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REPORT

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CLERK-AT-THE-TABLE:	Irene Nduku

OF

THE AUDITOR-GENERAL

ON

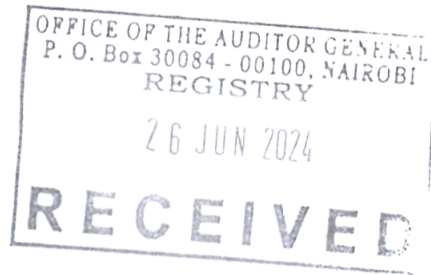
PHYSIOTHERAPY COUNCIL OF KENYA

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



REPUBLIC OF KENYA

TELEGRAPHIC ADDRESS
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PHYSIOTHERAPY COUNCIL OF KENYA

BEMUDA PLAZA
GROUND FLOOR
NGONG ROAD
NAIROBI

PHYSIOTHERAPY COUNCIL OF KENYA
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

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

Physiotherapy Council of Kenya

Annual Report and Financial Statements for the year ended June 30, 2022.

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Acronyms, Abbreviations and Glossary of Terms

A: Acronyms and Abbreviations

CEO	Chief Executive Officer
DG	Director General
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MD	Managing Director
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
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
WB	World Bank
VC	Vice Chancellor
PCK	Physiotherapy Council of Kenya
CPD	Continuous Professional Development

B: Glossary of Terms

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

Comparative Year- Means the prior period.



Physiotherapy Council of Kenya

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2. Key Entity Information and Management

a) Background information

Physiotherapy Council of Kenya is established under an Act of Parliament (Physiotherapists Act No 20 of 2014) whose main function is to make provision for training and licensing of Physiotherapists and to regulate their practice. The principal function is to protect health and safety of the public by ensuring ethical and competent Physiotherapists offer services to the public. The Council has a responsibility to ensure practitioners, Physiotherapy clinics/facilities premises comply with the set rules and standards.

At cabinet level, the Council is represented by the Executive Committee Members appointed as per provisions of section 6 (1) a to f of the Physiotherapy Council of Kenya Act No 20 of 2014 who are responsible for the general policy and strategic direction of the Council. The Council is domiciled in Kenya and has its head office in Nairobi – Bemuda Plaza, Ngong Road

b) Principal Activities

The principal activity of the Council is to regulate Physiotherapy practice by protecting the health and safety of the public by ensuring ethical and competent Physiotherapists offering services to the public. The Council has a responsibility to ensure practitioners, Physiotherapy clinics/facilities premises comply with the set rules and standards.

c) Key Management

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

- i) Board of Directors
- ii) Chief Executive Officer
- iii) Management

d) Fiduciary Management

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

No.	Designation	Name
1.	Chairperson	Dr. Nassib Tawa
2.	Alternate Principal Secretary Ministry of Health	Mr. Titus Kilika
3.	Council Member - Representing physiotherapists in private sector	Mr. Robert Mbajo
4.	Council Member - Representing Director Kenya Medical Training College (KMTC)	Dr. Leah Bii
5.	Council Member - Representing National Council for Persons with Disabilities	Hon Mohammed Gabbow

e) Fiduciary Oversight Arrangements

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

f) Entity Headquarters

Bemuda Plaza – Ground Floor
 Ngong Road
 P.O. Box 9813- 00100
 Nairobi

g) Entity Contacts

Telephone: (254) 20 440 4110/ 0701165338
 E-mail: registrar@physiocouncilkenya.org
 Website: www.physiocouncilkenya.org

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h) Entity Bankers

Kenya Commercial Bank Limited
Moi Avenue Branch
P.o Box 30081 – 00100
Nairobi

i) Independent Auditors

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
Government of Kenya
Nairobi

3. Board of Directors



The Directors who served the Council during the year were as follows:

NO.	NAME	POSITION	DATE OF APPOINTMENT	DATE LEFT
1	Dr. Nassib Tawa	Chairman	15 th September 2015	Active
2	Mr. Titus Kilika	Alternate Principal Secretary Ministry of Health	15 th September 2015	Active
3	Mr. Robert Mbajo	Council Member - Representing physiotherapists in private sector	15 th September 2015	Active
4	Dr. Leah Bii	Council Member - Representing Director Kenya Medical Training College (KMTC)	15 th September 2015	Active
5	Hon Mohammed Gabbow	Council Member - Representing National Council for Persons with Disabilities	15 th September 2015	Active

 <p>Dr. Nassib Tawa Chairman</p>	<p>Date of Birth: 1981</p> <p>Representing physiotherapists working in universities in Kenya which award the qualifications recognized by the Council</p> <p>Diploma in physiotherapy, BSc in Physiotherapy, MSc in physiotherapy, PhD in physiotherapy. Over 15 years in clinical and teaching experience. A senior lecturer in JKUAT, has previously worked in the many facilities in the ministry of health before rising to the position of deputy chief physiotherapists</p> <p>Appointed to the Board on 15th September 2015 as a Director.</p>
 <p>Mr. Titus Kilika Alternate Principal Secretary Ministry of Health</p>	<p>Date of Birth: 1963</p> <p>Diploma in physiotherapy, Degree in health financing A senior physiotherapists with over 30years of clinical and managerial experience. Has been a member of several boards and currently the chief physiotherapist in the Ministry of Health</p> <p>Appointed on 15th September 2015</p>

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	<p>Date of Birth: 1950</p> <p>Diploma in physiotherapy, Higher diploma in medical education.</p> <p>Experience: Over 40 Years in clinical and teaching experience.</p> <p>Currently he is the proprietor of Busybee Clinic, a private clinic.</p> <p>Appointed on 15th September 2015</p>
<p>Robert Mbajo- Representing physiotherapists in private sector</p>	<p>Date of Birth: 1962</p> <p>Medical doctor specialized in Public Health (Epidemiology and Biostatistics)</p> <p>Appointed on 15th September 2015</p>
	<p>Date of Birth: 1968</p> <p>BCom (accounting option) A member of ICPAK with over 20 years accounting experience. Served as an assistant minister between</p> <p>Currently the CEO of the National Council for Persons with Disabilities</p> <p>Appointed on 15th September 2015</p>
<p>Dr Leah Bii Representing Director KMTC</p>	<p>Hon Mohammed Gabbow – Representing National Council for Persons with Disabilities</p>

4. Key Management Team

There were no management team during the year under review

5. Chairman's Statement

In the spirit of continuous improvement and growth, the Physiotherapy Council of Kenya (PCK) remains steadfast in its commitment to overcoming challenges and seizing opportunities in the ever-evolving healthcare landscape.

Our journey in 2021-2022 has not only been about weathering the storm of the global pandemic but also about leveraging adversity to innovate and strengthen our core functions. PCK has embraced a proactive role in shaping the industry's future, emphasizing the importance of adaptability and forward-thinking.

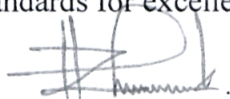
As we championed the review of the physiotherapists act and the development of clinical protocols, we recognized the need for a multi-faceted approach. Despite financial constraints and staffing limitations, PCK's resilience has been a testament to the passion and dedication of our members. We are actively addressing these challenges with creative solutions, exploring partnerships and avenues for sustainable growth.

Looking forward, our vision extends beyond mere survival; it encompasses a dynamic strategy for thriving in the years to come. Diversification of revenue sources, coupled with an unwavering commitment to operational efficiency, will be the cornerstone of our resilience. Embracing digital transformation will not only make our services more accessible but will also position PCK as a trailblazer in healthcare regulation.

