standards and Ethics Committee**

- a. To receive and consider reports from the Academic Board and make appropriate recommendations to the Board.
- b. To advise the Board on issues relating to student's affairs.

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

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

**3. Finance, Planning and Development Committee**

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

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

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**4. Audit Committee**

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

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

**(8) MANAGEMENT'S DISCUSSION AND ANALYSIS**

**(A) OPERATIONAL HIGHLIGHTS**

In order to develop a workforce while prioritizing the implementation of Primary Health Care objectives, the College introduced new courses and reviewed curricula to reflect emerging health needs. These include a course in Speech therapy and sign language as well as Point of care ultra sound in obstetrics for Nurse Midwives.

The College initiated the process of registering the database of graduates with the Kenya National Qualifications Authority. This was aimed at protecting data, ensuring authenticity of certificates and enabling graduates compete globally.

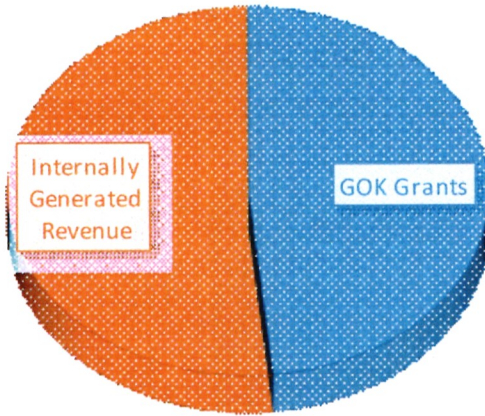
The college enrolled 21,700 students against a target of 16,800. This was due to increase in infrastructural development which introduced more training opportunities.

**(B) Financial Highlights**

**(i) Revenue**

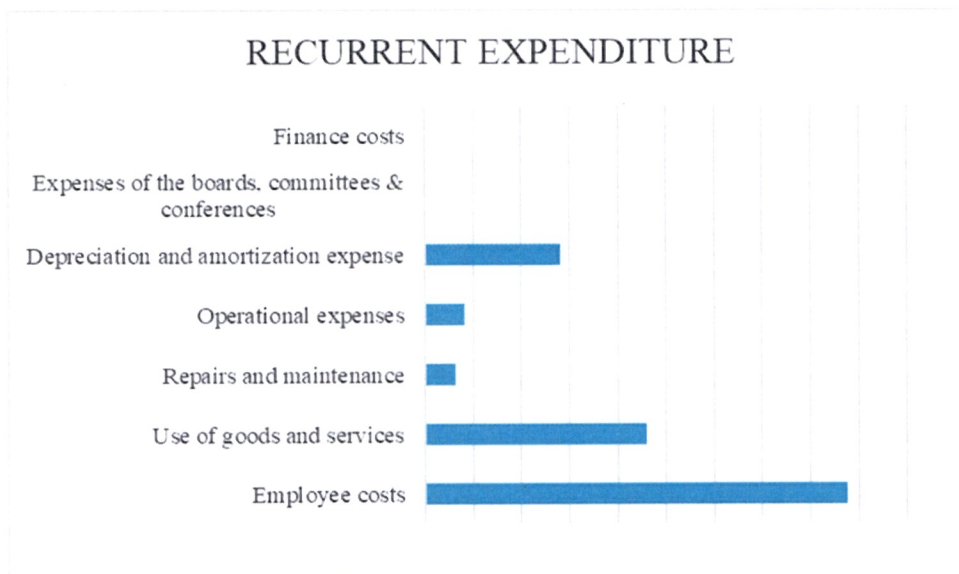
Internally generated revenue has grown from Kshs. 2.888 Billion in 2020/2021 to Kshs. 4.806 Billion in 2021/2021 Financial Year. This shows a positive recovery path post Covid-19 pointing towards stability in the training programmes. Substantially internally generated revenue is derived from tuition, boarding and application fees which is dependent on students hence there is an indication of growth in Numbers. Total revenues from various streams during the year amounted to Kshs.9.314 Billion. The internally generated revenue surpassed the grant allocation in the year under review.

## REVENUE BREAKDOWN



### (ii) Recurrent Expenditure

The total recurrent expenditure amounted to Kshs.8.710 Billion of which 50% catered for employee costs reflecting less operational activities with key focus to staff welfare during the Covid 19 pandemic.



**(iii) Capital Expenditure**

The College invested additional resources to the tune of Kshs. 908 Million on capital expenditure mainly building works, software computers and accessories, teaching equipment and furniture and fittings. This investment is geared towards improving the physical infrastructure for training of students.

**(iv) Compliance with statutory requirements**

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

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

- i. Submission of the Financial Programme Performance report to Controller of Budget every quarter within the deadline
- ii. Submission of Draft Budget Estimates by 30<sup>th</sup> April 2022
- iii. Submission of Annual Procurement Plan by 30<sup>th</sup> July 2021.
- iv. Submission of Annual Work plan and Cash flow projections by 30<sup>th</sup> July 2022.
- v. Compliance with other circulars from National treasury issued in 2021/2022

**CONCLUSION**

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

**KENYA MEDICAL TRAINING COLLEGE  
ANNUAL REPORTS AND FINANCIAL STATEMENTS  
For the year ended June 30, 2022**

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**(9) ENVIRONMENTAL AND SUSTAINABILITY REPORTING**

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

**i) Sustainability strategy and profile**

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

**ii) Environmental performance**

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

**iii) Employee welfare**

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

**iv) Market place practices-**

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

**a) Responsible competition practice.**

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

**b) Responsible Supply chain and supplier relations**

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

**c) Responsible marketing and advertisement**

**KENYA MEDICAL TRAINING COLLEGE  
ANNUAL REPORTS AND FINANCIAL STATEMENTS  
For the year ended June 30, 2022**

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

**d) Product stewardship**

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

**(v) Corporate Social Responsibility / Community Engagements**

- i. On 14 June, the College kicked off a three-day free medical camp in Mutomo in Kitui County, benefitting more than 1500 people.
- ii. KMTC participated in blood donation drive on the Campus grounds in Headquarters, Port rietz and Eldoret campus
- iii. The College partnered with Equity bank to plant 10,000 trees to support efforts by the Government to increase forest cover in the country while at the same time promoting a conducive and serene learning environment. A total of 5000 trees were planted in Karen Campus to mark World Healing Day.
- iv. In October, the College launched a *Boda Boda* shed and issued reflector jackets at Kibra Constituency as part of its strategy of promoting road safety in the sector.

