

REPUBLIC OF KENYA



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REPORT

OF

THE AUDITOR-GENERAL

ON

**KENYA MEDICAL TRAINING
COLLEGE**

**FOR THE YEAR ENDED
30 JUNE, 2024**



KENYA MEDICAL TRAINING COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2024

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

KENYA MEDICAL TRAINING COLLEGE
Annual Report and Financial Statements
for the year ended June 30, 2024

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1. ACRONYMS, ABBREVIATIONS AND GLOSSARY OF TERMS

A: Acronyms and Abbreviations

CEO	Chief Executive Officer
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management

B: Definition of Key Terms

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

Comparative Year- Means the prior period.

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2. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

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

(b) Principal activities

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

- To provide facilities for college education for national health manpower requirements
- To play an important role in the development and expansion of opportunities for Kenyans wishing to continue with their education
- To provide consultancy services in health-related areas
- To develop health trainers who can effectively teach, conduct operational research, develop relevant and usable health learning materials
- To conduct examinations for and grant diplomas, certificates, and other awards of the College
- To determine who may teach and what may be taught and how it may be taught in the College, and;
- To examine and make proposals for establishment of constituent training centers and faculties.

Mandate

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

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Vision Statement

Vision

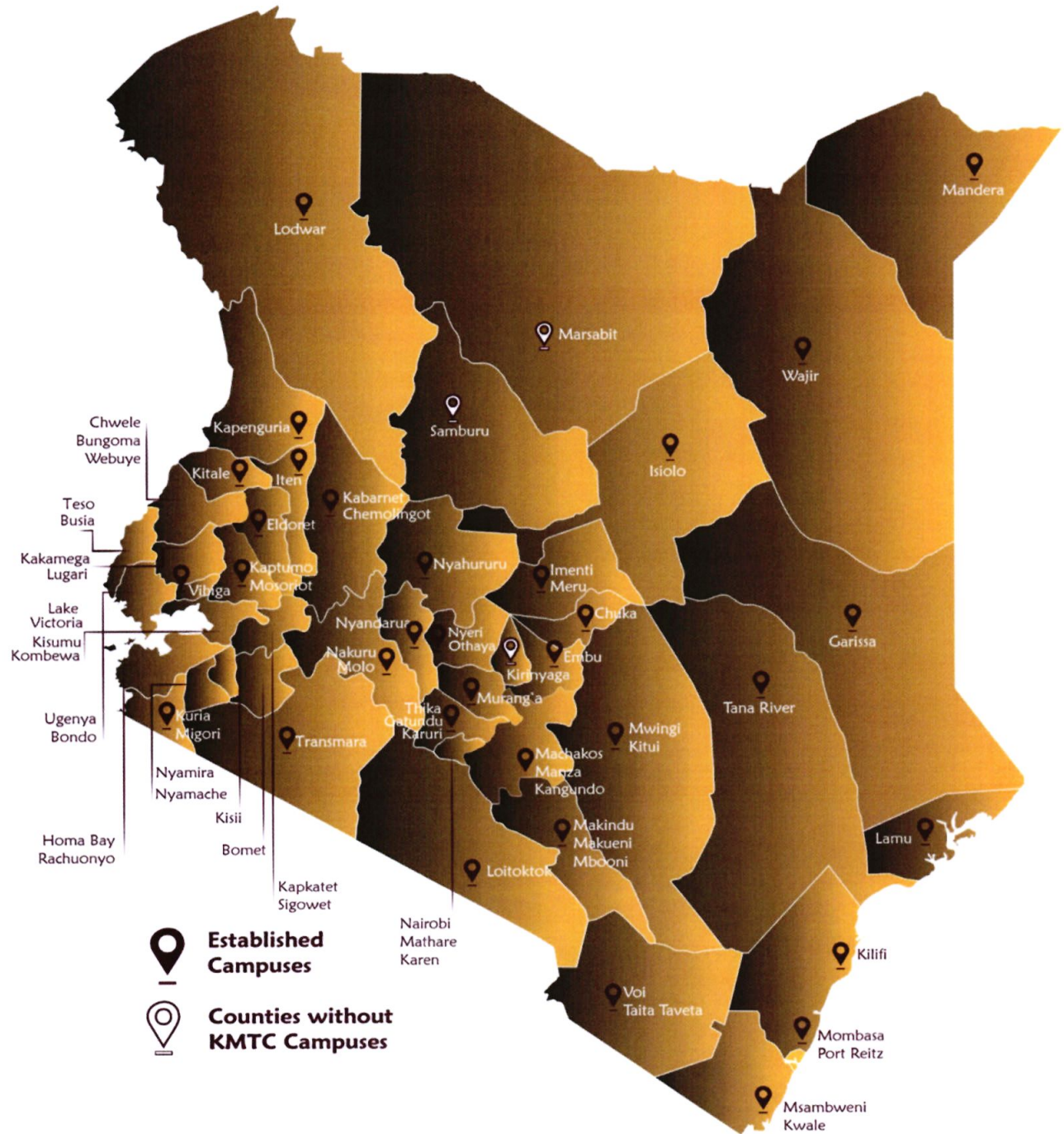
A globally competitive institution for training human resource for health

Mission Statement

To develop fit-for-purpose middle-level health professionals through transformative training, research, and consultancy

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KMTC CAMPUSES (BRANCHES)



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FACULTIES

1. Rehabilitative Sciences
2. Public Health Sciences
3. Diagnostic Sciences
4. Information Technology and Medical Education
5. Pharmaceutical Sciences
6. Nursing
7. Clinical Sciences

KMTC Departments

1. Clinical Medicine and Surgery (Diploma and Higher Diploma)
2. Community Oral Health (Diploma)
3. Dental Technology (Diploma)
4. Health Records and Information Technology (Certificate and Diploma)
5. Health Promotion (Certificate, Diploma and Higher Diploma)
6. Medical Education (Higher Diploma)
7. Medical Engineering (Certificate, Diploma and Higher Diploma)
8. Medical Imaging Sciences (Diploma and Higher Diploma)
9. Medical Laboratory Sciences (Diploma and Higher Diploma)
10. Nursing (Certificate, Diploma and Higher Diploma)
11. Nutrition and Dietetics (Certificate and Diploma)
12. Occupational Therapy (Diploma and Higher Diploma)
13. Optometry (Diploma and Higher Diploma)
14. Orthopaedic Technology (Diploma and Higher Diploma)
15. Orthopedic and Trauma Medicine (Certificate and Diploma)
16. Pharmacy (Diploma and Higher Diploma)
17. Physiotherapy (Diploma and Higher Diploma)
18. Public Health (Certificate, Diploma and Higher Diploma)

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(c) Key Management

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

- Board of Directors
- Finance and Development Committee
- Project Implementation Committee
- Academic council
- Management team
- Staff

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	Chief Executive Officer	Dr. Kelly Oluoch
2.	Corporation Secretary/Legal Services Manager	Ms.Caroline Muchina
3.	Deputy Director (F, P&A)/ICT Manager	Ms. Lucy Chebungei
4.	Deputy Director(A)	Dr. Nyawira Mwangi
5.	Finance Manager	CPA Elijah Mititi
6.	Supply Chain Manager	Dr. Silas Njeru
7.	Human Resources Manager	Ms. Lilian Kemboi
8.	Administration Manager	Mr. David Ondeng
9.	Corporate Communications Manager	Ms. Onsomu Marcellah
10.	Resource Mobilization Manager	

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e) Fiduciary oversight arrangements

Audit committee of the Board

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

Finance, Planning and Development Committee of the Board

The committee is mandated overall College planning and Financial strategy to aimed at ensuring the colleges applies the resources are optimally applied.

Public Investment Committee of parliament

The committee ensures effectiveness and efficiency in use of public resources. It also examines reports of Auditor-General and examine whether the affairs of public investments are managed in accordance with sound business Practices.

Internal Audit Function

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

(f) Entity Headquarters

Kenya Medical Training College

Off – Ngong Road

P. O. Box 30195

Nairobi

Kenya

(g) Contacts

Website: <http://www.kmtc.ac.ke>

Email: info@kmtc.ac.ke

Admissions Office: admissions@kmtc.ac.ke

Complaints & Compliments:

complaints@kmtc.ac.ke

Tel: 020-2725711/2/3/4

0770999657/0737-352543/0706-541869

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(h) Bankers

1. National Bank of Kenya

Kenyatta National Hospital Branch

P. O. Box 30763.

Nairobi, Kenya

2. Kenya Commercial Bank

Moi Avenue Branch

P.O Box 30081.

Nairobi, Kenya

3. Co-operative Bank of Kenya.

Nyamira Branch

P.O Box 300-40500

Nyamira

(i) Independent Auditor

Auditor General

Office of auditor General

Anniversary Towers

P.O Box 30084-00100

Nairobi, Kenya

(J) Principal Legal Adviser

The Attorney General

State Law Office



Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya


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3. BOARD OF DIRECTORS PROFILES

PHOTO	NAME AND DATE OF BIRTH (D.o.B)	PROFILE
	<p>Mr. Joseah Kiplangat Cheruiyot (D.o.B 26.12.1966)</p> <p>Date of Appointment: 18.08.2023</p> <p>Date of Expiry: 17.08.2026</p>	<p>Mr. Joseah Kiplangat Cheruiyot was appointed to Chair the KMTC board of Directors on August 18, 2023.</p> <p>Mr. Cheruiyot holds a Masters in Project Planning and Management from the University of Nairobi, a Degree in social sciences (Community Development) from GRE TSA University – Thika, a Social Work/Community Development Degree from The University of Nairobi, a Diploma in Training of facilitators from AMREF International and a Diploma in Human Resource Management from Kenya Institute of Management.</p>
	<p>Ms. Hardlyne Lusui (D.o.B 10.06.1980)</p> <p>Date of Appointment: 18.08.2023</p> <p>Date of Expiry: 17.08.2026</p>	<p>Hardlyne Lusui was appointed to the KMTC Board of directors on August 18, 2023 to represent public interest as a non-executive member. She is a member of the Finance, Planning and Development Committee and Chairs the Academic / Training, Standards and Ethics Committee of the Board.</p> <p>Ms. Lusui holds a Master of Arts Degree in Women Leadership and Governance from The University of Nairobi and Bachelor of Science Degree in Information Science from the Kenya Methodist</p>

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		<p>University. She further holds a Diploma in Information Sciences from Eldoret Polytechnic.</p> <p>Ms. Hardlyne Lusui possesses excellent leadership, communication, analytical, organizational planning and financial management skills. She brings with her extensive experience from the Financial Services sector, having worked as a banker with I&M, National Bank of Kenya, and Equity Bank for a period of nearly ten years.</p>
	<p>Ms. Eunice Wangui Karanja (D.o.B 25.04.1966)</p> <p>Date of Appointment: 18.08.2023</p> <p>Date of Expiry: 17.08.2026</p>	<p>Eunice Wangui Karanja was appointed to the KMTCC Board of directors on August 18, 2023 to represent public interest as a non-executive member. She is a member of the Academic / Training, Standards and Ethics Committee and chairs the Finance, Planning and Development Committee of the Board.</p> <p>Ms. Eunice Karanja holds a Bachelor of Business Administration in Entrepreneurship from Kenya Methodist University and a diploma in Human Resource Management from the University of Nairobi.</p>
	<p>Mr. Paul Kaino Cheboi (D.o.B 08.08.1968)</p> <p>Date of Appointment: 18.08.2023</p>	<p>Mr. Paul Kaino Cheboi was appointed to the Kenya Medical Training College Board of Directors on August 18, 2023 to represent public interest as a non-executive member. He is a member of the Audit Committee and He Chairs the Human Resource committee of the Board.</p> <p>Mr. Paul Cheboi holds an MBA in Marketing and Strategic Management from Moi University, Post</p>

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	<p>Date of Expiry: 17.08.2026</p>	<p>Graduate International diploma in sales management and marketing, Advanced Diploma in Business Administration and Management, equivalent to Undergraduate (BBA) from Cambridge International College and a degree in Agricultural Economics from the University of Egerton</p> <p>He has over 20 years' experience in administration, finance, planning, academic affairs, public relations, marketing and quality assurance.</p>
	<p>Eng. Joseph Ouma Atonga (D.o.B 03.04.1958)</p> <p>Date of Appointment: 18.08.2023</p> <p>Date of Expiry: 17.08.2026</p>	<p>Eng. Joseph Ouma Atonga was appointed to the KMTC Board of directors on August 18, 2023 to represent public interest as a non-executive member. He is a member of the Human Resource Committee and chairs the Audit Committee of the Board.</p> <p>Eng. Joseph Atonga holds a Master of Business Administration (MBA), Strategic Management from The University of Nairobi and a Bachelor of Engineering (BEng) Hons, Mechanical Engineering from University of Northumbria at Newcastle Upon Tyne.</p>



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	<p>Mr. Benson Giuthua, OGW (D.o.B 30.12.1962)</p> <p>Date of Appointment: 06.03.2023</p>	<p>Mr. Benson Giuthua represents the Principal Secretary National Treasury in the Kenya Medical Training College Board of Directors having been appointed on 6th March, 2023. He is a member of the Human Resource and Audit Committees of the Board.</p> <p>He holds a Masters Degree in Human Resource Planning & Development from Indraprastha University. He is a member of the Institute of Human Resource Management and has over 20 years of experience in human resource planning, management, consultancy and corporate governance.</p>
	<p>Mr. Adan Gedow Harakhe, HSC (D.o.B 01.02.1967)</p>	<p>Mr Adan Gedow Harakhe was appointed to the KMTC Board of Directors on 3rd January, 2024 as an alternate member to represent the Principal Secretary, State Department for Public Health and Professional Standards Ministry of Health. He is a member of the Audit Committee and the Academics, Training, Standards and Ethics Committee of the Board.</p> <p>Mr. Harakhe holds a Master of Arts degree in Education, Bachelor of Arts in Education from University of Nairobi.</p> <p>Mr Adan has served the Public Service over 35 years and has a wealth of experience in leadership, Public Administration, conflict resolution and corporate governance.</p>

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	<p>Dr. Martin Sirengo (D.o.B 27.07.1972)</p> <p>Date of Appointment:</p> <p>05.02.2020</p>	<p>Dr. Martin Sirengo was appointed to the KMTC Board of Directors on 5th February, 2020 to represent the Director General Ministry of Health. He is a member of the Finance and Academic, Training, Standards and Ethics Committees of the Board.</p> <p>He is a Reproductive Health and Program Management Specialist, Public Health Practitioner and a Policy adviser with over 22 years of professional experience. He holds a Master of Medicine (MMed), Obstetrics and Gynaecology from the University of Nairobi.</p> <p>He currently serves as Head, Directorate of Health Sector Coordination, Intergovernmental Relations and International Health, at the Ministry of Health. Dr. Sirengo is a member of the Kenya Medical Practitioners, and Dentists Council (KMDC), Kenya Obstetrical and Gynecological Society (KOGS) and Kenya Medical Association (KMA).</p>
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	<p>CEO, Dr. Jack Kelly Oluoch (D.o.B 22.02.83)</p> <p>Date of Appointment: 19.05.2022</p> <p>Date of Expiry: 18.05.2027</p>	<p>Dr. Jack Kelly Oluoch was appointed as the Chief Executive Officer of the Kenya Medical Training College by the Board of Directors on 19th May, 2022.</p> <p>Dr. Oluoch holds a Doctorate in Business Administration, Strategic Management option from the University of Nairobi and in Biotechnology, Innovation and Regulatory Pharmacy from Purdue University; a Master of Science (MSc) in Biotechnology, Innovation and Regulatory Pharmacy from Purdue University. Others include, a Master of Business Administration from the University of Nairobi; a Diploma in Industrial Pharmacy and Drug Discovery from Purdue (USA) and Howard University (USA); a Post Graduate Diploma in Medical Education and a Bachelor Degree in Pharmacy from Dr. MGR Medical University.</p> <p>He has conducted and completed several research projects and is currently engaged in many others. He has also authored and co-authored several peer-reviewed publications.</p>
	<p>CS, Ms. Caroline Muchina (D.o.B.15.05.1988)</p>	<p>CS. Caroline Muchina is the Corporation Secretary appointed on 9th October, 2023.</p> <p>She holds a Master of Laws from Liverpool John Moores University, a Bachelor of Laws University of Nairobi, and is an Advocate of the High Court of Kenya. She is a Certified Company Secretary (CPS-K) and a member of the Institute of Certified Secretaries. In addition, she is a certified Governance Auditor and an Associate of the Kenya Institute of Bankers (AKIB). She has previously worked with the Nursing Council of Kenya, Green Pot Enterprises Ltd and Imperial Bank (Under Receivership)</p>



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4. KEY MANAGEMENT TEAM

NAME	PHOTO	PROFESSIONAL/ACADEMIC QUALIFICATIONS	MAIN AREAS OF RESPONSIBILITY
Dr. Kelly Olouch		PhD – Strategic Management	Chief Executive Officer
CS, Ms. Caroline Muchina		Masters - Law	Corporation Secretary
Ms. Lucy Jepkemei Chebungei		Masters-Health Research Ethics	Deputy Director Finance & Administration
Dr. Nyawira Mwangi		PhD - Medicine	Deputy Director Academics

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Mr. Ronald Wasike		Masters – Primary Healthcare Management	Registrar Academics
Dr. Kenneth Riany		PhD - Business Administration (Strategic Management)	Information and Communication Technology (ICT) Manager
Dr Silas Njeru		PhD-Supply Chain Management	Supply Chain Manager
Ms. Lilian Kemboi		Masters - Business Administration (MBA) - HR	Human Resource Manager
Mr. David O. Ondeng		Masters - Business Administration	Administration Manager

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<p>CPA Elijah Mititi</p>		<p>Masters - Business Administration (MBA) – Finance CPA (K)</p>	<p>Finance Manager</p>
<p>Ms. Onsomu Marcellah</p>		<p>Master of Arts in Communication Studies</p>	<p>Corporate Communications Manager</p>
<p>CPA Geoffrey Mulumia Makokha</p>		<p>Masters of Business Administration (Finance option) CPA (K)</p>	<p>Internal Auditor Manager</p>
<p>Mr. Job Ochieng Nyakado</p>		<p>Masters of Business Administration (Marketing option)</p>	<p>Resource Mobilization Manager</p>

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5. CHAIRPERSON'S STATEMENT

It is a great honour and privilege for me to present to the annual report and the financial statements for the financial year ended June 30, 2024. The Board is focused on the place of KMTC in fulfilling its mandate and living up to its reputation as the largest middle-level medical training, research and consultancy institution regionally. We are committed to support the Government in fulfilling its healthcare objectives and subsequently working together with other governments and like-minded agencies to realize the Universal Health Coverage goals at the regional, continental and global levels.

On the digital front, we enhanced our e-learning infrastructure by utilizing emerging ICT opportunities. This ensured the continuity of teaching and learning activities during the challenging economic times. Coupled with this, we invested significantly in our staff and student's development wellbeing since our greatest asset is human resources.

Moreover, we embarked on a journey to embed a culture of quality in all our processes and procedures. This pursuit of excellence earned us recertification by KEBs to ISO 9001-2015 standards, a testament to our unwavering commitment to quality education. Additionally, our programmes were accredited by relevant regulatory bodies, reaffirming the credibility and standard of education we provide.

The Board's resolve and determination is to continue providing prudent strategic leadership towards extensively mobilizing and efficiently utilizing resources to meet the College's strategic objectives. This is in addition to operationalizing a number of facilities in order to increase training and employment opportunities and possibilities for Kenyan citizens. Strategic collaborations played a pivotal role in our growth. Our Partnerships facilitated the expansion of our campuses to

We have recognized the critical role of Science, Technology, and Innovation. Our research and consultancy efforts are meticulously aligned with national health research priorities, enhancing our contribution to the broader healthcare landscape.

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I sincerely thank H.E Dr. William Samoei Ruto, President of the Republic of Kenya for steering the nation towards ensuring inclusivity and equality for all, for being at the forefront of driving the socio-economic development blueprint, and focusing on quality health service delivery.

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



Joseah Kiplangat Cheruiyot

Chairperson,

Kenya Medical Training College Board of Directors

13th December 2024

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6. REPORT OF THE CHIEF EXECUTIVE OFFICER

It is my humble pleasure to present the Annual report and Financial statement for the financial year 2023-2024. The College demonstrated resilience, adaptability, and unwavering commitment to its mission. One of the key lessons we have learned is cultivating a high-performance organizational culture, which has become our bedrock, enabling us to execute our core mandate.

On the digital front, we enhanced our e-learning infrastructure by utilizing emerging ICT opportunities. Kenya Medical Training College (KMTC) achieved a significant milestone by clinching a prestigious award for its outstanding performance in public sector digital transformation. The recognition was bestowed upon KMTC during the inaugural Ministry of Information, Communications, and Digital Economy (MoICDE) Digital Transformation Public Sector Forum and Awards 2024 in Mombasa.

The college has continued with development of various curricula to meet local and global market demands. Notably, the foreign languages curricula (for French, Arabic and German) for medical students and graduates, have been crafted to ensure that our students and graduates receive comprehensive training that cover beyond medical expertise. It will equip them with the ability to communicate and collaborate effectively in the global healthcare market. Our graduates will emerge as skilled medical professionals as well as ambassadors of our institution with the acquired language skills and cultural competence that are vital in the current healthcare landscape globally

Kenya Medical Training College has intensified efforts towards strengthening research and innovation, as well as participation in scientific conferences to disseminate study findings, share health related knowledge and solutions. As part of embracing technology to keep abreast with the dynamic health sector and to further enhance training of specialized cadres, the College has harnessed innovativeness and creativity, built the capacity of staff, leveraged on E-learning, modern equipment, use of skills and simulation laboratories, E-library and digital repositories. This has led to minimizing the cost of operations, increased efficiency and quality, in addition to our stakeholders accessing many of our services online.

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The College has achieved a significant milestone by receiving the Continuing Professional Development (CPD) Providers Certificate from the Nursing Council of Kenya. This accreditation marks a major advancement for the College as it continues to contribute to professional development in the nursing field globally.

The certification underscores KMTC's commitment to high standards in professional development. The College has developed comprehensive CPD programs that meet the stringent requirements of the Nursing Council, ensuring that the curriculum is both relevant and aligned with the latest advancements in the nursing profession.

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



Dr. Kelly Oluoch
Chief Executive Officer
13th December 2024

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7. STATEMENT OF PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES
FOR FINANCIAL 2023/2024

KMTC is a strategic institution for the Government of Kenya – with important contributions to the achievement of the nation’s developmental agenda and aspirations such as Kenya Vision 2030 and Universal Health Coverage. The College has so far implemented four strategic plans. The fourth strategic plan period (2018-2023) came to an end in June 2023. This has made it necessary to develop a new plan (2023-2028), to be implemented as from 2023/2024 FY.

Kenya Medical Training College has four strategic issues within the current Strategic Plan. These strategic issues are as follows:

Strategic Issue 1: Quality training

Strategic Issue 2: Research, innovation and consultancy

Strategic Issue 3: Digital transformation

Strategic Issue 4: Institutional sustainability

The College develops its annual work plan based on the above strategic issues. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The College achieved its performance targets set for the FY 2023/2024 period for its four strategic issues, as indicated in the table below:

Strategic Issues	Objective	Key Performance Indicators	Activities	Achievements
Strategic Issue 1: Quality training	To enhance the quality of training at the College	Number of New curricula developed	Development of new curricula	-The following Curricula were developed; 1)Short course in occupational health and safety for non-medics 2)Short course in patient centered care 3)Higher Diploma in non-communicable and tropical medicine
		Number of Curricula reviewed	Review of curricula	The following Curricula were reviewed; 1) Higher Diploma in Optometry (Contact Lenses) 2)Diploma in Kenya Registered Nursing

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				<p>3) Higher Diploma in Medical Laboratory Sciences (Histology and Cytopathology)</p> <p>4) Diploma in Community Oral Health</p> <p>5) Certificate in Medical Engineering</p>
		Accreditation obtained	Obtain Accreditation from one regulatory body for KMTC to be a continuous professional development (CPD) Centre	<p>-Impact evaluation study on medical education/teaching methodology course among faculty has been conducted</p> <p>-Accreditation has been obtained from two regulatory bodies (Nursing Council of Kenya and Psychologists and counsellors' Board) – For KMTC to be a Continuous professional development CPD Centre</p>
		Developed and approved teaching and learning policy	Development of teaching and learning policy	Teaching and Learning Policy was developed
		Equipment acquired to enhance short courses	Enhancement of short courses	<p>The following have been acquired to enhance short courses;</p> <p>1) Echocardiography Machine – Enhance MIS Department</p> <p>2) Manikin for skills lab – Enhance point of care ultrasound</p> <p>3) Portable ultra sound machine for regional anesthesia – Enhance clinical Medicine department</p>

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Strategic Issue 2: Research, innovation and consultancy	To foster research, innovation and consultancy excellence at the College	Number of funded Research proposals	Funding of Research Proposals	A total of 28 research Proposals were funded against a target of 25.
		Number of Research Symposia Held	Holding of Research Symposia	Three Research Symposia were held against a target of two.
		-Annual STI plan - Quarterly reports on Implementation of STI plan	Development of annual STI plan, implementation of the plan and Quarterly submission of reports on implementation to NACOSTI	-Annual work plan for college STI mainstreaming was developed. The plan has been implemented. -Quarterly reports have been submitted to NACOSTI
Strategic Issue 3: Digital transformation	To drive digital transformation across staff and processes at the College	Approved data protection policy	Development of data protection	Data protection policy was developed and approved
		Approved data governance policy	Development of data governance	Data governance policy was developed and approved
		Approved ICT security framework	Development of ICT security framework	ICT Security framework was developed and approved
		Approved Business Continuity and Disaster recovery plan	Development of ICT Business Continuity and disaster recovery plan	ICT business continuity and disaster recovery plan was developed and approved.
Strategic Issue 4: Institutional sustainability	To promote institutional	Submission of proposal	Development of proposals for	The College has developed two successful Grant proposals;(PEP Partnership

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	sustainability at the College		Resource mobilization	in Education for Health and THET – Tropical Health and Education Trust)
	Increase in revenue collection by 40%	Tuition blocks constructed	Infrastructural development – tuition blocks	<p>1) Tuition block at Makindu Campus-Target was 80% completion</p> <ul style="list-style-type: none"> At 100% completion and was handed over for occupation on 23/5/24 <p>2)Tuition block at Isiolo Campus- Target was 80% Completion</p> <ul style="list-style-type: none"> 100% complete and ready for handing over as at 30/6/2024 <p>3)Tuition block at iten Campus – Target was 80% Completion</p> <ul style="list-style-type: none"> 100% Complete and handed over for occupation <p>4)Tuition block at Thika Campus – Target was 40% Completion</p> <ul style="list-style-type: none"> This is work in progress at 75% Complete <p>5) Tuition block at Homabay Campus – Target was 100% Completion</p> <ul style="list-style-type: none"> 100% complete as at 30/6/2024 <p>6) Tuition block at Kaptumo Campus – Target was 80% Completion</p> <p>100% Complete as at 30/6/2024</p>
		Increase in number of students	Enrolment and training of new students	A total of 27,426 new students were enrolled against a target of 18,370
			Introduction of new programmes	The following training programs were introduced; 1) Higher diploma in oncology Nursing (March 2023 admission)

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				2) Diploma in Emergency Technology (Paramedics) – September 2023 admissions
	To participate in environmental sustainability activities	Number of trees planted and reports	<p>a) Grow a minimum of 30 trees per staff during the Contract period</p> <p>b) Mobilize key stakeholders in liaison with the state department for forestry to conduct 3(three) planting/growing events in the year</p> <p>c) Submit half yearly and annual reports to the state department for forestry on the number of trees grown.</p>	<p>-A total of 123,324 trees have been planted against a target of 64,350</p> <p>-The college held various tree growing events (Spearheaded by KMTC Campuses)</p> <p>-Half year and annual reports on number of trees grown were submitted to state department for forestry.</p>

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8. CORPORATE GOVERNANCE STATEMENT

The importance for all government agencies to apply resources to address national development and spur economic growth remains a fundamental aspect at all times. The benefits of a properly implemented and effective corporate governance system cannot be gainsaid. The College has built its operations on sound corporate governance principles based on the application of high and consistent ethical standards in its relationships with stakeholders creating stakeholder confidence. This is in line with the provisions of transparency, accountability, responsibility, compliance with relevant laws and regulations, risk management, appropriate checks and balances, Ethical leadership and integrity and socio-environmental responsibility. The College has kept abreast with international developments in corporate governance for the promotion of enhanced transparency, integrity and rule of law.

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

(A) Oversight role of Board of Directors

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

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

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

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

During the time under review, the Board was headed by a chairperson appointed by the president four (4) independent members appointed by the Cabinet Secretary in charge of Health, a Chief executive Officer (Ex-official) appointed by the Board to manage the day-to-day affairs of the College, a representative of the Principal Secretary National Treasury, A representative of Principal Secretary ministry of Health, and A representative of the Director General of Health.

All Board members including the Chairperson are appointed for a three (3) year term renewable once. The appointment to the Board considers academic qualifications, technical expertise, experience, age and gender and the College Board composition complies with requirements in the constitution of Kenya, 2010, the KMTC Act, Cap 261, Laws of Kenya and other relevant law. The appointing authorities have the powers to remove a director from the Board.

During the year under review, the Board held ten (10) meetings, six (6) quarterly and Four (4) special to discuss strategic issues of the College. The members who attended the meetings are Chairperson of the Board, the four (4) independent members, the Chief executive Officer (Ex-official), the representative of the Principal Secretary National Treasury, the representative of the Principal Secretary ministry of Health, and the representative of the Director General of Health. depending on the dates the meetings were held.

The Board has developed a succession plan policy to ensure sustainability and continuity of the College operations. Further, notice of expiration of terms is given to members and to their appointing authorities in order to ensure that the College has a functional Board at all times. The Board and its committees have charters that guide the conduct of its business. The Charter is developed in accordance with Mwongozo, the Code of governance for State Corporations as issued by H.E The President in 2015.

During the year under review, no one member or group of members had unfettered powers and there was an appropriate balance of power on the Board. One third of the members were independent

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allowing the board to exercise objective and independent judgment In accordance with the code of Governance for State Corporation.

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

(C) Induction and Training for continuous skill development

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

(D) Board tools of governance

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

(E) Conflict of Interest

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

(F) Governance and legal audit

During the year under review, an annual governance audit meant to ensure and confirm that the College is operating on sound governance practices was begun. The findings will be discussed hereof where picked and auctioned for continual improvement.

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(G) Compliance with laws and regulations

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

(H) Fiduciary Duties of the Board of Directors

The following are the duties of the Board of directors;

- i. Duty to act within its powers; a Director is required to only exercise their powers for purposes which they were conferred.
- ii. Duty to avoid conflicts of interest; a Director is expected to identify and disclose the nature of a conflict and procure authorization for the same if permitted.
- iii. Duty to declare interests in proposed or existing transactions or arrangements.
- iv. Duty to Exercise their role collectively and not individually.
- v. To determine the organization's mission, vision, purpose and core values
- vi. Duty to set and oversee the overall strategy and approve policies of the organization.
- vii. Ensure that the strategy is aligned with the purpose of the organization and the legitimate interests and expectations of its stakeholders.
- viii. Ensure that the strategy of the organization is aligned to the long-term goals of the organization on sustainability so as not to compromise the ability of future generations to meet their own needs.
- ix. Duty to approve the organizational structure.
- x. To approve the annual budget of the organization.
- xi. Monitor the organization's performance and ensure sustainability.
- xii. Duty to enhance the corporate image of the organization.
- xiii. Ensure availability of adequate resources for the achievement of the organization's objectives.
- xiv. Duty to hire the Chief executive officer on such terms and conditions of service as may be approved by the relevant government organ(s) and approve the appointment of senior management staff.
- xv. Duty to ensure effective communication with stakeholders.

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(I) Board Remuneration

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

(J) Committees of the Board

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

1. Human Resource Committee

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

2. Academic, Training, Standards and Ethics Committee

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

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3. Finance, Planning and Development Committee

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

4. Audit Committee

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

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j. Internal Audit plans

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

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9. MANAGEMENT’S DISCUSSION AND ANALYSIS

(A) OPERATIONAL HIGHLIGHTS

The College has played a critical role in the attainment of Kenya Vision 2030 flagship project for the Health Sector and achievement of the Governments Big Four Agenda on Universal Health Coverage through training Health professionals to bridge the Human Resource Gaps in the Health Sector. In executing its mandate, the college has continued to align itself with the government agenda to achieve Universal Health Care.

KMTC supplies over 85% of the middle level health professionals for the Kenyan health sector. Our quest to continually supply a quality global health workforce recently received a boost after certification by the Kenya National Qualification Authority (KNQA) equated the College’s Higher National Diploma (HND) to a bachelor’s degree.

The college receives over 30,000 applications against the available 22,000 places available for training. For the financial year under review the college graduated 15,914 health workers.

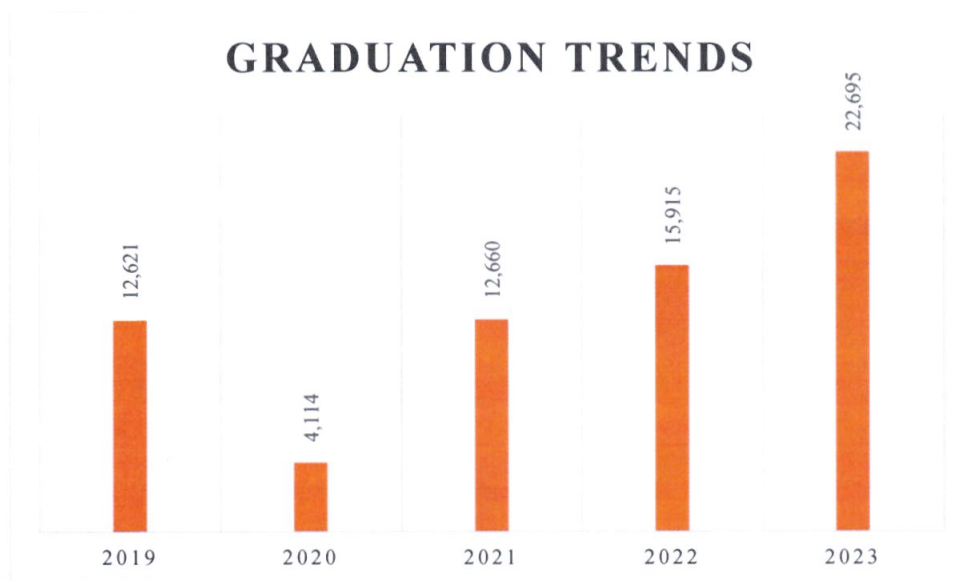


Figure 1 GRADUATION TRENDS

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(B) Financial Highlights

(i) Revenue

Internally generated revenue has grown from Kshs 5.2 Billion in 2022/2023 to Kshs. 5.3 Billion in 2023/2024 Financial Year. This shows a positive growth pointing towards stability in the training programmes. Substantially internally generated revenue is derived from tuition, boarding and application fees which is dependent on students hence there is an indication of growth in Numbers. Total revenues from various streams during the year amounted to Kshs11.5 Billion with Government Grants accounting for 54% of the total revenue.

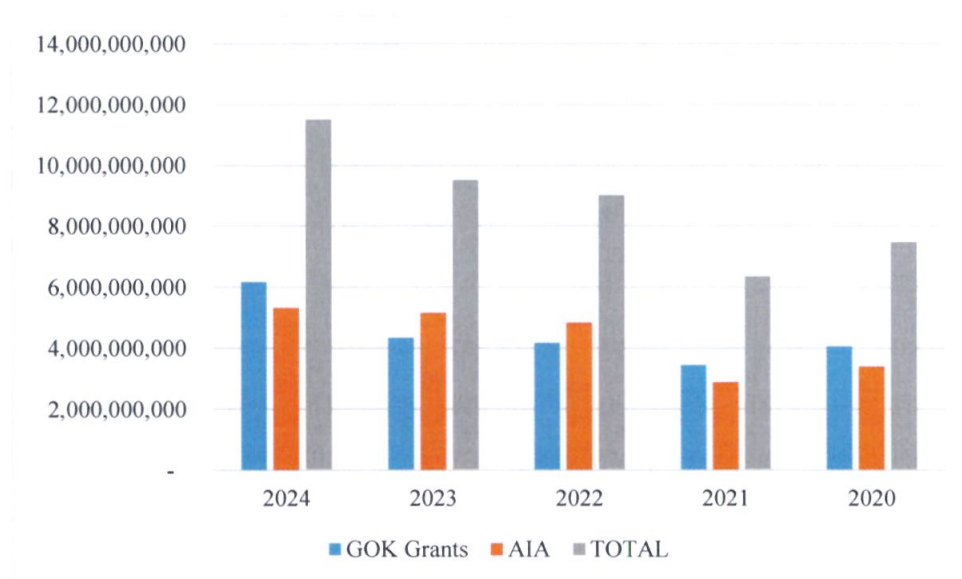


Figure 3 REVENUE TRENDS

(ii) Capital Expenditure

The College invested additional resources to the tune of Kshs. 1.37 Billion on capital expenditure mainly building works, software computers and accessories, teaching equipment and furniture and fittings. This investment is geared towards improving the physical infrastructure for training of students.

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(iii) Compliance with statutory requirements

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

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

- i. Submission of the Financial Programme Performance report to Controller of Budget every quarter within the deadline
- ii. Submission of Draft Budget Estimates by 30th April 2024
- iii. Submission of Annual Procurement Plan by 30th July 2023.
- iv. Submission of Annual Work plan and Cash flow projections by 30th July 2023.
- v. Compliance with other circulars from National treasury issued in 2023/2024

Conclusion

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

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10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

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

i) Sustainability strategy and profile

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

ii) Environmental performance

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

iii) Employee welfare

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

iv) Market place practices-

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

a) Responsible competition practice.

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

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b) Responsible Supply chain and supplier relations

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

c) Responsible marketing and advertisement

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

d) Product stewardship

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

(iv) Corporate Social Responsibility / Community Engagements

During the 2023/2024 financial year, the College engaged in various Corporate Social Responsibility (CSR) initiatives focused on social upliftment, health and medical services, disaster response, and environmental conservation across its campuses and headquarters.

a) Environmental Conservation

In alignment with its commitment to environmental sustainability, KMTC launched tree-planting campaigns across multiple regions. Notable initiatives included a collaboration with the Kenya Forest Service (KFS), Kiambu County Government, Kiambu National Polytechnic, and the Kinale Community Forest Association. On Tuesday, January 30, 2024, they planted over 3,000 indigenous trees in Kinale Forest, Kiambu County. The College Board also accompanied the Principal Secretary of the State Department for Public Health and Professional Standards, Ms. Mary Muthoni, during a tree-planting exercise in West Pokot County as part of the National Tree Growing campaign.

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At the Campus level, Eldoret Campus donated 1,000 trees, with 500 planted within the campus compound and the remaining 500 donated to Moiben Hospital. Other campuses, including Iten, Kuria, Lodwar, Manza, Machakos, Rera, and Nyandarua, actively participated in similar initiatives, emphasizing clean air, combating climate change, and preserving the environment for future generations.

b) Sanitation Activities

Complementing these efforts, KMTC campuses organized sanitation drives to promote cleanliness and hygiene within communities. Clean-up exercises were conducted in Iten, Eldoret, and Gatundu, focusing on contributing to the hygiene and cleanliness of their respective regions.

c) Social Upliftment

In pursuit of social upliftment, KMTC Migori organized a career talk to provide students with valuable insights into diverse career paths and choices. Meanwhile, KMTC Rachuonyo made a significant impact by supporting a children's home with essential donations and planting trees, reinforcing their commitment to environmental conservation and the well-being of future generations.

d) Open Day

During the Annual Open Day, KMTC Campuses across the country conducted various awareness initiatives, including open days to popularize their programs, health talks, and offering free medical check-ups and treatment.

More than 40 Campuses participated in World AIDS Day, commemorated annually on December 1st, by offering health talks, free HIV & AIDS screenings, and participating in sensitization processions in partnership with various stakeholders.

e) Cataract Surgery Camp and Free Ultrasound Screening Services

In April and May 2024, the College organized two significant health initiatives that made a substantial impact on underserved communities in Kenya. The first was a Cataract Surgery Camp held from April 20 to 27, 2024, at Mogotio County Hospital in Baringo County. This camp,

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conducted in collaboration with the Kenya Society for the Blind, Ravine Glory Hospital, Centers for Health and Education Programs (CHEPS), and Mogotio Sub-County Hospital, provided critical eye care services, including free eye screenings, cataract surgeries, and the distribution of essential eye care supplies.

The second initiative was a series of free ultrasound screening services for pregnant mothers, conducted by the Department of Radiography and Imaging at the Nairobi Campus of KMTC. This initiative, held between May 13 and 17, 2024, in partnership with Kenyatta National Hospital and Mbagathi County Hospital, was part of the College's CSR activities. The screenings aimed to enhance maternal and fetal health through the early detection of potential complications.

Conclusion

The KMTC 2023/2024 CSR report showcases our unwavering commitment to social responsibility, community engagement, and sustainable practices. The College remains dedicated to fostering a culture of service, compassion, and sustainable development, and looks forward to continuing with CSR efforts in the coming years. Together, we can build stronger, healthier communities and create a brighter future for all.

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11. REPORT OF THE DIRECTORS

The directors have the pleasure of presenting their report together with the audited Financial Statements for year ended 30th June 2024 which show the state of the college's affairs.

i) Principal activities

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

ii) Results

The results of the college for the year ended June 30, 2024 are set out on pages 51 to 91

iii) Directors

The Board of Directors who held office during the year are shown on pages 13 to 17.

iv) Surplus remission

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

v) Auditors

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

By order of the Board



CS, Ms. Caroline Muchina

Corporation Secretary

19th September 2024

12. STATEMENT OF BOARD OF DIRECTORS RESPONSIBILITIES

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

The Directors are responsible for preparation and presentation of the Colleges Financial Statements, which give a true and fair view of the state of affairs of the college for and as at the end of financial year ended June 30, 2024. This responsibility includes:

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

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

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for the year ended June 30, 2024

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


The Directors are of the opinion that the College's financial statements give a true and fair view of its transactions during the financial year ended June 30, 2024.

Approval of the Financial Statements

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



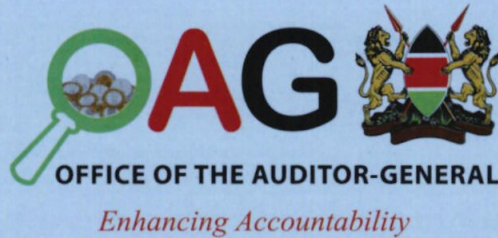
Dr. Kelly Oluoch
Chief Executive Officer
13th December 2024



Joseah Kiplangat Cheruiyot
Chairperson
13th December 2024

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KENYA MEDICAL TRAINING COLLEGE FOR THE YEAR ENDED 30 JUNE, 2024

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 the Kenya Medical Training College set out on pages 48 to 86, which comprise of the statement of financial position as at 30 June, 2024 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 the Kenya Medical Training College as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Kenya Medical Training College Act Cap 257 (Revised 2019) and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Receivables from Exchange Transactions

The statement of financial position and as disclosed in Note 34 to the financial statements reflects receivables from exchange transactions balance of Kshs.932,698,777. The following unsatisfactory matters were however noted:-

1.1. Long Outstanding Student Fee Balance

The balance includes an amount of Kshs.775,547,796 which relates to student outstanding fee balance which further includes Kshs.21,831,155 due from Kenyatta National Hospital sponsored students who completed their studies more than five years ago and graduated before the full payment of fees. In addition, the balance also includes Kshs.8,419,638 for three hundred and four (304) students who graduated in December, 2023 before clearing the outstanding fees.

In the circumstances, the accuracy and recoverability of the students' outstanding fee balance of Kshs.30,250,793 could not be confirmed.

1.2. Understatement of Provisions for Bad Debts

The receivables from exchange transactions balance of Kshs.932,698,777 is net of provision for bad debts of Kshs.86,365,749 calculated at 10% of the outstanding fees and rent receivable balance. However, this balance includes Kshs.21,831,155 which was outstanding for over five (5) years and should have been fully provided for resulting into understatement of provision by Kshs.19,648,040. This is pursuant to the College's debt management policy of November, 2022 which provides that, provision for doubtful debts be provided at 10% for 0-3 years, 25% for 3-5 years and 100% for debts over 5 years.

In the circumstances, the accuracy, recoverability and fair statement of the receivables from exchange transactions balance of Kshs.932,698,777 could not be confirmed.

2. Unconfirmed Receivables from the Non-Exchange Transactions Ministry

The statement of financial position reflects receivables from non-exchange transactions balance of Kshs.1,026,395,496 as disclosed in Note 35 to the financial statements. Included in the balance is an amount of which Kshs.19,812,181 owed by the Ministry of Health. However, the Ministry did not disclose this balance as an outstanding accounts payable in its financial statements.

In the circumstances, the accuracy and completeness of receivables from non-exchange transactions, Ministry of Health balance of Kshs.19,812,181 could not be confirmed.

3. Deficit in the Defined Benefit Scheme

The statement of financial position and as disclosed in Note 39 to the financial statements reflects trade and other payables balance of Kshs.769,598,228. Review of the actuarial valuation report of the College revealed its Defined Benefit Scheme (DBS) had a pension deficit of Kshs.2,125,540,000 as at 30 June, 2024. However, the deficit has not been incorporated in the financial statements. Further, if the deficit is not bridged, the pensioners are at risk of not being able to access their retirement benefits as and when they fall due..

In the circumstances, the accuracy and fair statement of trade and other payables balance of Kshs.769,598,228 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget of Kshs.11,619,000,000 and actual on comparable basis amount of Kshs.11,516,981,640 respectively, resulting to under collection of Kshs.102,018,360 or 1% of the approved budget. Similarly, the College spent Kshs.10,523,540,655 against actual revenue of Kshs.11,516,981,640 resulting to under expenditure of Kshs.993,440,985 or 9% of the actual revenue.

The under expenditure may have affected the implementation of the planned programmes and may have negatively impacted on the operations of the College.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the 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 5 to 46 which comprise of Key Entity Information and Management, Board of Directors Profiles, Key Management Team, Chairperson's Statement, Report of the Chief Executive Officer, Statement of Performance against Predetermined Objectives for the financial year 2023/2024, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors and the Statement of Board of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the College'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.

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. Non-Compliance with Staffing Requirement for Persons Living with Disabilities

Analysis of payroll revealed the College had two thousand one hundred thirty-one (2,131) staff out of which fifty-two (52) or 2.4% of the total employees were Persons Living with Disabilities. This was contrary to Section B.23 (1-2) of Human Resource Policies and Procedures Manual for the Public Service, 2016 which states that the persons with disability shall be accorded equal opportunities for employment provided they have the necessary qualifications and are suitable for such employment and that the government shall implement the principle that at least five (5) percent of all appointments shall be for persons with disabilities.

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

2. Staff Earning Less Than One Third of Basic Salary

Review of payrolls for the twelve (12) months period revealed that nine hundred and fifty-one (951) employees had committed their salaries beyond two-thirds threshold of their basic salary throughout the financial year. This was contrary to Section 19(3) of Employment Act, 2007 provides that without prejudice to any right of recovery of any debt due, and notwithstanding the provisions of any other written law, the total amount of all deductions which under the provisions of subsection (1), may be made by an employer from the wages of his employee at any one time shall not exceed two-thirds of such wages or such additional or other amount as may be prescribed by the Minister either generally or in relation to a specified employer or employee or class of employers or employees or any trade or industry.

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

3. Inconsistencies in Work-in-Progress Contract

The statement of financial position and as disclosed in Note 37 to the financial statements reflects property plant and equipment balance of Kshs.30,661,803,245. Included in the balance are asset additions worth Kshs.1,377,919,075 out of which Kshs.435,041,103 relates to work in progress. Review of contract documents revealed the construction of a tuition block at Rachuonyo Campus which was awarded at a contract sum of Kshs.30,895,490. However, the Bills of Quantities submitted by the user department for review was for the construction of seven (7) lecture rooms, library, three (3) offices, staff room, Information and Communication Technology (ICT) room and ablution block at a contract sum of Kshs.30,814,61.

In the circumstances, it was not possible to confirm if the works being implemented by the user department were in accordance with the signed contract for the construction of a tuition block and value for money thereof.

4. Failure to Establish Campuses in all Counties

Review of campuses distribution list revealed that the College had not set up a campus in one of the Counties. This was contrary to Paragraph 4(v) of the College's Expansion Policy, 2019 which requires a maximum of three (3) campuses per county and where necessary, one (1) additional campus which will be a satellite of the already existing campuses. Further the policy does not prescribe guidelines on campus distribution based on geographical mapping and population distribution

In the circumstances, the citizens in the affected County may be deprived of the right to access to the College.

5. Budget Imbalance

The statement of comparison of budget and actual amounts reflects final revenue budget of Kshs.11,619,000,000 and final expenses budget of Kshs.10,646,016,840 resulting to

budget imbalance of Kshs.972,983,160. This was contrary to Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015 which states that a budget for national government entities shall be balanced.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Student Under Enrollment

Review of admission records revealed that thirteen thousand, eight hundred and sixty-four (13,864) students were enrolled in seventy-five (75) courses whose established capacity was 29,965 resulting to a shortfall in admission by sixteen thousand one hundred and one (16,101) slots. In addition, the College was unable to attract students in twenty-one (21) courses with a capacity of one thousand seven hundred and fifteen (1,715) slots.

In the circumstances, the inability of the College programs to attract students may be an indication that some of the courses being offered are no longer attractive to the market needs.

2. Under Staffing of the College

Review of employee data revealed that one thousand one hundred twenty-nine (1,129) staff in-post out of the approved staff establishment of two thousand eight hundred sixty-six (2,866) resulting to understaffing of one thousand seven hundred and thirty-seven (1,737).

In the circumstances, the under staffing may affect the College's effectiveness to deliver services to the public.

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 College's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is

not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

27 December, 2024

KENYA MEDICAL TRAINING COLLEGE

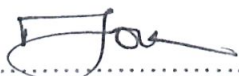
Annual Report and Financial Statements

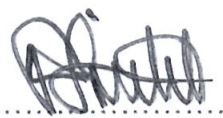
for the year ended June 30, 2024

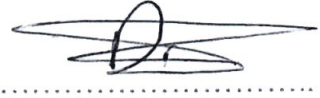
14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2024

	Notes	2023-2024	2022-2023
		Kshs	
Revenue from Non-Exchange Transactions			
Transfers from Other Government entities	21	6,176,999,979	4,352,833,830
Sub-total		6,176,999,979	4,352,833,830
Revenue From Exchange Transactions		-	-
Tuition, Boarding and application fees	22	5,194,526,495	5,073,348,815
Rental revenue from facilities and equipment	23	29,772,093	19,544,182
Other income	24	115,683,073	74,046,695
Sub-total		5,339,981,661	5,166,939,693
Total Revenue		11,516,981,640	9,519,773,523
Expenses		-	-
Employee costs	25	4,636,320,375	4,424,826,521
Use of Goods and Services	26	3,331,937,510	2,661,935,752
Repairs and maintenance	27	425,154,045	390,740,417
Operational expenses	28	517,729,091	412,410,816
Depreciation and amortization expense	29	889,818,732	1,334,540,187
Remuneration of Directors	30	29,323,011	21,516,723
Finance costs	31	13,257,891	11,185,151
Transfers to Other Government entities(HELB)	32	680,000,000	566,666,670
Total Expenses		10,523,540,655	9,823,822,238
Surplus/Deficit for the Period		993,440,985	(304,048,715)
Corporation Tax		9,865,773	16,286,072
Surplus/(Deficit)		983,575,212	(320,334,787)

The Financial Statements set out on pages 48 to 86 were signed on behalf of the Board of Directors by:


.....


.....


.....

Dr. Kelly Oluoch
Chief Executive Officer

CPA Elijah Mititi
Finance Manager

Joseah Kiplangat Cheruiyot
Chairperson

ICPAK No: 23480

13th December 2024

13th December 2024

13th December 2024

KENYA MEDICAL TRAINING COLLEGE**Annual Report and Financial Statements**

for the year ended June 30, 2024

13th December 2024


13th December 2024

13th December 2024

15. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2024

	Notes	2023-2024	2022-2023
Assets		Kshs	Kshs
Current Assets			
Cash and cash equivalents	33	587,083,206	627,509,099
Receivables from exchange transactions	34	932,698,777	697,116,998
Receivables from non-exchange transactions	35	1,026,395,496	908,396,013
Inventories	36	36,064,571	52,396,716
Total Current Assets		2,582,242,050	2,285,418,826
Non-Current Assets			
Property, plant and equipment	37	30,661,803,245	30,165,596,078
Intangible assets	38	27,238,336	25,653,570
Total Non-Current Assets		30,689,041,581	30,191,249,648
Total Assets		33,271,283,631	32,476,668,474
Current Liabilities			-
Trade and other payables	39	769,598,228	958,558,283
Total Liabilities		769,598,228	958,558,283
Net assets		32,501,685,403	31,518,110,191
Equity			-
Capital fund	40	4,727,538,005	4,727,538,005
Accumulated fund	41	4,600,224,752	3,616,649,540
Revaluation Reserve	42	23,173,922,646	23,173,922,646
Total Equity		32,501,685,403	31,518,110,191

The Financial Statements set out on pages 48 to 86 were signed on behalf of the Board of Directors by:


.....


Dr. Kelly Oluoch
Chief Executive Officer

13th December 2024


.....

CPA Elijah Mititi
Finance Manager
ICPAK No: 23480

13th December 2024


.....

Joseah Kiplangat Cheruiyot
Chairperson

13th December 2024

KENYA MEDICAL TRAINING COLLEGE
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for the year ended June 30, 2024

16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30TH

JUNE 2024

Particulars	Capital Fund	Accumulated Funds	Revaluation Reserve	Total
	Kshs.	Kshs.	Kshs.	Kshs.
Balance as at 01.07.2022	4,727,538,005	3,936,984,327	23,173,922,646	31,838,444,978
Surplus for the year	0	(320,334,787)	0	(320,334,787)
Revaluation Gain	0	0	0	0
Balance as at 30.06.2023	4,727,538,005	3,616,649,540	23,173,922,646	31,518,110,191
Balance as at 01.07.2023	4,727,538,005	3,616,649,540	23,173,922,646	31,518,110,191
Surplus for the year		983,575,212		983,575,212
Revaluation Gain				-
Balance as at 30.06.2024	4,727,538,005	4,600,224,752	23,173,922,646	32,501,685,403

KENYA MEDICAL TRAINING COLLEGE**Annual Report and Financial Statements****for the year ended June 30, 2024****17. STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30TH JUNE 2024**

CASH FLOWS FROM OPERATING ACTIVITIES	Note	2024	2023
Receipts		Kshs	Kshs
Transfers from Other Government entities		5,170,416,665	3,545,749,997
Tuition, Boarding and application fees		5,202,136,116	4,472,274,606
Rental revenue from facilities and equipment		23,138,238	19,544,182
Other income		128,913,822	74,046,695
Total Receipts		10,524,604,841	8,111,615,480
Payments			
Employee costs		4,636,320,375	3,844,678,578
Use of Goods and Services		3,067,091,691	2,163,110,579
Repairs and maintenance		357,060,564	303,877,700
Operational expenses		441,255,726	358,548,882
Remuneration of Directors		29,234,712	21,429,723
Finance costs		13,257,891	11,185,151
Transfers from Other Government entities (HELB)		623,333,337	566,666,670
Corporation Tax		9,865,773	16,286,072
Total Payments		9,177,420,068	7,285,783,355
Net cash flows from/(used in) operating activities	43	1,347,184,773	825,832,125
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant, equipment	36	(1,377,919,075)	(1,187,689,967)
Purchase of Intangible asset		(9,691,590)	(19,316,801)
Net cash flows used in investing activities		(1,387,610,665)	(1,207,006,768)
CASH FLOWS FROM FINANCING ACTIVITIES			
Bank OD	38	-	-
Net cash flows used in financing activities			-
Net increase/(decrease) in cash and cash equivalents		(40,425,893)	(381,174,643)
Cash and cash equivalents at 1 JULY 2022		627,509,099	1,008,683,742
Cash and cash equivalents at 30 JUNE 2023		587,083,206	627,509,099

KENYA MEDICAL TRAINING COLLEGE

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for the year ended June 30, 2024

**18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE
YEAR ENDED 30 JUNE 2023**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	%	Note
Revenue from Non-Exchange Transactions	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024		
	Kshs	Kshs	Kshs	Kshs	Kshs		
Grants and donations	6,439,000,000	940,000,000	7,379,000,000	6,176,999,979	1,202,000,021	0.16	
	6,439,000,000	940,000,000	7,379,000,000	6,176,999,979		-	
Revenue from Exchange Transactions							
Tuition, Boarding and application fees	3,865,780,594	200,000,000	4,065,780,594	5,194,526,495	1,128,745,901	0.28	
Rental revenue from facilities and equipment	30,367,906		30,367,906	29,772,093	-595,813	-0.02	a
Other income	143,851,500		143,851,500	115,683,073	-28,168,427	-0.20	b
	4,040,000,000	200,000,000	4,240,000,000	5,339,981,661		-	
Total Revenue	10,479,000,000	1,140,000,000	11,619,000,000	11,516,981,640	0		
Expenses							
Employee costs	4,446,230,409	200,000,000	4,646,230,409	4,636,320,375	9,910,034	0.00	
Use of Goods and services	3,334,844,663		3,334,844,663	3,331,937,510	2,907,153	0.00	
Repairs and maintenance	448,942,486		448,942,486	425,154,045	23,788,441	0.05	
Operational expenses	602,164,632		602,164,632	517,729,091	84,435,541	0.14	c
Depreciation and amortization expense	230,495,000	660,000,000	890,495,000	889,818,732	676,268	0.00	
Directors' remuneration	30,000,000		30,000,000	29,323,011	676,989	0.02	d
Finance costs	5,339,650	8,000,000	13,339,650	13,257,891	81,759	0.01	e
Transfers from Other Government entities(HELB)	680,000,000		680,000,000	680,000,000	0	-	
Total Expenses	9,778,016,840	868,000,000	10,646,016,840	10,523,540,655	122,476,185	0.01	

KENYA MEDICAL TRAINING COLLEGE
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for the year ended June 30, 2024
Notes

- (a) GOK grants were not fully realized owing to exchequer funding inadequacy.
- (b) Rental income declined in the financial year owing to slow down in activities in site rentals and facilities hire.
- (c) Other income was affected by shift of admission process from the college to Kenya Universities and Colleges Central Placement Service
- (d) The operational activities were rationalized to as part of the austerity measures on cost reduction.

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19. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH
JUNE 2024

1. General information

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

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

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1. Adoption of new and revised standards

- i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2024.*

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></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 recognize, measure and present information on right of use assets and lease liabilities.</p> <p><i>The change in the standard will not have an impact in the college operations</i></p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>The change in the standard will not have an impact in the college operations</i></p>
IPSAS 45-Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>The change in the standard will not have an impact in the college operations</i></p>

KENYA MEDICAL TRAINING COLLEGE
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Standard	Effective date and impact:
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>The change in the standard will not have an impact in the college operations</i></p>
<p>IPSAS 47- Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>The change in the standard will not have an impact in the college operations</i></p>
<p>IPSAS 48- Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>The change in the standard will not have an impact in the college operations</i></p>
<p>IPSAS 49- Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>The change in the standard will not have an impact in the college operations</i></p>

KENYA MEDICAL TRAINING COLLEGE
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for the year ended June 30, 2024

ii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in year 2023/2024.

13. Summary of significant accounting policies

a) Revenue Recognition

i) Revenue from Non – Exchange Transactions

Transfers from Other Government Entities

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

ii) Revenue from Exchange Transactions

Rendering of Services

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

Sale of Goods

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

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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.

Rental Income

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

b) Budget Information

The original budget for FY2022/2023 was approved by the National Assembly on Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

The KMTCs budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts

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and the actuals as per the statement of financial performance has been presented in statement of comparison of budget and actual amounts.

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the college operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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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 College 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

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition.

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

e) Property, Plant and Equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the college 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 the Surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

f) Basis of Depreciation: Non-current assets are fully depreciated in the year of acquisition and no depreciation is provided for in the year of disposal using the straight line basis at annual rates estimated to write off the asset over useful lives.

The following annual depreciation rates in use are: -

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Percentage (%)

1.	Land	Nil
2.	Buildings	2.5
3.	Work in Progress	Nil
4.	Motor Vehicles	25
5.	Plant, Office and Other Equipment	12.5
6.	Furniture and Fittings	12.5
7.	Computers and Accessories	30

g) Intangible Assets

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

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

h) Research and development costs

The college expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the college 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.

i) Financial Instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The college does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the college. A financial instrument is any contract that gives rise to a financial asset of one College and a financial liability or equity instrument of another College. At initial recognition, the College measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

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a) Financial Assets

Classification of financial assets

The College classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

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

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

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Fair value through net assets/ equity

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

Trade and other receivables

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

Fair value through surplus or deficit

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

Impairment

The college assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss.

b) Financial liabilities

Classification

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

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j) Inventories

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

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

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

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

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

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

k) Provisions

Provisions are recognized when the college 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 college expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a

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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.

l) Nature and Purpose of Reserves

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

m) Changes in Accounting Policies and Estimates

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

n) Employee Benefits

Retirement Benefit Plans

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

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

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o) Related Parties

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

Related party transactions

	2024	2023
	Kshs	Kshs
a) Ministry of health		
Transfers from Ministry of Health	6,176,999,979	5,214,999,996
Transfers to Ministry of Health	NIL	NIL
b) Compensation to key Management		
Directors Emoluments	29,323,011	21,596,723
Key management staff	49,520,741	40,317,053
c) Due from related parties		
Due from Ministry of Health	19,812,180	19,812,180

p) Cash and Cash Equivalents

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

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q) Comparative Figures

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

r) Significant Judgments and Sources of Estimation Uncertainty

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

s) Estimates and Assumptions

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

Useful Lives and Residual Values

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

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

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- Changes in the market in relation to the asset.

t) 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, 2024

u) Taxation

The statement of financial performance for the year ended June 30, 2023 include a taxation charge for corporation tax.

v) Financial Risk Management

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

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

(e) Credit risk

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

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

Individual risk limits are set based on internal or external assessment in accordance with limits set by the board of directors. The amounts presented in the statement of financial position are net of

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allowances for doubtful receivables, estimated by the college's management based on prior experience and their assessment of the current economic environment.

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30TH JUNE 2024				
Receivables from exchange transactions	932,698,777	932,698,777		
Receivables from non-exchange transactions	1,026,395,496	1,005,583,316	19,812,180	
Total	1,959,094,273	1,938,282,093	19,812,180	
At 30TH JUNE 2023				
Receivables from exchange transactions	697,116,998	697,116,998		
Receivables from non-exchange transactions	888,583,833	888,583,833	19,812,180	
Total	1,585,700,831	1,585,700,831	19,812,180	

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

Credit risk (Continued)

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

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

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w) Liquidity risk management

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

x) Contingent Liabilities

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

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

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3. KMTC Staff Retirement Benefits scheme	The college has converted its staff pension scheme from Defined Benefit (DB) to Defined Contribution (DC) pension scheme in accordance with treasury circular No. 18/2010 of 24.11. 2010. The DB scheme was frozen as at 30.06.2013. Members who were 45 years and above had the option of their benefits being retained in the scheme without freezing. Service from 1.7.2013 is accrued in a separate defined contribution scheme (DCS) except for those members who were retained in the DBS. The college has been remitting pension to the DB and DC schemes. The actuarial valuation for the scheme as at 30.06.2023, conducted by the consultants revealed a pension deficit of Kshs 2,125,540,000 that has to re-paid within a period of six years. The board is considering modalities of settling the deficit.
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NOTE:

In the printed estimates for the financial year 2023/2024 the college had not received Grants amounting to Kshs 1,202,000,020. and it is uncertain the amount will be realized.

Note 21:
Transfer from other government entities

	2024	2023
	(Kshs.)	(Kshs.)
Government of Kenya grants		
Recurrent	5,023,000,000	3,515,833,830
Development	1,153,999,980	837,000,000
TOTAL	6,176,999,979	4,352,833,830

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Note 22:

Tuition, Boarding and application fees

	2024	2023
	(Kshs.)	(Kshs.)
Tuition Boarding fees and meals	5,016,475,245	4,836,729,494
Boarding fees	150,924,496	148,721,153
Catering fees	4,238,509	9,269,210
Application fees	22,455,019	78,628,958
TOTAL	5,194,093,269	5,073,348,815

Note 23:

Rental Revenue from Facilities and Equipment

	2024	2023
	(Kshs.)	(Kshs.)
Staff Houses	29,772,093	19,544,182
TOTAL	29,772,093	19,544,182

Note 24:

Other Income

	2024	2023
	(Kshs.)	(Kshs.)
Sale of Tender documents	-	24,000
Sale of Capital goods	2,794,350	-
Sale of Non-Capital goods	187,844	61,600
Graduation Fees	56,725,000	39,785,000
Miscellaneous income	55,975,879	34,176,095
TOTAL	115,683,073	74,046,695

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Note 25:

Employee Costs

	2024	2023
	(Kshs.)	(Kshs.)
Salaries and wages	1,962,667,122	2,010,368,693
Contributions to pensions	413,510,432	370,936,144
House allowances	518,081,506	526,531,751
Medical insurance	492,115,234	255,929,813
Commuter and other allowances	521,503,212	673,995,809
Health workers extraneous allowances	671,992,905	587,064,313
Levies	56,449,964	
TOTAL	4,636,320,375	4,358,047,618

Note 26

Use of goods and services

	2024	2023
	(Kshs.)	(Kshs.)
Travelling and accommodation – local	1,169,917,947	845,351,082
Travelling and accommodation – external	858,275	1,905,429
Purchase of uniforms and clothing	8,135,869	17,184,560
Personal Protective Equipment	730,950	2,600,112
Fees and commissions	525,615,457	404,147,210
Staff training expenses	35,825,855	45,280,673
Postal and telegrams	18,405,042	14,669,774
Telephone	28,283,007	26,540,761
Electricity	99,985,834	82,278,155
Water and conservancy	49,553,918	45,298,195
Stationery	113,811,786	86,615,490
Rent and rates	1,598,151	3,890,240
Contracted professional services	408,862,038	345,705,557
Insurance of property	449,886,033	399,570,423
Internet Expenses	116,952,465	76,080,112

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Advertising, printing and publicity	117,115,598	130,876,439
Official entertainment	69,553,673	58,656,574
Computer expenses	89,253,462	73,806,562
Audit Fee	3,480,000	3,480,000
Corporate Social Responsibility	7,884,905	2,570,270
Increase/Decrease in provision for bad debts	16,227,245	(4,571,867)
TOTAL	3,331,937,511	2,661,935,752

Note 27:

Repairs and Maintenance

	2024	2023
	(Kshs.)	(Kshs.)
Maintenance of plant and machinery	50,860,546	43,227,073
Maintenance of buildings and stations	374,293,499	347,513,344
TOTAL	425,154,045	390,740,417

Note 28:

Operational costs

	2024	2023
	(Kshs.)	(Kshs.)
Transport operating	140,745,114	98,307,915
Food and rations	18,471,447	14,564,462
Library expenses	42,925,496	49,476,607
Cleansing materials	14,361,898	19,250,618
Teaching materials	150,469,925	116,491,497
Student activity and sports	112,840,805	82,665,017
Student Allowance	15,986,827	19,154,370
Fuel, gas and firewood	2,428,551	2,342,553
Insecticides and pesticides	16,698,476	8,390,028
Drugs and dressings	2,800,552	1,767,749
TOTAL	517,729,091	412,410,816

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Note 29.

Depreciation and Amortization Expenses

	2024	2023
	(Kshs.)	(Kshs.)
Depreciation Expenses	889,818,731	1,406,775,486
TOTAL	889,818,731	1,406,775,486

Note 30

Remuneration of Directors

	2024	2023
	(Kshs.)	(Kshs.)
Sitting allowances	11,492,000	9,380,000
Honoraria (Chairman)	957,000	1,044,000
Lunch allowances	552,000	418,000
Mileage	1,758,953	198,604
Travelling and accommodation (local	12,080,671	8,508,100
Medical insurance	575,587	705,019
Training	1,906,800	1,263,000
TOTAL	29,323,011	21,516,723

31. Finance Costs

	2024	2023
	(Kshs.)	(Kshs.)
Bank charges	13,257,891	10,613,539
Paybill charges	-	571,612
TOTAL	13,257,891	11,194,980

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Note 32:

Transfer to Other government entities

	2024	2023
	(Kshs.)	(Kshs.)
Student Loans HELB	680,000,000	566,666,670
TOTAL	680,000,000	566,666,670

33 (i) Cash and Cash Equivalent

	2024	2023
	(Kshs.)	(Kshs.)
Cash at Hand	878,862	701,541
Cash at Bank	563,656,138	626,662,266
Pay bill	-	145,292
Cash in Transit (222222)	22,548,206	
TOTAL	587,083,206	627,509,099

(ii) Detailed cash and cash equivalents

		2024	2023
Current accounts	Account numbers	(Kshs.)	(Kshs.)
National bank of Kenya	Various	283,234,116	381,253,384
Kenya commercial bank	Various	253,614,756	245,191,663
Cooperative bank of Kenya	Various	2,189,153	217,219
Others			
Cash in hand	Various		701,541
Safaricom Pay bill	964150	-	145,292
Cash in Transit (222222)	222222	22,548,206	
Total		587,083,206	627,509,099

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Note 34:

Receivables from Exchange Transactions

	2024	2023
	(Kshs.)	(Kshs.)
Trade receivables (outstanding fee balances)	775,547,796	612,476,927
Rent receivable	88,109,695	88,908,112
Temporary imprests	47,745,004	14,218,170
Salary advances	69,269	705,200
Prepayments	107,592,762	50,947,093
Provision for bad debts	(86,365,749)	(70,138,504)
Total	932,698,777	697,116,998

Note 35:

**Receivables from Non-Exchange
Transactions**

	2024	2023
	(Kshs.)	(Kshs.)
Government of Kenya grant	1,006,583,315	888,583,833
Ministry of Health	19,812,181	19,812,180
Total	1,026,395,496	908,396,013

Note 36:

Inventory

	2024	2023
	(Kshs.)	(Kshs.)
Stationery and related items	29,185,795	32,324,628
Electrical items	2,098,385	2,246,168
Maintenance items	415,879	771,686
Other consumables	4,364,512	17,054,234
Total	36,064,571	52,396,716

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Note 37. PROPERTY PLANT & EQUIPMENT								
	Land	Buildings	Work in Progress	Motor Vehicles	Plant, Office and Other Equipment	Furniture and Fittings	Computers and Accessories	Totals
COST	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Balance b/f (01.07.2022)	16,362,252,000	12,941,319,190	33,591,432	943,921,975	3,470,804,651	1,103,880,806	860,043,275	35,715,813,329
Revaluation surplus	0	0	0	0	0	0	0	0
Transfer TO/(FROM)								
Additions during the year			411,283,951	156,989,999	342,278,745	95,294,747	181,842,525	1,187,689,967
Balance as at 30.06.2023	16,362,252,000	12,941,319,190	444,875,383	1,100,911,974	3,813,083,396	1,199,175,553	1,041,885,800	36,903,503,296
COST:								
Balance b/f (01.07.2023)	16,362,252,000	12,941,319,190	444,875,383	1,100,911,974	3,813,083,396	1,199,175,553	1,041,885,800	36,903,503,296
Revaluation surplus	0	0	0	0	0	0	0	0
Transfer TO/FROM	0	444,875,383	-444,875,383	0	0	0	0	0
Additions during the year	0		435,041,103	11,300,000	633,141,598	97,108,080	201,328,295	1,377,919,075
Balance as at 30.06.2024	16,362,252,000	13,386,194,573	435,041,103	1,112,211,974	4,446,224,994	1,296,283,633	1,243,214,095	38,281,422,371
DEPRECIATION:								
Balance as at 01.07.2022		1,374,454,716	0	616,707,469	2,216,950,133	454,960,036	751,289,064	5,414,361,418
Charge for the year		323,532,980	0	275,227,994	476,635,424	149,896,944	98,252,458	1,323,545,800
As at 30.06.2023		1,697,987,696	0	891,935,463	2,693,585,557	604,856,980	849,541,522	6,737,907,218
DEPRECIATION:								
Balance as at 01.07.2023		1,697,987,696	0	891,935,463	2,693,585,557	604,856,980	849,541,522	6,737,907,218
Charge for the year		267,140,542	0	137,698,750	247,788,475	94,861,548	134,222,594	881,711,908
As at 30.06.2024		1,965,128,238	0	1,029,634,213	2,941,374,032	699,718,528	983,764,116	7,619,619,126
Net Book Values								
As at 30.06.2023	16,362,252,000	11,243,331,494	444,875,383	208,976,512	1,119,497,838	594,318,573	192,344,278	30,165,596,078
As at 30.06.2024	16,362,252,000	11,421,066,335	435,041,103	82,577,762	1,504,850,962	596,565,105	259,449,980	30,661,803,246

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Note 38:

Intangible assets

Description	2024	2023
	Kshs	Kshs
Cost		
At beginning of the year	121,232,167	101,915,366
Additions	9,691,590	19,316,801
At end of the year	130,923,757	121,232,167
Additions–internal development	-	-
At end of the year	130,923,757	121,232,167
Amortization and impairment		
At beginning of the year	95,578,597.00	84,584,210
Amortization	8,106,824	10,994,387
At end of the year	103,685,421	95,578,597
Impairment loss	-	-
At end of the year	103,685,421	95,578,597
NBV	27,238,336	25,653,570

Note 39:

Payables

	2024	2023
	(Kshs.)	(Kshs.)
Trade and other Payables from Exchange Transactions		
Use of Goods and services	303,113,749	262,188,132
Repairs and Maintenance	69,250,187	86,862,717
Operational Expenses	81,279,160	381,647,065
Capital items	315,955,132	227,860,369
Total	769,598,228	958,558,283

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Note 41:

Accumulated Fund

	2024	2023
	(Kshs.)	(Kshs.)
Balance at start of the year	3,616,649,540	3,936,984,327
Surplus/(Deficit for the year)	971,553,648	(320,334,787)
Balance at end of year	4,588,203,188	3,616,649,540

Note.42:

Revaluation Reserve	2024	2023
	(Kshs.)	(Kshs.)
Balance at start of the year	23,173,922,646	23,173,922,646
Revaluation Gain	-	-
Balance at end of year	23,173,922,646	23,173,922,646

Note 43:

Cash generated from operations

	2024	2023
	(Kshs.)	(Kshs.)
Surplus for the year before tax	983,575,212	(320,334,787)
Adjusted for:		
Depreciation expense	889,818,732	1,334,540,187
Working capital adjustments:		
Decrease (Increase) in inventory	16,332,145	(10,468,912)
Decrease(Increase)in receivables	(353,581,261)	(867,782,023)
Increase (Decrease)in payables	(188,960,055)	689,877,660
Net cash flows from operating activities	1,347,184,773	825,832,125

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Note 44.

Events after the Reporting Period

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

Note 45.

Ultimate and Holding College

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

Note 46.

Currency

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

Note 47.

Seconded Employees

County governments have seconded one hundred and sixty-nine (169) employees to twenty-seven campuses.

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Appendix I

Breakdown of Transfers from the State Department of State Department of Public Health and Professional Standards 2023/2024				
a.	Recurrent Grants			
		Bank Statement Date	Amount (KShs)	FY to which the amounts relate
		09/08/2023	418,583,333.30	2023/2024 July Monthly Grant
		09/08/2023	418,583,333.30	2023/2024 August Monthly Grant
		09/08/2023	418,583,333.40	2023/2024 September Monthly Grant
		17/11/2023	418,583,333.30	2023/2024 October Monthly Grant
		13/12/2023	418,583,333.30	2023/2024 November Monthly Grant
		08/01/2024	418,583,333.40	2023/2024 December Monthly Grant
		15/02/2024	418,583,333.00	2023/2024 January Monthly Grant
		12/03/2024	418,583,333.00	2023/2024 February Monthly Grant
		15/04/2024	418,583,334.00	2023/2024 March Monthly Grant
		03/05/2024	418,583,333.30	2023/2024 April Monthly Grant
		18/06/2024	418,583,333.30	2023/2024 May Monthly Grant
		04/07/2024	418,583,333.30	2023/2024 June Monthly Grant
			5,022,999,999.90	
b.	Development Grants			
		Bank Statement Date	Amount (KShs)	FY to which the amounts relate
		07/03/2024	330,000,000.00	2023/2024 Supplementary Grant
		25/04/2024	235,999,998.50	2023/2024
		08/07/2024	587,999,981.00	2023/2024
		Total	1,153,999,979.50	
c.	Direct Payments			
		Bank Statement Date	Amount (KShs)	FY to which the amounts relate
		TOTAL	3,940,666,664.00	

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status
1	Long outstanding and doubtful receivables from the University of Nairobi and the Ministry of Health	The matter was referred to Attorney general office for advise and ultimate conclusion	Chief Executive Officer	Partially Addressed
2	Pending account payables	The pending account payables relating to FY 2022/2023 were settled as first charge in 2023/2024	Finance Manager	Fully Addressed
3	Budget Imbalance	The imbalance is fully addressed; it was brought about by the transfers to HELB and provisions.	Finance Manager	Fully Addressed
4	Non-Gazetted Campuses	Request for gazette ment of the campuses was submitted to the Attorney General through the Ministry of Health.	Corporation Secretary	Partially Addressed
5	Non-Compliance with Directive on Board meetings	The Board has been duly sensitized to comply with the directive.	Corporation Secretary	Fully Addressed

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status
5	Non-Compliance with Directive on Board meetings	The Board has been duly sensitized to comply with the directive.	Corporation Secretary	Fully Addressed
6	Weak controls in inventory Management	Inventory control system is in place already domiciled in the ERP system under procurement and stores module. The Management noted minor inefficiency in the ERP system and addressed it through ICT department in liaison with the service provider.	Supply Chain Manager	Fully addressed



Dr. Kelly Oluoch
Chief Executive Officer