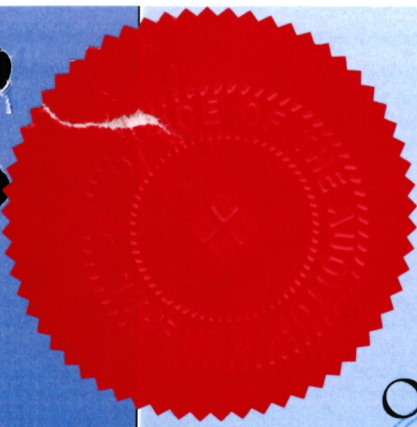


REPUBLIC OF KENYA



*Paper laid by
Leader of Majority
Party Tuesday 27/3/18
Agh*



OFFICE OF THE AUDITOR-GENERAL



REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
MEDICAL PRACTITIONERS AND DENTISTS
BOARD**

**FOR THE YEAR
ENDED 30 JUNE 2017**



100-100



MEDICAL PRACTITIONERS AND DENTISTS BOARD

ANNUAL REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2017**

Prepared in accordance with the accrual basis of accounting method under the International Public Sector Accounting Standards (IPSAS)

MEDICAL PRACTITIONERS AND DENTISTS BOARD

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MEDICAL PRACTITIONERS AND DENTISTS BOARD

GENERAL INFORMATION

Registered Office

KMPDB House
Woodlands Road
P.O. Box 44839, 00100
Nairobi, Kenya

Contacts

Telephone: (254) 0202724994 / 2711478 / 2728752 / 0720771478
E-mail: info@kenyamedicalboard.org
Website: www.medicalboard.co.ke

Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000, City Square 00200
Nairobi, Kenya
2. Kenya Commercial Bank
Milimani
P. O Box 69693, 00400
Nairobi
3. Barclays Bank of Kenya
Hurlingham
P. O Box 34974, 00100
Nairobi
4. Cooperative Bank
University way
P. O Box 48321, 00100
Nairobi

Independent Auditors

Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084, GOP 00100
Nairobi, Kenya

Principal Legal Advisers

1. The Attorney General
State Law Office, Harambee Avenue
P.O. Box 40112, 00100
Nairobi, Kenya
2. Muriu Mungai and Co Advocates
P.O. Box 75362, 00100
Nairobi, Kenya
3. Rachier and Amollo Advocates
P.O. Box 55645, City Square 00200
Nairobi, Kenya

MEDICAL PRACTITIONERS AND DENTISTS BOARD

2. MANAGEMENT TEAM

Name	Area of responsibility
1. Dr. Jackson Kioko	DMS/Registrar
2. Daniel M. Yumbya	Chief Executive Officer/Secretary
3. John Kariuki	Registration & Licencing Manager
4. Philip Ole Kamwaro	Finance Manager
5. Sospeter Oyano	Accountant
6. Eunice Muriithi	Legal Services Manager
7. John Mburu	Human Resource Manager
8. Duncan Mwai	IT Manager
9. Lesinko Nabulu	Procurement Manager

3. BOARD MEMBERS

The Board Members who served during the year/period were as follows:

Name	Designation	Nature	Date:
1. Prof. George A. O. Magoha	Chairman	Re-appointed	28-10-14
2. Dr. Alice K. Mutungi	Vice Chairman	Re-elected	28-10-14
3. Dr. Jackson Kioko	Ag. DMS/Registrar	Appointed	2016
4. Dr. Pacifica Onyancha	Member	Re-appointed	28-10-14
5. Dr. Cyprian Echesa Muyodi	Member	Nominated	28-10-14
6. Dr. Eva Wangechi Njenga	Member	Nominated	28-10-14
7. Dr. Saanjeev Jyoti Sharma	Member	Nominated	28-10-14
8. Dr. Elly N. Opot	Member	Re-elected	28-10-14
9. Dr. Gladwell Kiarie Gichuru	Member	Nominated	28-10-14
10. Prof. Fredrick Were	Member	Nominated	28-10-14
11. Prof. Benedicto Lukoye Atwoli	Member	Nominated	28-10-14
12. Prof. Boniventure Okelo Agina	Member	Nominated	28-10-14
13. Dr. Nelly Kwamboka Bosire	Member	Elected	28-10-14
14. Dr. Fredrick Kairithia M'lbuku	Member	Elected	28-10-14
15. Dr. Andrew Were Onyino	Member	Elected	28-10-14
16. Dr. Mathews Kiriago Akama	Member	Elected	28-10-14
17. Dr. Tom Ochola	Member	Re-elected	28-10-14
18. Mr. Daniel M. Yumbya	CEO/Secretary		

MEDICAL PRACTITIONERS AND DENTISTS BOARD

BACKGROUND INFORMATION

ESTABLISHMENT OF THE BOARD

The Medical Practitioners and Dentists Board is established under section 4 of the Medical Practitioners and Dentists Act Cap 253 of the Laws of Kenya.

This Act was enacted by Parliament in 1977 and came into operation on 1st January 1978 the current version of the Act, like the majority of the other Acts was printed in 1983.