**KENYA MEDICAL TRAINING COLLEGE  
ANNUAL REPORTS AND FINANCIAL STATEMENTS  
For the year ended June 30, 2022**

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**(10) REPORT OF THE DIRECTORS**

The directors have the pleasure of presenting their report together with the audited Financial Statements for year ended 30<sup>th</sup> June 2022 which show the state of the college's affairs.

**i) Principal activities**

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

**ii) Results**

The results of the college for the year ended June 30, 2022 are set out on pages 46 to 78

**iii) Directors**

The Board of Directors who held office during the year are shown on pages 5 to 11. During the year Prof. Philip Kaloki resigned, Ms Ruth Okowa retired, Dr Emily Koech retired. Amb. Zachary Muita was appointed with effect from 4.10.2021, Dr Naomi Kathure with effect from 6.10.2021, Ms Jeniffer Kibagendi with effect 6.10.2021 and Dr Stephen Ochiel with effect from 6.10.2021.


**iv) Surplus remission**

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

**v) Auditors**

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

**By order of the Board**

  
For: **Mr. David Sifuna Kinisu**

**Ag. Corporation Secretary**

**31st January 2023**

**(11) STATEMENT OF BOARD OF DIRECTORS RESPONSIBILITIES**

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

The Directors are responsible for preparation and presentation of the Colleges Financial Statements, which give a true and fair view of the state of affairs of the college for and as at the end of financial year ended June 30, 2022. This responsibility includes:

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

The Directors accepts responsibility of Financial Statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimate, in conformity with International Public Sector Accounting Standards (IPSAS), and in manner required by PFM Act and State Corporations Act. The Directors confirm the completeness of accounting records maintained for the College; which have been relied upon in the preparation of the Colleges financial statements as well as the adequacy of the systems of financial control. Nothing has come

**KENYA MEDICAL TRAINING COLLEGE  
ANNUAL REPORTS AND FINANCIAL STATEMENTS  
For the year ended June 30, 2022**

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to the attention of the Directors to indicate that the College will not remain a going concern for at least the next twelve months from the date of this statement.

The Directors are of the opinion that the College's financial statements give a true and fair view of its transactions during the financial year ended June 30, 2022.

**Approval of the Financial Statements**

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



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**Dr. Kelly Oluoch**  
**Chief Executive Officer**  
**31st January 2023**



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**Amb. Zachary Muburi-Muita, MBS**  
**Chairperson**  
**31st January 2023**

# REPUBLIC OF KENYA

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## **REPORT OF THE AUDITOR-GENERAL ON KENYA MEDICAL TRAINING COLLEGE FOR THE YEAR ENDED 30 JUNE, 2022**

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### **PREAMBLE**

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazetted notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the Effectiveness of Internal Control, 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 control, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Kenya Medical Training College set out on pages 44 to 79, which comprise of the statement of financial position as at 30 June, 2022 and the statement of financial performance, statement of changes in net

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Kenya Medical Training College as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Kenya Medical Training College Act, CAP 261, 2019).

### **Basis for Qualified Opinion**

#### **1. Doubtful Student Debtors Balance**

The statement of financial position reflects receivables from exchange transactions of Kshs.717,918,807 as disclosed in Note 33 to the financial statements. Analysis of student fee status report revealed students who have graduated with balances amounting to Kshs.1,554,483 and whose recoverability is doubtful, contrary to Section 8.2 of KMTC Finance and Internal Controls Manual. In addition, Management did not provide the ageing analysis of debtors for audit.

In the circumstances, the accuracy and fair statement of receivables from exchange transactions balance of Kshs.1,554,483 could not be confirmed.

#### **2. Unreconciled Tuition, Boarding and Application Fees**

The statement of financial performance reflects tuition, boarding and application fees of Kshs.4,782,584,157 as disclosed in Note 22 to the financial statements. The students pay tuition fee direct to the bank which is integrated with the Enterprise Resource Planning (ERP) system that automatically receipts. However, tuition, boarding and application fees revenue is recognized using bank slips that are presented by the students to various campus accountants. In addition, there was no evidence of reconciliations between the two systems and therefore a likelihood of misstating revenue from tuition, boarding and application fees.

In the circumstances, the accuracy and completeness of tuition, boarding and application fees of Kshs.4,782,584,157 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Medical Training College Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

## **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

## **Other Matter**

### **Unresolved Prior Year Audit Matters**

In the audit report of the previous year, several issues were raised under Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. Management only resolved the audit issue on outdated value of assets. However, the Management has not resolved the other issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates. and The National Treasury's Circular.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution and based on the audit procedures performed, except for the matter described in the Basis for Conclusion, 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**

#### **Non-Compliance with the One-Third Rule of Basic Salary**

During the year under review, two thousand five hundred and thirty-two (2,532) employees earned a net salary of less than a third (1/3) of the basic salary contrary to Section C.1(3) of the Public Service Commission (PSC) Human Resource Policies, 2016. The Management did not explain the failure to comply with the policy.

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

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAI) 3000 and 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements 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 and based on the audit procedures performed, except for the matters described in the Basis for Conclusion, 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. Failure to Maintain a Fixed Asset Register**

The statement of financial position reflects property, plant and equipment of Kshs.30,301,451,912 as disclosed in Note 36 to the financial statements. However, Management did not maintain a fixed asset register to indicate; description of asset, serial number, acquisition date, location, class of asset, cost of acquisition, accumulated depreciation and net book value

In the circumstances, the effectiveness of the internal controls of fixed assets could not be confirmed.

### **2. Weak Internal Controls in Inventory Management**

The statement of financial position reflects inventory balance of Kshs.41,927,803 as disclosed in Note 35 to the financial statements. However, there was no annual stock take report to show regular stock takes, condition and safety of stocks/goods, security and access controls to the stores. In addition, there was duplication of items codes in the inventory system.