PCK's ambitious plan to move all services online is a testament to our commitment to stakeholder convenience. This digital transition will not only streamline our processes but will also facilitate broader participation from physiotherapy professionals, ensuring a more inclusive and connected community.

In the pursuit of financial sustainability, PCK is exploring innovative models that go beyond traditional funding structures. By tapping into the power of technology and exploring novel partnerships, we aim to secure the resources necessary to maintain and enhance our services. This approach aligns with our broader mission to be a beacon of excellence, setting benchmarks for regulatory bodies across diverse sectors.

As we navigate the challenges and opportunities that lie ahead, we shall continue to deepen our stakeholder engagements in this transformative journey. Together, we will not only overcome obstacles but also create a future where physiotherapy thrives, and healthcare regulations set new standards for excellence.



for

Dr. Nassib Tawa
Chairman

6. Report of the Chief Executive Officer

As we reflect on the fiscal year 2021-2022, we find ourselves emerging from the shadows of the global pandemic, with optimism and resilience characterizing our journey. The year brought a glimmer of hope as the impacts of Covid-19 began to wane, allowing us to shift our focus towards recovery and growth.

Despite facing challenges over the past two financial years, I am pleased to announce that we have witnessed a positive turn in our financial performance. Our revenue, a key indicator of our organization's health, showed a notable improvement from Ksh 8,855,178.00 to Ksh 9,064,610.00. This uptick is a testament to the dedication and adaptability of our team during these unprecedented times.

In our commitment to serving the public, we continued our efforts in public sensitization and awareness creation. Through strategic partnerships and linkages, we amplified our outreach programs, ensuring that critical information reached the intended audiences. These initiatives were pivotal in fostering a sense of community and shared responsibility in the fight against health challenges.

The Physiotherapy Council of Kenya (PCK) played a crucial role in this endeavor. Serving as a cornerstone in the healthcare system, PCK spearheaded enforcement and compliance measures to maintain high standards within the industry. Our commitment to revenue recognition was unwavering, ensuring that every contribution made by our stakeholders was acknowledged and utilized for the betterment of our services.

The past year witnessed significant achievements that underscore our dedication to continuous improvement. We initiated the review of the physiotherapists act, a move aimed at modernizing our regulatory framework and ensuring relevance in the evolving healthcare landscape. Simultaneously, our efforts in the development of clinical protocols have laid the groundwork for enhanced patient care and safety.

As part of our commitment to quality, we conducted extensive inspections of health facilities across various counties to assess compliance levels. However, it is crucial to acknowledge the challenges we faced, particularly in the form of limited finances and low staffing levels. These hurdles have tested our resolve, but we remain resolute in our pursuit of excellence.

Looking forward, we recognize the need for a dynamic and agile approach to navigate the evolving healthcare landscape. The future outlook of PCK revolves around diversifying revenue sources, improving operational efficiencies, and embracing digital transformation. We envision moving all our services online, ensuring accessibility and convenience for all our stakeholders.

To address the challenges of limited finances and staffing, we are charting a course to diversify our revenue sources. This involves exploring innovative avenues to supplement our income, thereby ensuring the sustainability of our operations. Concurrently, we are committed to improving our internal processes to maximize efficiency and achieve cost savings.

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As we move forward, our focus remains on leveraging technology to enhance our services. The transition of all our services to online platforms will not only streamline processes but also make healthcare more accessible to a broader audience. We envisage a future where PCK is a beacon of excellence, setting benchmarks for regulatory bodies across sectors.

The year 2021-2022 was a period of resilience, adaptation, and growth for the Professional Council of Kenya. Our achievements, coupled with the lessons learned from challenges, position us for a future of innovation and impact.



Douglas Kotut

Chief Executive Officer

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7. Statement of Performance against Predetermined Objectives for FY 2021/2022

The Council's had not developed and crafted a strategic plan at the time of audit and therefore could not objectively compare the performance vas the strategic plan as required.

However, the Council is committed to ensure that it meets its mandate which as prescribed in the enabling Act

The Objectives are listed below:

Quality Objective	Performance against objectives
Prescribe the minimum educational requirements for persons wishing to be registered as physiotherapists; Sec 4, (2) 1 a)	Compliance with educational standards established and enforced
Consider and approve the qualifications of physiotherapists for the purposes of registration; Sec 4, (2) 1 b)	Timely review and approval of qualification applications undertaken
Cause to be maintained a register of all persons registered as physiotherapists: Sec 4, (2) 1 c)	Register for all persons registered as per the Act maintained
prescribe and conduct examinations for purposes of registration under this Act collaboration with the approved institutions; Sec 4, (2) 1 d)	Necessary structures to ensure delivery of credible examinations being put in place
approve institutions other than those established or accredited under the Universities Act, 2012, or the Technical and Vocational Education and Training Act, 2013 for the training of physiotherapists; Sec 4, (2) 1 e)	Seven institutions inspected and given temporary accreditation. Others to be inspected in the next financial year.
license the private practice of physiotherapists; Sec 4, (2) 1 f)	Efficient process of inspection of facilities and issuance of practice licenses has been put in place and is working well
Establish and maintain a professional code of conduct for all persons registered under this Act Sec 4, (2) 1 g)	Draft physiotherapy code of conduct developed, awaiting finalization.
regulate the professional conduct of registered physiotherapists and take such disciplinary measures as may be appropriate to maintain proper professional standards; Sec 4, (2) 1 h)	There is an established disciplinary committee that ensures that ensures adherence to regulations and professional codes of conduct.
establish, approve and accredit programs for continuing professional educational programs; Sec 4, (2) 1 i)	A robust process of approving CPD providers established. A list of approved CPD providers available.
cause to be published in the Kenya Gazette every calendar year or such other period as may be prescribed, the names of all registered physiotherapists; Sec 4, (2) 1 j)	List of approved physiotherapists published in the council website.



8. Corporate Governance Statement

The Council consists of a Board responsible for governance and a Secretariat headed by the Chief Executive Officer responsible for the day-to-day execution of the affairs of the Council.

The Board consists of;

- a) A Chairperson appointed by the Cabinet Secretary
- b) The Principal Secretary responsible for health or a designated representative not below the level of Chief Physiotherapist
- c) Director of the Kenya Medical Training College or a designated representative not below the level of Deputy Director;
- d) Director of the National Council for Persons with Disabilities or a designated representative not below the level of Deputy Director;
- e) physiotherapists working in the private sector
- f) physiotherapists working in the county governments;
- g) physiotherapists working in universities in Kenya which award the qualifications recognized by the Council under section 4;
- h) a representative of the governing organ of the Kenya Society of Physiotherapists.
- i) the Registrar who shall be the secretary to the Council.

The appointment of a member of the Board may be terminated by the appointing authority where the member-

- a) is adjudged bankrupt or enters into a composition or scheme of arrangement with his creditors;
- b) is convicted of an offence and sentenced to imprisonment for a term of six months or more without the option of a fine;
- c) is incapacitated by prolonged physical or mental illness from performing his duties as a member of the Authority; or
- d) Becomes, for any reason, incapable or incompetent of properly performing the functions of office.