Pursuant to section 4 (15) which was inserted vide the Statute Law (Miscellaneous Amendments) Act (Act No. 11 of 1003), the Board is a body corporate with perpetual succession and a common seal, and is capable of suing or being sued, owning and dealing with property and borrowing and lending money.

Pursuant to section 25, the functions of the Board should be financed by grants given by the Minister with the consent of the Treasury, out of money provided by Parliament. However, at present the Board generates its income from Licence Fees paid by doctors and private hospitals.

FUNCTIONS OF THE BOARD

- (a) Consideration and acceptance or rejection of all applications to be registered either as a Medical Practitioner or Dentist (Section 6 of the Act).
- (b) Assessment of training and supervisory requirements necessary for a person to qualify for registration (Section 11).
- (c) Supervision of the course content of any university in Kenya that offers medical and dental degrees to satisfy itself that these courses meet the standards set by the Board (Section 11A)
- (d) Requiring applicants to sit such oral or written examinations either set by the Board or by delegates of the Board, as the Board may consider necessary in order to assess the suitability of applicants for registration (Section 11)
- (e) Conferment of Licences to Render Medical or Dental Services (Section 13)
- (f) Conferment of Licences to engage in private practice of medicine or dentistry (Section 15)
- (g) Authorization of premises for use in the private practice of medicine or dentistry (Section 15).
- (h) Inquiring into the conduct of medical and dental practitioners who are guilty of any infamous or disgraceful conduct in a professional respect (Section 20)
- (i) Restoration of practitioners in the register and lifting of suspensions.
- (j) Consulting with the Minister on the rules necessary to be prescribed for the carrying out of the provisions of the Act (Section 23)

Principal Activities

The principal activity of the Board is to:

1. Register and licence medical and dental practitioners
2. Inspect, register and licence health institutions
3. Discipline medical/dental malpractice
4. Maintain an annual register of medical/dental practitioners and health institutions
5. Supervise medical and dental education,
6. Enforce Continuous Professional Development,
7. Supervise internship training,
8. Regulate the practice of medicine and dentistry
9. Advise Minister for Health of quality health care,
10. Collaboration and partnership with bodies of similar mandate
11. Monitoring and evaluation of performance.

MEDICAL PRACTITIONERS AND DENTISTS BOARD

5. CORPORATE GOVERNANCE

Corporate governance is the system of rules, practices and processes by which an organization is directed and controlled. Corporate governance essentially involves balancing the interests of an organization's many stakeholders, such as the public, management, clients, suppliers, financiers, government and the community. Since corporate governance also provides the framework for attaining an organization's objectives, it encompasses practically every sphere of management, from strategic plans and internal controls to performance measurement and corporate disclosure.

Governance refers specifically to the set of rules, controls, policies and resolutions put in place to dictate corporate behaviour. Ministry of Health and public are important stakeholders who indirectly affect governance, but these are not examples of governance itself. The Board Members are pivotal in governance, and it can have major ramifications for equity valuation.

The Board Members

The Board Members are the primary direct stakeholder influencing corporate governance. The Members are elected by doctors or appointed by the Minister in charge of Health, and they represent all these stakeholders. The board is tasked with making important decisions, such as corporate policies formulation and direction, monitoring and evaluation. Boards are often comprised of elected and appointed members. Independents are considered helpful for governance; because they dilute the concentration of power and help align stakeholders' interest with those of the insiders.

During the year under review, the Board Members undertook corporate governance training at the Kenya School of Government. This enhanced their monitoring role as they align the Board to its strategic path.

Ensuring that our operations are governed effectively, with strong controls, but without being constrained unnecessarily, is the challenge we set ourselves to achieve. It is vital that we ensure this philosophy operates throughout the organization. Creating an effective Board is part of that process and if the Board is to do its job well it needs to reflect the diversity of the organization it governs, it must continually refresh and renew itself through planned succession and human capital development; it must measure its own performance as well as monitoring the performance of the organization. In line with these principles, a number of steps have been taken. The committees and their memberships have been reviewed and changes made. In addition, the Committee has been constituted taking into consideration gender balance. The Board has also developed a standard operating procedure to govern its activities. The Board sits at the top of the organization's governance framework, setting broad strategic targets, monitoring progress, approving proposed actions and ensuring appropriate controls are in place and effective.

The Board approval is required for: major investments, including the acquisition or disposal of any asset, entering into contracts and any changes to the Board's long-term objectives and strategies; and the annual recurrent and capital expenditure budgets. The Board fulfils a number of its most important functions through its committees.

Meetings

Scheduled Board committee meetings were held during the year ended 30th June, 2017 and there were Full Board meetings which were held during the year under review. A number of other conferences and workshop meetings were attended by selected Board representatives. To further their understanding of the Board and their relationship with the operating activities, some representatives were able to attend meetings and conferences held by various Boards and Councils, following which they reported back on matters of interest. Prior to each meeting, comprehensive Board papers are circulated to the members addressing not only the regular agenda items on which the management will report, but also details of any areas requiring approval or decisions such as significant acquisitions or important decisions..