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

### **3. Irregularities in Payroll Management**

The statement of financial performance reflects employee costs amount of Kshs.4,358,047,618 as disclosed in Note 25 to the financial statements. Review of the Enterprise Resource Planning (ERP) system on human resource and payroll data revealed two hundred and thirty-one (231) staff were below the age of eighteen (18) years and five (5) duplicate personnel records. In addition, there were four hundred and eight (408) duplicate transactions on casual wages. Further, the system does not recognize salary arrears which was being lumped and classified under basic pay.

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

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAI) 2315 and 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal

control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of Management and the Board of Directors**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

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

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, 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 Board of Directors is responsible for overseeing the College's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the College to cease to sustain its services.

- Evaluate the overall presentation, structure and content of the revenue statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the College to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

30 March, 2023

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

**(13) STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED**  
**30<sup>TH</sup> JUNE 2022**

	Notes	2021-2022	2020-2021
		Kshs	Kshs
<b>Revenue from Non-Exchange Transactions</b>			
Transfers from Other Government entities	21	4,182,300,001	3,444,695,000
<b>Sub-total</b>		<b>4,182,300,001</b>	<b>3,444,695,000</b>
<b>Revenue From Exchange Transactions</b>			
Tuition, Boarding and application fees	22	4,782,584,158	2,820,038,190
Rental revenue from facilities and equipment	23	21,538,143	31,795,911
Other income	24	31,548,576	35,770,892
<b>Sub-total</b>		<b>4,835,670,877</b>	<b>2,887,604,993</b>
<b>Total Revenue</b>		<b>9,017,970,878</b>	<b>6,332,299,993</b>
<b>Expenses</b>			
Employee costs	25	4,358,047,618	4,591,103,153
Use of Goods and Services	26	2,283,405,204	1,423,428,056
Repairs and maintenance	27	314,494,878	264,449,233
Operational expenses	28	318,678,498	255,100,444
Depreciation and amortization expense	29	1,406,775,486	430,327,519
Remuneration of Directors	30	19,747,071	26,763,996
Finance costs	31	11,194,980	6,841,073
<b>Total Expenses</b>		<b>8,712,343,735</b>	<b>6,998,013,474</b>
<b>Surplus/Deficit for the Period</b>		<b>305,627,143</b>	<b>(665,713,481)</b>
Corporation Tax		24,976,418	-
<b>Surplus/(Deficit)</b>		<b><u>280,650,725</u></b>	<b><u>(665,713,481)</u></b>

The Financial Statements set out on pages 44 to 79 were signed on behalf of the Board of Directors by: .....

**Dr. Kelly Oluoch**  
**Chief Executive Officer**

**CPA Elijah Mititi**  
**Finance Manager**  
**ICPAK No: 23480**

**Amb. Zachary Muburi-Muita, MBS**  
**Chairperson**

**31st January 2023**

**31st January 2023**

**31st January 2023**

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
For the year ended June 30, 2022

(14) **STATEMENT OF FINANCIAL POSITION AS AT 30<sup>TH</sup> JUNE 2022**

	Notes	2021-2022	2020-2021
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	32	1,008,683,742	474,872,522
Receivables from exchange transactions	33	717,918,807	763,891,464
Receivables from non-exchange transactions	34	19,812,180	387,528,843
Inventories	35	41,927,803	45,084,570
<b>Total Current Assets</b>		<b>1,788,342,532</b>	<b>1,671,377,399</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	36	30,301,451,912	7,643,095,420
Intangible assets	37	17,331,156	0
<b>Total Non-Current Assets</b>		<b>30,318,783,068</b>	
<b>Total Assets</b>		<b><u>32,107,125,600</u></b>	<b>9,314,472,819</b>
<b>Current Liabilities</b>			
Bank OD	38	-	187
Trade and other payables	39	268,680,623	930,601,025
<b>Total Liabilities</b>		<b>268,680,623</b>	<b>930,601,212</b>
<b>Net assets</b>		<b><u>31,838,444,977</u></b>	<b><u>8,383,871,607</u></b>
<b>Equity</b>			
Capital fund	40	4,727,538,005	4,727,538,005
Accumulated fund	41	3,936,984,326	3,656,333,602
Revaluation Reserve	42	23,173,922,646	-
<b>Total Equity</b>		<b><u>31,838,444,977</u></b>	<b><u>8,383,871,607</u></b>

The Financial Statements set out on pages 44 to 79 were signed on behalf of the Board of Directors

by:   

**Dr. Kelly Oluoch**

**Chief Executive Officer**

**31st January 2023**

**CPA Elijah Mititi**

**Finance Manager**

**ICPAK No: 23480**

**31st January 2023**

**Amb. Zachary Muburi-Muita, MBS**

**Chairperson**

**31st January 2023**

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

**(16) STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED**  
**30<sup>TH</sup> JUNE 2022**

<b>Particulars</b>	<b>Capital Fund</b>	<b>Accumulated Funds</b>	<b>Revaluation Reserve</b>	<b>Total</b>
	<b>Kshs.</b>	<b>Kshs.</b>	<b>Kshs.</b>	<b>Kshs.</b>
Balance as at 01.07.2020	4,727,538,005	4,322,047,083	-	9,049,585,088
Surplus for the year	-	(665,713,481)	-	(665,713,481)
<b>Balance as at 30.06.2021</b>	<b>4,727,538,005</b>	<b>3,656,333,602</b>	<b>-</b>	<b>8,383,871,607</b>
Balance as at 01.07.2021	4,727,538,005	3,656,333,602	-	8,383,871,607
Surplus for the year	-	280,650,725	-	280,650,725
Revaluation Gain	-	-	23,173,922,646	23,173,922,646
<b>Balance as at 30.06.2022</b>	<b>4,727,538,005</b>	<b>3,936,984,327</b>	<b>23,173,922,646</b>	<b>31,838,444,978</b>

