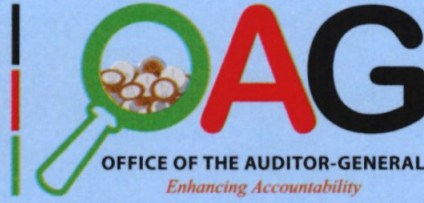
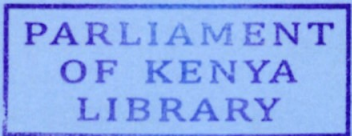


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability



REPORT


OF

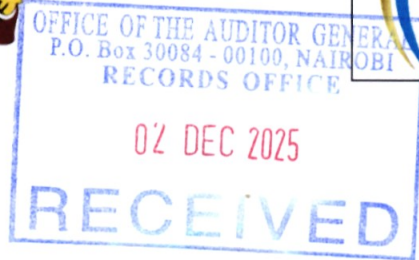
THE AUDITOR-GENERAL

ON

**KENYA HEALTH PROFESSIONS OVERSIGHT
AUTHORITY**

**FOR THE YEAR ENDED
30 JUNE, 2025**

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 10 MAR 2026	DAY: TUESDAY
TABLED BY: HON. OWEN BAYA, MP	
MARKET PLACE: CHRISTINE NDIRITU	



**KENYA HEALTH PROFESSIONS
OVERSIGHT AUTHORITY**
— KHPOA —
*Transforming Health Provision for
Quality and Ethical Care*

KENYA HEALTH PROFESSIONS OVERSIGHT AUTHORITY

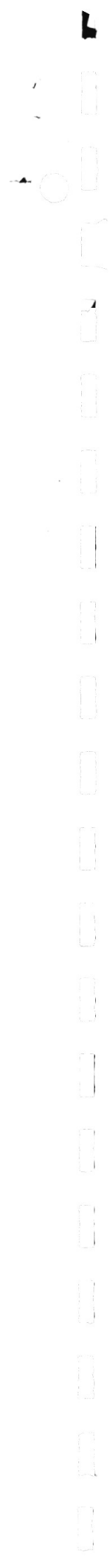
ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2025

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

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1. Acronyms and Definition of Key Terms

A: Acronyms

AG	Attorney General
CEO	Chief Executive Officer
COC	Clinical Officers Council
COG	Council of Governors
DG	Director General
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KHPOA	Kenya Health Professions Oversight Authority
MD	Managing Director
MOH	Ministry of Health
NCK	Nursing Council of Kenya
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PS	Principal Secretary Public Health and Professional Standards
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
WB	World Bank
VC	Vice Chancellor

B: Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Authority Information and Management

(a) Background information

The Kenya Health Professions Oversight Authority (KHPOA) was established under the Health Act No. 21 of 2017, specifically in Part VI, section 45 (1). This Authority is domiciled in Kenya and aims to create a unified health system, coordinate the inter-relationship between the National Government and County Government health systems, provide for regulation of health care service and health care service providers.

The Authority was operationalized in May 2019 to address the following; uncoordinated inspection of health facilities, compromised standards of health service delivery and training, registration and licensing of professionals, compromised professional conduct and ethical practices.

To effectively execute its mandate, KHPOA operates through directorates and departments. These include, Inspection, Registration and Compliance which oversees compliance with health standards and facility inspections; Registration and Licensing, which ensures licensing of health professionals previously unregulated. Planning, Monitoring, Quality Assurance and Health Research, which supports policy development, monitoring, and evaluation; Complaints and Arbitration which facilitates resolution of complaints from patients and aggrieved parties; and Corporate Services, which provides critical support in finance, human resource management, procurement, and administration.

Its financial stewardship is integral to ensuring that resources are effectively allocated to its oversight and operational priorities. Through prudent financial management, the Authority seeks to enhance transparency, accountability, and sustainability in fulfilling its statutory obligations, ultimately contributing to improved health outcomes for the country.

(b) Principal Activities

The principal functions of the Authority are fundamentally oversight/regulatory in nature and they serve to ensure provision of ethical and quality health care services. Specifically, to ensure protection of the public from harm and provision of quality care to Kenyans.

Further, section 48 (1) of the Health Act provides for the following functions of the Authority;

- a) Maintain a duplicate register of all health professionals working within the national and county health system,
- b) Promote and regulate inter-professional liaison between statutory regulatory bodies.
- c) Coordinate joint inspections with all regulatory bodies,

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- d) Receive and facilitate the resolution of complaints from patients, aggrieved parties and regulatory bodies,
- e) Monitor the execution of respective mandates and functions of regulatory bodies recognized under an Act of Parliament,
- f) Arbitrate disputes between statutory regulatory bodies, including conflict or dispute resolution amongst Boards and Councils, and
- g) Ensure the necessary standards for health professionals are not compromised by the regulatory bodies.

Vision

To be a trusted and reputable authority in health transformation

Mission

To provide effective and responsive oversight in the regulation of health and professional practice for progressive fulfilment of the right to health and attainment of highest standards of health

Core Values and Principles

- a) Customer Centric: The Authority commits to understanding, anticipating and satisfying the needs and preferences of its customers to create a positive and fulfilling experience.
- b) Professionalism the Authority will apply requisite knowledge, skills, competencies, standards and ethical values in operations
- c) Team Spirit: The Authority will embrace unity of purpose, collaborative partnerships to harness synergies in all endeavours
- d) Transparency and Accountability: The Authority will take responsibility for its roles, obligations and results, individually and collectively

(c) Key Management

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

No.	Designation	Name
1.	Chief Executive Officer/DG	Dr. KIOKO Jackson K.
2.	Director Corporate Services	Ms. Sophie M. Ngugi
3.	Director Complaints and Arbitration	Mr. Henry O. Nyakundi
4.	Director Planning, Monitoring & Quality Assurance	Mr. David N. Wambua
5.	Director Inspection, Registration & Compliance	Dr. Kemunto Misega
6.	Head of Finance & Accounts Department	Ms. Winnie W. Kibe
7.	Head Corporate Communications Department	Ms. Sophie W. Waihenya

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No.	Designation	Name
8.	Head Supply Chain Management	Mr. Dennis Musyoki
9.	Corporate Secretary/ Legal Counsel	Ms. Harriet Kiriama
10.	Head Internal Audit	CPA. Lameck Omoi

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Executive Officer/DG	Dr. KIOKO Jackson K.
2.	Director Corporate Services	Ms. Sophie M. Ngugi
3.	Director Complaints and Arbitration	Mr. Henry O. Nyakundi
4.	Director Planning, Monitoring & Quality Assurance	Mr. David N. Wambua
5.	Director Inspection, Registration & Compliance	Dr. Kemunto Misega
6.	Head of Finance & Accounts Department	Ms. Winnie W. Kibe
7.	Head Corporate Communications Department	Ms. Sophie W Waihenya
8.	Head Supply Chain Management	Mr. Dennis Musyoki
9.	Corporate Secretary/ Legal Counsel	Ms. Harriet Kiriama
10.	Head Internal Audit	CPA. Lameck Omoi

Key Authority Information and Management (continued)

(e) Fiduciary Oversight Arrangements

There are several committees charged with oversight of various tasks as documented here below:

- Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee is mandated to support the Board by monitoring and reviewing the risk, internal control and governance processes that have been established in the Kenya Health Professions Oversight Authority pursuant to Board policies, with the following members:

1. Irine M. Ogamba- Chairperson (Representative nominated by COG)
2. Manasseh A. Bocha- Member (Representative nominated by COC)
3. Mariam A. Abubakar- Member (Alternative representative of the AG)

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4. Dr. Martin Sirengo – Member (Designated representative of the PS)

- **Finance, Human Resource and General-Purpose Committee**

The Finance, Human Resource, and General-Purpose Committee is tasked with overseeing financial management, human resource functions, and general administrative matters. The committee ensures effective governance and resource allocation in these areas. Its members include:

1. Elyas Sheikh Abdinoor – Chairperson (Representative from Private Sector)
2. Meboh Abuor- Member (Representative nominated by COG)
3. Eunice Tole – Member (Representative nominated by NCK)

- **Ethics, Complaints and Disciplinary Committee**

The Ethics, Complaints and Disciplinary Committee is mandated to support the Board by overseeing the resolution of complaints from patients, aggrieved parties and regulatory bodies and arbitrate disputes between statutory regulatory bodies. The committee consists of the following members:

1. Mariam Adam- Chairperson (Alternative representative of the AG)
2. Meboh Abuor- Member (Representative nominated by COG)
3. Irine M. Ogamba- Member (Representative nominated by COG)
4. Dr. Kigen Bartilol- Member (Designated representative of the DG)

- **Inspection Registration and Compliance Committee**

The Inspection, Registration, and Compliance Committee is tasked with supporting the Board in overseeing inspections, registration processes, and ensuring compliance with relevant standards and regulations. The committee consists of the following members:

1. Eunice Tole – Chairperson – (Representative nominated by NCK)
2. Manasseh Bocha – Member (Representative nominated by COC)
3. Elyas Sheikh Abdinoor – (Representative from Private Sector)
4. Dr. Kigen Bartilol – Member (Designated representative of the DG)

(f) Authority Headquarters

Kenya Health Professions Oversight Authority
P.O. Box 34422 - 00100
Kenya Women Finance Trust HQ
Masaba Road
Nairobi, KENYA

The Authority currently does not have branches.