No person shall be appointed as chairperson of the Council unless such person is-

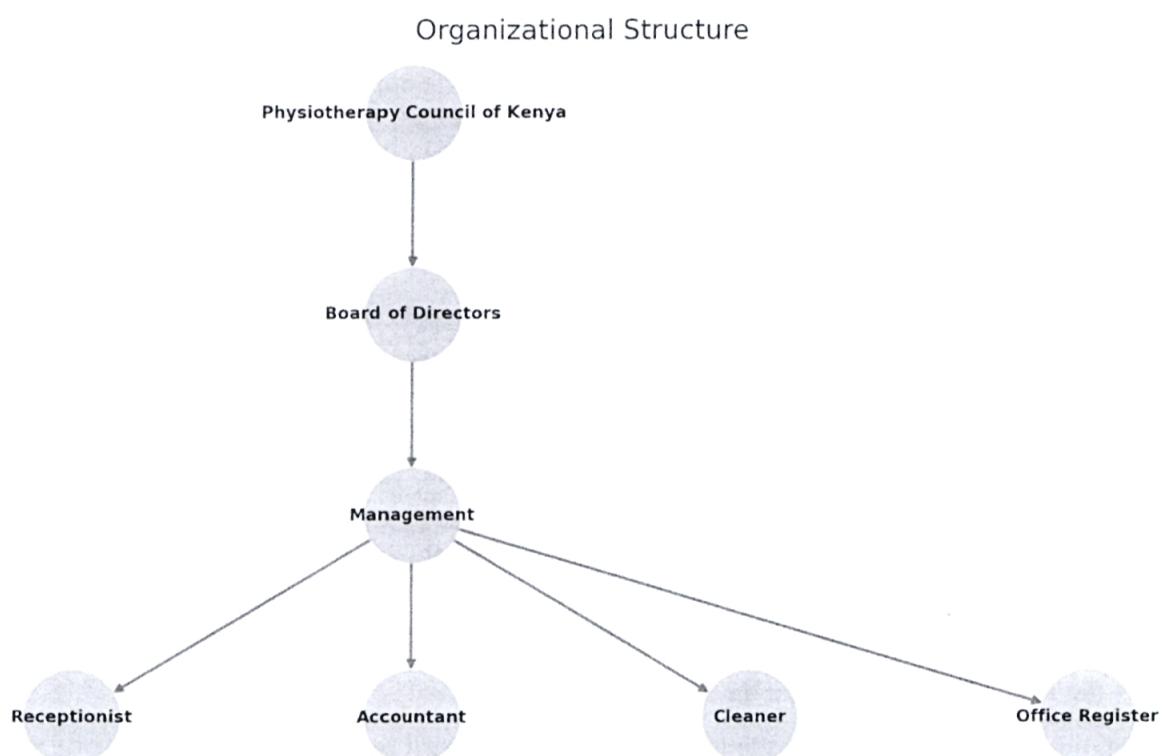
- (a) is registered under this Act as a physiotherapist; and
- (b) a physiotherapist of not less than ten years standing



The Council's Board of Directors has the appropriate mix of skills, knowledge and experience to perform its role effectively. The areas of expertise of the current Board of Directors are Physiotherapist and related Healthcare services providers and financial expertise.

In order to effectively and efficiently carry out its governance roles and responsibilities, the Board is in the process of establishing Committees.

Figure I: Governance structure



Board meetings

There were board meetings held during the year under review

Roles and functions of the Board.

The Board is responsible for the governance of the Council. The Council's act 2014 stipulates the governance parameters within which the Board exists and operates. A summary of the Board responsibilities are as follows;

Determine the organization's mission, vision, purpose and core values.

Set and oversee the overall strategy and approve significant policies of the organization.

- a) Ensure that the strategy is aligned with the purpose of the organization and the legitimate

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interests and expectations of its physiotherapy services and other stakeholders.

- b) Ensure that the strategy of the organization is aligned to the long-term goals of the organization on sustainability so as not to compromise the ability of future generations to meet their own needs.
- c) Approve the organizational structure.
- d) Approve the annual budget for the organization.
- e) Monitor the organization's performance and ensure sustainability.
- f) Enhance the corporate image of the organization.
- g) Ensure availability of adequate resources for the achievement of the organization's objectives.
- h) Ensure effective communication with stakeholders.

Board remuneration.

The Board members are paid sitting allowances for each meeting attended as per the existing SRC circulars. The Board Chairman is paid a monthly taxable honorarium of Ksh 15,000.

Conflict of interest

Directors have a statutory duty to avoid situations in which they have interests, which may conflict with the interests of the Authority. Upon presentation of the agenda items for the Committee or Board meetings, members present declare (non) existence of conflict of interest.

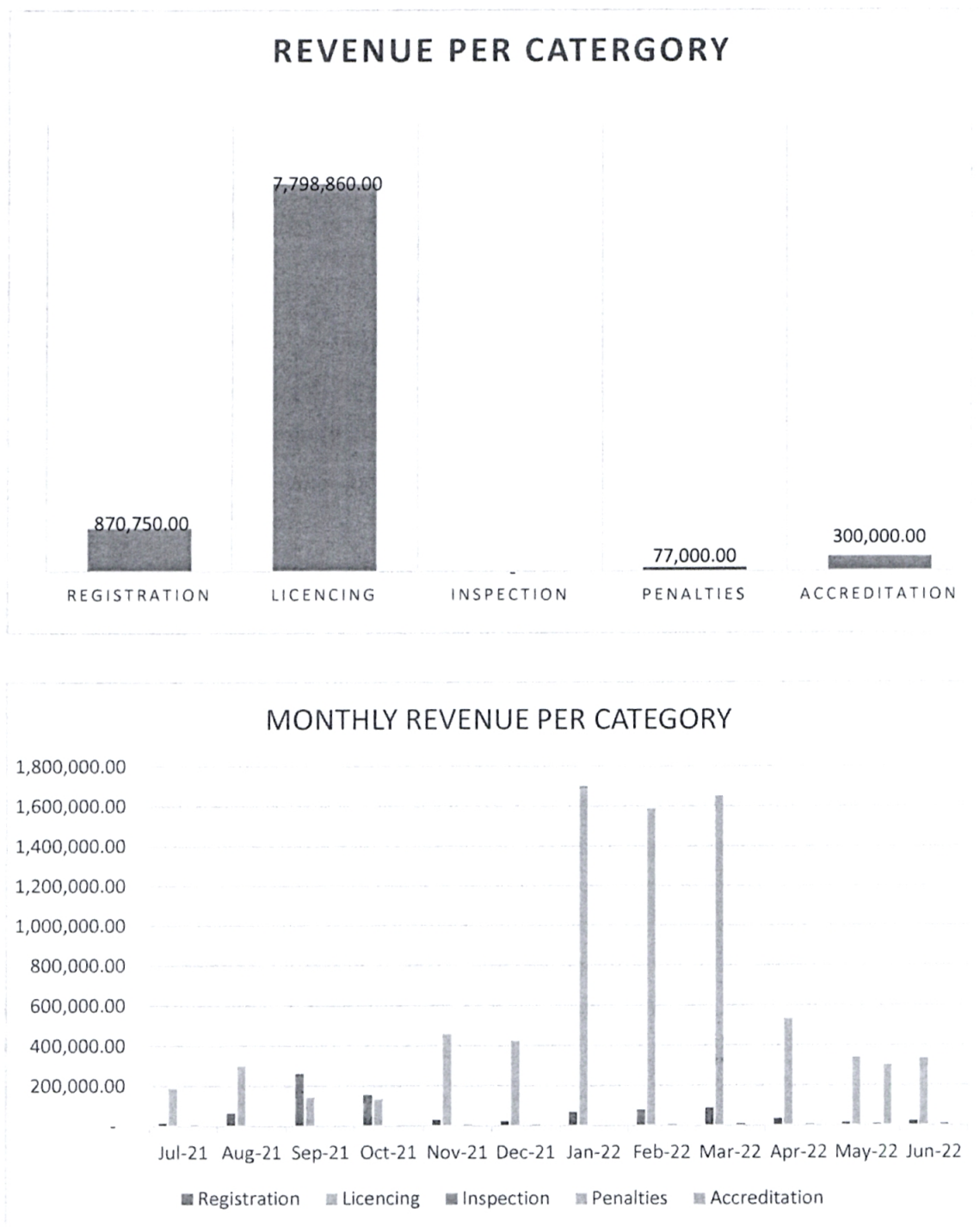
9. Management Discussion and Analysis

a) Financial Performance

The Council collected Kes. 9,046,610.00 from Member registration fees, Licensing fees, inspection fees, Penalties Charges and accreditation fees in the financial year 2021/2022.