Conflicts of interest

Each of the Board Member has disclosed any situations which apply to them as a result of which they have or may have an interest which conflicts or may conflict with the interests of the organization in accordance with the relevant laws.

MEDICAL PRACTITIONERS AND DENTISTS BOARD

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

We recognise that we must integrate our business values and operations to meet the expectations of our stakeholders. They include clients, employees, government, suppliers, the public, development partners, the community and the environment.

- We recognise that our social, economic and environmental responsibilities to these stakeholders are integral to our operations. We aim to demonstrate these responsibilities through our actions and within our corporate activities.
- We take seriously all feedback that we receive from our stakeholders and, where possible, maintain open dialogue to ensure that we fulfil the requirements outlined within this statement.
- We shall be open and honest in communicating our strategies, targets, performance and governance to our stakeholders in our continual commitment to sustainable development.
- The Board is responsible for the implementation of social responsibility requirement and will make the necessary resources available to realise this. The responsibility for our performance on this rests with all employees throughout the organization.

Our focus:

- We shall ensure a high level of performance while minimising and effectively managing risk ensuring that we uphold the values of honesty, partnership and fairness in our relationships with all our stakeholders
- We shall support the development of our external stakeholders through collaborations.
- We shall encourage suppliers and contractors to adopt responsible business policies and practices
- We shall encourage dialogue with local communities for mutual benefit
- We will register and resolve customer complaints in accordance with our mandate.
- We shall operate an equal opportunities policy for all present and potential future employees and will offer our employees clear and fair terms of employment and provide resources to enable their continual development
- We shall maintain a clear and fair employee remuneration policy and shall maintain forums for employee consultation and involvement
- We shall provide safeguards to ensure that all employees of whatever nationality, colour, race or religious belief are treated with respect and without sexual, physical or mental harassment
- We shall provide, and strive to maintain, a clean, healthy and safe working environment.

Due to the capital project that the Board undertook of constructing office block, a huge chunk of the funds was directed to financing the same and thus the Board donated Kshs. 100,000.00 to the Association of Medical Students of the University of Nairobi (AMSUN) during the year under review. Going forward, the Board will endeavour to engage itself in cooperate social responsibilities.

MEDICAL PRACTITIONERS AND DENTISTS BOARD

7. CHAIRMAN'S STATEMENT

It is with great pleasure that I present our Annual Report for the year ended 30 June 2017. This year, there has been a significant number of activities undertaken by the Board, above all what has remained as a strong pillar is the unique ability of the Board to continue to adapt to the environment that remains volatile and challenging and enable us respond with quality of expertise and experience. Going forward, the Board will continue to be flexible in all its operations so as to ensure achievement of set goals and objectives. Of significance to note is the construction of the Kenya Medical Practitioners and Dentists Board Office Building which was successfully completed and officially opened by H.E. Margaret Kenyatta, the First Lady of the Republic of Kenya on 16th May 2017. The Total Construction Cost of the office block came to Kshs. 384,007,082. The office block has led to an increase in efficiency, effectiveness and confidentiality in service delivery to our clients, other stakeholders and the general public. The philosophy used to achieve this milestone was 'use less to achieve more' and it worked wonders. In addition, prudent utilization of the limited resources came in handy in the mobilization of the construction funds.

The Medical Practitioners and Dentists Board is established under Cap 253, Laws of Kenya. The Act was enacted by parliament in 1977 and came into operation on 1st January 1978. The functions of the Board are as follows:-

1. Register and licence medical and dental practitioners
2. Inspect, register and licence health institutions
3. Discipline medical/dental malpractice
4. Maintain an annual register of medical/dental practitioners and health institutions
5. Supervise medical and dental education,
6. Enforce Continuous Professional Development,
7. Supervise internship training,
8. Regulate the practice of medicine and dentistry
9. Advise Minister for Health of quality health care,
10. Collaboration and partnership with bodies of similar mandate
11. Monitoring and evaluation of performance.

The Board will continue to discharge its mandate fairly and firmly without fear or favour to ensure quality healthcare to all citizens of this country and to involve all the stakeholders in its endeavours.



.....
PROF. GEORGE A. O. MAGOHA, EBS.MBS

CHAIRMAN

KENYA MEDICAL PRACTITIONERS AND DENTISTS BOARD

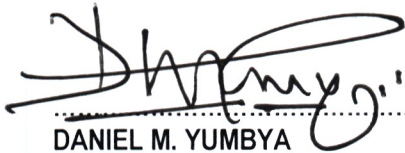
MEDICAL PRACTITIONERS AND DENTISTS BOARD

REPORT OF THE CHIEF EXECUTIVE OFFICER

Each year we use this introductory section of our annual report to summarize the accomplishments of the past 12 months, which are detailed in the Annual Reports that follows. We also use these pages to present a clear point of view about the Board and its environment, the things we believe really matter and what we think it all means for our operations. Whether you're a client, public, an employee or a stakeholder in the broader community, we want you to understand the strategy of the Board, the action plan that supports that strategy and its relevance to the issues that we understand matter to you.