(g) Authority Contacts

Telephone: (254) 742157424
E-mail: ceo@khpoa.go.ke

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Website: <https://khpoa.go.ke>

(h) Authority Bankers

Kenya Commercial Bank
The Priory Place,
Argwings Kodhek Road
P.O Box 48400
G.P.O 00100
Nairobi, KENYA

National Bank of Kenya
Yaya centre,
P.O Box 72866
City Square 00200
Nairobi, KENYA

(i) Independent Auditor




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

(j) Principal Legal Adviser




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

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3. The Board of Directors/Council

Ref	Directors	Details
1.	 <p data-bbox="319 810 582 878">Dr. Amit N. Thakker Chairperson</p>	<p data-bbox="869 470 1468 952">Dr. Amit Thakker, born on July 2, 1967, is an independent member serving as the Chairperson of the Kenya Health Professions Oversight Authority. In addition to this role, he is the Executive Chairman of Africa Health Business and the President of the Africa Healthcare Federation. With more than 30 years of experience, Dr. Thakker is widely recognized as a visionary entrepreneur and a leader in the fields of health service delivery, health financing, and health policy formulation across Africa. He was appointed on 25th March 2022.</p>
2.	 <p data-bbox="319 1344 582 1411">Irine Moraa Ogamba Member</p>	<p data-bbox="869 963 1468 1478">Ms. Irine Ogamba, born on July 16, 1972, is an Advocate of the High Court of Kenya, admitted to the Bar in 1999, and a Certified Public Secretary. With over 21 years of experience in public sector management, including six years as a Corporation Secretary, she has extensive expertise in institutional, legal, and policy development and analysis, human rights, corporate governance, administration, and strategic planning. Ms. Ogamba chairs the Audit, Risk and Compliance Committee and represents the Council of Governors. She was appointed on 4th March 2022.</p>
3.	 <p data-bbox="319 1870 582 1937">Meboh Atieno Abuor Member</p>	<p data-bbox="869 1494 1468 1971">Ms. Meboh Abuor, born on March 25, 1987, is a Senior Program Manager at the Council of Governors Secretariat, specializing in intergovernmental relations and governance in devolution. She holds a Master of Arts in Human Rights, Peace, and Conflict from the University of Nairobi, as well as a Bachelor of Laws and a Postgraduate Diploma in Legal Practice from Uganda. An Advocate of the High Court of both Kenya and Uganda, Ms. Abuor brings extensive legal expertise from across the East African region. Ms. Abuor represents the</p>



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		Council of Governors. She was appointed on 4 th March 2022.
4.	 <p>Mariam Adam Abubakar Member</p>	Ms. Mariam Abubakar, born on February 11, 1981, is an accomplished Public Sector Advocate with over 11 years of legal experience. She serves as a Principal State Counsel at the Office of the Attorney General & Department of Justice (OAG & DOJ), where she is deployed to the Advocates Complaints Commission (ACC). Her expertise lies in investigating, researching, and prosecuting cases of professional misconduct against advocates. Ms. Adam chairs the Ethics, Complaints and Disciplinary Committee and represents the Attorney General. She was appointed on 4 th January 2022.
5.	 <p>Manaseh Ali Bocha Member</p>	Manaseh Bocha, born on February 15, 1965, is a Clinical Officer by profession and currently serves as the Head of Clinical Services at the Ministry of Health Headquarters in Nairobi. He holds a Diploma in Clinical Medicine and Surgery from the Kenya Medical Training College and a Bachelor's degree in Health Systems Management. Among his key achievements at the Ministry of Health are coordinating the development of the Human Resources for Health Norms & Standards (2014-2018) and the Health Infrastructure Norms & Standards (2017). Mr. Bocha represents the Regulated Health Professionals (Clinical Officers Council). He was appointed on 4 th March 2022.
6.	 <p>Eunice Njeri Tole Member</p>	Eunice Tole, born on July 23, 1980, is an influential leader dedicated to improving quality and patient safety within Kenya's health systems. She holds a Master's degree in Health Systems (Thesis Level) and a Bachelor of Science in Nursing (BSN, BScN), along with a valid nursing practice license. Additionally, she is a Certified Lead in ISO 9001:2015 and has certification in Joint Commission Tracer Methodology Survey. Ms. Tole also holds a certificate in Enterprise Risk Management. Ms. Tole an independent member chairs the

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		<p>Inspection Registration and Compliance Committee and represents the Regulated Health Professionals (Nursing Council). She was appointed on 4th March 2022.</p>
7.	 <p>Elyas Sheikh Abdinoor Member</p>	<p>Mr. Elyas Abdinoor, born on January 31, 1977, has over 11 years of experience in the medical field. He holds a Bachelor's degree in Food Science, Nutrition, and Dietetics, along with diplomas in Community Health and Medical Laboratory. Currently, he is pursuing a Master's degree in Public Health (MPH). Mr. Abdinoor an independent member, chairs the Finance, Human Resource and General-Purpose Committee and represents the Private Sector. He was appointed on 4th March 2022.</p>
8.	 <p>Dr. Kigen Bartilol</p>	<p>Dr. Kigen Bartilol serves as the Alternative to the Principal Secretary for the State Department of Public Health and Professional Standards. In this role, he plays a key part in shaping public health policies and ensuring the highest standards of professionalism within the health sector. His contributions focus on strengthening health systems and improving public health outcomes across the country. He was appointed on 30th January 2024.</p>
9.	 <p>Dr. Martin Sirengo</p>	<p>Dr. Martin Sirengo is a Reproductive Health and Program Management Specialist with over 25 years of experience in Public Health and Policy. He holds a Master of Medicine in Obstetrics and Gynaecology from the University of Nairobi and is pursuing a Master of Public Policy and Management at Strathmore University. He currently serves as Director of the Kenya Blood Transfusion and Transplant Service and has previously held senior roles at the Ministry of Health, including Head of NASCOP, Director of Health Infrastructure Management, and Head of Health Sector Coordination. Dr. Sirengo is passionate about improving the health of mothers and children.</p>

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<p>10.</p>	 <p>Dr. Jackson K. Kioko, OGW, MBS, EBS Chief Executive Officer</p>	<p>The Kenya Health Professions Oversight Authority Chief Executive Officer, Dr. KIOKO Jackson is a medical doctor by profession, specialist in public health; health systems organization and international health development. He holds a Master’s degree in public health and international development; Master’s degree in Health systems management and administration. He has over 25 years’ experience in public health administration and management, having provided strategic leadership while serving in various capacities in the public service. Dr. Kioko has served as the Director, medical services; Head, Preventive & promotive services; Head, TB, Leprosy & lung disease program and Provincial Medical officer (Nyanza) as well as serving as District Medical Officer in various districts.</p>
<p>11.</p>	 <p>Ms. Harriet Kiriama Corporate Secretary/ Legal Council</p>	<p>Harriet Kiriama is an Advocate of the High Court of Kenya with a strong focus on corporate governance, public sector accountability, and regulatory compliance. She brings expertise in board governance, policy advisory, and legal support for institutional oversight, contributing to effective decision-making and ethical leadership within public sector institutions. She holds a Bachelor of Laws (LL.B.) from the University of Nairobi and a Postgraduate Diploma in Legal Practice from the Kenya School of Law, and is a CS3 (Advanced) level officer. Ms. Kiriama brings up-to-date legal, corporate governance, and public sector governance expertise and is currently serving as Acting Corporate Secretary, having been appointed in May 2025.</p>

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4. Key Management Team

	Management	Details
1.	 Dr. Jackson K. Kioko, OGW, MBS, EBS MPH, MD	Chief Executive Officer/DG, Qualified in Medicine and Surgery.
2.	 David N. Wambua. DAN, KRCHN	Director, Planning, Monitoring & Quality Assurance, Qualified in Nursing Science.
3.	 Dr. Kemunto Misega. Msc, Bsc.	Director, Inspections Registration and Compliance, Qualified in Dental Surgery.
4.	 Sophia M. Ngugi. MPH, BScN	Director, Corporate Services Qualified in Public Health.
5.	 Henry N. Omweri. PCO, Bsc	Director Complaints and Arbitration, Qualified in Clinical Medicine

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6.	 Sophia W. Waihenya. Bsc.	Head Corporate Communications, Qualified in Communication
7.	 Lameck Omoi	Head Internal Audit
8.	 Dennis Musyoki. Bsc.	Head Supply Chain Management Officer, Qualified in Supply Chain Management
9.	 CPA Winnie Wangari Kibe ICPAK NO. 28889	Head Finance Officer, Qualified in Finance
10.		Corporate Secretary/ Legal Counsel, Qualified in LL.B

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5. Chairman's Statement

The Kenya Health Professions Oversight Authority (KHPOA) is a state corporation established under Part VI, Section 45 (1) of the Health Act No. 21 of 2017. The functions of the Authority are fundamentally oversight/regulatory in nature and seek to protect the public from harm and promote delivery of safe quality healthcare to Kenyans.

The Authority is administered by a Board of Nine (9) Directors whose members were appointed through gazette notice no. 2975 of 18th March, 2022.

Key Achievements

During the financial year 2024/2025, the Board was able to register the following key achievements;

1. Performance Contract FY 2024/2025

The Board of Directors signed a Performance Contract FY 2024/2025 with the Cabinet Secretary, Ministry of Health for continuous performance improvement of the Authority. This was cascaded down to the management with the signing of the Performance Contract between the Chief Executive Officer and the Board and was successfully executed.

2. Collaboration and Partnership

- a) The Authority is committed to developing networks for collaborations and partnerships in order to enhance its performance and operations. During the FY 2024/2025, the Authority through the Board held a national consultative forum with training institutions offering programs for previously unregulated health professionals.
- b) The Board approved the development and validation of six (6) Scopes of practice for Health Professionals. The scopes developed are namely; Community Health Officers and Assistants, Peri-Operative Theatre Technologists and Technicians, Medical Social Workers, Mortuary Science Technicians, Health Care Assistants and Medical Engineering. This aimed at ensuring that health care professionals keep within their scopes of practice at all times to guarantee professionals are practicing safely, lawfully and effectively in their areas of training.
- c) Further, the Board oversaw the seven consultative meetings with the CEOs of health regulatory bodies. These sessions served as effective platforms for strategic alignment and coordination among the regulatory agencies. Additionally, The Chair of the Board participated in the PS round table consultative forums with Chairpersons and Chief Executive Officers of Regulatory Agencies. These fora, chaired by the Principal Secretary for the State Department for Public Health and Professional Standards, provided a platform to deliberate on governance, stewardship, regulation, and institutional capacity in the health sector.