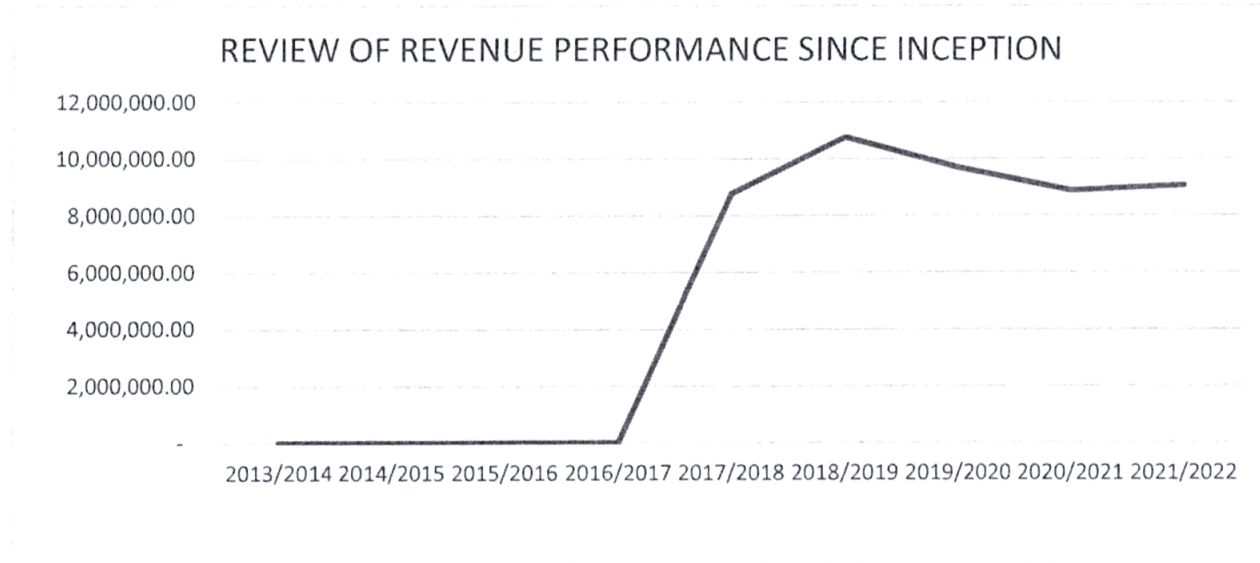
Figure II: Analysis of revenue collection from July 2021 to June 2022.





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Figure III: Review of financial performance since inception in 2014



The Council had not generated any revenue prior to financial year 2016/17 and thus no activities were done during initial years of set up.

Entity's compliance with statutory requirements

During the year, the council is not registered to submit all deduction due to statutory bodies including NHIF, NSSF, KRA and HELB.

Major Risks facing the entity

Operational risk: The Council's work is at times hampered by logistical issues such as lack of transport. Efficient and adequate mobility is critical for a Regulatory body like the Council, Inadequate Staffing as well as inadequate policy guidelines.

Financial risk: The Council had been relying heavily on registration and licensing fees with no single allocation from the ministry. Lack of Budget, many a time, expose the Council to financial constraints. The Council is increasingly collecting revenue from members and exploring other sources of income such as private sector and development agencies to support its work.

Legal risk: Some gaps have been identified in the corporate governance where there are no board committees especially the prescribed mandatory committees as per the Act thus non-compliance. There is increased efforts laid down to set up functional board committees to mitigate this risk

Political risk: Office tenure and constitution of a functional council can pose a significant risk to the council, delay in appointments of office bearers may as well hinder the council's operations. Often, issues are politicized and this adversely affects the Council's progress. The Council has however enhanced discussions and information sharing sessions with the members of the Ministry of Health as well as awareness creation for the Kenyan Citizenry to enhance understanding of the tenets of the law.

The entity's financial improbity and serious governance issues

The Council had no financial improbity or serious governance issues during the year.

Great milestones have so far been attained in the 4 years of the Council's existence. A Bill seeking to amend the Act in order to provide clarity for the effective implementation of this Act was submitted and tabled in cabinet and adopted. The amendments addressed salient issues that shall ensure Compliance and effective governance of physiotherapy in expanding duties and responsibilities of the Key driving committees as prescribed in the amendments. This will foster a clear mandate execution through the overarching councils guidelines and rules as envisaged through effective administration of the Act.

10. Environmental and Sustainability Reporting

The Council promotes sustainable physiotherapy programs through member driven approach for mutual professional benefits. There are no major environmental requirements expected to be met by the council

a) Employee welfare

The Council will has been relying on the guidelines provided by the national human resource management policies has a clear job descriptions and competitively recruits for vacant positions as and when they are required and resources made available. The Council observes the gender rule and promotes national cohesion by hiring from other ethnicities and religious affiliations.

b) Improvement of skills and managing careers, appraisal and reward systems

The Council will allocate a budget for training to enhance staff competence and capacity to deliver effectively and efficiently. The Council will embrace performance management and will commit to achieve their set out targets.

c) Policy on safety and compliance with Occupational Safety

A safe work environment is necessary for a productive workforce. The Council complies with the Occupational Safety and Health Act of 2007(OSHA) through the following efforts through the Ministry:

1. Training of staff on handling fire emergencies;
2. Having First Aid Kits and emphasize on the need for personal responsibility culminating in social responsibility;
 1. Having a Fire Assembly Point and are in touch with the Ministry Fire Response team in case of emergency.

i) Market place practices-

a) Enhance Responsible competition practice

The council does not engage with the public for competitive products and services:

1. Internal measures

The Council will be keen on the integrity of its staff which will inadvertently reflect on the integrity of the Council. To this end the Council, through its management conducts staff anti-corruption training at least once a year and mandates the management to sign and adhere to the Public servants ethics and integrity code through the Ministry.

2. External Measures

The Council relates with the public and other stakeholders and has in place stakeholder engagement forums and feedback platforms.

b) Responsible Supply Chain and Supplier relations

The Council will be keen to observe principles of procurement as outlined by the Public Procurement and Asset Disposal Act, 2015 when fully set out operational policies and guidelines are put in place.



d) Responsible Marketing and Advertisement

The Council will seek to ensure responsible marketing and advertisement when operational policies and guidelines are set out through:

Ensuring there is equity and fairness in provision of information to suppliers on the required goods, works and services.

- i. Ensuring confidentiality of the information received from suppliers about their businesses and bids submitted in accordance with PPDA of 2015.
- ii. Ensuring the suppliers are notified of the proceeding resulting from the tender they submitted in accordance with the regulation and act.
- iii. Ensuring there is transparency in evaluation of suppliers and awarding of tenders based on the evaluation criteria described in solicitation document.
- iv. Ensuring the organization gets value for their money and at the same time the supplier benefits from the service, good or work rendered to the organization.

e) Product Stewardship

The Council will seek to ensure that consumer rights and interests are safeguarded through:

- a) Advising the Ministry on applicable licenses and rates in relation to Physiotherapy which in turn is subjected to public participation.
- b) Ensuring that public participation is embraced during any proposed product or service/policy or guidelines

Corporate Social Responsibility

While dispensing our mandate as the lead agency in all matters to Physiotherapy in the County, the Council will make efforts to also give back to the community. The Council does not have a structured way of carrying out CSR activities.

11. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2022, which show the state of the Council's affairs.

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a) Principal activities

The principal activity of the Council is the provision for training and licensing of Physiotherapists and to regulate their practice in protecting health and safety of the public by ensuring ethical and competent Physiotherapists offer services to the public.

b) Results

The results of the Council for the year ended June 30, 2022, are set out on page 1-7.

c) Directors

The members of the Board of Directors who served during the year are shown on page v.

d) Surplus remission

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The Authority did not remit any funds to the Consolidated Fund because the funds were reallocated in the subsequent year and there is an act which guides on distribution of the resources.

e) Auditors

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

By Order of the Board:

Name: *Douglas Kotek*

Signature: *[Handwritten Signature]* Date: *28th FEBRUARY 2024*

Secretary to the Board



12. Statement of Directors Responsibilities

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

The Directors are responsible for the preparation and presentation of the Authorities financial statements, which give a true and fair view of the state of affairs of the Council for and as at the end of the financial year ended on June 30, 2022. 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 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 Council's 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, 2012. The Directors are of the opinion that the Council's financial statements give a true and fair view of the state of the Council's transactions during the financial year ended June 30, 2022, and of the Council's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the Council, which have been relied upon in the preparation of the Council's financial statements as well as the adequacy of the systems of internal financial control.


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Nothing has come to the attention of the Directors to indicate that the Council 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 Council's financial statements were approved by the Board on ~~28th February 2022~~ and signed on its behalf by:

Signature: 
Name: HENRY OPONDO.
Chairperson of the Board

Signature: 
Name: Douglas Kotut
Accounting officer

REPUBLIC OF KENYA

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



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON PHYSIOTHERAPY COUNCIL OF KENYA OR THE YEAR ENDED 30 JUNE, 2022

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 Physiotherapy Council of Kenya set out on pages 1 to 30, which comprise the statement of financial position as at 30 June, 2022 and the statement of financial performance, statement of changes in net

assets, statement of cash flows and 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 Physiotherapy Council of Kenya as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with Physiotherapists Act, 2014 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The statement of cash flows reflects an amount of Kshs.2,097,460 in respect to net cash generated from operations which was not broken down into various components. However, this presentation is not in line with the financial reporting template issued by the Public Sector Accounting Standards Board which requires full disclosure of all components of receipts and payments to arrive at net cash flows from/(used in) operating activities.

Further, Note 32 to the financial statements reflects depreciation charge for the year amount of Kshs.577,653 while Note 43 on cash generated from operation reflects Kshs.2,097,460 resulting to an unreconciled variance of Kshs.628,330. In addition, the depreciation charge for the year has not been reflected in the statement of financial performance.

In the circumstances, the accuracy and completeness of the above amounts reflected in these financial statements could not be confirmed.

2. Unsupported Revenue Collection

The statement of financial performance reflects an amount of Kshs.8,969,610 in respect to revenue collections as disclosed in Note 5 to the financial statements being registration, licensing and accreditation fees. However, there was no evidence of invoicing members or maintenance of individual member's ledgers indicating opening balances, amount billed, payments made and outstanding balances.

In the circumstances, the accuracy and completeness of revenue collections amounting to Kshs.8,969,610 could not be confirmed.

3. Unsupported Office Expenses

The statement of financial performance reflects an amount of Kshs.319,900 in respect to office expenses as disclosed on Note 17 to the financial statements. However, this amount was not supported by payment vouchers and supporting documents.

In the circumstances, the accuracy and completeness of office expenses amounting to Kshs.319,900 could not be confirmed.

4. Erroneous Disclosure of Donations.

The statement of financial performance reflects an amount of Kshs.178,600 in respect to donations as disclosed in Note 20 to the financial statements. Review of expenditure records revealed that the amount was in respect to trainings which was incurred and paid for by another entity.

In the circumstances, the accuracy, completeness and disclosure of donations amounting to Kshs.178,600 could not be confirmed.

5. Unsupported Trade and Other Payables

The statement of financial position reflects a balance of Kshs.1,612,951 in respect to trade and other payables as disclosed in Note 36 to the financial statements. However, the balance was not supported by payment vouchers, Local Purchase Orders (LPOs), delivery notes, invoices and aging analysis.

In the circumstances, the accuracy and completeness of trade and other payables amounting to Kshs.1,612,951 could not be confirmed.

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

Key Audit Matters

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

Other Information

The Management is responsible for the other information set out on page v to xxv which comprise of Key Entity Information and Management, The Board of Directors, 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, 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 Council's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Budget Imbalance and Failure to Prepare Estimates

The statement of comparison of budget and actual amounts reflects final budget income amount of Kshs.9,046,610 and total expenditure budget of Kshs.6,309,500 resulting to budget imbalance of Kshs.2,737,110. This was contrary to Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015 which states that budget shall be balanced. Further, there was no evidence that the estimates of expenditure and revenues were prepared contrary to Section 68(2)(h) of the Public Finance Management Act, 2012 which states that an accounting officer shall prepare estimates of expenditure and revenues of the entity in conformity with the strategic plan referred to in paragraph (g).

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

2. Late Submission of 2021/2022 Financial Statements

The financial statements for the year ended 30 June, 2022 were submitted to the Auditor-General on 19 January, 2024, sixteen (16) months after the statutory deadline to submit of 30 September, 2022. This is contrary to Section 47(1) of the Public Audit Act, 2015 which states that the financial statements required under the Constitution of Kenya 2010, the Public Finance Management Act, 2012 and any other legislation, shall be submitted to the Auditor-General within three (3) months after the end of the fiscal year to which the accounts relate.

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

3. Board Expenses

The statement of financial performance reflects an amount of Kshs.3,485,700 in respect to board expenses as disclosed in Note 19 to the financial statements. However, the following unsatisfactory matters were noted:

3.1 Lack of Board Work Plan, Charter and Calendar

During the year under review, the Board operated without approved annual Board Work Plan and Charter. This was contrary to Chapter 1(1.9)(1) of Mwongozo which states that; "Board members should ensure the development of an annual Board work plan." and Chapter 1(1.11)(1) of Mwongozo which provides that; "The Board should develop and adopt a Board Charter."

3.2 Irregular Conduct Board Meetings

The attendance registers for two full board and two committee meetings were not provided for audit and a conflict-of-interest register was not maintained for all the nine (9) board meetings held within the period under review. This was contrary to Annexure I-E(8)(e) of Mwongozo provides that; "Minutes must be drawn up for every board and committee meeting with resolutions highlighted therein."