As the Chairman has captured in his message, 2016/2017 was a year of tremendous progress in moving forward the agenda of the Board. We achieved strong results and continued to build on the momentum in each of our operating area. In the year, the Board carried out Categorization of Health Facilities Exercise throughout the country to establish the level of compliance and the status of the said institutions. This will help in ensuring quality health care provision to the Kenyan people. In addition, the Board partnered with IFC World Bank Group, the Ministry of Health and the County Governments of Kakamega, Meru and Kilifi to carry out the KEPSIE Project. This is a pilot project that seeks to inform the need and importance of joint inspections in the entire country as a key component in ensuring delivery of quality healthcare. The Board continued too engaging its local and international partners including Associations of Medical Organizations Councils of Africa (AMCOA) and IAMRA in coming up with policy documents for regulating the practice of medicine in the entire Africa and beyond.

This consistent performance has been driven by a disciplined growth strategy and guided by a set of clear strategic priorities, implementation of performance contracts and work plans in achievement of objectives. But it also reflects something more – a difference in how people across this organization think, act and work together. Corporate culture is difficult to capture in a checklist or a questionnaire, but it is a topic directly related to trust – the most valuable capital an organization maintains. It is revealed in the beliefs that an organization has committed to uphold and in the actions of the people who work there. And it is mirrored in the aspiration to grow them in a way that respects all stakeholders.



DANIEL M. YUMBYA
CHIEF EXECUTIVE OFFICER
KENYA MEDICAL PRACTITIONERS AND DENTISTS BOARD

MEDICAL PRACTITIONERS AND DENTISTS BOARD

9. STATEMENT OF BOARD MEMBERS RESPONSIBILITIES

Public Finance Management Act, 2012 and the State Corporations Act; requires the Board to prepare financial statements, which give a true and fair view of the state of affairs at the end of the financial year 2016/2017 and the operating results. The Board is also required to ensure that it keeps proper accounting records which disclose with reasonable accuracy the financial position. The Board is also responsible for safeguarding the assets.

The Board is responsible for the preparation and presentation of financial statements, which give a true and fair view of the state of affairs for and as at the end of the financial year ended on June 30, 2017. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act and the State Corporations Act. The Board is of the opinion that the financial statements give a true and fair view of the state of transactions during the financial year ended June 30, 2017, and of the financial position as at that date. The Board further confirm the completeness of the accounting records maintained, which have been relied upon in the preparation of the financial statements as well as the adequacy of the systems of internal financial control.

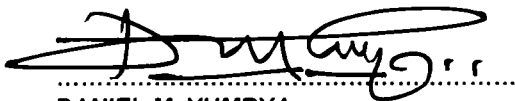
Nothing has come to the attention of the Board to indicate that it will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Board's financial statements were approved by the Board on 30th August, 2017 and signed on its behalf by:



.....
PROF. GEORGE A. O. MAGOHA, EBS.MBS
CHAIRMAN
KENYA MEDICAL PRACTITIONERS AND DENTISTS BOARD



.....
DANIEL M. YUMBYA
CHIEF EXECUTIVE OFFICER
KENYA MEDICAL PRACTITIONERS AND DENTISTS BOARD

MEDICAL PRACTITIONERS AND DENTISTS BOARD

REPORT OF THE INDEPENDENT AUDITORS

MEDICAL PRACTITIONERS AND DENTISTS BOARD



OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON MEDICAL PRACTITIONERS AND DENTISTS BOARD FOR THE YEAR ENDED 30 JUNE 2017

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Medical Practitioners and Dentists Board, set out on pages 13 to 33, which comprise the statement of financial position as at 30 June 2017, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Medical Practitioners and Dentists Board as at 30 June 2017, 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 Medical Practitioners and Dentists Act, Cap. 253 of the Laws of Kenya.

Further, as required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Medical Practitioners and Dentists Board Management in accordance with ISSAI 30 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 opinion.

Key Audit Matters

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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 such 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.

In preparing the financial statements, management is responsible for assessing the Board's ability to continue sustaining its services, disclosing, as applicable, matters related to sustainability of services and using the going concern accounting assumption unless the management either intends to cease operations, or have no realistic alternative but to do so.

The 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.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

Auditor-General's Responsibilities for the Audit of the Financial Statements

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 auditors 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 of Kenya. 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 when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

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

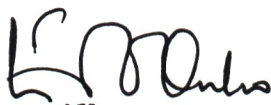
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and for the

purpose giving an assurance on the effectiveness of the Board's 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 going concern 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 Board's ability to continue as a going concern. 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 Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial 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 of the entity's or business activities to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstance.

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

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



FCPA Edward R.O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

27 February 2018

MEDICAL PRACTITIONERS AND DENTISTS BOARD

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2017**

	Notes	2017	2016
		Kshs.	Kshs.
Revenue			
Income	2	167,660,000	151,500,500
Other Income	3	121,731,835	18,039,411
Total Revenue		289,391,835	169,539,911
Operating Expenses			
General Costs	4	212,968,573	106,496,079
Depreciation of property, plant and equipment	5	12,933,083	6,830,495
Board Expenses	6	6,476,095	8,173,951
Total Operating Expenses		232,377,751	121,500,525
Surplus/ (Deficit)		57,014,084	48,039,386
Finance costs	7	297,550	167,380
Surplus/ (Deficit)		56,716,534	47,872,006

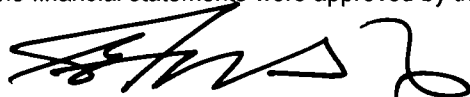
MEDICAL PRACTITIONERS AND DENTISTS BOARD

STATEMENT OF FINANCIAL POSITION

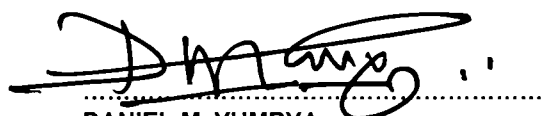
AS AT 30 JUNE 2017

Assets	Notes	2017 Kshs	2016 Kshs
Current Assets			
Trade and Other Receivables	9	1,803,092	1,456,681
Cash and Cash Equivalents	10	1,356,384	1,369,325
Sub Total		3,159,476	2,826,006
Non- Current Assets			
Property Plant And Equipment	8	409,099,139	339,351,158
Total		409,099,139	339,351,158
Total Assets		412,258,615	342,177,164
Liabilities			
Current Liabilities			
Trade and Other payables	12	51,644,681	39,988,007
Non-Current Liabilities			
Bank Loan	20	26,471,544	24,763,301
Total Liabilities		78,116,225	64,751,308
Net Assets		334,142,390	277,425,856
Accumulated fund		39,651,017	39,651,017
Surplus		294,491,373	237,774,839
Total Net Assets and Liabilities		334,142,390	277,425,856

The financial statements were approved by the Board on 30th August, 2017 and signed on its behalf by:



.....
PROF. GEORGE A. O. MAGOHA, EBS.MBS
CHAIRMAN
KENYA MEDICAL PRACTITIONERS AND DENTISTS BOARD



.....
DANIEL M. YUMBYA
CHIEF EXECUTIVE OFFICER
KENYA MEDICAL PRACTITIONERS AND DENTISTS BOARD

Date: 27/2/18

MEDICAL PRACTITIONERS AND DENTISTS BOARD

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	Kshs	Kshs
Operating Activities		
Receipts	289,391,835	169,539,911
(Increase)/Decrease in Trade Receivables	(346,411)	538,167
Increase/(Decrease) in Trade Payables	11,656,674	23,936,445
Payments	(219,742,217)	(106,765,200)
Net Cash flow from operating activities	80,959,881	87,249,323
Investing Activities		
Purchase of Fixed Assets	(82,811,065)	(171,336,276)
Sale of Fixed Assets	130,000	-
Net cash flow generated from/ (used in) investing activities	(82,681,065)	(171,336,276)
Financing Activities		
Bank loan proceeds	1,708,243	24,763,301
Bank loan repayments	-	(3,333,335)
Net cash flow generated from/ (used in) financing activities	1,708,243	21,429,966
Increase/(Decrease) in Cash and Cash Equivalents	(12,941)	(62,656,987)
Cash and Cash Equivalent at the Beginning of the Year	1,369,325	64,026,312
Cash and Cash Equivalent at the End of the Year	1,356,384	1,369,325

MEDICAL PRACTITIONERS AND DENTISTS BOARD

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2017**

	Accumulated Fund	Surplus	Total
As At 1, July 2015	39,651,017	189,902,833	229,553,850
Surplus	-	47,872,006	47,872,006
As at 30, June 2016	39,651,017	237,774,839	277,425,856

	Accumulated Fund	Surplus	Total
As At 1, July 2016	39,651,017	237,774,839	277,425,856
Surplus	-	56,716,534	56,716,534
As at 30, June 2017	39,651,017	294,491,373	334,142,390

MEDICAL PRACTITIONERS AND DENTISTS BOARD

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2017

	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Performance Difference	% Variance
	2016-2017 Kshs '000	2016-2017 Kshs '000	2016-2017 Kshs '000	2016-2017 Kshs '000	2016-2017 Kshs '000	2016-2017 %
Revenue						
Fees	176,010	-	176,010	167,660	8,350	4.74
Other Income	16,115	105,000	121,115	121,732	(617)	(0.51)
Total income	192,125	105,000	297,125	289,392	7,733	2.60
Expenses						
Staff Costs	42,000	(10,500)	31,500	29,650	1,850	5.87
Board Expenses	8,050	(1,500)	6,550	6,476	74	1.13
Electricity and Water	1,300	400	1,700	1,581	119	7.02
Telephone & Postage	2,870	(500)	2,370	2,325	45	1.91
Travelling & Accommodation	7,000	5,000	12,000	11,292	708	5.90
Advertisement & Publicity	2,500	500	3,000	2,917	83	2.77
Staff Training Expenses	500	500	1,000	768	232	23.17
Insurance Costs	3,755	(1,000)	2,755	2,654	101	3.68
Bank Charges & Commissions	600	(300)	300	298	2	0.82
Office and General Supplies	5,720	1,000	6,720	6,648	72	1.07
Auditor's Remuneration	500	50	550	580	(30)	(5.45)
Legal Fees	3,600	1,000	4,600	4,852	(252)	(5.49)
Repairs and Maintenance	4,500	600	5,100	2,544	2,556	50.12
Depreciation	10,044	-	10,044	12,933	(2,889)	(28.76)
Other Operating Expenses	59,888	105,000	164,888	147,158	17,730	10.75
Total expenditure	152,827	100,250	253,077	232,675	20,402	8.06
Surplus for the period	39,298	4,750	44,048	56,717	(12,669)	(28.76)

Note: The review from the original budget to the final budget was necessitated by the fact that the budget proposal is always prepared before the end of the year as per the National Treasury Circular and thus no actual figures are available to enable and guide the estimation.