3. Validation of key documents

The Authority, through the Board, finalized the review and validation of the Health Facility Standards and Ethical Practice Guide, the Integrated Code of Professional Conduct and Ethical Practice, and the Complaints Handling Guide, all of which were subsequently approved by the Board.

4. Development of the duplicate register

The Board was able to approve the development of the duplicate register which is currently functional and operational and managed to onboard six (6) registers from regulatory boards/councils, namely Kenya Medical Practitioners and Dentists Council (KMPDC), Clinical Officers Council (COC), Nursing Council of Kenya (NCK), Kenya Medical Laboratory Technicians and Technologists Board (KMLTTB), Pharmacy and Poisons Board (PPB), and the Public Health Officers and Technicians Council (PHOTC).

5. Development of the ERP system

To streamline operations, enhance efficiency, and strengthen accountability, the Board approved the development of the Authority's ERP system. This system is designed to integrate core business processes, improve data accuracy, and support evidence-based decision-making in line with the Authority's mandate.

6. Development of the E-joint health checklist

The Board approved the digitization of the e-joint inspection checklist. This digital tool standardizes inspection processes, facilitates real-time data capture, and strengthens collaboration with partner regulatory bodies in safeguarding public health.

7. Promoting Right to Health

During the FY 2024/2025, the Board approved the enhancement of the Complaint Handling System by developing an electronic system for handling complaints designed to streamline the lodging, tracking, and resolution of complaints, thereby ensuring timely feedback and enhancing public confidence in the Authority's mandate.

8. Acquisition of ICT infrastructure

To enhance transparency, safeguard data security, and ensure business continuity in line with the Authority's mandate, the Authority was able to acquire install ICT infrastructure which included; access control systems, telecommunication, and a central server to support data management, system integration, and overall operational efficiency.

9. Partitioning and Branding of KHPOA offices

To create a conducive working environment, enhance the Authority's corporate image, and improve client service delivery, the Authority completed the acquisition, partitioning and branding of its offices, thereby ensuring optimal space utilization and promoting its professional outlook.

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10. Contractual staff

The Authority through the Board recruited eleven (11) critical staff on short-term local contract to compliment the workforce of eleven (11) in post staff. This has contributed significantly to improved performance of the Authority.



KHPOA Chairperson Dr. Amit Thakker poses for a photo with the Cabinet Secretary of Health Hon. Aden Duale during the signing of the Performance Contract FY 2024/25

Challenges and Way forward

1. Human Resource – The Authority currently has an in post of twenty-two (22) staff against approved staff establishment of 89. The Board is seeking for additional funds in FY 2025/26 for recruitment of additional priority staff to ensure operational efficiency and oversight functions of the Authority
2. Oversight and Governance- The term of the Board of the Kenya Health Professions Oversight Authority ended in March 2025, except for three (3) members representing the office of the PS, DG and AG. This has created oversight and governance gap, limiting strategic decision-making, policy direction, and oversight of the Authority’s operations. The management is working with the Ministry of Health to expedite the appointment of new Board members to ensure the restoration of effective governance and oversight functions.
3. Partnership and Collaboration – The cessation of USAID funding which was to support key planned programs, hampered the implementation of planned activities in the Annual Work

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Plan and the Strategic Plan. To mitigate this challenge, the Board will be seeking alternative key strategic partners and stakeholders, while exploring other revenue streams to support operations

4. Composition of the Board – during the reporting year the Board lacked one (1) representative from consumer rights bodies and two (2) representatives nominated by the health professional associations registered by the registrar of societies who are not regulated or registered by any regulatory body. It is proposed that during the constitution of the new Board, this gap will be addressed to ensure balanced representation. The Authority is working closely with the Ministry of Health to fast-track the constitution and gazettelement of the new Board.



Chairperson, Board of Directors
Kenya Health Professions Oversight Authority

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6. Report of the Chief Executive Officer

The Kenya Health Professions Oversight Authority (KHPOA) is a state corporation established under Part VI, Section 45 (I) of the Health Act No. 12 of 2017. The Authority was operationalized in May 2019 with deployment of staff from the Ministry of Health. The functions of the Authority are fundamentally oversight/regulatory in nature and seek to protect the public from harm and promote delivery of safe quality healthcare to Kenyans.

Specifically, the mandate of the Authority is to provide oversight in the regulation of health services; training, registration and practice of health professionals; coordination of joint inspection of health facilities; facilitating resolution of complaints and disputes from patients, aggrieved parties and regulatory bodies; ensuring compliance to professional standards and monitoring execution of functions and mandate of health regulatory boards and councils.

The Authority currently has an in post of twenty-two (22) staff against approved staff establishment of 89 as per the approved HR instruments.

Key Achievements

During the financial year 2024/2025, the Authority was able to register the following key achievements;

1. Performance Contract FY 2024/2025

The management during FY 2024/2025 was able to fully implement the signed Performance Contract FY 2024/2025. Notable achievements include the inspection of 2,404 health facilities for compliance to set norms and standards, against a set target of 1,500; inspection of 153 training institutions for compliance to professional and training standards, against a target of 150; and the development and validation of six (6) scopes of practice for previously unregulated health professions, among others.

2. Collaboration and Partnership

- a) The Authority remains committed to developing networks for strategic collaborations and partnerships in order to enhance its performance and operations. During the FY 2024/2025, the management held a national consultative forum with training institutions offering health programs for previously unregulated health professionals. This platform provided an opportunity to engage with academic institutions on curriculum harmonization, registration requirements, and professional standards.
- b) The management coordinated the development and validation of six (6) Scopes of practice for Health Professionals. The scopes developed are namely; Community Health Officers and Assistants, Peri-Operative Theatre Technologists and Technicians, Medical Social Workers, Mortuary Science Technicians, Health Care Assistants and Medical Engineering. This aimed at ensuring that health care professionals practice within their scopes of training at all times and to guarantee health professionals are practicing safely, lawfully and effectively in areas of training for public safety.
- c) Further, the Authority recorded significant progress under monitoring and evaluation by successfully holding seven consultative meetings with the CEOs of 13 health regulatory bodies.

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These forums served as effective platforms for strategic regulatory alignment and coordination among the regulatory agencies in the Ministry of Health.

3. Validation of key documents

The Authority through the management coordinated the review and validation of key priority guidelines namely; Health Facility Standards and Ethical Practice Guide, the Integrated Code of Professional Conduct and Ethical Practice, and the Complaints Handling Guide, all of which were subsequently approved by the Board for implementation. Currently the guidelines and protocols are uploaded in the Authority's website.

4. Development of the duplicate register

The Authority coordinated the development and operationalization of a duplicate register as provided in Health Act, 2017 and is currently onboarding six (6) registers from regulatory boards/councils namely; Kenya Medical Practitioners and Dentists Council (KMPDC), Clinical Officers Council (COC), Nursing Council of Kenya (NCK), Kenya Medical Laboratory Technicians and Technologists Board (KMLTTB), Pharmacy and Poisons Board (PPB), and the Public Health Officers and Technicians Council (PHOTC). Subsequently, other remaining health professional registers will be onboarded.

5. Development of the ERP system

To streamline operations, enhance efficiency, and strengthen accountability, the Authority initiated the development of its ERP system. Three modules were incorporated into the ERP system; Human Resource Management, Supply Chain Management and Finance and Accounts. This system is designed to integrate core business processes, improve data accuracy, generate reports and support evidence-based decision-making in line with the Authority's mandate.

6. Development of the E-Joint Health Inspection Checklist

To harmonize regulatory inspections, enhance efficiency, and promote data-driven oversight of health facilities, the Authority reviewed and digitalized the joint inspection checklist (E-Joint Health Inspection Checklist). This digital tool standardizes inspection processes, facilitates real-time data capture, and strengthens collaboration with regulatory bodies to address cost and duplication.

7. Promoting Quality of Care towards achieving Universal Health Coverage

During the FY 2024/25 the Authority through the management was able to promote achievement of Universal Health Coverage through the following;

- a. Maintained the registers for sixteen (16) previously unregulated health professionals. Additionally, the Authority was able to register and license 1,308 health professionals whose details are contained in respective registers.
- b. Coordinated inspections of 2,404 health facilities for compliance to norms and standards in service delivery in the country. This was above the set annual target of 1,500 health facilities

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- c. Inspected a total of 153 institutions for training health professionals for compliance to norms and standards, against set target of 150 institutions.
- d. Coordinated inspection of 90 internship hospitals for compliance of regulatory standards set by respective regulatory Boards and Councils (surpassing the annual target of 80 hospitals).

8. Promoting Right to Health

During the FY 2024/2025, The Authority processed 10 complaints from patients, aggrieved parties and regulatory bodies. Furthermore, the Authority enhanced its Complaint Handling System by developing an electronic system for lodging and processing complaints. This is designed to streamline the lodging, tracking, and resolution of complaints, thereby ensuring timely feedback and enhancing public confidence in the Authority's mandate.

9. Customization of the Service Charter

To enhance accessibility, promote inclusivity, and ensure that citizens are well-informed of the Authority's service standards, the Citizen Service Delivery Charter was customized into audio-visual recording thereby broadening outreach, improving public awareness, and strengthening accountability in line with the Authority's mandate.

10. Acquisition of ICT infrastructure

To enhance transparency, safeguard data security, and ensure business continuity in line with the Authority's mandate, the Authority acquired and installed ICT infrastructure which included access security control systems, central server and telecommunication to support data management, system integration, and overall operational efficiency.

11. Partitioning and Branding of KHPOA offices

To create a conducive working environment, enhance the Authority's corporate image, and improve client service delivery, the Authority completed the partitioning and branding of its offices, thereby ensuring optimal space utilization and promoting its visibility and corporate outlook.

12. Contractual staff

The management through the Board recruited eleven (11) critical staff on short-term local contract to compliment the eleven (11) existing in post staff. This has contributed significantly to improved performance of the Authority.