3.3 Lack of Induction of Board Members

Review of the board activities revealed that there was no induction program for the new board members within the period. Further, there was no evidence that the board members had been certified by an accredited body. This was contrary to Chapter 1(1.10) (1-2) of Mwongozo which provides that; "The board should: (a) Develop an induction program for new board members and Board members should be certified by an accredited body within six (6) months of their appointment"

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

Lack of Key Departments, Committees and Policies

During the year under review, the Council was not fully operational and the following departments, committees and policies were not in place;

No	Observation	Law Breached	Risk
1	Lack of finance, human resource management and procurement departments	Section 5(3) of the State Corporations Act states that a state corporation may engage and employ such number of staff, including the chief executive, on such terms and conditions of service as the Minister may, in consultation with the Committee, approve.	This may affect optimal realization of the Council's mandate.
2	Failure to establish an audit committee	Section 73(5) of the Public Finance Management Act, 2012 which states that every national government public entity shall establish an audit committee whose composition and functions shall be as prescribed by the regulations	There is no annual review of the independence, performance and competency of the internal audit unit and comment on their effectiveness in the annual reports.
3	Failure to establish an internal audit	Section 73(1)(a) of the Public Finance Management Act, 2012 which states that every national government entity shall ensure that it complies with this Act and has appropriate arrangements in place for conducting internal audit according to the guidelines of the Accounting Standards Board	There is no independent, objective assurance and disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes
4	Lack of strategic plan, organogram and a risk management policy	Section 68(2)(g) of the Public Finance Management Act, 2012 and Regulation 165 of the Public Finance Management (National Government) Regulations, 2015	The overall goals for you're the Council and a develop a plan to achieve them may not be clear. Also, there is lack of policies to guide on risk mitigation
5	Senior officer is in acting positions for	Section C.14 (1) of the Human Resource Policies and Procedures Manual for the Public Service states	Non-compliance with the law

No	Observation	Law Breached	Risk
	more than six (6) years	that “..... Acting allowance will not be payable to an officer for more than six (6) months.”	

Further, in the period under review, the Council had only the chief executive officer and an intern while the following deficiencies in key functions of the Council were noted;

Functions	Law Breached	Observations
Failure to consider and approve the qualifications of physiotherapists for the purposes of registration	Section 20(1) (b) of the Physiotherapists Act, 2014	The council's membership register indicated one thousand and thirty-eight (1,038) members as at 30 June 2018. However, the application forms in the members' personal files were not approved by the Council to confirm whether the registration conditions were met.
Failure to cause to be maintained a register of all persons registered as physiotherapists	Section 22(1) and (2) of the Physiotherapists Act, 2014	The membership register was maintained in an excel sheet which is prone to manipulation and did not indicate the category of the physiotherapy, the date of registration, level of compliance to continuing professional development and the status of a member, whether active or inactive.
Failure to prescribe and conduct examinations for purposes of registration	Section 4(2)(d) of the Physiotherapists Act, 2014	The Council's records indicated that members were registered without undergoing an examination.
Failure to establish, approve and accredit programs for continuing professional educational programs;	Section 35(3) and (5) of the Physiotherapists (Registration and Licensing) Rules, 2017	There was no evidence that the Council administered Continuing Professional Development (CPD) programs to members.
Failure to cause to be published in the Kenya Gazette every calendar year or such other period as may be prescribed, the names of all registered physiotherapists.	Section 22(3)(a) of the Physiotherapists Act, 2014	Review of the Council's membership register indicated one thousand and thirty-eight (1,038) members as at 30 June 2018. However, the Council did not publish the list of members.

Failure to operationalize key departments, formulate policies, having senior officer in acting positions and deficiencies in functions implies that the key mandate to supervise and control over the training and practice of physiotherapists in Kenya and to advise the Government may not be achieved.

In the circumstances, general supervision and control over the training and practice of physiotherapists in Kenya and advice to the Government were lacking.

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 Council'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 Council's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

16 December, 2024


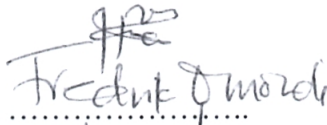

Physiotherapy Council of Kenya
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For the year ended June 30, 2022.

14. Statement of Financial Performance for the year ended 30th June 2022

	Notes	2021-2022	2020-2021
		Kshs	Kshs
Revenue from non-exchange transactions			
Revenue collections	5	8,969,610.00	8,809,678.70
Levies, Fines, and penalties	6	77,000.00	48,500.00
Total revenue		9,046,610.00	8,858,178.70
Operating Expenses			
Use of Goods & Services	16	2,025,300.00	540,700.00
Office expenses	17	319,900.00	240,000.00
Employee costs	18	300,000.00	730,400.00
Board Expenses	19	3,485,700.00	3,675,300.00
Donations	20	178,600.00	190,000.00
Total expenses		6,309,500.00	5,376,400.00
Surplus/(deficit) for the period/year		2,737,110.00	3,481,778.70

The notes set out on pages 8 to 39 form an integral part of these Financial Statements.

The Financial Statements set out on pages 1 to 7 were signed on behalf of the Board of Directors by:

Sign: 	Sign: 	Sign: 
Name: <u>Doreen Kotur</u>	Name: <u>Assoc / 4861</u>	Name: <u>HENRY OPONDO</u>
Chief Executive Officer	Head of Finance	Chairman of the Board
	ICPAK M/No:	

Date: 28/02/2024.

Date: 28/02/2024.



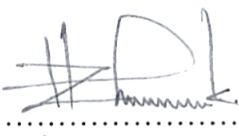
Date: 28/02/2024.

Physiotherapy Council of Kenya
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15. Statement of Financial Position as at 30th June 2022

	Notes	2021-2022	2020-2021
		Kshs	Kshs
Assets			
Non Current Assets			
Property Plant & equipments	32	577,653.70	761,365.00
		577,653.70	761,365.00
Current Assets			
Cash and Cash equivalents	28	18,199,771.50	16,102,311.50
		18,199,771.50	16,102,311.50
Total Current Assets		18,777,425.20	16,863,676.50
Total Assets		18,777,425.20	16,863,676.50
Liabilities			
Current Liabilities			
Trade and Other Payables	36	1,612,951.20	2,436,312.50
Total Current Liabilities		1,612,951.20	2,346,312.50
Reserves		17,164,474.00	14,427,364.00
Total Net Assets and Liabilities		18,777,425.20	16,863,676.50

The Financial Statements set out on pages 1 to 7 were signed on behalf of the Board of Directors by:

Sign: 	Sign: 	Sign: 
Name: Douglas Kotur	Name: Fredrick Omondi	Name: HENRY OPONDO
Chief Executive Officer	Head of Finance	Chairman of the Board
	ICPAK M/No: AS.SOC/4261	

Date: 28/02/2024.

Date: 28/02/2024

Date: 28/02/2024.

Physiotherapy Council of Kenya
Annual Report and Financial Statements
For the year ended June 30, 2022.

16. Statement of Changes in Net Assets for the year ended 30th June 2022



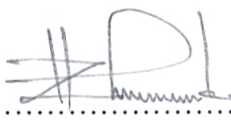
	Retained Earnings	Capital/Development Grants/Fund	Total
	Kshs	Kshs	Kshs
As at July 1, 2021	14,427,364.00	-	14,427,364.00
Surplus/ deficit for the year	2,737,110.00	-	2,737,110.00
As at June 30, 2022	17,164,474.00	-	17,164,474.00

17. Statement of Cash Flows for the year ended 30th June 2022

	NOTES	2021-2022	2020-2021
CASHFLOWS FROM OPERATING ACTIVITIES		Kshs	Kshs
Cash generated from/ (Used in) operations	43	2,097,460.00	4,474,248.70
Net cash generated from/(Used in) operating activities		2,097,460.00	4,474,248.70
CASHFLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-	
Net cash generated from/(used in) investing activities		-	
CASHFLOWS FROM FINANCING ACTIVITIES			
Net cash generated from/(used in) financing Activities		-	-
Increase/(Decrease) In Cash and Cash Equivalents		2,097,460.00	4,474,248.70
Cash and Cash Equivalents at Beginning of Year		16,102,311.50	11,628,062.00
Cash and Cash Equivalents at end of the year	28	18,199,771.50	16,102,311.50

Physiotherapy Council of Kenya
Annual Report and Financial Statements
For the year ended June 30, 2022.

The Financial Statements set out on pages 1 to 7 were signed on behalf of the Board of Directors by:

Sign:  Sign:  Sign: 
 Name: Douglas Kotur Name: Fredrick Dwahe Name: Henry Opondo
 Chief Executive Officer Head of Finance Chairman of the Board
 ICPAK M/No: Assoc/426

Date: 28/02/2024.

Date: 28/02/2024.

Date: 28/02/2024.

18. Statement of Comparison of Budget and Actual amounts for the year ended 30th June 2022

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Levies, Fines and Penalties	77,000.00	-	77,000.00	77,000.00	-	100%
Licenses and permits	8,969,610.00	-	8,969,610.00	8,969,610.00	-	100%
Other Income	-	-	-	-	-	0%
Total Income	9,046,610.00	-	9,046,610.00	9,046,610.00	-	100%
Expenses						
Use of Goods and Services	2,345,200.00	-	2,345,200.00	2,345,200.00	-	100%
Employee costs	300,000.00	-	300,000.00	300,000.00	-	100%
Remuneration of Directors	3,485,700.00	-	3,485,700.00	3,485,700.00	-	100%
Repairs and Maintenance	-	-	-	-	-	0%
Donations	178,600.00	-	178,600.00	178,600.00	-	100%
Total Expenditure	6,309,500.00	-	6,309,500.00	6,309,500.00	-	100%
Surplus for the period	2,737,110.00	-	2,737,110.00	2,737,110.00	-	100%



Physiotherapy Council of Kenya
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For the year ended June 30, 2022.

Capital Expenditure	-	-	-	-	-	-
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19. Notes to the Financial Statements

1. General Information

Physiotherapy Council of Kenya is established by and derives its authority and accountability from the Physiotherapy Council of Kenya Act 2014. The entity is wholly owned by the National Government and is domiciled in Kenya. The entity's principal activity is protecting the health and safety of the public by ensuring ethical and competent Physiotherapists offer services to the public.

The balance sheet is represented by the statement of financial position and the profit and loss account by the Statement of Financial Performance in these financial statements.

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 Council's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Council.

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

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

- i. New and amended standards and interpretations in issue effective in the year ended 30 June 2022.*

IPSASB deferred the application date of standards from 1st January 2022 owing to Covid 19

This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

Therefore, above amendments have not been adopted in the preparation of these financial statements

- i. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.*

Physiotherapy Council of Kenya
Annual Report and Financial Statements
For the year ended June 30, 2022.

Notes to the Financial Statements (Continued)

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p>Impact</p> <p>The Standard had no impact to the Council's financial statements and has not has not been able to implement early adoption</p>



Standard	Effective date and impact:
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows. <p style="text-align: center;">Impact</p> <p>The Standard had no impact to the Council's financial statements and has not been able to implement early adoption</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p style="text-align: center;">Impact</p> <p>The Standard had no impact to the Council's financial statements and has not been able to implement early adoption</p>

Physiotherapy Council of Kenya
Annual Report and Financial Statements
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Standard	Effective date and impact:
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • IPSAS 22 Disclosure of Financial Information about the General Government Sector. <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • IPSAS 39: Employee Benefits <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement Standard no longer included in the 2022 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023. <p>Impact</p> <p>The Standard had no impact to the Council's financial statements and has not been able to implement early adoption</p>
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>Impact</p> <p>The Standard had no impact to the Council's financial statements and has not been able to implement early adoption</p>

IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>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.</p> <p>Impact The Standard had no impact to the Council’s financial statements and has not has not been able to implement early adoption</p>
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iv) Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions Registration, Licensing, Inspection and accreditation fees

The Entity recognizes revenues from above fees 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 Entity and the fair value of the asset can be measured reliably.

ii. 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 Entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive

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income over the useful life of the assets that has been acquired using such funds. During the year, there were no revenues generated under this category.

iii. Revenue from exchange transactions Rendering of services

The Entity 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. There were no such revenues generated during the year under review.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

v) 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. During the year under review, there were no such incomes.

c) Budget information

There were neither budget for FY 2021-2022 was approved by the Ministry on June 2022 or Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities.

The entity's budget would be 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 where one would exist. 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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

d) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity 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. During the year under review, the council had not registered for tax purposes.

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 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

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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 Entity 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.

During the year under review, the council had not registered for Sales tax and hence consuming all input taxes related to tax on expenses



Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

e) Investment property

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

During the year under review, the council did not have any investment property.

f) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value. During the year under review, the council did not have any property, plant and equipment.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

g) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Entity. 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 Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. During the year under review, the council did not have any lease.

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

During the year under review, the council did not have any operating lease.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

h) Intangible assets

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



either finite or indefinite. During the year under review, the council did not have any Intangible assets.

i) Research and development costs

The Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity 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. During the year under review, the council did not have any research and development costs.

- i) Financial instruments
- a) Financial assets

Initial recognition and measurement

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

j) Loans and receivables

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

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are recognized in the surplus or deficit. During the year under review, the council did not have any Loans and receivables.

k) Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit. During the year under review, the council did not have any Asset held to maturity.

l) Impairment of financial assets

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

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

During the year under review, the council did not have any property, plant and equipment.

d) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition., All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly



attributable transaction costs. During the year under review, the council did not have any Financial Liabilities.

e) Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. During the year under review, the council did not have any Loans and Borrowings.

f) 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 Entity.

During the year under review, the council did not have any inventories.

g) Provisions

Provisions are recognized when the Entity 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 Entity 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. During the year under review, the council did not have any provisions.

h) Contingent liabilities

The Entity 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. During the year under review, the council did not have any provisions.

i) Contingent assets

The Entity 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 Entity 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. During the year under review, the council did not have any provisions.

j) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. Currently the Council has no provisions in place.

k) Changes in accounting policies and estimates

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

l) Employee benefits Retirement benefit plans

The Council Will provide retirement benefits for its employees and directors. Currently the Council does not have staff.



m) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise. Currently, the Council has no foreign currency transactions

n) 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. Currently, the council has no borrowings

o) Related parties

The Entity regards a related party as a person or an Entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties. The council did not have related parties.

p) Service concession arrangements

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

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consideration paid or received. No service concession arrangements existed in the council under the year of review.

u) Cash and cash equivalents

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

v) Comparative figures

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

w) 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, 2022.

4. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Entity'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 Entity based its assumptions and estimates on parameters available when the consolidated financial

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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 Entity. 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 Entity.
- 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

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40.

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.

The Council had no applicable provisions as at the date of reporting.

Notes to the Financial Statements (Continued)

5. Revenue Collections (Registration fees, Licensing, Inspections & Accreditation fees)

Description	2021-2022	2020-2021
	KShs	KShs
Registration Fees	870,750.00	1,622,720.00
Licensing fees	7,798,860.00	7,186,958.70
Inspection fees	-	-
Accreditation fees	300,000.00	-
Total Collections	8,969,610.00	8,809,678.70

The Collections are to support the Council's operations.

c) Transfers from the National Government

There were no transfers from National government during the year under review

6. Levies, Fines and Penalties

Penalties amounting to Kes 77,000.00 were levied for late registration

7. Public Contributions and Donations

There were no public contributions and Donations during the year

8. Grants

There were no grants received during the year

9. Property Taxes Revenue

The Council did not receive a revenue from property during the year.

10. Licenses, Fees and Permits

The Licenses, Fees and Permits income received are explained in note 5.

11. Rendering of Services

The Council did not receive revenue from rendering of services during the year.