MEDICAL PRACTITIONERS AND DENTISTS BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below:

a) Statement of compliance and basis of preparation

The Board's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (Accrual Basis). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Board. 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.

b) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The Board recognizes revenues from fees and other charges when the event occurs and the asset recognition criteria are met. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Board and the fair value of the asset can be measured reliably.

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 Board and can be measured reliably.

ii) Revenue from exchange transactions

Rendering of services

The Board recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured when the service has been rendered.

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

Sale of goods

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

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.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Board's right to receive payments is established. The Board does not give out any dividends being a regulatory body.

MEDICAL PRACTITIONERS AND DENTISTS BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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.

c) Budget information

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

d) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Board operates and generates taxable income.

Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the

timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Sales tax

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

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

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

e) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

MEDICAL PRACTITIONERS AND DENTISTS BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period.

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

Transfers are made to or from investment property only when there is a change in use.

f) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Depreciation of property, plant and equipment

Freehold land and capital work in progress are not depreciated. Capital work in progress relates mainly to the cost of on-going but incomplete works on buildings and other civil works and installations.

Depreciation on property, plant and equipment is recognised in the income statement on a reducing balance basis to write down the cost of each asset amount to its residual value over its estimated useful life.

The annual rates in use are:

Buildings	2.5%
Motor vehicles, including motor cycle	25%
Computers and related equipment	30%
Office equipment, furniture and fittings	12.5%

A full year's depreciation charge is recognised both in the year of asset purchase and in the year of asset disposal.

g) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Board. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Board also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

MEDICAL PRACTITIONERS AND DENTISTS BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Board. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

h) 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.

Research and development costs

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

- The technical feasibility of completing the asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit. During the year under review, the Board did not carry out any research and development.

i) Financial instruments

Financial assets

Initial recognition and measurement

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

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

MEDICAL PRACTITIONERS AND DENTISTS BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Board has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are 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. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

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

- The debtors or a entity 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)

j) 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 Board 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.

k) 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 labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

MEDICAL PRACTITIONERS AND DENTISTS BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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 Board.

l) Provisions

Provisions are recognized when the Board has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Board expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

The Board 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.

Contingent assets

The Board does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Board in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow

of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

m) Nature and purpose of reserves

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

n) Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

The Board provides retirement benefits for its employees through monthly part payment of the National Social Security Fund (NSSF). Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (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.

MEDICAL PRACTITIONERS AND DENTISTS BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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. The Board does not have a defined benefit plan for its employees.

p) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

q) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

r) Related parties

The Board 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 it, or vice versa. Members of key management are regarded as related parties and comprise the Ministry of Health, Board Members, and senior managers.

s) Service concession arrangements

The Board analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Board recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Board also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

t) 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 the Central Bank of Kenya and 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 deposits with financial institution.

u) Comparative figures

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

MEDICAL PRACTITIONERS AND DENTISTS BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

The preparation of the Board's financial statements in conformity with IPSAS required management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. State all judgements, estimates and assumptions made: e.g

v) Significant judgments and sources of estimation uncertainty

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 Board based its assumptions and estimates on parameters available when the 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 Board. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

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 Board
- 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

Provisions

Provisions are raised, determined and estimated based on the information available. Provisions are measured at the management's best estimate of the amount to be paid to settle the obligation at the reporting date.

Assumptions are used in determining the provision for doubtful debts. Provision is made for the estimated amount to be received from the Board's debts.

w) Subsequent events

There were no events subsequent to the financial year end that had significant impact on the financial statements for the year ended June 30, 2017.

MEDICAL PRACTITIONERS AND DENTISTS BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

2. FEES

	2017	2016
Private Practice	38,428,000	35,144,000
Licence to Render	28,325,000	24,550,000
Institution	55,276,000	47,960,500
Additional Qualification	-	20,000
Retention	23,699,000	21,424,000
Registration	6,072,000	6,512,000
Certificate of Status	10,020,000	6,260,000
Specialist Recognition	3,820,000	3,560,000
Certification of Documents	930,000	862,000
Inspection Fees	1,090,000	4,908,000
Review of Curriculum Fees	-	300,000
Total	167,660,000	151,500,500

Note: The Board raises its revenue from registration and licencing of doctors & health institutions.

3. OTHER INCOME

	2017	2016
Exam	9,775,000	9,186,000
Interest	727	311,970
Books and Guides	-	98,000
Search	227,000	397,000
PCC/PIC	1,496,000	955,200
Continuous Professional Development	2,018,000	2,874,000
Internship Licences	3,690,000	3,005,000
Rental Income	663,866	491,241
Indexing	66,000	721,000
Profit on disposal (m/vehicle)	121,298	-
Grant	12,079,174	-
Support	91,594,770	-
Total	121,731,835	18,039,411

Note:

i. During the year under review, the Board received support from partners towards Categorization of health facilities exercise which was carried out countrywide.

ii. The Board also entered into agreement with the IFC World Bank Group to carry on the logistics for the Kenya Patient Safety Impact Evaluation (KEPSIE) Project in Kakamega, Kilifi and Meru Counties. This pilot project entailed inspecting health facilities in the said Counties in a view to scale it up countrywide if successful

MEDICAL PRACTITIONERS AND DENTISTS BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

4. GENERAL COSTS

	2017	2016
Staff costs	29,649,649	25,860,727
Electricity and water	1,580,742	494,112
Telephone & Postage	2,324,792	1,699,087
Travelling & Accommodation	11,292,222	9,046,187
Advertising & Publicity	2,916,870	1,843,744
Staff training expenses	768,334	716,260
Insurance costs	2,653,562	1,578,333
Office and general supplies and services	6,648,023	3,802,304
Auditors' remuneration	580,000	500,000
Legal fees	4,852,353	3,575,284
Repairs and maintenance	2,543,946	4,576,708
Board Exams Expenses	3,343,000	3,491,550
Inspections Expenses	5,273,446	12,987,071
Workshops & Conferences Expenses	15,282,262	10,682,653
AMCOA Expenses	7,347,754	13,104,217
PCC Expenses	311,800	457,454
Security	1,074,896	529,028
Official Entertainment	13,242,696	10,987,043
Donation	100,000	-
Tender Committee	205,000	155,000
Miscellaneous	689,568	344,717
Rates	64,600	64,600
Categorization of Health Facilities	87,442,300	-
KEPSIE Project	12,780,757	-
Total	212,968,573	106,496,079

5. Depreciation of property, plant and equipment	12,933,083	6,830,495
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6. BOARD EXPENSES

	2017	2016
Sitting Allowance	1,368,500	2,560,000
Night Outs	105,000	120,000
Travelling	1,875,635	128,000
Working Sessions	835,000	1,602,000
Lunches	625,700	276,000
Direct Costs	41,000	1,567,951
Training	665,260	-
Honoraria	960,000	1,920,000
TOTAL	6,476,095	8,173,951

MEDICAL PRACTITIONERS AND DENTISTS BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

7. FINANCE COST

Bank charges	297,550	167,380
(These are commissions paid on withdrawals and taxes charged on interest)		

MEDICAL PRACTITIONERS AND DENTISTS BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

8. PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 30 JUNE 2017

Cost	Land	Buildings	Motor Vehicle	Furniture & Fittings	Computers & Equipment	W.I.P (Building)	Totals
As At 1st July 2014	18,877,446	6,553,610	10,415,509	4,296,355	2,677,909	25,887,068	68,707,897
Additions	-	-	-	-	-	125,928,115	125,928,115
Disposals	-	-	-	-	-	-	-
As At 30th June 2015	18,877,446	6,553,610	10,415,509	4,296,355	2,677,909	151,815,183	194,636,012
As At 1st July 2015	18,877,446	6,553,610	10,415,509	4,296,355	2,677,909	151,815,183	194,636,012
Additions	-	-	-	8,726,383	414,120	162,195,773	171,336,276
Disposals	-	(6,553,610)	-	-	-	-	(6,553,610)
As At 30th June 2016	18,877,446	-	10,415,509	13,022,738	3,092,029	314,010,956	359,418,678
As At 1st July 2016	18,877,446	-	10,415,509	13,022,738	3,092,029	314,010,956	359,418,678
Additions	-	384,007,082	-	4,389,750	3,565,016	69,996,126	461,957,973
Disposals	-	-	(2,058,000)	-	-	(384,007,082)	(386,065,082)
As At 30th June 2017	18,877,446	384,007,082	8,357,509	17,412,488	6,657,045	-	435,311,570
DEPRECIATION							
As At 1st July 2014	-	1,693,225	7,070,458	2,704,198	2,319,590	-	13,787,471
Charge for the year	-	121,510	836,263	199,020	107,496	-	1,264,289
Disposals	-	-	-	-	-	-	-
As At 30th June 2015	-	1,814,735	7,906,721	2,903,218	2,427,086	-	15,051,760
As At 1st July 2015	-	1,814,735	7,906,721	2,903,218	2,427,086	-	15,051,760
Charge for the year	-	4,738,875	627,197	1,264,940	199,483	-	6,830,495
Disposals	-	(1,814,735)	-	-	-	-	(1,814,735)
As At 30th June 2016	-	-	8,533,918	4,168,158	2,626,569	-	15,328,645
As At 1st July 2016	-	-	8,533,918	4,168,158	2,626,569	-	15,328,645
Charge for the year	-	9,600,177	468,222	1,655,541	1,209,143	-	12,933,083
Disposals	-	-	(2,049,298)	-	-	-	(2,049,298)
As At 30th June 2017	-	9,600,177	6,952,842	5,823,699	3,835,712	-	26,212,430
NET BOOK VALUE							
As At 30th June 2017	18,877,446	374,406,905	1,404,667	11,588,789	2,821,333	-	409,099,139
As At 30th June 2016	18,877,446	-	1,881,591	8,854,580	465,460	314,010,956	339,351,158