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

**17. STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

	Notes	2021-2022	2020-2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
		<b>Kshs</b>	<b>Kshs</b>
Cash generated from operations	43	1,442,351,894	478,885,788
<b>Net cash flow from operating activities</b>		<b>1,442,351,894</b>	<b>478,885,788</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant, equipment	36	(896,641,121)	(540,989,573 )
Purchase of Intangible asset		(11,899,366)	-
<b>Net cash flows used in investing activities</b>		<b>(908,540,487)</b>	<b>(540,989,573)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			-
Bank OD	38	(187)	187
<b>Net cash flows used in financing activities</b>		<b>(187)</b>	<b>187</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>533,811,220</b>	<b>(62,103,785)</b>
Cash and cash equivalents at 1 JULY 2021		474,872,522	536,976,120
<b>Cash and cash equivalents at 30 JUNE 2022</b>		<b>1,008,683,742</b>	<b>474,872,522</b>

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

**18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR**  
**THE YEAR ENDED 30 JUNE 2022**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	%	Note
	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022		
	Kshs	Kshs	Kshs	Kshs	Kshs		
<b>Revenue from Non-Exchange Transactions</b>							
Grants and donations	3,730,300,000	452,000,001	4,182,300,001	4,182,300,001	-	0	
	<b>3,730,300,000</b>	<b>452,000,001</b>	<b>4,182,300,001</b>	<b>4,182,300,001</b>	-		
<b>Revenue from Exchange Transactions</b>							
Tuition, Boarding and application fees	3,640,000,000	0	3,640,000,000	4,782,584,158	(1,142,584,158)	0.31	a
Rental revenue from facilities and equipment	35,477,000	0	35,477,000	21,538,143	13,938,857	0.39	b
Other income	42,627,000	0	42,627,000	31,548,576	11,078,424	0.26	c
	<b>3,718,104,000</b>		<b>3,718,104,000</b>	<b>4,835,670,877</b>			
<b>Total Revenue</b>	<b>7,448,404,000</b>	<b>452,000,000</b>	<b>7,900,404,001</b>	<b>9,017,970,878</b>			
<b>Expenses</b>							
Employee costs	4,543,590,786	0	4,543,590,786	4,358,047,618	185,543,168	0.04	
Use of Goods and services	2,300,500,500	0	2,300,500,500	2,283,405,204	17,095,296	0.01	
Repairs and maintenance	350,000,000	0	350,000,000	314,494,878	35,505,122	0.1	d
Operational expenses	420,500,000	0	420,500,000	318,678,498	101,821,502	0.24	e
Depreciation and amortization expense	150,495,000	1,257,000,000	1,407,495,000	1,406,775,486	719,514	0	
Directors' remuneration	30,000,000	0	30,000,000	19,747,071	10,252,929	0.34	f
Finance costs	<u>9,099,400</u>	0	9,099,400	11,194,980	-2,095,580	-0.23	
<b>Total Expenses</b>	<b>7,804,185,686</b>	<b>1,257,000,000</b>	<b>9,061,185,686</b>	<b>8,712,343,735</b>	<b>348,841,951</b>		

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

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**Notes**

- (a) The COVID 19 outbreak in March 2020 which led to closure of learning institutions in 2020 brought about double intake in FY 2021/2022 hence the increase in student intake translating to increased revenue.
- (b) Rental income declined in the financial year owing to slow down in activities in site rentals and facilities hire.
- (c) Other income was affected by the Graduation numbers of students who did not graduate as per the schedule due to the Pandemic interruptions.
- (d) Repairs and maintenance works slowed due scale down in the year under review for recovery from Covid 19 Pandemic.
- (e) The operational activities were rational to cushion the college from the Covid 19 ramifications and set a path towards recovery.
- (f) Directors' remuneration costs reduction was attributable to new board composition which reduced the membership to eleven.

**KENYA MEDICAL TRAINING COLLEGE  
ANNUAL REPORTS AND FINANCIAL STATEMENTS  
For the year ended June 30, 2022**

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**19. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

**i. General information**

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

**ii. Statement of Compliance and Basis of Preparation**

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

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

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

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

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**Notes**

- (a) The COVID 19 outbreak in March 2020 which led to closure of learning institutions in 2020 brought about double intake in FY 2021/2022 hence the increase in student intake translating to increased revenue.
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**KENYA MEDICAL TRAINING COLLEGE  
ANNUAL REPORTS AND FINANCIAL STATEMENTS  
For the year ended June 30, 2022**

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**19. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

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**KENYA MEDICAL TRAINING COLLEGE  
ANNUAL REPORTS AND FINANCIAL STATEMENTS  
For the year ended June 30, 2022**

**ADOPTION OF NEW AND REVISED STANDARDS**

Standard	Effective date and impact:
<p><b>IPSAS 41:</b> Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2023:</b></p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity’s future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul> <p><i>The change in the standard will not have an impact in the college operations</i></p>
<p><b>IPSAS 42:</b> Social Benefits</p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The</p>

**KENYA MEDICAL TRAINING COLLEGE  
ANNUAL REPORTS AND FINANCIAL STATEMENTS  
For the year ended June 30, 2022**

Standard	Effective date and impact:
	<p>information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the Entity.</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Entity’s financial performance, financial position and cash flows.</p> <p><i>The college does not provide social benefits hence this will not impact the activities.</i></p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p><b>Applicable: 1st January 2023:</b></p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p><i>The amendments will not affect the college.</i></p>
<p>Other improvements to IPSAS</p>	<p><b>Applicable 1<sup>st</sup> January 2023</b></p>

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

Standard	Effective date and impact:
	<ul style="list-style-type: none"> <li>• <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i></li> <li>• Amendments to refer to the latest System of National Accounts (SNA 2008).</li> <li>• <i>IPSAS 39: Employee Benefits</i></li> </ul> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> <li>• <b>IPSAS 29: Financial instruments: Recognition and Measurement</b></li> </ul> <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1<sup>st</sup> January 2023.</p> <p><i>The improvements will not have impact on colleges activities</i></p>
IPSAS 43	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.</p> <p><b><i>The amendments will not affect the college.</i></b></p>
IPSAS 44: Non-Current Assets Held for Sale and	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b>The Standard requires,</p>

**KENYA MEDICAL TRAINING COLLEGE  
ANNUAL REPORTS AND FINANCIAL STATEMENTS  
For the year ended June 30, 2022**

Standard	Effective date and impact:
Discontinued Operations	<p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>The amendments will not affect the college.</i></p>

*i. Early adoption of standards*

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

**20. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1) Revenue Recognition**

**i) Revenue from Non – Exchange Transactions**

**Transfers from Other Government Entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the college and can be measured reliably.