12. Sale of Goods

The Council is a regulatory body and does not receive revenue from sale of goods.

13. Rental Revenue from Facilities and Equipment

The Council did not receive revenue from facilities and equipment during the period under audit.

14. Finance Income

The Council did not receive revenue from finance income during the year under audit.

15. Other Income

The Council did not receive revenue from other income during the year under audit.

16. Use of Goods and Services

Description	2021-2022	2020-2021
	Kshs	Kshs
Exam Administration	62,000.00	34,500.00
Inspection of Clinics Costs & other Use of Good & Services	1,963,300.00	506,200.00
Total Use of Goods and Services	2,025,300.00	540,700.00

17. Office Expenses

Description	2021-2022	2020-2021
	Kshs	Kshs
Staff Welfare	120,000.00	60,000.00
Office Stationery, courier services	120,000.00	120,000.00
Telephone, Internet, Transport & Cleaning services	79,900.00	60,000.00
Total Office Expenses	319,900.00	240,000.00

18. Employment Costs

Description	2021-2022	2020-2021
	Kshs	Kshs
Internship Allowances	300,000.00	298,400.00
Statutory Deductions (Withholding Taxes)	-	432,000.00
Total Employment Costs	300,000.00	730,400.00

19. Board Expenses

Description	2021-2022	2020-2021
	Kshs	Kshs
Council Board Meetings allowances	3,485,700.00	3,675,300.00
Total Board Expenses	3,485,700.00	3,675,300.00

20. Donations

Description	2021-2022	2020-2021
	Kshs	Kshs
Kenya Society of Physiotherapy	100,000.00	110,000.00
NPO Financial Management Conference	78,600.00	80,000.00
Total Donation expenses	178,600.00	190,000.00

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21. Contracted Services

The Council did not pay for contracted services during the year.

22. Grants and Subsidies

The Council did not issue grants and subsidies during the year under audit.

23. Finance Costs

The Council did not incur finance costs during the year under audit.

24. Gain on Sale of Assets

The Council did not dispose any assets during the year under audit.

25. Unrealized Gain on Fair Value Investments

The Council did not recognize any unrealized gain on fair value investments during the year under audit.

26. Impairment Loss

The Council did not recognize impairment loss during the year.

27. Taxation

The Council did not recognize taxation cost during the year.

28. Cash and Cash Equivalents

		2021-2022	2020-2021
Financial Institution	Account number	Kshs	Kshs
Current Account			
Kenya Commercial Bank	1208584197	18,199,771.50	16,102,311.40
Grand Total		18,199,771.50	16,102,311.40

29. Trade Receivables from Exchange Transactions

The Council did not recognize receivables from exchange transactions during the year as below.



30. (b) Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

The Council did not recognize Impairment Allowance on Receivables from Non-Exchange Transactions during the year.

31. Investments

The Council did not recognize any Investments during the year.

32. Property, Plant and Equipment

The Council did not recognize any Property, plant and equipment during the year

Valuation

The Council did value the equipment during the year under as below. Computers & Telephone @ rate of 30%. And Other assets @ 12.5%

Date Acquired	Asset Description	Quantity	Cost	Depreciation at beginning	Depreciation	Net Book Value
5/12/2019	Office Cabinet	1	100,000.00	12,500.000	32,291.667	67,708.33
31/07/2018	3 in 1 colour printer	1	135,000.00	16,875.000	49,218.750	85,781.25
31/07/2018	Hp Desktop Computer	2	370,000.00	111,000.000	259,000.000	111,000.00
31/07/2018	Hp laptops core i7	3	561,000.00	168,300.000	392,700.000	168,300.00
31/07/2018	Card printer Epson L850	1	92,000.00	11,500.000	33,541.667	58,458.33
31/07/2018	Epson S41 Projector	1	99,000.00	12,375.000	36,093.750	62,906.25
22/03/2018	Techno Camon CX Phone	1	16,000.00	2,000.000	4,500.000	11,500.00
12/4/2019	Water Dispenser	1	16,695.00	2,086.875	4,695.469	11,999.53
	TOTAL		1,389,695.00		812,041.302	577,653.70

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33. Property, Plant and Equipment at Cost

There were assets to be reported at historical cost basis as seen above note 32.

34. Intangible Assets

The Council did not recognize Intangible Assets during the year.

35. Investment Property

The Council did not recognize Investment Property during the year.

36. Trade and Other Payables

	2021-2022	2020-2021
Description	Kshs	Kshs
Un-paid Board allowances	1,612,951.20	2,436,312.50
Grand Total	1,612,951.20	2,436,312.50

37. Current Provisions

The Council did not recognize any Provisions during the year.

38. Finance Lease Obligation

The Council did not recognize any Finance Lease Obligation during the year.

39. Deferred Income

The Council did not recognize Deferred Income during the year.

40. Employee Benefit Obligations

The Council did not recognize Employee Benefit Obligations during the year.

41. Non-Current Provisions

The Council did not recognize non-current provisions during the year.

42. Borrowings

The Council did not recognize any Borrowings during the year.

43. Service Concession Arrangements

The Council did not recognize any Service Concession Arrangements during the year.



44. Cash Generated from Operations

	2021-2022	2020-2021
	Kshs	Kshs
Surplus for the year before tax	2,737,110.00	3,481,778.70
Adjusted for:		
Depreciation	183,711.30	327,209.45
Working capital adjustments		
(Increase)/decrease in inventories	-	-
(Increase)/decrease in trade and other receivables	-	1,235,611.35
Increase/(decrease) in current trade and other payables	(823,361.30)	(570,350.80)
Increase/(decrease) in current retirement benefit obligations	-	-
Increase/(decrease) in payments received in advance	-	-
Net cash flow from operating activities	2,097,460.00	4,474,248.70

45. Financial Risk Management

The Council's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The council's overall risk management program focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk.

Credit risk

The Council is not exposed to Credit Risk

Liquidity risk management

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

Market risk

The Entity council composition is well robust with a financial expertise to assist it in assessing the risk faced by the Entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

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Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Board of directors.

Capital Risk Management

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

	2021-2022	2020-2021
	Kshs	Kshs
Retained Earnings	22,170,583.30	19,433,473.30
Capital Reserve	-	-
Total Funds	22,170,583.30	19,433,473.30
Total Borrowings	-	-
Less: Cash and Bank Balances	(18,199,771.50)	(16,102,311.50)
Net Debt / (Excess Cash and Cash Equivalents)	3,970,811.80	3,331,161.80
Gearing	-21.82%	-20.69%

The council is a going concern as it has excess cash and cash equivalents

46. Related Party Disclosures

Nature of related party relationships

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

Ministry of Health

The Ministry of Health is the principal related party of the Council.

47. Segment Information

The Council operates from the Ministry Head Quarters and has no other branches.

48. Contingent Assets and Contingent Liabilities

The Council did not recognize any Contingent Assets and Contingent Liabilities during the year.

49. Capital Commitments

The Council did not recognize any Capital Commitments during the year.

50. Surplus Remission

The Physiotherapy Council of Kenya Act 2014 states how funds collected by the Council will be allocated during the year. Un-utilized funds are reallocated to the subsequent year budget.

51. Taxation

The Council did not recognize taxation expense during the year.

Deferred Tax Liability

Deferred tax is calculated on all temporary differences under the liability method using the enacted tax rate, currently 30%.

The Council did not recognize Deferred Tax Liability during the year.

52. Events after the Reporting Period

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

53. Ultimate and Holding Entity

The Entity is a Semi- Autonomous National government agency under the Ministry of Health.

54. Currency

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