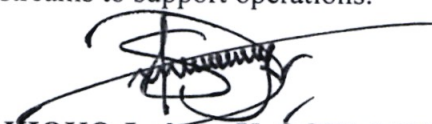
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The KHPOA Chief Executive Officer, Dr. KIOKO Jackson poses for a group photo with participants during national consultative forum with training institutions offering programs for previously unregulated health professionals

Challenges and Way forward

1. Human Resource – During FY 2024/2025 the Authority operated with twenty-two (22) in post staff (25%), against approved staff establishment of 89 (shortfall of 67). During FY 2025/2026 the Authority is seeking additional budget to recruit additional priority staff to ensure operational efficiency and oversight functions of the Authority.
2. Oversight and Governance - The term of the Board of the Kenya Health Professions Oversight Authority ended in March 2025 with three (3) alternate Board members remaining. This has resulted in delay of approval of critical documents and has hampered effective oversight to management functions. The Management is, however, working closely with the Ministry of Health to fast-track the appointment of the new Board.
3. Partnership and Collaboration – The cessation of USAID funding which previously supported several planned activities of the Authority hampered the implementation of Annual Work Plan and Strategic Plan. To mitigate this challenge, the Authority is onboarding other key strategic partners and stakeholders including World Health Organization, while exploring other revenue streams to support operations.


**Dr. KIOKO Jackson K. OGW, MBS, EBS
CHIEF EXECUTIVE OFFICER/DG
KENYA HEALTH PROFESSIONS OVERSIGHT AUTHORITY**

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7. Statement of Performance against Predetermined Objectives for FY 2024/2025

The Kenya Health Professions Oversight Authority has 5 strategic goals and objectives within the current Strategic Plan for the FY 2023/2027. These strategic goals are as follows:

1. Health Professional Regulation
2. Right to Health
3. Health service delivery
4. Strategic Information, Research and Innovation
5. Institutional Capacity Development

The Kenya Health Professions Oversight Authority develops its annual work plans based on the above 5 goals. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Authority achieved its performance targets set for the *FY 2024/ 2025* period for its 5 strategic goals, as indicated in the table below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
1. Health Professional Regulation	To strengthen regulatory processes and procedures for effective oversight of professional standards.	Number of fora held	Coordinate one (1) consultative forum of with training institutions of previously unregulated health professionals	1 consultative forum coordinated
		Number of training institutions inspected on adherence to norms and standards	Inspect training institutions for compliance to norms and standards	153 training institutions inspected out of an annual target of 150
		Number of internship hospitals inspected	Inspect internship hospitals for compliance to set norms and standards	90 internship hospitals inspected out of annual target of 80

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		Number of Scopes of practice developed	Coordinate development of Scopes of Practice for health professionals	6 scopes of practice developed
	To streamline the health professional regulation	Number of previously unregulated health professionals registered and licensed	Registration and licensing of previously unregulated health professionals	1308 previously unregulated health professionals registered and licensed
2. Right to health	To establish an effective complaint resolution mechanism	Proportion of Complaints and Disputes processed	Process Complaints and Disputes lodged to the Authority	100% complaints and Disputes processed
3. Health service delivery	To promote adherence to set norms and standards in health service delivery	Proportion of health facilities inspected	Coordinate joint inspection of health facilities for compliance to norms and standards in service delivery	2,404 health facilities inspected out of the annual target of 1,500
4. Strategic Information, Research and Innovation	To strengthen the effectiveness of corporate communication and advocacy	Level of implementation of the Communication and Branding Strategy	Develop Communication and Branding Strategy	Communication and Branding Strategy developed and under implementation
		Enhanced visibility of the Authority	Undertake Corporate Social Responsibility	Planted 500 seedlings against target of 400
5. Institutional Capacity Development	To build human resource capacity of the Authority	Number of staff trained	Build capacity of KHPOA staff of Senior Management,	2 staff trained on Senior Management
			Strategic Leadership and Development Program	2 staff trained on Strategic Leadership and Development Program

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			Conduct of Meeting and Minute Writing	2 staff trained on Conduct of Meeting and Minute Writing
		Proportion of staff participating in performance appraisal	Undertake staff performance appraisal	100% of staff participating in performance appraisal
		Number of staff recruited	Recruitment of staff	Eleven (11) additional staff recruited

The above activities in the statement of performance are tied with the core mandate of the Authority as captured in Performance Contract FY 2024/2025. The achievements demonstrated in this statement are also contained in Performance Contract of FY 2024/2025 evaluation report.

8. Corporate Governance Statement

Board Overview

The Kenya Health Professions Oversight Authority is governed by a Board of Directors as provided under Section 46 of the Health Act, No 21 of 2017. The Board is committed to diversity, professionalism, and effective oversight in line with statutory and governance requirements, and comprises independent, non-independent, and non-executive directors. The term of the current Board expired in March 2025; with the exception of two members whose tenure remains ongoing.

Board Charter

The Board operates under a Board Charter, which guides the Authority's governance framework.

The Charter provides direction on:

- a. Separation of roles, functions, and powers of the Board, Committees and members;
- b. Delegation of powers to Board committees and matters reserved for Board approval;
- c. Corporate governance policies and practices;
- d. Directors' declarations of interests and conflict management;
- e. Nomination, appointment, induction, training, and performance evaluation of Board members and committees.

Roles and Functions of the Board

Under the Health Act, No 21 of 2017, the Board is mandated to:

- a) Control, supervise and administer the assets of the Authority in such manner and for such purpose as best promotes the purposes for which the Authority is established;
- b) Determine the provisions to be made for capital and recurrent expenditure and for the reserve of the Authority;
- c) Receive any grants, gifts, donations, or endowments and make legitimate disbursements therefrom;
- d) Enter into association with other bodies or organizations within and outside Kenya as the Authority may consider desirable or appropriate and in furtherance of the purpose for which the Authority is established;
- e) Open a banking account or banking accounts for the funds of the Authority; and;
- f) Invest any funds of the Authority not immediately required for its purposes as provided under section 58.

Induction, Training, and Development

The Authority facilitated the training of two (2) Board members, Chief Executive Officer and the Corporation Secretary on effective governance and stewardship at the Kenya School of Government, Nairobi. The session focused on enhancing efficiency in corporate governance and strengthening financial reporting within State Corporations.

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Board Performance and Evaluation

The Board maintained four standing committees:

1. Finance, HR & General-Purpose Committee (FHR-GPC)
2. Audit, Risk and Compliance Committee (ARCC)
3. Inspection, Registration & Compliance Committee (IRCC)
4. Ethics, Complaints & Disciplinary Committee (ECDC)

The Board evaluation for FY 2024/25 was not conducted by the State Corporations Advisory Committee (SCAC) due to the expiration of the Board's term in March 2025. However, a self-peer assessment conducted during the year recorded an average score of 87.6%. During the period under review, the Board convened four (4) full board meetings and two (2) special board meetings (attendance both physical and virtual) consistently meeting quorum requirements. Additionally, committee meetings were held as below:

- Audit and Risk Committee -two (2) meetings;
- Finance, Human Resource and General-Purpose committee -Five (5) meetings,
- Inspection Registration and Compliance committee Four (4) meetings; and
- Ethics Complaints and Disciplinary Committee Four (4) meetings.

The Finance, Human Resource and General-Purpose committee held three (3) special meetings to fast-track human resource transition and recruitment of priority staff. Attendance, whether physical or virtual, consistently met quorum requirements as per attendance register.

Succession Planning and Capacity Building

In line with its action plan to support current and future strategic goals, the Board successfully filled critical positions, including Finance Officer, Corporate Secretary/ Legal Counsel, ICT Officer, Corporate Communications Officer, Human Resource Management Officer, Internal Auditor, and Supply Chain Management Officer, Office Assistant, Office Administrator and two (2) Drivers.

The Authority further supported capacity development in the following areas;

- Two (2) staff for a Senior Management course; and
- Two (2) staff for a Strategic Leadership & Development Program.
- Two (2) staff on Meeting and Minute writing

Conflict of Interest and Ethics

The Board of Directors complied with statutory requirements on conflicts of interest, with all declarations recorded in the Conflict-of-Interest Register. Declarations were a standing agenda item at every meeting, and any Director with a conflict was excused from the relevant discussions. No material conflicts were reported during the year.

The Board Charter also integrates a Code of Ethics and Conduct, providing guidance on ethical decision-making and corporate social responsibility. Additionally, a whistleblowing policy is under development during FY 2025/26 to enable anonymous reporting of unethical or fraudulent conduct.

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Board Remuneration

Remuneration of the Board is guided by Government Circulars and Guidelines issued from time to time. The Authority was able to remunerate Board members during the meetings attended as per the above guidelines.

Corporate Social Responsibility (CSR)

The Authority participated in the National Tree Growing Restoration Campaign as part of Kenya's Landscape and Ecosystem Restoration Program, supporting the Presidential Directive to grow 15 billion trees by 2032. The Authority managed to plant 500 trees

Governance Audit

In line with IPSAS accrual accounting, the Authority's financial statements were audited by the Office of the Auditor-General (OAG) on 24th December 2024, including a compliance audit to ensure lawful and effective use of public funds, as mandated under Article 229 of the Constitution and the Public Audit Act, 2015.

Communication Policy

The Authority recognizes corporate communication as key to improving its visibility corporate image and reputation. A Communication and Branding Strategy was developed and is currently under implementation.

Committees' Terms of Reference (TORs)

The Board committees operate under approved TORs, periodically reviewed to ensure compliance with legislation and best practice. The Board retains overall oversight of all committees.

Policy on Related Party Transactions

Management has reviewed its Finance Policy Manual to align with the current IPSAS standards and has been submitted to The National Treasury for validation.

Finally, during FY 2025/2026, the Authority will fast-track the constitution of a new Board. In addition, the management will ensure that the new Board undergo induction and corporate governance and other capacity building interventions to strengthen the oversight capacity of the Board.

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9. Management Discussion and Analysis

The Kenya Health Professions Oversight Authority (KHPOA) was operationalized in May 2019. Until the financial year 2022/2023, the Authority was receiving itemized budget administered and accounted by the Ministry of Health.