MEDICAL PRACTITIONERS AND DENTISTS BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

9. TRADE AND OTHER RECEIVABLES	2017	2016
RD cheques	62,000	155,000
Prepayments	1,417,342	1,057,931
Celtel	243,750	243,750
Salary Advance	80,000	-
Total	1,803,092	1,456,681

10. CASH AND CASH EQUIVALENTS

i. Short term deposits	7,241	7,241
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ii. BANK AND CASH BALANCES

KCB Current a/c - 1103158643	885,215	210,585
KCB Savings a/c - 1102032154	208,218	169,226
Barclays Bank a/c -2022670517	24,747	28,707
Barclays Bank a/c -2036182671	-	2,378
Cooperative Bank a/c -011000062541500	150,482	150,270
Cash at Hand	2,971	800,918
MPESA Paybill No. 992836	77,510	-
Total	1,349,143	1,362,084
Total Cash and Cash Equivalents	1,356,384	1,369,325

11. SURPLUS

The surplus represents amounts available for investments. The reserve known as Surplus was utilised to finance the Board's capital activities.

12. TRADE AND OTHER PAYABLES

	2017	2016
Trade payables	50,804,815	39,488,007
Audit fees	580,000	500,000
Prepaid Income-Safaricom	259,866	-
Total	51,644,681	39,988,007

13. NOTES TO THE STATEMENT OF CASH FLOWS

Operating Activities

Receipts	289,391,835	169,539,911
(Increase)/Decrease in Trade Receivables	(346,411)	538,167
Increase/(Decrease) in Trade Payables	11,656,674	23,936,445
Payments	(219,742,217)	(106,765,200)
Net Cash flow from operating activities	80,959,881	87,249,323

MEDICAL PRACTITIONERS AND DENTISTS BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

14. RELATED PARTY DISCLOSURES

(a) Government of Kenya

The Board is a regulatory body under the Ministry of Health.

There were no other Board transactions involving the Government of Kenya.

(b) Board Members & Employees

Board Members and senior employees have been disclosed as related parties.

15. CAPITAL COMMITMENTS

	2017	2016
Amounts authorised and contracted for	86,425,137	188,357,371
Less: Amounts incurred and included in work-in-progress	(69,996,126)	(162,195,773)
	16,429,011	26,161,598

Note: The capital commitment is in regard to the construction of office block for the Medical Practitioners and Dentists Board.

16. INCORPORATION

The Medical Practitioners and Dentists Board was incorporated in Kenya under the Cap 253 Laws of Kenyan and is domiciled in Kenya.

MEDICAL PRACTITIONERS AND DENTISTS BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

17. FINANCIAL RISK MANAGEMENT

In the tough economic environment, the Board's management remained closely involved in important risk management initiatives including budgetary controls, which have focused particularly on preserving appropriate levels of liquidity, and effectively managing the risk. Responsibility and accountability for risk management resides at all levels within the Board, from the Board down through the organisation to each officer. Risks are controlled at the level of individual exposures and at all levels, as well as in aggregate across all operations and risk types. Strategies to manage threats (uncertainties with negative consequences) typically include avoiding the threat, reducing the negative effect or probability of the threat, transferring all or part of the threat to another party, and even retaining some or all of the potential or actual consequences of a particular threat, and the opposites for opportunities

Effective risk management is fundamental to the operational activities of the Board. While we remain committed to increasing efficiency by developing and growing our operations within our Board determined risk appetite, we are mindful of achieving this objective in line with the interests of all stakeholders.

We seek to achieve an appropriate balance between risk and reward in our operations, and continue to build and enhance the risk management capabilities that assist in delivering our service delivery plans in a controlled environment. Risk management is at the core of the operating structure of the Board. We seek to limit adverse variations in liquidity by managing risk exposures within agreed levels of risk appetite. Our risk management approach includes minimising undue concentrations of exposure, limiting potential losses from stress events and ensuring the continued adequacy of all our financial resources.

Our risk management processes have continued to prove effective throughout the financial year 2016-2017. Management is primarily responsible for risk management. This process includes foreseeing risks, identifying issues and taking remedial action where required.

MEDICAL PRACTITIONERS AND DENTISTS BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

18. CONTINGENT LIABILITIES/ASSETS

The Board did not have any contingent liabilities or contingent assets as at the end of the financial year 30 June 2017.

19. TAXATION

The Board is a regulatory body under the Ministry of Health and does not engage in income generating activities thus is not liable to pay taxes on its income.

20. BANK LOAN

The Bank loan relates to amount borrowed of Kshs. 40 Million term loan facility from Barclays Bank of Kenya. As at 30 June 2017, the loan balance was Kshs. 26,471,544

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