**ii) Revenue from Exchange Transactions**

*a) Rendering of Services*

The college recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably.

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

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The stage of completion is measured by reference to labor hours incurred to date as a percentage of total estimated labor hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

***b) Sale of Goods***

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the college.

***c) Interest Income***

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

The method applies this yield to the principal outstanding to determine interest income each period.

***d) Rental Income***

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

**2) Budget Information**

The original budget for FY2021/2022 was approved by the National Assembly on Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the college.

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

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As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or college differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

**3) Property, Plant and Equipment**

- (i) All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the college recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.
- (ii) Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.
- (iii) Basis of Depreciation: Non-current assets are fully depreciated in the year of acquisition and no depreciation is provided for in the year of disposal using the straight line basis at annual rates estimated to write off the asset over useful lives.

The following annual depreciation rates in use are: -

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

**4) Intangible Assets**

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

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

**5) Financial Instruments**

**a) Financial Assets**

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The College determines the classification of its financial assets at initial recognition.

**b) Loans and Receivables**

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

**c) Impairment of Financial Assets**

The College assesses at each reporting date whether there is objective evidence that a financial asset is impaired. A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

---

asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the college of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

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

**6) Financial Liabilities**

***Initial Recognition and Measurement***

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The College determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

***Loans and Borrowing***

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

IPSAS 29.65

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

**7) Inventories**

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

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

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

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

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

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

**8) Nature and Purpose of Reserves**

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

**KENYA MEDICAL TRAINING COLLEGE  
ANNUAL REPORTS AND FINANCIAL STATEMENTS  
For the year ended June 30, 2022**

---

**9) Changes in Accounting Policies and Estimates**

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

**10) Employee Benefits**

**Retirement Benefit Plans**

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

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

**11) Related Parties**

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

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

**Related party transactions**

<b>Ministry of health</b>	<b>2022</b>	<b>2021</b>
Transfers from Ministry of Health	4,182,300,001	3,444,695,000
Transfers to Ministry of Health	Nil	Nil
<b>Compensation to key Management</b>	<b>2022</b>	<b>2021</b>
Directors Emoluments	19,747,071	26,763,996
Key management staff	33,303,060	34,138,569
<b>Due from related parties</b>		
Due from Ministry of Health	19,812,180	19,812,180

**12) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**13) Comparative Figures**

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

**14) Significant Judgments and Sources of Estimation Uncertainty**

The preparation of the College's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period.

**KENYA MEDICAL TRAINING COLLEGE  
ANNUAL REPORTS AND FINANCIAL STATEMENTS  
For the year ended June 30, 2022**

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

**15) Estimates and Assumptions**

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

***Useful Lives and Residual Values***

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the College
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset.

**16) Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2020

**17) Taxation**

The statement of financial performance for the year ended June 30, 2022 include a taxation charge for corporation tax.

**18) Financial Risk Management**

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

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

**(g) Credit risk**

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

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

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

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

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

	<b>Total amount Kshs</b>	<b>Fully performing Kshs</b>	<b>Past due Kshs</b>	<b>Impaired Kshs</b>
<b>At 30TH JUNE 2022</b>				
Receivables from exchange transactions	826,141,108	826,141,108	Nil	Nil
Receivables from non-exchange transactions	19,812,180		19,812,180	
<b>Total</b>	<b>845,953,288</b>	<b>826,141,108</b>	<b>19,812,180</b>	
<b>At 30 June 2021</b>				
Receivables from exchange transactions	763,478,141	763,478,141	Nil	Nil
Receivables from non-exchange transactions	387,528,843	367,716,663	19,812,180	Nil
<b>Total</b>	<b>1,151,006,984</b>	<b>1,131,194,804</b>	<b>19,812,180</b>	

**Credit risk (Continued)**

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

The entity has significant concentration of credit risk on amounts due from outstanding tuition fees. The board of directors sets the college's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**(iv) Liquidity risk management**

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

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

**19) Contingent Liabilities**

The college does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. The following are considered as contingent liabilities.

<p><b>1.Wathanagu Holdings Ltd –Vs- The Hon. Attorney General &amp; 4 Others</b></p>	<p>Plaintiff states that the defendants have been interfering with its rights of ownership and occupation of its property LR No. 209/12109 and prays that the court makes a declaration that the defendants are jointly and severally liable to compensate them by way of damages for the loss of user and other infringement of its rights and privileges amounting to Kshs. 1,652,087,004 and the costs of the suit. Our legal team is pursuing the matter towards speedy conclusion.</p>
<p><b>2.National Social Security Fund</b></p>	<p>The Minister for Labour, through a Notice to all Employers stressed that following the Kenya Gazette Notice No. 159 of 30th October 2009, it was now mandatory for all employers to remit contributions to NSSF. No employer is exempted from the provisions of the NSSF Act on the strength of having an in-house occupational pension scheme. Exemption may only be granted by the Minister for Labour on the recommendations of the NSSF Board of Trustees where an employer operates a universal national scheme that offers benefits comparable to NSSF and that the NSSF is such a scheme. The estimated financial effect is kshs 732,011,937</p>

**Note 21:**  
**Transfer from other government entities**

	<b>2022</b>	<b>2021</b>
<b>Government of Kenya grants</b>	<b>(Kshs.)</b>	<b>(Kshs.)</b>
Recurrent	3,601,000,001	2,962,300,000
Development	581,300,000	482,395,000
<b>TOTAL</b>	<b>4,182,300,001</b>	<b>3,444,695,000</b>

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

**Note 22:**

**Tuition, Boarding and application fees**

	<b>2022</b>	<b>2021</b>
	<b>(Kshs.)</b>	<b>(Kshs.)</b>
Tuition	4,517,958,134	2,683,060,067
Boarding fees	144,200,105	68,524,595
Catering fees	5,554,598	3,719,330
Application fees	114,871,321	64,734,198
<b>TOTAL</b>	<b>4,782,584,158</b>	<b>2,820,038,190</b>

**Note 23:**

**Rental Revenue from Facilities and Equipment**

	<b>2022</b>	<b>2021</b>
	<b>(Kshs.)</b>	<b>(Kshs.)</b>
Staff Houses	21,538,143	31,795,911
<b>TOTAL</b>	<b>21,538,143</b>	<b>31,795,911</b>

**Note 24:**

**Other Income**

	<b>2022</b>	<b>2021</b>
	<b>(Kshs.)</b>	<b>(Kshs.)</b>
Sale of Tender documents	6,500	551,600
Sale of Capital Goods	-	6,900
Sale of Non-Capital goods	297,207	170,783
Miscellaneous income	31,244,869	35,041,609
<b>TOTAL</b>	<b>31,548,576</b>	<b>35,770,892</b>

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

**Note 25:**

**Employee Costs**

	<b>2022</b>	<b>2021</b>
	<b>(Kshs.)</b>	<b>(Kshs.)</b>
Salaries and wages	1,940,029,042	1,934,019,912
Contributions to pensions	345,180,569	385,099,676
House allowances	537,854,427	614,848,154
Medical insurance	384,318,394	492,308,006
Commuter and other allowances	544,335,639	552,114,442
Health workers extraneous allowances	606,329,547	612,712,963
<b>TOTAL</b>	<b>4,358,047,618</b>	<b>4,591,103,153</b>

**Note 26**

**Use of goods and services**

	<b>2022</b>	<b>2021</b>
	<b>(Kshs.)</b>	<b>(Kshs.)</b>
Travelling and accommodation – local	815,728,572	425,923,914
Travelling and accommodation – external	1,201,128	-
Purchase of uniforms and clothing	7,097,855	8,576,116
Personal Protective Equipment	13,380,871	36,792,228
Fees and commissions	295,727,013	119,141,205
Staff training expenses	122,321,632	62,598,681
Postal and telegrams	16,885,364	10,047,898
Telephone	28,326,661	23,566,710
Electricity	79,640,967	52,787,406
Water and conservancy	44,263,255	23,171,074
Stationery	87,543,644	50,464,727
Rent and rates	3,170,028	2,354,200
Contracted professional services	307,475,901	268,570,716
Insurance of property	180,684,216	170,308,455
Internet Expenses	52,952,467	50,200,748
Advertising, printing and publicity	104,228,654	32,588,402

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

Official entertainment	56,745,676	42,600,105
Computer expenses	68,600,167	48,470,544
Audit Fee	3,480,000	3,480,000
Corporate Social Responsibility	2,198,188	3,868,059
Increase/Decrease in provision for bad debts	(8,247,055)	(12,083,130)
<b>TOTAL</b>	<b>2,283,405,204</b>	<b>1,423,428,056</b>

**Note 27:**

**Repairs and Maintenance**

	<b>2022</b>	<b>2021</b>
	<b>(Kshs.)</b>	<b>(Kshs.)</b>
Maintenance of plant and machinery	39,481,767	22,872,796
Maintenance of buildings and stations	275,013,112	241,576,437
<b>TOTAL</b>	<b>314,494,878</b>	<b>264,449,233</b>

**Note 28:**

**Operational costs**

	<b>2022</b>	<b>2021</b>
	<b>(Kshs.)</b>	<b>(Kshs.)</b>
Transport operating	78,570,149	51,902,863
Food and rations	16,227,661	6,599,962
Library expenses	44,225,477	44,084,308
Cleansing materials	15,979,973	43,020,734
Teaching materials	96,477,463	58,998,360
Student activity and sports	20,990,339	10,728,099
Student Allowance	32,058,930	29,341,786
Fuel, gas and firewood	1,665,828	990,312
Insecticides and pesticides	11,481,677	6,262,185
Drugs and dressings	1,001,001	3,171,835
<b>TOTAL</b>	<b>318,678,498</b>	<b>255,100,444</b>

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

**Note 29**

**Depreciation and Amortization Expenses**

	<b>2022</b>	<b>2021</b>
	<b>(Kshs.)</b>	<b>(Kshs.)</b>
Depreciation Expenses	1,406,775,486	430,327,519
<b>TOTAL</b>	<b>1,406,775,486</b>	<b>430,327,519</b>

**Note 30**

**Remuneration of Directors**

	<b>2022</b>	<b>2021</b>
	<b>(Kshs.)</b>	<b>(Kshs.)</b>
Sitting allowances	11,260,000	12,320,000
Honoraria (Chairman)	681,967	919,300
Lunch allowances	472,000	528,000
Mileage	352,885	2,506,096
Travelling and accommodation (local	6,095,200	9,755,200
Medical insurance	705,019	735,400
Training	180,000	-
<b>TOTAL</b>	<b>19,747,071</b>	<b>26,763,996</b>

**31. Finance Costs**

	<b>2022</b>	<b>2021</b>
	<b>(Kshs.)</b>	<b>(Kshs.)</b>
Bank charges	9,414,020	6,841,073
Paybill charges	1,780,960	-
<b>TOTAL</b>	<b>11,194,980</b>	<b>6,841,073</b>

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

**Note 32:**

**(i) Cash and Cash Equivalents**

	<b>2022</b>	<b>2021</b>
	<b>(Kshs.)</b>	<b>(Kshs.)</b>
Cash at Hand	776,912	412,045
Cash at Bank	998,929,957	439,300,941
Pay bill	8,976,873	35,159,535
<b>TOTAL</b>	<b>1,008,683,742</b>	<b>474,872,522</b>

**(ii) Detailed cash and cash equivalents**

		<b>2022</b>	<b>2021</b>
<b>Current accounts</b>	<b>Account numbers</b>	<b>kshs</b>	<b>kshs</b>
National bank of Kenya	Various	730,216,957	246,222,897
Kenya commercial bank	Various	266,542,720	189,220,256
Cooperative bank of Kenya	Various	2,170,280	3,857,789
<b>Others</b>			
Cash in hand	Various	776,912	412,045
Safaricom Pay bill	964150	8,976,873	35,159,535
<b>Total</b>		<b>1,008,683,742</b>	<b>474,872,522</b>

**Note 33:**

**Receivables from Exchange Transactions**

	<b>2022</b>	<b>2021</b>
	<b>(Kshs.)</b>	<b>(Kshs.)</b>
Trade receivables (outstanding fee balances)	665,831,791	747,317,581
Rent receivable	81,271,922	82,256,666
Temporary imprests	12,496,775	3,004,935
Salary advances	524,463	997,154
Prepayments	32,504,228	13,272,553
Provision for bad debts	(74,710,371)	(82,957,425)
<b>Total</b>	<b>717,918,807</b>	<b>763,891,464</b>

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

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**Note 34:**

**Receivables from Non-Exchange**

**Transactions**

	<b>2021</b>	<b>2021</b>
	<b>(Kshs.)</b>	<b>(Kshs.)</b>
Government of Kenya grant	-	367,716,663
Ministry of Health	19,812,180	19,812,180
<b>Total</b>	<b>19,812,180</b>	<b>387,528,843</b>

**Note 35:**

**Inventory**

	<b>2022</b>	<b>2021</b>
	<b>(Kshs.)</b>	<b>(Kshs.)</b>
Stationery and related items	28,569,743	23,643,635
Electrical items	1,214,762	3,556,010
Maintenance items	1,921,992	2,425,849
Other consumables	10,221,306	15,459,076
<b>Total</b>	<b>41,927,803</b>	<b>45,084,570</b>

**KENYA MEDICAL TRAINING COLLEGE  
ANNUAL REPORTS AND FINANCIAL STATEMENTS  
For the year ended June 30, 2022**

**Note 36**

	Land	Buildings	Work in Progress	Motor Vehicles	Plant, Office and Other Equipment	Furniture and Fittings	Computers and Accessories	Totals
<b>COST</b>	<b>Kshs.</b>	<b>Kshs.</b>	<b>Kshs.</b>	<b>Kshs.</b>	<b>Kshs.</b>	<b>Kshs.</b>	<b>Kshs.</b>	<b>Kshs.</b>
Balance b/f (01.07.2020)	1,165,920,000	3,916,630,664	1,144,998,723	564,133,945	3,027,748,195	663,601,883	711,242,580	11,194,275,989
Transfer TO/(FROM)		91,549,541	(91,549,541)	-	-	-	-	-
Additions during the year			274,028,735	35,380,749	117,678,820	64,800,031	49,101,238	540,989,573
<b>Balance as at 30.06.2021</b>	<b>1,165,920,000</b>	<b>4,008,180,205</b>	<b>1,327,477,917</b>	<b>599,514,694</b>	<b>3,145,427,015</b>	<b>728,401,914</b>	<b>760,343,818</b>	<b>11,735,265,562</b>
<b>DEPRECIATION:</b>								
Balance as at 01.07.2020	-	977,442,020	-	319,591,318	1,620,334,047	267,456,800	477,018,438	3,661,842,623
Charge for the year	-	73,479,716	-	61,135,657	175,926,768	49,518,135	70,267,243	430,327,519
As at 30.06.2021	-	1,050,921,736	-	380,726,975	1,796,260,816	316,974,935	547,285,681	4,092,170,142
<b>Net Book Value (as at 30.06.2021)</b>	<b>1,165,920,000</b>	<b>2,957,258,469</b>	<b>1,327,477,917</b>	<b>218,787,719</b>	<b>1,349,166,200</b>	<b>411,426,979</b>	<b>213,058,137</b>	<b>7,643,095,420</b>
<b>COST:</b>								
Balance b/f (01.07.2021)	1,165,920,000	4,008,180,205	1,327,477,916	599,514,694	3,145,427,015	728,401,914	670,327,818	11,645,249,562
Revaluation surplus	15,196,332,000	7,283,487,831	-	320,707,281	-	250,357,321	123,038,213	23,173,922,646
Transfer TO/FROM	-	1,327,477,916	(1,327,477,916)	-	-	-	-	-
Additions during the year	-	322,173,238	33,591,432	23,700,000	325,377,636	125,121,571	66,677,244	896,641,121
<b>Balance as at 30.06.2022</b>	<b>16,362,252,000</b>	<b>12,941,319,190</b>	<b>33,591,432</b>	<b>943,921,975</b>	<b>3,470,804,651</b>	<b>1,103,880,806</b>	<b>860,043,275</b>	<b>35,715,813,329</b>
<b>DEPRECIATION:</b>								
Balance as at 01.07.2021	-	1,050,921,736	-	380,726,975	1,796,260,815	316,974,935	493,276,081	4,038,160,542
Charge for the year	-	323,532,980	-	235,980,494	420,689,318	137,985,101	258,012,983	1,376,200,875
As at 30.06.2022	-	1,374,454,716	-	616,707,469	2,216,950,133	454,960,036	751,289,064	5,414,361,417
<b>Net Book Value (as at 30.06.2022)</b>	<b>16,362,252,000</b>	<b>11,566,864,474</b>	<b>33,591,432</b>	<b>327,214,506</b>	<b>1,253,854,518</b>	<b>648,920,770</b>	<b>108,754,211</b>	<b>30,301,451,912</b>

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

**Note 37:**

**Intangible assets**

Description	2021-2022	2020-2021
	Kshs	Kshs
<b>Cost</b>		
<b>At beginning of the year</b>	90,016,000	-
Additions	11,899,366	-
<b>At end of the year</b>	<b>101,915,366</b>	-
Additions–internal development	-	-
<b>At end of the year</b>	<b>101,915,366</b>	-
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>	54,009,600	-
Amortization	30,574,610	-
<b>At end of the year</b>	84,584,210	-
Impairment loss	0	-
<b>At end of the year</b>	<b>84,584,210</b>	-
<b>NBV</b>	<b>17,331,156.00</b>	-

**Note 38:**

**Bank Over Draft**

	2022	2021
	(Kshs.)	(Kshs.)
Nyandarua Accommodation	-	187
<b>Total</b>	<b>-</b>	<b>187</b>