During FY 2023/2024, the Authority received its first exchequer of Ksh 50,562,468 and in the same period, the Authority reported anticipated revenue collection of Ksh 15,000,000 as Appropriation-in-Aid (AIA), generated from registration and licensing of previously unregulated health professionals.

In FY 2024/2025, the Authority operated under an approved budget of Ksh 220,030,000, comprising Ksh 200,030,000 from the exchequer and Ksh 20,000,000 projected AIA.

Revenue Sources and Approved Budget (FY 2023/24 – FY 2024/25)

S/N	Financial Year	Approved Appropriation in Aid	Actual AIA	Approved Grants (Exchequer)	Actual grants	Total
1.	2023/24	15,000,000	7,571,218	50,562,468	50,562,468	65,562,468
2.	2024/25	20,000,000	12,805,000	200,030,000	200,030,000	220,030,000

The Authority's financial performance over the last two years reflects a period of strong and sustained positive growth due to increased government funding. Although expenditures also rose, this increase corresponds with the expansion of institutional capacity, staffing, and regulatory operations to support the Authority's broad mandate.

In addition, the Authority developed its inaugural Strategic Plan for the period FY 2023/24–2027/28 to provide clear direction for its operations and long-term priorities. The strategic plan aims to create a responsive, inclusive and patient centred Healthcare system.

In line with Section 48(1)(c) of the Health Act, 2017 which mandates the coordination of joint inspections with regulatory bodies, the Authority oversaw inspections of 5,823 health facilities across the country during FY 2023/2024 to 2024/2025 to assess compliance with established norms and standards.

The Authority also conducted inspection of 325 health professional training institutions to ensure adherence to approved training standards, thereby safeguarding the integrity of professional education as regulated by the various boards and councils. Additionally, 152 internship hospitals were inspected during the same period to verify compliance with required norms and standards, further strengthening the quality of healthcare training and service delivery.

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Further, the Authority in its Corporate Social Responsibility participated in the National Tree Growing Restoration Campaign as part of Kenya's Landscape and Ecosystem Restoration Program, supporting the Presidential Directive to grow 15 billion trees by 2032. In this regard the Authority has planted 1250 trees during FY 2023/2024 to 2024/2025 in West Pokot County.

Management is pleased to report on the significant progress achieved in three core areas: the development of the Duplicate Register, the initiation of the ERP System, and the digitalization of the E-Joint Health Inspection Checklist. These initiatives are crucial steps toward fulfilling the Authority's mandate for streamlined operations, enhanced accountability, and harmonized regulatory oversight within the health sector.

The Authority has successfully coordinated the development and operationalization of duplicate registers, as mandated by the Health Act, 2017. This effort is vital for creating a unified and verifiable record of health professionals across Kenya. We are currently in the process of onboarding six foundational registers from key regulatory bodies: the Kenya Medical Practitioners and Dentists Council (KMPDC), Clinical Officers Council (COC), Nursing Council of Kenya (NCK), Kenya Medical Laboratory Technicians and Technologists Board (KMLTTB), Pharmacy and Poisons Board (PPB), and the Public Health Officers and Technicians Council (PHOTC). This step is foundational, and plans are in place to subsequently onboard all remaining health professional registers to achieve a comprehensive national database.

To enhance operational efficiency, strengthen accountability, and streamline internal processes, the Authority initiated the development of its Enterprise Resource Planning (ERP) system. This system is designed to integrate and manage core business functions seamlessly. Currently, three critical modules have been incorporated: Human Resource Management, Supply Chain Management, and Finance and Accounts. The ERP system will significantly improve data accuracy, facilitate the generation of timely reports, and provide the necessary evidence-based decision-making support required to effectively execute the Authority's mandate.

In an effort to harmonize and modernize regulatory functions, the Authority successfully reviewed and digitalized the joint inspection checklist, resulting in the E-Joint Health Inspection Checklist. This digital tool is a major step toward promoting data-driven oversight of health facilities by standardizing the inspection process and enabling real-time data capture

Risks and Challenges

The Authority has made notable progress in strengthening regulation and expanding its capacity, but several key risks and challenges may affect effective mandate delivery.

Oversight and Governance function continuity remain a risk following the expiry of the Board's tenure in March 2025. This has created a temporary gap in oversight and strategic directions affecting the operations of the Authority.

In addition, the Authority continues to experience challenges in its operations due to the shortfall of 67 staff. This stretches the capacity of existing staff (22) thus limiting the effective execution of the Authority's broad mandate.

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The Authority remains committed to mitigating the above risks among others by strengthening governance and human resource capacity to enhance efficiency in the execution of the Authority's mandate.

10. Environmental and Sustainability Reporting

i) *Sustainability strategy and profile*

The Authority recognizes the importance of sustainability in its operations and governance. Key achievements include the integration of Bottom-Up Economic Transformation Agenda (BETA) that guides promotion of Universal Health Coverage (UHC) which the Authority remains committed to its achievement through oversight in regulation of health services, training, registration and licensing of health professionals for compliance of standards.

Further, health being a devolved function, the Authority promotes right to health and improves quality of care through inspection of health facilities and establishment of complaint handling mechanisms in health facilities. However, the Authority acknowledges challenges facing it such as limited resources, which have hindered full implementation of some of priority initiatives related to its mandate. Moving forward, the Authority is committed to improving its sustainability outcomes by increasing stakeholder engagement, resource mobilization and increase capacity to implement broad mandate of the Authority and invest on corporate landscape to enhance its visibility.

ii) *Environmental performance*

The Authority is guided by the Climate Change Act 2023 that focuses on minimizing its environmental footprint through responsible management of resources. The policy is aligned with national environmental regulations and international standards.

In line with the above, the Authority has recorded notable successes during the year under review. These include the implementation of the Presidential Directive on tree growing, where 500 trees were planted in Lelani Kabichbich location, West Pokot County, as part of its Corporate Social Responsibility (CSR) and commitment to promoting biodiversity. In its efforts to reduce its carbon footprint, the Authority has digitized two (2) of its services namely Certification of Health Training Program and Accreditation of CPD Providers, significantly cutting down paper usage and enhancing efficiency. In addition, the Authority successfully acquired an Enterprise Resource Planning (ERP) system, which will improve financial and administrative management and strengthen operational efficiency.

The Authority is also guided by the National Guidelines for Safe Management of Healthcare Waste and ensures compliance to waste management through segregation and disposal of waste in health facilities.

iii) *Employee welfare*

The Human Resource Policy and Procedures Manual provides procedures and processes for recruiting, training, retaining and promotion of staff. This policy is used as a reference and guide to employees in Human Resource as well as providing principles of how they should be implemented and enforced. The policy also provides rationale on recruitment and selection process which does not discriminate on the basis of race, gender, religion or ethnicity. HR policy provides for review of stakeholder engagement every three years or as is necessary.

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Further, the Authority developed a training plan aimed at building staff capacity, enhancing skills, and strengthening the effective delivery of its mandate. Staff are also engaged in a performance appraisal system designed to motivate and recognize excellence in performance.

Additionally, the Authority commits itself to the achievement of the highest standards of health and safety in the workplace, and the elimination or minimization of health and safety hazards and risks that may affect its employees. In this regard, the Authority maintains healthy and safe working conditions to ensure there is no personal injury caused by accidents, in compliance to the Occupational Safety and Health Act of 2007 (OSHA)

iv) *Market place practices-*

a) *Responsible competition practice.*

The Authority promotes responsible competition by upholding ethical business conduct through well-defined strategies, policies, and measures. Notably, the Public Finance Management Standing Committee (PFMSC) was established to support the Board by monitoring and reviewing the Authority's risk management, internal control, and governance processes. In addition, before entering into agreements with third-party vendors, suppliers, or partners, the Authority undertakes due diligence to ensure they adhere to responsible and ethical business practices.

Market surveys are carried out before any procurement processes where the Authority gathers comprehensive and relevant information on price ranges, emerging trends, ensuring decisions are based on accurate and updated information which helps identify multiple suppliers, avoiding overreliance on a single vendor encouraging fair and transparent participation of vendors hence promoting competition.

b) *Responsible Supply chain and supplier relations*

The Authority recognizes suppliers as integral stakeholders in the fulfillment of its mandate and is committed to promoting transparency and integrity within the supply chain. In line with this commitment, the Authority engages suppliers through an open, competitive, and transparent tendering and bidding process that eliminates favoritism and corruption while ensuring equal opportunity for all qualified suppliers.

The Authority upholds contractual obligations by ensuring timely payment for goods and services delivered in accordance with agreed specifications. In doing so, the Authority safeguards fairness in supplier relations, prevents undue financial strain, and promotes mutual benefit. Clear communication is maintained on all matters relating to invoicing and settlement timelines, thereby reinforcing the Authority's commitment to ethical and accountable business practices.

c) *Responsible marketing and advertisement or Responsible engagement with the citizens.*

The Authority remains committed to ensuring that all its outreach, and communication practices are conducted in a responsible and ethical manner. Guided by principles of transparency, accountability, respect for diversity, and inclusivity.

During the reporting period, KHPOA held consultative forums with professional associations and societies representing previously unregulated health professionals. These forums were important in

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identifying areas of collaboration, particularly in the education and training of health professionals. Through such engagements, the Authority ensured that training programs and courses for health professionals remain compliant with established norms and standards, thereby reinforcing quality assurance in healthcare service delivery.

The Authority embarked on responsible marketing and advertisement ensuring all communication with the public is accurate and transparent. Pursuant to this, the Authority engaged with citizens and stakeholders sensitizing them on the opportunities under the Access to Government Opportunities (AGPO). These efforts enhanced inclusivity by empowering Youth, Women and Persons with Disabilities to participate in public procurement promoting transparency, fairness and competitiveness.

d) *Product Stewardship or Awareness Creation*

The Authority remains steadfast in safeguarding the rights and interests of citizens by ensuring that all healthcare services and professionals meet the highest standards of safety, quality, and accountability.

