



KENYA NATIONAL AUDIT OFFICE



REPORT
OF
THE AUDITOR-GENERAL
ON
THE FINANCIAL STATEMENTS OF
MEDICAL PRACTITIONERS AND DENTISTS
BOARD
FOR THE YEAR ENDED
30 JUNE 2014

MEDICAL PRACTITIONERS AND DENTISTS BOARD

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30 JUNE 2014

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

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KEY ENTITY INFORMATION

Background information

ESTABLISHMENT OF THE BOARD

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

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

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

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

FUNCTIONS OF THE BOARD

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

Principal Activities

The principal activity of the board is to:

1. Register medical and dental practitioners
2. Maintain an annual register of medical and dental practitioners
3. Supervise medical and dental education,
4. Enforce Continuous Professional Development,
5. Supervise internship training,
6. Inspect and register medical institutions,
7. Regulate the practice of medicine and dentistry
8. Advise Minister for Health of quality health care,
9. Monitor research on human subjects.

List of Board Members

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

Name	Designation	Appointment Date:	Retirement/Resignation Date:
1. Prof. George A. O. Magoha	Chairman	1/11/2009	
2. Dr. Alice K. Mutungi	Vice Chairman	1/11/2009	
3. Dr. Francis M. Kimani	DMS/Registrar	1/11/2009	Retired 30/6/2014
4. Dr. Nicholas Muraguri	DMS/Registrar	1/7/2014	
5. Dr. Judith Bwonya	Member	1/11/2009	Resigned 15/1/2013
6. Dr. David T. Kiima	Member	1/7/2013	
7. Dr. Fatmah K. Abdallah	Member	1/11/2009	
8. Dr. Joel L. Ole Kiyapi	Member	1/11/2009	
9. Dr. Mahendra B. Pancholi	Member	1/11/2009	
10. Dr. Loise C. Mutai	Member	1/11/2009	
11. Prof. Zipporah Ngumi	Member	1/11/2009	
12. Prof. Barasa K. Otsyula	Member	1/11/2009	
13. Dr. Josephine Omondi	Member	1/11/2009	
14. Dr. Stephen Ochiel	Member	1/11/2009	
15. Dr. Elly N. Opot	Member	1/11/2009	
16. Dr. Samson Wanjala	Member	1/11/2009	
17. Prof. Jacob Kaimenyi	Member	1/11/2009	Resigned 16/5/2013
18. Prof Evelyne Wagaiyu	Member	1/7/2013	
19. Dr. Tom Ochola	Member	1/11/2009	
20. Mr. Daniel M. Yumbya	CEO/Secretary		

CEO/Secretary

Mr. Daniel M. Yumbya
P.O. Box 44839 -00100
Nairobi

Registered Office

M P D B House
Woodlands Road
P.O. Box 44839, 00100
Nairobi, KENYA

Headquarters

M P D B House
P.O. Box 44839, 00100
Woodlands Road
Nairobi, KENYA

Contacts

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E-mail: medicalboard@wnanchi.com
Website: www.medicalboard.co.ke