**Note 39**

**Payables**

	2021	2021
	(Kshs.)	(Kshs.)
<b>Trade and other Payables from Exchange Transactions</b>		
Use of Goods and services	102,384,009	304,435,160
Repairs and Maintenance	42,818,387	40,839,697
Operational Expenses	45,584,472	401,640,230
Capital items	77,893,755	183,685,938
<b>Total</b>	<b>268,680,623</b>	<b>930,601,025</b>

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

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**Note 40:**

**Capital Fund**

	2022	2021
	(Kshs.)	(Kshs.)
GOK Capital investment	4,727,538,005	4,727,538,005

**Note 41:**

**Accumulated Fund**

	2022	2021
	(Kshs.)	(Kshs.)
Balance at start of the year	4,322,047,083	4,322,047,083
Surplus/(Deficit for the year)	280,650,724	(665,713,481)
<b>Balance at end of year</b>	<b>4,602,697,807</b>	<b>3,656,333,602</b>

**Note.42:**

<b>Revaluation Reserve</b>	2022	2021
	(Kshs.)	(Kshs.)
Balance at start of the year	-	-
Revaluation Gain	23,173,922,646	-
<b>Balance at end of year</b>	<b>23,173,922,646</b>	<b>-</b>

**KENYA MEDICAL TRAINING COLLEGE  
ANNUAL REPORTS AND FINANCIAL STATEMENTS  
For the year ended June 30, 2022**

**Note 43:**

**Cash generated from operations**

	<b>2022</b>	<b>2021</b>
	<b>(Kshs.)</b>	<b>(Kshs.)</b>
Surplus for the year before tax	280,650,725	(665,713,481)
Adjusted for:		
Depreciation expense	1,406,775,486	430,327,519
<b>Working capital adjustments:</b>		
Decrease (Increase) in inventory	3,156,767	(8,607,138)
Decrease(Increase)in receivables	413,689,319	232,992,969
Increase (Decrease)in payables	-661,920,402	489,885,919
<b>Net cash flows from operating activities</b>	<b>1,442,351,894</b>	<b>478,885,788</b>

**Note 44.**

**Events after the Reporting Period**

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

**Note 45.**

**Ultimate and Holding Entity**

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

**Note 46.**

**Currency**

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

**Note 47.**

**Seconded Employees**

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

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

**Appendix I**

<b>KENYA MEDICAL TRAINING COLLEGE</b>				
<b>BREAK DOWN OF TRANSFERS FROM THE MINISTRY OF HEALTH FY</b>				
<b>2021/2022</b>				
<b>a.</b>	<b>Recurrent Grants</b>	<b><u>Bank Statement</u></b> <b><u>Date</u></b>	<b><u>Amount (KShs)</u></b>	<b><u>FY it relates to</u></b>
		06.07.2021	20,000,000.00	2020/2021
		13.08.2021	269,916,667.00	2021/2022
		06.09.2021	269,916,667.00	2021/2022
		24.09.2021	269,916,667.00	2021/2022
		04.11.2021	269,916,667.00	2021/2022
		04.11.2021	21,000,000.00	2021/2022
		08.12.2021	269,916,667.00	2021/2022
		07.01.2022	269,916,667.00	2021/2022
		04.02.2022	269,916,667.00	2021/2022
		02.03.2022	269,916,667.00	2021/2022
		08.03.2022	10,500,000.00	2021/2022
		13.04.2022	269,916,667.00	2021/2022
		01.05.2022	269,916,667.00	2021/2022
		13.06.2022	269,916,667.00	2021/2022
		21.06.2022	300,000,000.00	2021/2022
		21.06.2022	10,500,000.00	2021/2022
		28.06.2022	269,916,664.00	2021/2022
		<b>Total</b>	<b>3,601,000,001.00</b>	

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

b	Development Grants			
		<u>Bank Statement</u> <u>Date</u>	<u>Amount (KShs)</u>	<u>FY it relates to</u>
		21.10.2021	290,650,000.00	2021/2022
		22.04.2022	290,650,000.00	2021/2022
		<b>Total</b>	<b>581,300,000.00</b>	
c.	Direct Payments			
		<u>Bank Statement</u> <u>Date</u>	<u>Amount (KShs)</u>	<u>FY it relates to</u>
		NIL	NIL	NIL
		<b>Total</b>	<b>NIL</b>	
d	Donor Receipts			
		<u>Bank Statement</u> <u>Date</u>	<u>Amount (KShs)</u>	<u>FY it relates to</u>
		NIL	NIL	NIL
		<b>Total</b>	<b>NIL</b>	

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

**KENYA MEDICAL TRAINING COLLEGE  
ANNUAL REPORTS AND FINANCIAL STATEMENTS  
For the year ended June 30, 2022**

**APPENDIX II: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Focal Point person to resolve the issue</b>	<b>Status</b>	<b>Timeframe</b>
2.1	Amount of Tuition Fees amounting to Kshs 34,108,580	The students were affected by Covid 19 Pandemic and Reduction in HELB sponsorship	Chief Executive Officer- KMTC	College has engaged HELB to sponsor needy students	Ongoing
2.2	Outstanding Tuition Fees from Kuria Campus amounting kshs 7,453,021 collected in cash from students	The matter is being handled by the College team and Directorate of Criminal Investigation	Chief Executive Officer- KMTC	Ongoing	Ongoing
2.3	The uncleared write off of kshs 21,831,155 due from Kenyatta National Hospital	The college is in the process of obtaining approvals from cabinet secretary treasury for write off.	Chief Executive Officer- KMTC	Ongoing	Ongoing

**KENYA MEDICAL TRAINING COLLEGE**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**For the year ended June 30, 2022**

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Focal Point person to resolve the issue</b>	<b>Status</b>	<b>Timeframe</b>
3	Recoverability of 19,812,180 outstanding grant for Ministry of health.	The college is in the process of obtaining approvals from cabinet secretary treasury for write off.	Board of Directors- KMTC	Ongoing	Ongoing
4.1	Outdated value of assets	The values of land and buildings dated back to 2005	The report was approved and has been implemented	Finalized	
4.2	Lack of land ownership Documents	18 parcels of land with total acreage of 241.731 acres without title documents	College has Contracted a team of surveyors to finalize the titling process	Ongoing	Ongoing



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**Dr. Kelly Oluoch**  
**Chief Executive Officer**