In addition to ensuring compliance to professional standards, the Authority prioritizes transparency and the provision of adequate information to the public. Through regular updates on its website, social media platforms, and public notices, the Authority communicates key information about licensing, registration, professional conduct and ethical practices of healthcare professionals, among other updates. These efforts empower citizens to make informed decisions, access credible information, and able to understand the scope of services they are entitled to receive from healthcare providers.

The Authority is also committed to addressing complaints and resolving disputes in a fair and transparent manner. Mechanisms for redress are in place to ensure that grievances raised by the public, healthcare professionals, or training institutions are addressed promptly and equitably as per the charter. This provides assurance that citizens' rights are respected and that accountability is upheld across the health sector.

Furthermore, the Authority recognizes the importance of protecting citizen data and privacy in all its operations. Information collected during registration, licensing, and public engagement processes is handled with strict confidentiality and in line with data protection requirements. By upholding the principles of integrity and security in data management, the Authority ensures that citizens' personal information is safeguarded against misuse.

Public awareness creation has remained a cornerstone in communicating the Authority's mandate. By engaging stakeholders through consultative forums, publishing guidelines, and conducting sensitization initiatives, the Authority builds public confidence in health professional regulation. These awareness efforts not only promote compliance among health professionals and training institutions, but also empower citizens to demand safe, ethical, and professional healthcare services.

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Principal Secretary for the State Department for Public Health and Professional Standards, Mary Muthoni poses for a group photo with Chairpersons and CEOs of Health Training and Regulatory Agencies during 3rd Round Table Consultative Meeting

i) Corporate Social Responsibility / Community Engagements

The Authority has recorded notable successes through implementation of the Presidential Directive on tree growing. On the 26th of June 2025, the KHPOA team, led by CEO Dr. Kioko Jackson, successfully planted 500 trees at Lelan ward, Kabichbich location, West Pokot County. This activity was part of the broader national effort to mark National Tree Growing Day. The team joined forces with the State Department for Public Health & Professional Standards, contributing to the national tree-growing targets stipulated in the performance contract for the FY 2024/2025.

The tree planting exercise was a significant step towards fulfilling the Authority's commitment to Kenya's Landscape and Ecosystem Restoration Programme. The participation in the National Tree Growing Day not only helped in achieving the set targets but also emphasized the importance of environmental stewardship and sustainable development. The Authority remains dedicated to contributing to the national goal of growing 15 billion trees by 2032 and will continue to engage in such impactful initiatives.



KHPOA staff during tree planting exercise at Lelan ward, Kabichbich location, West Pokot County

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11. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the Authority's affairs.

i) Principal activities

The principal activities of the Authority are: -

- a. Coordinate joint inspection of health facilities with all regulatory bodies;
- b. Ensure the necessary standards for health professionals are not compromised by the regulatory bodies.
- c. Receive and facilitate the resolution of complaints from patients, aggrieved parties and regulatory bodies;
- d. Arbitrate disputes between statutory regulatory bodies, including conflict or dispute resolution amongst Boards and Councils.

ii) Results

The results of the Authority for the year ended June 30, 2025, are as set out on page xxiii - xxv

iii) Directors

The Board of Directors who served during the year are shown on page ix to xii. During the year none of the directors retired/ resigned.

iv) Auditors

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

By Order of the Board



.....
Name **HARRIET KIRIAMA**

Corporation Secretary/Secretary to the Board

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12. Statement of Directors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and (section 14 of the State Corporations Act, - and Health Act No.21 of 2017, part vi, section 45 (1) requires the Directors to prepare financial statements in respect of that of the Kenya Health Professions Oversight Authority, which give a true and fair view of the state of affairs of the Authority at the end of the financial year/period and the operating results of the Authority for that year/period.

The Directors are also required to ensure that the Authority keeps proper accounting records which disclose with reasonable accuracy the financial position of the Authority. The Directors are also responsible for safeguarding the assets of the Authority.

The Directors are responsible for the preparation and presentation of the Authority's financial statements, which give a true and fair view of the state of affairs of the Authority for and as at the end of the financial year (period) ended on June 30, 2025. 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 Authority;
- (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 of the Authority;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Authority's 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, 2012 and the Health Act, 2017.

The Directors are of the opinion that the Authority's financial statements give a true and fair view of the state of Authority transactions during the financial year ended June 30, 2025 and of the Authority's financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for the Authority, which have been relied upon in the preparation of the Authority's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Directors have assessed the Authority's and nothing has come to the attention of the Directors to indicate that the Authority will not remain a going concern for at least the next twelve months from the date of this statement.

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Approval of the financial statements

The Authority's financial statements were approved by the Board on 28th August 2025 and signed on its behalf by:



.....

Chairperson of the Board/Council



.....

**Name: Dr. KIOKO Jackson K.
Accounting Officer**

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KENYA HEALTH PROFESSIONS OVERSIGHT AUTHORITY FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kenya Health Professions Oversight Authority set out on pages 1 to 37, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget

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

In my opinion, except for the 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 Kenya Health Professions Oversight Authority as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis), the Part VI, Section 45(1) of the Health Act, 2017 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unsupported Expenditure

The statement of financial performance and Note 8 to the financial statements reflects use of goods amount of Kshs.66,841,708 which includes conference and delegations amount of Kshs.5,670,940. However, review of documents revealed that payment vouchers amounting to Kshs.668,500 were not supported by a duly signed attendance sheet by the participants of various activities.

In the circumstances, the accuracy and completeness of conference and delegations amount of Kshs.5,670,940 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects Actual Total Payments of Kshs.103,042,425 against budgeted expenditure of Kshs.148,267,521 resulting in an under-utilization of Kshs.45,225,276 or 31%.

The underfunding and underutilization may have affected the planned activities and programmes of the Authority.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the prior year audit report, four (4) issues were raised under the Report on Lawfulness and Effectiveness in the Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. These include non-submission of financial statements, employees in acting capacity beyond stipulated period, inadequate staffing levels and weaknesses in preparing schedules and reconciliations. Review of the status during audit of the Fund in 2024/2025 revealed that the matters remained unresolved

Other Information

The Management is responsible for the Other Information set out on page iv to xxxix which comprise of Key Authority Information and Management, The Board of Directors, Key Management Team, Chairman's Statement, Report of the Chief Executive Officer, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors and Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Non-Compliance with Staffing of Persons with Disabilities

The statement of financial performance and Note 9 to the financial statements reflect employee costs of Kshs.30,683,615. Analysis of the muster roll revealed that the Authority has twenty-two (22) staff but none was a person living with disability. This was contrary to the Public Service Commission manual that states that the government shall appoint at least five (5) percent of persons with disabilities.

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

2. Irregularities in the Procurement Plan

During the year under review, it was noted that the procurement plan was approved on 19 August, 2024 after commencement of the financial year 2024/2025. This was contrary to Section 53(2) Public Procurement and Asset Disposal Act 2015(amended 2022) which requires that an annual procurement plan to be prepared prior to commencement of each financial year as part of the annual budget preparation process. Further, it was noted that the Authority revised the procurement plan for the year under review which was not approved by the accounting officer and the Board and was not supported by departmental plans.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Deficiencies in the Composition of Board

The statement of financial performance and Note 10 to the financial statements reflects Board expenses amount of Kshs.2,985,000. Review of documents revealed that the Authority had nine (9) Board members and by March 2025 seven (7) board members term expired and as at the time of audit in November 2025 appointment had not done.

Further, the Board did not have one (1) representative from consumer rights bodies and two (2) representatives nominated by the health professional associations registered by the registrar of societies who are not regulated or registered by any regulatory body.

In the circumstances, the effectiveness of overall governance and proper oversight of the Authority's operations could not be confirmed.

2. Failure to Undertake Risk Assessment of the Authority's Controls

During the year under review, Management did not conduct risk assessment of the Authority internal controls, contrary to regulation 165 of the Public Finance Management (National Government) Regulations, 2015 which requires that the Accounting Officer of a public entity conduct risk management strategies, which include fraud prevention mechanisms and a system of risk management and internal control that builds robust business operations.

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

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and Board of Directors

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

In preparing the financial statements, Management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

The Board of Directors is responsible for overseeing the Authority's financial reporting process, reviewing the effectiveness of how Management monitors compliance with

relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

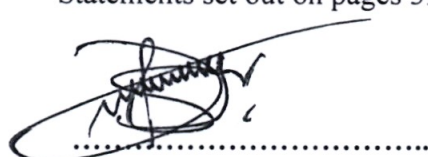
2 December, 2025

**Kenya Health Professions Oversight Authority
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14. Statement of Financial Performance for the year ended 30 June 2025

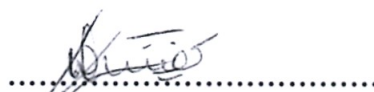
	Notes	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments entities	6	200,030,000	50,562,468
Licenses and permits	7	12,805,000	7,571,218
		212,835,000	58,133,686
Revenue from exchange transactions			
Total revenue		212,835,000	58,133,686
Expenses			
Use of goods and services	8	66,841,708	42,959,087
Employee costs	9	30,683,615	2,575,700
Board Expenses	10	2,985,000	6,218,134
Depreciation and amortization expense	11	512,555	0
Repairs and maintenance	12	2,531,922	540,560
Total expenses		103,554,800	52,293,481
Surplus/(deficit) for the period/year		109,280,200	5,840,205
Remission to National Treasury		0	0
Net Surplus for the year		109,280,200	5,840,205

The notes set out on pages 46 to 67 form an integral part of these Financial Statements. The Financial Statements set out on pages 39 to 44 were signed on behalf of the Board of Directors by:



Name: Dr. KIOKO Jackson K.
Accounting Officer

Date



Name: WINNIE WANGARI
Head of Finance and Accounts
ICPAK M/No: 28889

Date



Name:
Chairman of the Board

Date

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15 Statement of Financial Position as at 30 June 2025