Bankers

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

Independent Auditors

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

Principal Legal Advisers

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

BOARD MEMBERS

Board members	Board member's date of birth & key qualification
1. Prof. George A. O. Magoha	D.O.B: 2/7/1952 Qualification: FCS (ECSA) 2002
2. Dr. Alice K. Mutungi	D.O.B: 15/8/1955 Qualification: M.Med (Obs &Gyna) (Nairobi) 1991
3. Dr. Francis M. Kimani	D.O.B: 15/6/1954 Qualification: M.Med (Int.Med) (Nairobi) 1986
4. Dr. Nicholas M. Muraguri	D.O.B: 15/4/1971 Qualification: MBCHB (Moi) 1998 MPH 2004
5. Dr. Judith Bwonya	D.O.B: 24/9/1956 Qualification: MPH (Pub. Health) (Nairobi) 1987
6. Dr. David T. Kiima	D.O.B: 30/6/1956 Qualification: M.Med (Psych) (Nairobi) 1987
7. Dr. Fatmah K. Abdallah	D.O.B: 13/8/1961 Qualification: M.Med (Path) (Nairobi) 1996
8. Dr. Joel L. Ole Kiyiapi	D.O.B: 15/8/1958 Qualification: M.Med (Int. Med) (Nairobi) 1955
9. Dr. Mahendra B. Pancholi	D.O.B: 14/8/1950 Qualification: DV & Derm (Baroda) 1977
10. Dr. Loise C. Mutai	D.O.B: 30/5/1962 Qualification: M.Med (Paed) (Nairobi) 1999
11. Prof. Zipporah Ngumi	.O.B: 7/9/1949 Qualification: FFARCS (England) 1981
12. Prof. Barasa K. Otsyula	D.O.B: 17/2/1947 Qualification: M.Med (Surg) (Nairobi) 1980
13. Dr. Josephine Omondi	D.O.B: 2/7/1962 Qualification: M.Med (Psych) (Nairobi) 1997
14. Dr. Stephen Ochiel	D.O.B: 7/1/1949 Qualification: M.Med (Obs & Gyna) (Nairobi) 1981
15. Dr. Elly N. Opot	D.O.B: 10/10/1964 Qualification: M.Med (Surg) (Nairobi) 1999
16. Dr. Samson H. Wanjala	D.O.B: 17/6/1946 Qualification: M.Med (Obs &Gyna) (Nairobi) 1980
17. Prof. Jacob T. Kaimenyi	D.O.B: 22/7/1952 Qualification: MDS (Mangalore) 1982
18. Prof Evelyne Wagaiyu	D.O.B: 15/11/1958 Qualification: MSc. Periodontology (London) 1989
19. Dr. Tom Ochola	D.O.B: 14/1/1960 Qualification: DDR.RCR (UK) 1993
20. Mr. Daniel M. Yumbya	D.O.B: 30/1/1960 Qualification: MBA (Int.) ECU (Austr) 2012

MANAGEMENT TEAM

Name	Area of responsibility
1. Dr. Nicholas Muraguri	DMS/Registrar
2.Mr. Daniel M. Yumbya	Chief Executive Officer/Secretary
3.Mr. John Kariuki	Senior Licencing Officer
4.Mr. Philip Ole Kamwaro	Internal Auditor
5.Mr. Sospeter Oyano	Accountant
6.Ms. Eunice Muriithi	Legal Officer
7.Mr. Duncan Mwai	IT Officer

CHAIRMAN'S STATEMENT

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

1. Register medical and dental practitioners
2. Maintain an annual register of medical and dental practitioners
3. Supervise medical and dental education,
4. Enforce Continuous Professional Development,
5. Supervise internship training,
6. Inspect and register medical institutions,
7. Regulate the practice of medicine and dentistry
8. Advise Minister for Health of quality health care,
9. Monitor research on human subjects.

REGISTRATION

This is a continuous process and as of 30th June 2014, the total number of registered doctors was **538**.

PRIVATE PRACTICE

In the year under review, **2,616** doctors were licensed to do private practice either on full time or part time basis.

INSPECTIONS

The Board has been involved in singular and joint inspections to ensure quality healthcare to all Kenyans. During the year in the review the Board inspected a total of **11** new internship training centers and **12** existing internship training centers. The Board together with other Health Regulatory Boards was also able to inspect a total of **401** health facilities. A total **68** were closed down due to lack of qualified personnel, licenses, incinerators and poor waste management. A total of **72** persons were arrested and charged in court for various offenses related to the practice of medicine and dentistry. This process will continue to ensure that illegal clinics are closed down and that proper medicine care is provided to the entire public.

CONTINUOUS PROFESSIONAL DEVELOPMENT (CPD)

The Board developed and disseminated CPD guidelines to all providers in order to continuously improve their knowledge and skills. The Board has conducted regional workshops where doctors were included in the new requirement of acquiring the requisite points before renewal of the private practice licenses and retention in the doctors register.

REGIONAL CORPORATION

On Regional Corporation, the Board has been at the fore front in strengthening Regional Integration in the East Africa Community (EAC) level. The Board initiated and partly funded regional workshops that developed Regional Guidelines for the establishment and inspection of medical and dental schools. The Board also participated in the EAC Joint Inspection of Medical and Dental schools were inspected. Based on the above inspections, EAC Partner States National trained in the above medical/dental schools will be given reciprocal registration without being subjected to any examinations.

A big Number of Kenyans trained in the above institutions are beneficiaries.

PROPOSED OFFICE BLOCK

During the year under review, the Board saved Kshs.45.6 Million towards proposed Office Block. The Money has been saved in Treasury Bills to accrue interest. Finally the Board will continue to discharge its mandate fairly and firmly without fear or favor to ensure quality health care to all citizens of this country and to involve all the stakeholders in its endeavors.

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

CHAIRMAN

MEDICAL PRACTITIONERS AND DENTISTS BOARD

DIRECTOR OF MEDICAL SERVICES/REGISTRAR REPORT

The Medical Practitioners and Dentists Board (MP&DB) is committed to its mission of ensuring provision of high quality and ethical healthcare through appropriate regulation of training, registration, licensing, inspections and professional practice.

The Board places high premium on quality of human life through appropriate regulation of training, professional practice and service provision. The Board has undertaken collaborative initiatives with other regulatory bodies and the public aimed at ensuring that only registered and competent health professionals are allowed to practice.

In this regard, the Board continues to conduct Internship Qualifying and Assessment/Pre-Registration Examinations as well as Peer Reviews for foreign trained graduates to ensure they meet the Board's standards. In 2014, the Board conducted these examinations thrice at the University of Nairobi School of Medicine and Dental Sciences.

There has been an increase in the number of medical schools in Kenya in the last years resulting in the need for a standardized curriculum for Medical and Dental Training. The new core curricula defines the core of medical and dental education while seeking to empower educators in their effort to bring about change and serving as a guide to medical student's choices. It is aimed at standardizing the competencies of doctors who undergo training in the accredited medical and dental schools in the country.

The Board has developed a strategic plan 2013-2018 in line with the Ministry of Health's own Strategic Plan; the Kenya Vision 2030 national policy blueprint; the MP&DB Act 253 of the Laws of Kenya as well as in full compliance with the national Constitution of Kenya (2010). I call upon all the key actors to maximize their skills, knowledge and expertise in order to ensure its successful implementation and delivery for the collective benefit of all out citizens

Finally, the Board affirms the need for cooperation between the public and the medical professionals in promoting the provision of quality health care at all times.

DR. NICHOLAS MURAGURI, OGW
DIRECTOR OF MEDICAL SERVICES/REGISTRAR

REPORT OF THE CHIEF EXECUTIVE OFFICER

Before I take this opportunity to highlight the achievements of the board over the last year, I must first of all give special thanks to the Chairman, the Registrar and the Board Members who served through financial year 2013/14. Their personal impact can be tracked through some of the world-leading approaches to improvement we have seen in the efficiency and effectiveness in discharging our mandate, and their commitment to this work is most concisely summed up in the annual report.

Performance Contracts

The Board Chairman signed a contract with the Principal Secretary, Ministry of Health and we have ensured that set targets are met. All members of staff signed performance contracts with the Board and has been appraised to ensure conformity with the set targets. With the performance contracts and performance appraisals, delivery of service to our clients has greatly improved.

Customer Service Charter

The Board is implementing Customer Service Charter which is a contract between stakeholders and the Board. The service charter is used as a benchmark during the formation and implementation of strategic approaches to ensure efficiency in the delivery of services culminating in the quality health care for all Kenyans.

Regional Integration

The Board has continued to work together with EAC Partners States Board and Councils in the area of joint Inspections for Medical and Dental Schools. The Board is also a member of Association of Medical Councils of Africa (AMCOA), whose secretariat is at the Health Professional Council of South Africa (HPCSA), Pretoria. There is a continued information exchange between AMCOA members and the sharing of the best and worst practices among the regulatory authorities.

Doctors Retention Register

In an effort to fight quacks and the misuse of the title- "Doctor", the Board has now put in the Website www.medicalboard.co.ke the list of all medical and dental practitioners allowed to practice medicine and dentistry in the country.

As a secretariat, we are committed to continue improving the level of service delivery to ensure that our clients take the shortest time possible whenever they visit our offices, which will continue to remain open during lunch hours.

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

CORPORATE GOVERNANCE STATEMENT

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

The board approval is required for: major investments, including the acquisition or disposal of any asset, entering into contracts and any changes to the board's long-term objectives and strategies; and the annual recurrent and capital expenditure budgets.

The board fulfils a number of its most important functions through its committees.

Meetings

Thirty two scheduled board committee meetings were held during the year ended 30th June, 2014 and there were a further three additional full board meetings. A number of other conferences and workshop meetings were attended by selected board representatives.

One of the scheduled board meetings was an extended strategy review session at which presentations on development and implementation of the board's strategies were made to the board by management and the board debated the board's strategies and strategic plan 2013-2018. To further their understanding of the board and their relationship with the operating activities, some representatives were able to attend meetings and conferences held by various boards and councils, following which they reported back to the board on matters of interest. Prior to each meeting, comprehensive board papers are circulated to the board members addressing not only the regular agenda items on which the management will report, but also details of any areas requiring approval or decisions such as significant acquisitions or important decisions..

Conflicts of interest

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

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

CHAIRMAN

MEDICAL PRACTITIONERS AND DENTISTS BOARD.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

The board has been involved in corporate social responsibility but in the year under review the board has concentrated on building its capacity through creating space to cater for the much needed work force in order to effectively and efficiently execute its mandate. Since the board does not get funding from the government, it raises revenue through internal sources by cutting down on cost and cumulatively save these funds in a development account. This fund is then invested in treasury bills to accrue interest.

Going forward, the board intends to align itself with activities that will impact positively in social circles through organizing medical camps, patient rights awareness among other social acts.

REPORT OF BOARD MEMBERS

The board members submit their report together with the audited financial statements for the year ended June 30, 2014 which show the state of the affairs.

Principal activities

The principal activities of the entity are (continue to be) ...

1. Register medical and dental practitioners
2. Maintain an annual register of medical and dental practitioners
3. Supervise medical and dental education,
4. Enforce Continuous Professional Development,
5. Supervise internship training,
6. Inspect and register medical institutions,
7. Regulate the practice of medicine and dentistry
8. Advise Minister for Health of quality health care,
9. Monitor research on human subjects.

Results

The results for the year ended June 30, 2014 are set out on page 17

Board Members

The members of the Board who served during the year are shown on page 3 In accordance with CAP 253 Laws of Kenya and the accompanying Regulations.

Auditors

The Auditor General is responsible for the statutory audit of the entity in accordance with the Section 15(2) of the Public Audit Act, 2003 and submits the audit report in compliance with Article 229(7) of the constitution of Kenya to Parliament.

STATEMENT OF BOARD MEMBERS RESPONSIBILITIES

Public Finance Management Act, 2012 and the State Corporations Act; requires the board to prepare financial statements, which give a true and fair view of the state of affairs at the end of the financial year 2013/2014 and the operating results. The board is also required to ensure that it keeps proper accounting records which disclose with reasonable accuracy the financial position. The board is also responsible for safeguarding the assets.

The Board is responsible for the preparation and presentation of financial statements, which give a true and fair view of the state of affairs for and as at the end of the financial year ended on June 30, 2014. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS), and in the manner required by the PFM Act and the State Corporations Act. The Board is of the opinion that the financial statements give a true and fair view of the state of transactions during the financial year ended June 30, 2014, and of the financial position as at that date. The Board further confirm the completeness of the accounting records maintained, which have been relied upon in the preparation of the financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The board's financial statements were approved by the Board on 30th September, 2014 and signed on its behalf by:

Chief Executive Officer  Date 25/2/15

DMS/Registrar  Date 25.2.15

Chairman  Date 25/2/15



KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON MEDICAL PRACTITIONERS AND DENTISTS BOARD FOR THE YEAR ENDED 30 JUNE 2014

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Medical Practitioners and Dentists Board set out on pages 17 to 28. which comprise the statement of financial position as at 30 June 2014, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 14 of the Public Audit Act, 2003. 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 13 of the Public Audit Act, 2003.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 15(2) of the Public Audit Act, 2003 and submit the audit report in compliance with Article 229(7) of the constitution of Kenya. The audit was conducted in accordance with International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Board as at 30 June 2014, its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards and comply with the Medical Practitioners and Dentists Act, Cap.253 of the Laws of Kenya.



Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

4 March 2015

MEDICAL PRACTITIONERS AND DENTISTS BOARD

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 Kshs	2013 Kshs
REVENUES			
Fees	10	112,698,000	97,284,200
Other Income	11	21,384,992	14,950,749
TOTAL REVENUES		134,082,992	112,234,949
OPERATING EXPENSES			
General Costs	12a	85,498,029	67,389,338
Depreciation of property, plant and equipment	12b	1,620,659	842,411
TOTAL OPERATING EXPENSES		87,118,688	68,231,749
SURPLUS/ (DEFICIT)		46,964,304	44,003,200
Finance Income	14	8,058,755	5,572,522
Finance Costs	15	(153,778)	(149,280)
SURPLUS/ (DEFICIT)		54,869,281	49,426,442

MEDICAL PRACTITIONERS AND DENTISTS BOARD

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2014

ASSETS	Note	2014 Kshs	2013 Kshs
Current Assets			
Trade and other receivables	17	1,675,417	1,766,158
Short-term deposits	18a	37,250,000	81,450,000
Cash at Bank	18b	82,309,828	8,685,028
Cash at Hand	18b	405,200	321,555
Total Current Assets		121,640,445	92,222,741
Non-Current Assets			
Property, plant and equipment	16	54,920,426	28,232,436
Total Non-Current Assets		54,920,426	28,232,436
TOTAL ASSETS		176,560,871	120,455,177
LIABILITIES			
Current Liabilities			
Trade and other payables	20	2,833,372	1,596,959
Total Liabilities		2,833,372	1,596,959
NET ASSETS		173,727,499	118,858,218
Accumulated fund		39,651,017	39,651,017
Surplus		134,076,482	79,207,201
Total Net Assets and Liabilities		173,727,499	118,858,218

The financial statements were approved by the Board on 30th September, 2014 and signed on its behalf by:


Chairman


DMS/Registrar


Chief Executive Officer

MEDICAL PRACTITIONERS AND DENTISTS BOARD

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 30 JUNE 2014

	Accumulated fund	Surplus	Total
At July 1, 2011	39,651,017	5,378,436	45,029,453
Surplus	-	24,402,323	24,402,323
At June 30, 2012	39,651,017	29,780,759	69,431,776
At July 1, 2012	39,651,017	29,780,759	69,431,776
Surplus	-	49,426,442	49,426,442
At June 30, 2013	39,651,017	79,207,201	118,858,218
At July 1, 2013	39,651,017	79,207,201	118,858,218
Surplus	-	54,869,281	54,869,281
At June 30, 2014	39,651,017	134,076,482	173,727,499

MEDICAL PRACTITIONERS AND DENTISTS BOARD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 Kshs	2013 Kshs
OPERATING ACTIVITIES			
Receipts		142,141,747	117,807,471
(Increase)/Decrease in Trade Receivables		90,741	(642,365)
Increase/(Decrease) in Trade Payables		1,236,413	42,418
Payments		(85,651,807)	(67,538,618)
Net Cash flow from operating activities	21a	57,817,094	49,668,906
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	16	(28,308,649)	(1,702,296)
Net cash generated from/(used in) investing activities		(28,308,649)	(1,702,296)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR			
		90,456,583	42,489,974
CASH AND CASH EQUIVALENTS AT END OF THE YEAR			
		<u>119,965,028</u>	<u>90,456,583</u>

MEDICAL PRACTITIONERS AND DENTISTS BOARD

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

FOR THE YEAR ENDED 30 JUNE 2014

	Original budget	Adjustments	Final budget	Actual on	Performance
	2013-2014	2013-2014	2013-2014	Comparable	difference
	Kshs '000	Kshs '000	Kshs '000	basis	
				2013-2014	2013-2014
				Kshs '000	Kshs '000
Revenue					
Fees	106,982	4,000	110,982	112,961	(1,979)
Other Receipts	13,596	7,000	20,596	21,122	(526)
Finance Income	2,602	5,000	7,602	8,059	(457)
Total income	123,180	16,000	139,180	142,142	(2,962)
Expenses			-		
Staff Costs	12,117	4,500	16,617	16,601	16
Board Allowances	14,728	3,000	17,728	17,665	63
Electricity and Water	336	-	336	230	106
Telephone & Postage	1,095	-	1,095	712	383
Travelling & Accommodation	3,200	2,000	5,200	5,666	(466)
Advertisement & Publicity	550	200	750	717	33
Staff Training Expenses	850	-	850	642	208
Insurance Costs	2,300	-	2,300	1,708	592
Bank Charges & Commissions	150	-	150	135	15
Office and General Supplies and Services	4,925	-	4,925	2,753	2,172
Auditor's Remuneration	200	-	200	300	(100)
Legal Fees	3,300	2,000	5,300	5,822	(522)
Repairs and Maintenance	3,100	-	3,100	3,183	(83)
Other Operating Expenses	20,484	11,500	31,984	31,146	838
Total expenditure	67,335	20,550	87,885	87,281	604
Surplus for the period	55,845	(4,550)	51,295	54,861	(3,566)

MEDICAL PRACTITIONERS AND DENTISTS BOARD

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of compliance and basis of preparation – IPSAS 1

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

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

2. Revenue recognition

Revenue has been recognised to the extent that it is probable that future economic benefits will flow to the board and the revenue can be reliably measured. Revenue is recognised at the fair value of consideration received or expected to be received in the ordinary course of activities, net of value-added tax (VAT), where applicable, and when specific criteria have been met for each of the activities as described below.

- a. **Revenue from the sale of services and goods** are recognised in the year in which the board actually receives such fees.
- b. **Grants from National Government** are recognised in the year in which such grants are actually received.
- c. **Finance income** comprises interest receivable from bank deposits and investment in securities, and is recognised in profit or loss on a time proportion basis using the effective interest rate method.
- d. **Rental income** is recognised in the income statement as it accrues using the effective lease agreements.
- e. **Other income** is recognised as it accrues.

3. Property, plant and equipment

All categories of property, plant and equipment are initially recorded at cost less accumulated depreciation and impairment losses.

Increases in the carrying amounts of assets arising from re-valuation are credited to other comprehensive income. Decreases that offset previous increases in the carrying amount of the same asset are charged against the revaluation reserve account; all other decreases are charged to profit or loss in the income statement.

Gains and losses on disposal of items of property, plant and equipment are determined by comparing the proceeds from the disposal with the net carrying amount of the items, and are recognised in profit or loss in the income statement.

MEDICAL PRACTITIONERS AND DENTISTS BOARD

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. Depreciation of property, plant and equipment

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

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

The annual rates in use are:

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

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

5. Trade and other receivables

Trade and other receivables are recognised at fair values less allowances for any uncollectible amounts.

A provision is made of doubtful receivables based on a review of all outstanding amounts at the year end.

6. 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, 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 at various commercial banks: Kenya Commercial Bank, Barclays Bank of Kenya and Cooperative Bank of Kenya at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term deposits in treasury bills held at Central Bank of Kenya.

7. Trade and other payables

Trade and other payables are non-interest bearing and are carried at cost, which is measured at the fair value of contractual value of the consideration to be paid in future in respect of goods and services supplied whether billed to the board or not, less any payments made to the suppliers.

8. Comparative figures

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

9. 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, 2014

**MEDICAL PRACTITIONERS AND DENTISTS BOARD
NOTES TO THE FINANCIAL STATEMENTS (Continued)**

	2014 Kshs	2013 Kshs
10. FEES		
Fees	112,698,000	97,284,200
<i>Note: The board raises its revenue from registration and licencing of doctors and private health institutions.</i>		
11. OTHER INCOME		
Other incomes	21,384,992	14,950,749
12(a) GENERAL COSTS		
Staff costs	16,601,218	10,578,632
Board allowances	17,664,625	14,013,900
Electricity and water	230,141	248,939
Telephone & Postage	712,163	860,543
Travelling & Accommodation	5,433,068	3,582,352
Advertising & Publicity	717,170	562,246
Staff training expenses	641,600	220,378
Insurance costs	1,787,683	1,430,161
Office and general supplies and services	2,753,426	2,499,837
Auditors' remuneration	300,000	292,000
Legal fees	5,822,005	2,129,547
Repairs and maintenance	3,182,725	3,373,915
Other operating expenses	29,652,205	26,605,197
	85,498,029	67,389,338
STAFF COSTS		
Salaries and allowances of permanent employees	16,462,978	10,462,712
Compulsory national health insurance schemes	61,440	51,520
Compulsory national social security schemes	76,800	64,400
	16,601,218	10,578,632
The average number of employees at the end of the year was:		
Permanent employees	21(twenty one)	
12(b) Depreciation of property, plant and equipment	1,620,659	842,411
13. SURPLUS/ (DEFICIT)	54,869,281	49,426,442
The surplus/(deficit) is arrived at after charging/ (crediting):		
Staff costs	16,601,218	10,578,632
Depreciation of property, plant and equipment	1,620,659	842,211
Board Allowances	17,664,625	14,013,900
Auditors' remuneration	300,000	292,000

MEDICAL PRACTITIONERS AND DENTISTS BOARD
NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2014	2013
	Kshs	Kshs
14. FINANCE INCOME		
Interest income on government securities	8,058,755	5,572,522
15. FINANCE COST		
Bank charges	153,778	149,280

MEDICAL PRACTITIONERS AND DENTISTS BOARD

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. PROPERTY, PLANT AND EQUIPMENT

POST	Freehold land	Building & civil works	Motor vehicles	Computers & related equipment	Office equipment, furniture & fittings	Capital work in progress	Total
At July 1, 2012	18,877,446	6,553,610	6,829,028	2,367,409	4,069,459	-	38,696,952
Additions	-	-	-	180,000	226,896	1,295,400	1,702,296
At June 30, 2013	18,877,446	6,553,610	6,829,028	2,547,409	4,296,355	1,295,400	40,399,248
At July 1, 2013	18,877,446	6,553,610	6,829,028	2,547,409	4,296,355	1,295,400	40,399,248
Additions	-	-	3,586,481	130,500	-	24,591,668	28,308,649
At June 30, 2014	18,877,446	6,553,610	10,415,509	2,677,909	4,296,355	25,887,068	68,707,897
DEPRECIATION							
At July 1, 2012	-	1,440,779	5,664,246	2,002,573	2,216,803	-	11,324,401
Charge for the year	-	127,821	291,195	163,451	259,944	-	842,411
At June 30, 2013	18,877,446	1,568,600	5,955,441	2,166,024	2,476,747	-	12,166,81
At July 1, 2013	-	1,568,600	5,955,441	2,166,024	2,476,747	-	12,166,81
Charge for the year	-	124,625	1,115,017	153,566	227,451	-	1,620,659
At June 30, 2014	18,877,446	1,693,225	7,070,458	2,319,590	2,704,198	-	13,787,471
NET BOOK VALUE							
At June 30, 2014	18,877,446	4,860,385	3,345,051	358,320	1,592,157	25,887,068	54,920,426
At June 30, 2013	18,877,446	4,985,010	873,587	381,385	1,819,608	1,295,400	28,232,436

MEDICAL PRACTITIONERS AND DENTISTS BOARD

NOTES TO THE FINANCIAL STATEMENTS (Continued)	2014	2013
	Kshs	Kshs
17. TRADE AND OTHER RECEIVABLES		
MWENESI & CO ADVOCATES	2,235,000	2,235,000
IMMIGRATED DOCTORS	756,500	756,500
RD CHEQUES	315,500	793,000
PREPAYMENTS	731,075	565,934
SAFARICOM	407,224	407,224
CELTEL	221,618	-
	<u>4,666,917</u>	<u>4,757,658</u>
LESS:- PROVISIONS FOR BAD AND DOUBTFULL DEBTS		
	<u>(2,991,500)</u>	<u>(2,991,500)</u>
TOTAL	<u><u>1,675,417</u></u>	<u><u>1,766,158</u></u>

18. a SHORT TERM DEPOSITS		
Short term deposits	37,250,000	81,450,000

18. b BANK AND CASH BALANCES		
KCB Current a/c - 1103158643	644,546	1,985,159
KCB Savings a/c - 1102032154	1,540,521	2,096,098
Barclays Bank a/c -2022670517	79,828,074	4,307,942
Cooperative Bank a/c -011000062541500	296,687	295,830
Cash at Hand	405,200	321,555
	82,715,028	9,006,584

Note: The bulk of the cash at bank was held at Barclays Bank of Kenya and Kenya Commercial Bank, the board's main bankers.

19. SURPLUS	
The surplus represents amounts available for investments. Surplus are utilised to finance the board's capital activities.	

20. TRADE AND OTHER PAYABLES		
Trade payables	2,533,372	1,304,959
Audit fees	300,000	292,000
	2,833,372	1,596,959

MEDICAL PRACTITIONERS AND DENTISTS BOARD

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2014 2013

21. NOTES TO THE STATEMENT OF CASH FLOWS

Kshs Kshs

(a) Reconciliation of operating surplus/(deficit) to

Cash generated from Operations

Receipts

Fees	134,082,992	112,234,949
Interests	8,058,755	5,572,522
Less : Increase/(decrease) in trade and other receivables	(90,741)	(642,365)
	<u>142,232,488</u>	<u>117,165,107</u>

Payments

General costs	85,498,029	67,389,338
Finance costs	153,778	149,280
Less : (Increase)/ decrease in trade and other payables	<u>1,236,413</u>	<u>(42,418)</u>
	<u>84,494,313</u>	<u>67,496,200</u>
Net Cash flow from Operating Activities	<u>57,738,174</u>	<u>49,668,907</u>

(b) Analysis of cash and cash equivalents

Short term deposits	37,250,000	81,450,000
Cash at bank	82,309,828	8,685,028
Cash in hand	405,200	321,555
Balance at end of the year	119,965,028	90,456,583

22. RELATED PARTY DISCLOSURES

(a) Government of Kenya

The Government of Kenya is the principal shareholder of the Board, holding 100% of the board's interest.

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

(b) Employees

The board offers medical cover to its employees.

23. CAPITAL COMMITMENTS

Amounts authorised and contracted for	298,704,600	300,000,000
Less: Amounts incurred and included in work-in-progress	(24,591,668)	(1,295,400)
	274,112,909	298,704,600

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

24. INCORPORATION

The entity is incorporated in Kenya under the Cap 253 Laws of Kenya and is domiciled in Kenya.