	Notes	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	13	54,531,157	10,949,656
Receivables from Non-Exchange Transactions		0	5,780,599
Prepayments	14	2,365,895	0
Inventories	15	2,012,392	0
Total Current Assets		58,909,444	16,730,255
Non-Current Assets			
Property, Plant and Equipment	16	96,181,187	3,127,000
Intangible Assets	17	8,917,069	0
Total Non- Current Assets		105,098,256	3,127,000
Total Assets (A)		164,007,700	19,857,255
Liabilities			
Current Liabilities			
Trade and Other Payables	18	47,703,220	1,404,393
Current Provision	19	1,184,075	0
Total Current Liabilities		48,887,295	1,404,393
Non-Current Liabilities			
Total Non- Current Liabilities		0	0
Total Liabilities (B)		48,887,295	18,452,862
Net Assets (A-B)		115,120,405	18,452,863
Represented by:			
Reserves			
Accumulated Surplus		115,120,405	18,452,863
Net Assets		115,120,405	18,452,863

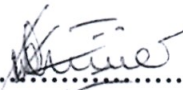
**Kenya Health Professions Oversight Authority
Annual Report and Financial Statements
for the year ended June 30, 2025.**

The financial statements set out on pages 39 to 44 were signed on behalf of the Board of Directors by:



.....
Name: **Dr. KIOKO Jackson K.**
Accounting Officer

Date



.....
Name: **WINNIE WANGARI**
Head of Finance and Accounts
ICPAK M/No: 28889

Date



.....
Name:
Chairman of the Board

Date

Kenya Health Professions Oversight Authority
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16. Statement of Changes in Net Assets for the year ended 30 June 20xx

Description	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Proposed dividends	Capital/Development Grants/Fund	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at July 1, (Previous FY)	-	-	-	5,840,205	-	-	5,840,205
Surplus/ deficit for the year	-	-	-	109,280,200	-	-	109,280,200
As at June 30, (Previous FY)	-	-	-	5,840,205	-	-	5,840,205
As at July 1, (Current FY)	-	-	-	5,840,205	-	-	5,840,205
Surplus/ (deficit) for the year	-	-	-	109,280,200	-	-	109,280,200
As at June 30, (Current FY)	-	-	-	115,120,405			115,120,405

Kenya Health Professions Oversight Authority
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17. Statement of Cash Flows for the year ended 30 June 2025

	Notes	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities		200,030,000	50,562,468
Licenses and permits		12,805,000	7,571,218
Total receipts		212,835,000	58,133,686
Payments			
Use of goods and services		66,841,708	47,335,293
Employee costs		30,683,615	2,575,700
Board Expenses		2,985,000	6,218,134
Repairs and maintenance		2,531,922	540,560
Total payments		103,042,245	56,669,687
Net cash flows from/ (used in) operating activities	54	109,792,755	1,463,999
Cash flows from investing activities			
Purchase of PPE and Intangible assets (Part Payment)		-66,211,254	-3,127,000
Net cash flows from/ (used in) investing activities		-66,211,254	-3,127,000
Net increase/(decrease) in cash &		43,581,501	-1,663,001
Cash and cash equivalents	30	10,949,656	12,612,658
Cash and cash equivalents at 1 July	30	54,531,157	12,612,658

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18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Budget carryovers from the previous year*	-	0	-	0	0	0
Receipts						
Transfers from Other Governments entities	50,030,000	150,000,000	200,030,000	200,030,000	0	100
Licenses and permits	20,000,000	-	20,000,000	12,805,000	7,195,000	64.025
Total Receipts	70,030,000	150,000,000	220,030,000	212,835,000	7,195,000	96.73
payments						
Use of Goods and Services	42,350,597	33,394,311	75,744,908	66,841,708	5,910,420	92.2
Employee costs	14,020,603	34,924,730	48,945,333	30,683,615	18,261,718	62.69
Repairs and Maintenance	5,810,000	11,984,000	17,794,000	2,985,000	15,262,078	14.23
Board Expenses	4,848,800	934,480	5,783,280	2,531,922	2,933,280	51.61
Total Payments	67,030,000	81,237,521	148,267,521	103,042,245	45,225,276	69.5
Capital Expenditure Payments	3,000,000	68,762,479	71,762,479	66,211,254	8,544,005	92.26
Surplus				43,581,501		

Kenya Health Professions Oversight Authority
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Budget notes

1. The projected revenue of Ksh. 20,000,000 from licenses and permits could not be realized as the regulations of the Authority to enforce registration and licensing were temporarily put on hold to allow for urgent public participation on the establishment of the Digital Health Authority and the Social Health Authority
2. The budget for capital expenditure on office furniture was erroneously captured under the maintenance and repairs budget. This misclassification resulted in the apparent increase in capital expenditure and a reduced utilization of the repairs and maintenance budget to 14.23%.
3. The drop in actual budget expenditure on board expenses is due to the expiry of the board term of contract that ended in March 2025.

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	43,581,501
	The actual cash and cash equivalent as at 1st July 2024(opening cash and cash equivalent).	10,949,656
	Closing Cash and Cash Equivalent as per the statement of Cash flows	54,531,157

19. Notes to the Financial Statements

1. General Information

Kenya Health Professions Oversight Authority is established by and derives its authority and accountability from the Health Act No. 21 of 2017. The Authority is wholly owned by the Government of Kenya and is domiciled in Kenya. The Authority's principal activities are fundamentally oversight/regulatory in nature and seek to protect the public from harm and promote delivery of safe quality healthcare to Kenyans.

2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Authority. The financial statements have been prepared in accordance with the Chapter 12 of the Kenya Constitution, 2010 on Public Finance, Public Finance Management Act 2012, Public Finance Management Regulation 2015 (National Government), the State Corporations Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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3. Adoption of New and Revised Standards

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2025.

The new and amended standards and interpretations in issue does not affect the current Kenya Health Professions Oversight Authority financial statement for FY 2024/2025 as reported.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Authority. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, 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: 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.
IPSAS 45: Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.

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	<ul style="list-style-type: none"> ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47: Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an Authority shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48: Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49: Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the Authority’s financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii. Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Taxes, Levies and fines

The Authority recognizes revenues from taxes, levies, and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Authority 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 Authority and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

The Authority recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

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

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 Authority's right to receive payments is established.

Rental income

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

b) Budget information

The original budget for the Current FY was approved by the National Assembly on 7th June 2024. 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 Authority upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Authority recorded additional appropriations of Ksh 150,000,000 on the 2024/25 budget following the governing body's approval.

The Authority's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of cash flows has been presented under section 18 of these financial statements.

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Authority 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. Deferred tax assets are recognized for all deductible temporary differences, the carry

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forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable Authority and the same taxation authority.

Sales tax

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

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

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

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

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is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

f) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Authority. 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 Authority 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 Authority 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.

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

g) Intangible assets

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

h) Biological Assets

The Authority recognizes biological assets when it controls the assets due to past events, it is probable that future economic benefits associated with the asset will flow to the Authority, and when the fair value or cost of the asset can be measured reliably. Biological assets are initially and subsequently measured at fair value less costs to sell, except where fair value cannot be reliably determined. In such cases, the asset is measured at its cost less accumulated depreciation and any accumulated impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur.

i) Research and development costs

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

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale.
- ii) Its intention to complete and its ability to use or sell the asset.
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset.

- v) The ability to measure reliably the expenditure during development.

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

j) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. A financial instrument is any contract that gives rise to a financial asset of one Authority and a financial liability or equity instrument of another Authority. At initial recognition, the Authority measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

a) Financial assets

Classification of financial assets

The Authority classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the Authority's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an Authority has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

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

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in

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profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

b) Financial liabilities

Classification

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

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:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) 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.

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 Authority.

l) Provisions

Provisions are recognized when the Authority 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 Authority 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.

m) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The Authority recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the Authority will incur in fulfilling the present obligations represented by the liability.

n) Contingent liabilities

The Authority 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.

o) Contingent assets

The Authority 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 Authority 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.

p) Nature and purpose of reserves

The Authority does not create and maintain reserves in terms of specific requirements.

q) Changes in accounting policies and estimates

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

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r) Employee benefits

Retirement benefit plans

The Authority provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Authority pays fixed contributions into a separate Authority (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.

s) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

t) 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.

u) Related parties

The Authority regards a related party as a person or an Authority with the ability to exert control individually or jointly, or to exercise significant influence over the Authority, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

v) Service concession arrangements

The Authority analyses all aspects of service concession arrangements that it enters in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Authority 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 Authority also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

w) 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.

x) Comparative figures

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

y) 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, 2025.

5. Significant Judgments and Sources of Estimation Uncertainty

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

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 Authority 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 Authority. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual value

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

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

Provisions

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Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 19. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

6. Transfers from Other Government entities

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Unconditional Grants		
Operational Grant	200,030,000	50,562,468
Total Unconditional Grants	200,030,000	50,562,468
Total Government Grants	200,030,000	50,562,468

b) Transfers from Ministries, Departments and Agencies (MDAs)

Name of The Authority Sending The Grant	Amount recognized to Statement of Financial performance. *	Amount deferred under deferred income.	Amount recognised in capital fund.	Total transfers FY 2024/2025	FY 2023/2024
	KShs	KShs	KShs	KShs	KShs
Ministry of Health/State Department for Public Health and Professional Standards	92,338,187	-	107,691,813	200,030,000	50,562,468
Ministry	0	0	0	0	0
Total	92,338,187	0	107,691,813	200,030,000	50,562,468

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7. Licenses, Fees and Permits

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Licenses	12,805,000	7,571,218
Fees		
Permits		
Total	12,805,000	7,571,218

Revenue generated from issuance and renewals of license to previously unregulated health professionals and temporary practising license to foreign health professionals.

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8. Use of Goods and Services

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Electricity	37,619	0
Water	65,592	0
Professional Services	2,744,900	1,798,276
Subscriptions	141,775	685,567
Audit Fees	200,000	0
Conferences and Delegations	5,038,050	3,884,342
Consumables	2,317,566	0
Fuel and Oil	738,863	2,777,794
Insurance	2,983,399	0
Printing and Stationery	596,092	2,545,622
Rent expenses	6,616,413	266,890
Telecommunication	724,665	500,000
Training	812,678	1,843,676
Travel, Subsistence & Other Allowances*	42,491,572	27,754,261
Corporate Social Responsibility	608,700	740,900
Bank charges	133,966	161,759
Recruitment cost	462,000	0
Other General Expenses (cleaning services)	127,858	0
TOTAL	66,841,708	42,959,087

Travel, Subsistence & Other Allowances includes the expenditure for core mandate of the Authority (Surveillance and Quality Assurance, Enforcement and Compliance of service delivery, regulatory and professional/ training standards)

9. Employee Costs

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Salaries and wages	19,585,630	2,547,620
Employer contribution to health insurance schemes	0	xxx
Employer contribution to pension schemes	298,938	28,080
Employer contribution to Housing Levy	306,677	0
Travel, accommodation, subsistence, & other allowances	3,837,200	0
Housing benefits and allowances	3,361,600	0
Gratuity	3,293,570	0
Employee costs	30,683,615	2,575,700

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10. 10. Board Expenses

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Chairman/Directors' Honoraria	0	0
Sitting Allowances	1,955,000	4,050,600
Induction and Training	348,000	576,800
Travel and Accommodation	682,000	1,590,734
Total	2,985,000	6,218,134

There is general board expense reduction due to the expiry of the term of contract by March 2025 and only three (3) alternative Board members were able to undergo capacity building programs together with the management.

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11. Depreciation and Amortization Expense

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Property, plant and equipment	563,187	0
Total depreciation and amortization	563,187	0

12. Repairs and Maintenance

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Vehicles	2,431,922	540,560
Furniture and Fittings	50,000	0
Computers and Accessories	50,000	0
Total Repairs and Maintenance	2,531,922	540,560

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13. Cash and Cash Equivalents

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Current Account		
Kenya Commercial Bank	47,260,681	5,696,950
National Bank of Kenya	7,270,476	5,252,706
Total Cash and Cash Equivalents	54,531,157	10,949,656

Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account number	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
a) Current Account			
Kenya Commercial Bank	1286539765	47,260,681	5,696,950
National Bank of Kenya	7700596719	7,270,476	5,252,706
Grand Total		54,531,157	10,949,656

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14. Prepayments

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Prepaid Rent	827,052	0
Prepaid fuel	1,538,843	0
Total	2,365,895	0

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15. Inventories

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Consumable stores	2,012,392	0
Total inventories at the lower of cost and net realizable value	2,012,392	0

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16. Property, Plant and Equipment

Cost	Motor vehicles	Furniture and fittings	Computers	Other Assets (office equipment/ICT)	Total
Depreciation Rate	25%	12.5%	33.3%	12.5%	Kshs
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
As At 1 July 2023	0	0	0	0	0
Additions	0	0	0		0
Disposals	0	0	0	0	0
Transfers/Adjustments	0	0	0	0	0
Revaluation Adjustments	0	0	0	0	0
As at 30 th June 2024	0	1,650,000	585,000	892,000	3,127,000
Additions	54,022,179	25,939,280	3,702,080	9,903,203	93,566,742
Disposals	-	-	-	0	
Transfer/Adjustments	0		0	0	
Revaluation adjustments	0	0	0		
As at 30 th June 2025	54,022,179	27,589,280	4,287,080	10,795,203	96,693,742
Depreciation And Impairment					
At 1 July 2024					
Depreciation	(0)	(206,250)	(194,805)	(111,500)	(512,555)
Impairment	-	0	-		
Transfers/ Adjustments		0			
As At 30 th 2025	(0)	(206,250)	(194,805)	(111,500)	(512,555)
Depreciation	(0)	(206,250)	(194,805)	(111,500)	(512,555)
Disposals	-	-	-		0
Impairment	0	-	-	(0)	0
Transfer/Adjustment	0	0	0	(0)	0
As at 30 th June 2025	0	0	0	0	0
Net Book Values	54,022,179	27,383,030	4,092,275	10,683,703	96,181,187
As at 30 th June 2024	0	1,650,000	585,000	892,000	3,127,000
As at 30 th June 2025	54,022,179	27,383,030	4,092,275	10,683,703	96,181,187

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35 (b) Property, Plant and Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Motor Vehicles, Including Motorcycles	54,022,179	0	54,022,179
Computers And Related Equipment	27,589,280	(194,805)	27,383,030
Office Equipment, Furniture, And Fittings	15,082,283	(317,750)	14,775,978
Total	96,693,742	(512,555)	96,181,187

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

Description	Cost or valuation	Normal annual depreciation charge
Plant and Machinery	0	0
Motor Vehicles including Motorcycles	0	0
Computers and Related Equipment	0	0
Office Equipment, Furniture and Fittings	0	0
Total	0	0

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17. Intangible Assets

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Cost		
At beginning of the year	-	-
Additions	8,917,069	-
At end of the year	8,917,069	-
Additions—internal development	-	0
At end of the year	8,917,069	0
At end of the year	8,917,069	0
NBV	8,917,069	0

18. Trade and Other Payables

Description	FY 2024/2025		FY 2023/2024	
	Kshs		Kshs	
Trade payables	48,491,634		1,404,393	
Total trade and other payables	48,491,634		1,404,393	
Ageing analysis: (Trade and other payables)	FY	% of	FY	% of
	2024/2025	the	2023/2024	the
		Total		Total
Under one year	48,491,634	100%	1,404,393	100%
Total (tie to above total)	48,491,634	100	1,404,393	100
		%		%

19. Current Provisions

Description	Gratuity Provision	Total
	Kshs	Kshs
Balance b/f	0	0
Additional provisions	1,184,075	1,184,075
Total provisions year end	1,184,075	1,184,075

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20. Related Party Disclosures

Nature of related party relationships

The Kenya Health Professions Oversight Authority has no other parties related to the authority who have a ability to exercise control or exercise significant influence over its operating and financial position

Government of Kenya

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

Other related parties include:

- i) The Parent Ministry.
- ii) County Governments.
- iii) Other SCs and SAGAs.
- iv) State Departments.
- v) Key management.
- vi) Board of directors.

21. Events after the Reporting Period

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

22. Ultimate And Holding Authority

The Authority is a State Corporation/ or a Semi-Autonomous Government Agency under the Ministry of Health. Its ultimate parent is the Government of Kenya.

23. Currency

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

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20. Appendices

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

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES				
1.	Non-submission of Financial statements	The management acknowledges auditors’ observation that the Authority did not prepare Financial Statements from 30 th June, 2020 up to 30 th June, 2023, as required by the PFM Act, 2012. The Management hereby states that during the four (4) year’s period, the Authority was not an independent Agency from the Ministry of Health and was receiving itemized budget for its’ operations. All its operations and expenditure were controlled and accounted for by the Ministry, including submission of financial statements.	Resolved. The Authority submitted its quarterly report to the National Treasury as stipulated in section 83 of Public Finance Management Act 2015, and prepared its Annual Report and Financial Statement as per section 81 of the Act.	Resolved

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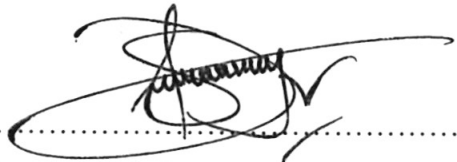
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2.	Employee Acting Capacity beyond stipulated period.	<p>The Management confirms that the position of Directors in Corporate Services; Complaints and Arbitration; Planning, Monitoring and Quality Assurance; Inspection, Registration and Compliance; Heads of Finance; Procurement; and Corporate Communication were appointed in acting capacity for more than six months. This was because the Authority did not have approved budget and financial resources to fill these positions substantively. The personnel occupying these positions were deployed from the Ministry of Health since the Authority had not recruited its own staff due to lack of budgetary allocations.</p> <p>However, the Authority has an allocated budget FY 2024/2025 for recruitment of staff and the above positions, including other critical positions will be filled substantively when the Authority receives concurrence and approval from the National Treasury</p>	<p>The Authority was allocated funds in FY 2024/25 to recruit additional staff in Finance, Supply Chain Management, Corporation Secretary/ Legal among other positions. In addition, the positions for Directors were confirmed to those in previous acting positions</p>	Resolved
REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE				
1.	Inadequate Staffing levels	<p>The Authority has 16 staff out of the approved establishment of 89 personnel. Of the 16, the Authority has employed 7 personnel on local contract while 9 are employees deployed by the Ministry of Health. The management also confirms that critical positions of ICT, Internal Audit, Human Resource among others have not been filled, thus affecting adequate segregation of duties and effective service delivery.</p>	<p>The Authority has currently employed eleven (11) additional staff, bringing the total staff to twenty-two (22).</p>	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>However, the Board as provided in the approved Authority's Grading and staffing Structure has approved recruitment of staff to the above critical positions in the FY 2024/ 2025.</p>	<p>This represents 25% of the approved establishment of eighty-nine (89) positions. The shortfall is attributed to inadequate budgetary allocation</p>	
2.	Weakness in Preparing Schedules and Reconciliations	<p>The management acknowledges delays in submitting the bank reconciliation statements to The National Treasury and Office of Auditor General because of the capacity inadequacy as the Authority was relying on the Ministry of Health Personnel who were not available on a regular basis. However, these have so far been prepared and available for audit verification.</p> <p>Further, the Authority has recruited Accounts Personnel and hence Bank reconciliations for FY 2024/2025 are prepared and submitted accordingly. The Management has also taken note on the observations on Bank Reconciliation and has taken corrective measures as follows;</p> <p>i. Indicated the Preparers of Bank reconciliations for both KCB (K) Ltd and NBK Banks</p>	<p>The Authority has maintained and has been submitting bank Reconciliation statement as per Regulation 90 of the Public Finance Management (National Government).</p>	Resolved

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<ul style="list-style-type: none"> ii. Indicated the correct dates when bank reconciliations were done iii. Appended signatures of the Authorized staff iv. Reconciliation of the long outstanding cash balances prepared. 		



**Dr. KIOKO Jackson K. OGW, MBS, EBS
CHIEF EXECUTIVE OFFICER/DG
KENYA HEALTH PROFESSIONS OVERSIGHT AUTHORITY**

Date: