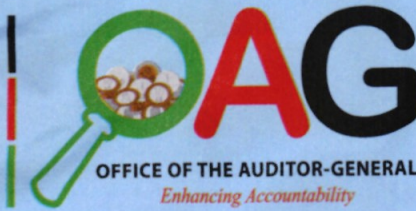


REPUBLIC OF KENYA



REPORT

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ON

KENYA MEDICAL TRAINING COLLEGE

FOR THE YEAR ENDED
30 JUNE, 2025

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 11 FEB 2026	DAY: WEDNESDAY
TABLED BY:	LEADER OF MAJORITY PARTY (HON. KIMANI ICHUNGWAH)
CLERK-AT-THE-TABLE:	J. LEMERELLE



KENYA MEDICAL TRAINING COLLEGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2025

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

KENYA MEDICAL TRAINING COLLEGE
Annual Report and Financial Statements
for the year ended June 30, 2025
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KENYA MEDICAL TRAINING COLLEGE
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1. Acronyms, Abbreviations and Definition of Key Terms

A: Acronyms and Abbreviations

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

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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for the year ended June 30, 2025

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.

KENYA MEDICAL TRAINING COLLEGE
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Key entity Information and Management (Continued)
Vision Statement

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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Key Entity information and Management (Continued)
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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Key Entity information and Management (Continued)
(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 2025 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)	Ms. Lucy Chebungei
4.	Deputy Director(A)	Dr. Nyawira Mwangi
5.	Finance Manager	CPA Elijah Mititi
6.	Supply Chain Manager	Dr. Silas Njeru
7.	Planning Manager	Dr. Mutinda Mutuku
8.	Human Resources Manager	Ms. Lilian Kemboi
9.	Administration Manager	Mr. David Ondeng
10.	Information Communication & Technology Manager	Dr. Kenneth Riany
11.	Corporate Communications Manager	Ms. Onsomu Marcellah
12.	Resource Mobilization Manager	Mr. Job Nyakando

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Key Entity information and Management (Continued)
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

KENYA MEDICAL TRAINING COLLEGE
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Key Entity information and Management

(Continued)

(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

KENYA MEDICAL TRAINING COLLEGE
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3. The Board of Directors

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 University. She further holds a Diploma in Information Sciences from Eldoret Polytechnic.</p>

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		<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 KMTC 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>Date of Expiry: 17.08.2026</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 Graduate International diploma in sales management and marketing, Advanced Diploma in</p>


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		<p>Business Administration and Management, equivalent to Undergraduate (BBA) from Cambridge International College and a degree in Agricultural Economics from the University of Egerton. 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>
	<p>Mr. Benson Giuthua, OGW (D.o.B 30.12.1962)</p> <p>Date of Appointment:</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. 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</p>


KENYA MEDICAL TRAINING COLLEGE
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	06.03.2023	over 20 years of experience in human resource planning, management, consultancy and corporate governance.
	<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>
	<p>Dr. Hezron Omollo (D.o.B 04.07.1986)</p> <p>Date of Appointment: 29.10.2024.</p>	<p>Dr. Hezron Omollo was appointed to the KMTC Board of Directors on 29th October, 2024 to represent the Director General Ministry of Health. He is a member of the Human Resource and Audit Committees of the Board.</p> <p>He is a Public Health Practitioner and a Policy adviser with over 14 years of professional experience. He holds a Master of Science International Public Health from Liverpool John Moores University England, UK.</p>

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		<p>Head of Division of Professional Standards and Human Resource for Health, at the Ministry of Health. Dr. Hezron is a member of the Kenya Medical Practitioners, and Dentists Council (KMDC) and Kenya Medical Association (KMA).</p>
	<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.</p> <p>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>

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	<p>CS, Ms. Caroline Muchina</p> <p>(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
Ms. Lucy Jepkemei Chebungei		Masters-Health Research Ethics	Deputy Director Finance & Administration
Dr. Nyawira Mwangi		PhD - Medicine	Deputy Director Academics
CS, Ms. Caroline Muchina		Masters - Law	Corporation Secretary

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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>Dr. Mutinda Mutuku, PhD</p>		<p>PhD in Economics</p>	<p>Planning Manager.</p>
<p>CPA Geoffrey Mulumia Makokha</p>		<p>Masters of Business Administration (Finance option) CPA (K)</p>	<p>Internal Auditor Manager</p>

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Mr. Job Ochieng Nyakado	 A portrait photograph of Mr. Job Ochieng Nyakado, a man with short dark hair, wearing glasses, a dark suit jacket, a white shirt, and a blue patterned tie. He is smiling slightly and looking directly at the camera against a plain, light-colored background.	Masters of Business Administration (Marketing option)	Resource Mobilization Manager
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KENYA MEDICAL TRAINING COLLEGE
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5. Chairperson's Statement

On behalf of the Board of the Kenya Medical Training College (KMTC), I am honored to present these remarks for the financial year Statements and report for the year ended 30th June 2025.

This year's performance reflects the College's unwavering commitment to excellence in public health training, institutional accountability, and strategic alignment with national development goals. The Board remains steadfast in its oversight role, ensuring that KMTC continues to deliver value to the Kenyan people through quality education, prudent resource management, and impactful service delivery.

I commend the College's fiscal discipline and operational resilience, as evidenced by full absorption of funds and surpassing Appropriation-in-Aid targets by over Kshs 1.9 billion. The capital investments of Kshs 2.0 billion in infrastructure and digital modernization underscore our shared vision for a future-ready institution. These achievements are not only financial milestones but strategic enablers of KMTC's core mandate.

I am particularly encouraged by the 73.19% implementation rate of the Strategic Plan 2023–2028 in its second year. This progress builds on the momentum from prior years, where the College expanded its footprint to over 90 campuses across 45 counties, increased student enrolment to over 60,000, and introduced market-driven courses aligned with Universal Health Coverage and Vision 2030. The Board continues to guide the College in harmonizing academic programs, strengthening quality assurance, and enhancing research and consultancy capacity.

In previous reports, KMTC's reclassification to PC 4A level in the State Corporations ranking marked a significant elevation of its mandate, now encompassing research and consultancy alongside training. This strategic shift has enabled the College to deepen its contribution to national health priorities and global academic standards. The Board has actively supported this transition by fostering partnerships, approving new academic departments, and promoting innovation across campuses.

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Chairperson's Statement (Continued)

commitment to a motivated, high-performing workforce. These initiatives are aligned with the revised Citizens Service Delivery Charter and the broader transformation strategy aimed at enhancing institutional responsiveness and service excellence.

As we look ahead, the Board will continue to provide strategic direction, strengthen governance frameworks, and deepen engagement with the National Government and other stakeholders. We reaffirm our commitment to KMTC's mission to produce fit-for-purpose health professionals through training, research, and consultancy.

I am confident that together, we will sustain the College's trajectory toward operational excellence, institutional sustainability, and national impact.

The Board also recognizes KMTC's accreditation by the Nursing Council of Kenya as a Continuing Professional Development (CPD) provider, a milestone that positions the College as a leader in lifelong learning for health professionals. This complements earlier efforts to standardize curricula, expand short courses, and ensure graduates are equipped to meet emerging health challenges both locally and internationally.

Staff welfare remains central to our governance agenda. The onboarding of over 600 new staff, expansion of medical insurance, and rollout of digital and customer experience training reflect the Board's commitment.



Joseah Kiplangat Cheruiyot
Chairperson,
Kenya Medical Training College Board of Directors
20th November 2025

KENYA MEDICAL TRAINING COLLEGE
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for the year ended June 30, 2025

6. Report of the Chief Executive Officer

It is my humble pleasure to present the Annual reports and financial statements for the financial year 2024-2025. The College marked a period of strategic growth and fiscal discipline for the College, anchored in our commitment to transparency, operational resilience, and public value. Building on insights from prior reporting cycles, we improved the timeliness and accuracy of financial submissions, strengthened internal controls, and aligned resource deployment with priority programs across campuses.

The College remains fiscally resilient. Strategic expenditure prioritization was maintained, with key allocations supporting staff remuneration, service delivery, and infrastructure development. Capital expenditure investments totaling 2.0 Billion underscored our commitment to academic infrastructure and digital modernization. As we reflect on our financial posture, the College is confident in its ability to meet operational demands while advancing long-term sustainability.

The College recorded an aggregate implementation rate of 73.19% across strategic focus areas in FY 2024-2025, reflecting prudent stewardship and strong alignment with institutional goals. Key achievements were realized in quality training, research output, digital transformation, and resource mobilization, supported by significant grant inflows and partner contributions.

While budgetary constraints impacted certain capital-intensive programs, corrective actions including through the Coming Mid-Term Review will ensure continuity and strategic adjustments. These achievements reflect the dedication of staff and stakeholders, and reaffirm our trajectory toward sustained institutional excellence. The College remains committed to maintaining value for money, optimizing institutional resources, and enhancing operational efficiency to deliver on its five-year strategic commitments.

In the year under review, the College delivered strongly on its Performance Contract obligations, marking notable progress across financial stewardship, service delivery, core mandate execution, and cross-cutting priorities. Absorption of funds reached 100%, Appropriation-in-Aid exceeded targets by over Ksh 1.9 billion. Core mandate achievements included surpassing student enrolment targets, curriculum development. Affirmative action targets were exceeded in procurement and youth empowerment initiatives were comprehensively implemented. These strides reflect our unwavering commitment to public service excellence and institutional accountability.

The College reaffirms its commitment to staff welfare as a cornerstone of institutional sustainability and service excellence. With the onboarding of over 600 new staff, targeted investments were made in enhancing medical insurance coverage. Strategic capacity building initiatives were rolled out to strengthen instructional quality, operational effectiveness, and service delivery, particularly in areas impacting student engagement.

KENYA MEDICAL TRAINING COLLEGE

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for the year ended June 30, 2025

Report of the Chief Executive Officer (Continued)

Staff across departments were empowered through training in digital competence, and customer experience aligned to the revised Citizens Service Delivery Charter. These efforts formed part of our wider transformation strategy to foster a high-performing, responsive workforce capable of advancing KMTC's mandate in public health training, research, and service to the nation. In the other notable stride made, the College was accredited by the Nursing Council of Kenya as a Continuing Professional Development (CPD) provider, a significant advancement in our contribution to global nursing education.

Collectively, these achievements reaffirm the College's momentum toward operational excellence, institutional sustainability, and national impact. We remain committed to our mission to produce fit-for-purpose health professionals through training and research, and provide consultancy services.

In conclusion, I extend my deepest appreciation to the National Government for its continued support and strategic alignment with KMTC's mandate in advancing public health education. I wish to sincerely thank the Board of KMTC for its visionary leadership, unwavering oversight, and commitment to institutional excellence. To our partners and stakeholder, your collaboration and trust remain invaluable in driving the milestones recorded this year.

I recognize and commend our dedicated staff across KMTC whose professionalism and resilience have sustained our operational momentum and enhanced service delivery. To our students, thank you for your engagement, your pursuit of knowledge, and for embodying the future of healthcare in Kenya.



Dr. Kelly Oluoch

Chief Executive Officer

20th November 2025

KENYA MEDICAL TRAINING COLLEGE
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7. Statement of Performance against Pre-determined Objectives for FY 2024/2025

The Kenya Medical Training College (KMTC) has four Key Result areas within the current Strategic Plan for the FY 2023-2028. These strategic Key Result areas are as follows:

Key Result Area 1: Quality Training

Key Result Area 2: Research, Innovation and Consultancy

Key Result Area 3: Digital Transformation iv.

Key Result Area 4: Institutional Sustainability

The college develops its annual work plans based on the above *four strategic Areas*. 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 *2024/2025* period for its for strategic pillars, 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	No of New curricula developed	Development of new curricula	The college developed a new curriculum in Developed a curriculum for clinical medicine and surgery (forensic medicine)
		No of New programs introduced	Introduce new programs and place students for the same	Two programs: Diploma course in health insurance management and a Higher Diploma in Clinical medicine (forensic sciences) were developed
		No of Training Manuals developed	Develop new manuals and review manuals that are due for review	The college developed the following manuals for teaching and learning: A training manual in Dental Technology A training manual in Public Health A training manual in Emergency Medical Technology

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				A training manual in Phlebotomy A curriculum for a short course in instructional design for lecturers
		Number of Curricula reviewed	Review of curricula	The Phlebotomy Curriculum was reviewed
		No of new libraries equipped	Equipping and stocking of libraries	Eleven libraries were equipped with books from development partners
		Equipment acquired	Acquisition of medical equipment	Equip the following equipment were acquired to be used in the EMT program: 2 Defibrillators 2 Cardiopulmonary resuscitation manikin-adult 2 Cardiopulmonary resuscitation manikin-paediatric 2 advanced cardiac life support manikins 10 pulse oximeters Automated External Defibrillator ultra-trainers MCR silicone coated
		No of students enrolled	Enrol students to various medical courses across the KMTC campuses	Enrolled a total of 35,542 students were enrolled
		No of students graduated	Administer the Final qualifying examinations Process students for graduation	Graduated a total of 21,621 students' various areas of medical training.
Strategic Issue 2: Research, innovation and consultancy	To foster research, innovation and consultancy	Number of funded Research proposals	Funding of Research Proposals	The college funded a total of 32 research proposals Trained faculty on research in

KENYA MEDICAL TRAINING COLLEGE
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for the year ended June 30, 2025

	excellence at the College			collaboration With Nacosti
		Number of Research Symposia Held	Holding of Research Symposia	Two scientific conference and two Research Symposia were held
Strategic Issue 3: Digital transformation	To drive digital transformation across staff and processes at the College	No of services re-engineered	Re-engineer and digitalize certificate and transcript issuance processes	The college was able to Re-engineer and digitalize certificate and transcript issuance processes
Strategic Issue 4: Institutional sustainability	To provide human capital	No of staff recruited	Advertisement, selection and appointment	A total of 569 staff were employed
	To promote institutional sustainability at the College	No of funding proposals developed and submitted for funding	Develop proposals for funding and submit for funding	The college developed seven proposals for funding and shared with development partners for funding
	To provide infrastructure for learning	% completion level of administration blocks	Construction tuition blocks in various KMTC campuses	<p>Mosoriot Campus; Completion of Third Floor Tuition Block- 100 % Complete</p> <p>Msambweni Campus; Completion of a Tuition Block & Multipurpose Hall and Drainage/civil Works of Drainage- 100 % Complete</p> <p>Webuye Campus; Completion of Classrooms and Library Block- 70 % Complete</p> <p>Teso Campus; Construction Works of Administration / Tuition Block at KMTC- 100 % Complete</p>

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				Chuka Campus Construction of Tuition Block with a Library- 70 % Complete Ndalul Campus; Construction of Administration Block Complex (phase 1)- 70 % Complete Karuri Campus; Construction of Tuition Block, Bumula Campus; Construction of Administration Block Complex – 68 % Complete
	To participate in environmental sustainability activities	Number of trees grown	Grow a minimum of 30 trees per staff during the Contract period b) Mobilize key stakeholders in liaison with the state department for forestry to conduct 3(three) planting/growing events in the year	Planted a total of 127,294 trees were planted across various campuses

Performance Contract

The Kenya Medical Training College (KMTC) implements its Performance Contract (PC) in line with the existing PC guidelines with indicators aligned with the institutional Strategic Plan. Over the past two years, the College has been evaluated under the Performance Contracting framework and attained a "Very Good" rating. This commendable performance reflects the dedication and strategic leadership of the Board, the Chief Executive Officer, and the entire KMTC staff. Moving forward, the College remains committed to continuous improvement with the goal of achieving an "Excellent" rating in future Performance Contract evaluations.

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8. Corporate Governance Statement

a) Appointment of Board members, Process of appointment and removal of directors, The size, diversity, and demographics of the Board, Existence of the board charter

The Board comprises of 8 members, a Chairperson appointed by the President, four members nominated by the Cabinet Secretary for Health, two alternates representing the Principal Secretaries of Health and National Treasury, a Chief executive Officer (Ex-official) appointed by the Board to manage the day-to-day affairs of the College, and one member designated by the Director General of Health, striking a balance between policy, financial, and technical oversight. The Appointments followed public sector governance frameworks including the State Corporations Act and Mwongozo Code, emphasizing transparency, diversity, and professionalism. The appointment complied in regional, gender, and professional diversity to enhance strategic decision-making. A board charter exists to codify roles, meeting protocols, ethical standards, and delegation of authority, reinforcing accountability and alignment with KMTC's strategic goals.

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.

b) Roles and functions of the board.

The Board of Directors played a pivotal role in steering the strategic direction, governance, and oversight of the institution. They put in place policies and considered institutional priorities, approving budgets, review of strategic plans, monitoring financial and operational performance, and ensuring compliance with legal and regulatory frameworks. The Board also oversaw academic standards, promoted stakeholder engagement, and facilitated partnerships that enhanced KMTC's mandate in health training. Through its committees i.e. Finance, Audit, Human Resource, and Academic Standards the Board ensured effective decision making, risk management, and institutional accountability, all while supporting the CEO and management in delivering on KMTC's mission.

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Corporate Governance Statement (Continued)

c) Induction, training, and development and Board and members' performance

The Board's induction, training, and development processes are structured to ensure members are fully equipped to execute their governance roles effectively. Upon appointment, directors undergo a formal induction program that introduces them to KMTC's mandate, strategic priorities, governance frameworks, and operational landscape. Continuous professional development is prioritized through targeted workshops, benchmarking visits, and updates on emerging health sector trends and public sector governance standards. This investment in capacity building translated into improved board performance, evident in strategic alignment, effective oversight, and enhanced decision-making across committees. The Board's ability to guide KMTC's growth, uphold accountability, and foster stakeholder confidence reflects the impact of its well-executed training and development framework.

d) Number of Board meetings held and the attendance to those meetings by members

During the year under review, the Board held five (5) meetings, four (4) quarterly and one (1) 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.

a. Succession plan

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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Corporate Governance Statement (Continued)

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.

b. Policy to manage conflicts of interest

KMTC has instituted a robust policy framework to manage conflicts of interest, in line with national governance standards and ethical obligations. Central to this framework is the maintenance of a Conflict-of-Interest Register, which serves as a formal record of disclosures made by Board members. Whenever a member has a personal interest in any matter scheduled for Board deliberation, they are required to make a timely declaration, which is then duly recorded in the register. This process ensures transparency, safeguards the integrity of decision-making, and reinforces public trust in the institution's governance. By proactively identifying and documenting potential conflicts, KMTC upholds its commitment to impartiality, accountability, and ethical leadership.

c. 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. KMTC adheres strictly to these instruments, ensuring transparency, compliance, and alignment with national governance standards.

d. Ethics and Conduct

The Board is guided by a robust framework of ethics and conduct rooted in national legislation and institutional policy. Board members are expected to uphold the highest standards of integrity, accountability, and professionalism, as outlined in the KMTC Code of Conduct and Ethics, the

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Corporate Governance Statement (Continued)

Public Officer Ethics Act (2003), and the Leadership and Integrity Act (2012). These instruments emphasize impartial decision-making, avoidance of conflicts of interest, confidentiality, and responsible stewardship of public resources. Board members are also required to sign an Integrity Pact and declare any gifts, benefits, or potential conflicts, reinforcing KMTC's commitment to ethical governance and public trust.

e. Governance audit

During the year under review, KMTC undertook its **annual governance audit** in line with the requirements of the *Mwongozo Code of Governance for State Corporations* and best practices outlined by the *Institute of Certified Secretaries (ICS)*. The audit provided an independent assessment of the College's governance structures, board effectiveness, compliance with legal and policy frameworks, stakeholder engagement, and ethical leadership. The findings were discussed at Board level and highlighted areas of strength and opportunities for improvement. This process reaffirmed KMTC's commitment to transparency, accountability, and continuous improvement in institutional governance.

f. Communication policy.

KMTC has a Communication Policy that provides a structured framework for internal and external communication, ensuring consistency, transparency, and alignment with the College's strategic objectives. It promotes timely dissemination of information across campuses, departments, and stakeholders, while safeguarding institutional reputation and confidentiality. It outlines approved channels for official correspondence, media engagement, stakeholder feedback, and crisis communication, with designated officers responsible for oversight. Through this policy, KMTC fosters a culture of openness, professionalism, and accountability in all its communication practices.

g. Terms of Reference of Committees

Each Board Committee operates under clearly defined **Terms of Reference (ToRs)** that outline its mandate, scope, and governance responsibilities. These ToRs specify the committee's purpose, composition, authority, meeting frequency, quorum, reporting obligations, and expected deliverables. Each committee is chaired by a Board member and supported by relevant technical

Corporate Governance Statement (Continued)

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officers, ensuring focused oversight and informed decision making. The ToRs are reviewed regularly to reflect evolving institutional priorities and compliance with the Mwongozo Code of Governance, the KMTC Act, and other applicable public sector guidelines.

h. Policy on related party transactions

KMTC has a framework on Related Party Transactions which ensures that all engagements involving Board members, senior management, or affiliated entities are conducted with transparency, integrity, and in full compliance with public sector governance standards. The framework requires that such transactions be declared, assessed for materiality, and approved by the relevant oversight committees to prevent conflicts of interest and safeguard institutional resources. KMTC's corporate governance framework reflects a strong commitment to transparency, ethical stewardship, and strategic oversight. The Board's composition, appointment processes, and adherence to governance instruments such as the Mwongozo Code and the KMTC Act ensure a balanced and competent leadership structure. Through well-defined roles, regular meetings, structured training, and robust policy instruments including succession planning, conflict-of-interest management, remuneration standards, and communication protocols, the Board continues to provide effective oversight and support to KMTC's executive team. Annual governance audits, clear committee mandates, and a strong emphasis on accountability and integrity further reinforce the institution's commitment to institutional excellence and public trust in its mandate as a leading health training college in Kenya.

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9. Management Discussion and Analysis

i. Operational highlights

In executing its mandate, the college has continued to align itself with the government agenda to achieve Universal Health Care.

The college has continued to contribute to the healthcare systems in the country by contributing to over 85% of the healthcare workers in Kenya and beyond.

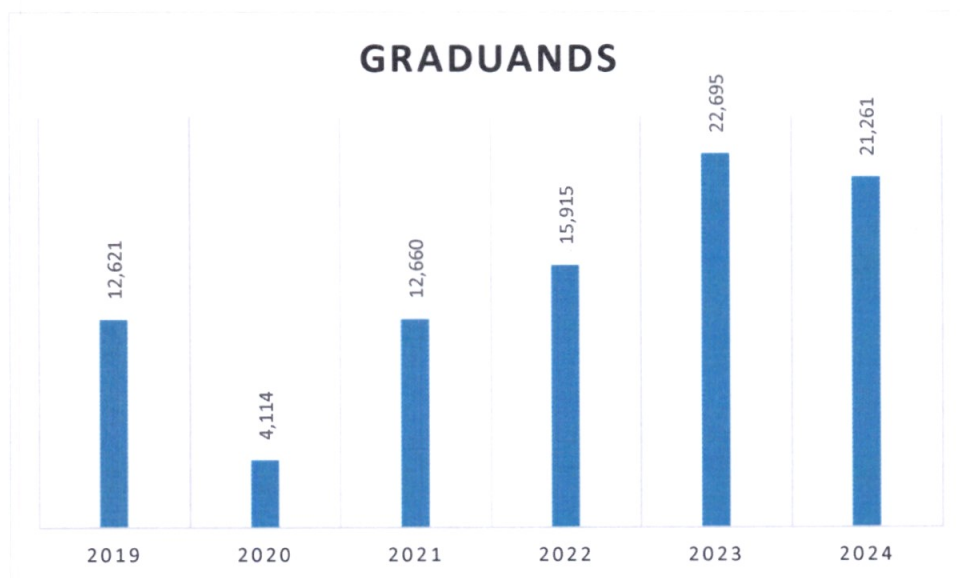


Figure 1 GRADUATION TRENDS

ii) Revenue Performance

Total revenue increased slightly from **Kshs 11.52 billion** in FY2023/24 to **Kshs 11.80 billion** in FY2024/25, a growth of **2.43%**. This growth was primarily driven by an increase in revenue from **exchange transactions**, particularly tuition and application fees.

Revenue Source	FY2024/25 (Kshs)	FY2023/24 (Kshs)	Change (%)
Transfers from other government entities	5.40B	6.18B	-12.55%
Tuition, boarding & application fees	6.21B	5.19B	+19.5%
Rental revenue	21.5M	29.8M	-27.7%
Other income	165.7M	115.7M	+43.2%
Total Revenue	11.80B	11.52B	+2.43%

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Management Discussion and Analysis (Continued)

iii. Statutory Compliance & Governance

The College, being a public corporate body, operates in accordance with the Kenya Medical Training College Act, 1990 (Cap 261A), which provides the legal foundation for its establishment, governance, and operations. The College ensures compliance with the Public Finance Management Act, 2012, to uphold sound financial management, budgeting, and reporting practices. It also adheres to the Public Procurement and Asset Disposal Act, 2015, ensuring transparency, competitiveness, and fairness in all procurement processes. In managing its workforce, KMTC complies with the Employment Act, 2007, and observes the Occupational Safety and Health Act, 2007, to promote a safe and healthy working and learning environment.

Additionally, KMTC complies with directives and regulations issued by oversight bodies such as the Office of the Auditor-General, the Ethics and Anti-Corruption Commission (EACC), and the Salaries and Remuneration Commission (SRC), as established under the Constitution of Kenya, 2010 and supporting statutes. Environmental sustainability is also prioritized, with the College adhering to the guidelines of the Environmental Management and Coordination Act, 1999, as administered by the National Environmental Management Authority (NEMA), particularly during infrastructure development. Through these measures, KMTC continues to demonstrate its commitment to regulatory compliance, operational integrity, and institutional accountability.

iv. Risk Management & Major Risks

KMTC has put in place a risk management framework to identify and mitigate key risks that may impact its operations. Financial and budget risks such as delayed exchequer releases and rising operational costs are managed through prudent budgeting and resource prioritization. Compliance risks are addressed through regular audits, staff training, and enforcement of legal and regulatory requirements. Governance and ethics risks, including conflicts of interest and ethical breaches, are mitigated through adherence to codes of conduct and internal control mechanisms. Operational risks, such as ICT system failures, infrastructure gaps, and staff shortages, are managed through ongoing investments in infrastructure, digital systems, and capacity building. The College remains committed to strengthening its risk management practices to enhance institutional resilience and accountability.

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Management Discussion and Analysis (Continued)

v. Sector & Economic Analysis

KMTC continues to play a critical role in the health sector by contributing to the Universal Health Coverage (UHC) agenda through the training of competent healthcare professionals. The student population has grown significantly in recent years, largely due to campus expansion across the country. A total of 43,856 students have graduated over the past two years, reinforcing the College's contribution to strengthening the national health workforce. However, the institution faces several economic challenges. Limited access to fees, underfunding by the Higher Education Loans Board (HELB), and rising inflation have strained students' ability to afford training and have also impacted the College's capacity to sustain infrastructure growth and program expansion. These factors underscore the need for increased investment and financial support to maintain the momentum in meeting national health training needs.

Future Outlook & Strategies

The College remains focused on strengthening its institutional capacity and expanding its impact in the health sector through strategic future plans. A key priority is partnership and resource mobilization to support infrastructure development, technological advancement, and program sustainability. The College is actively seeking development partners to support specific initiatives, including training, research, and health systems strengthening.

In addition, KMTC is lobbying for an enhanced budgetary allocation from the government to meet the increasing demand for healthcare training and to address existing financial gaps. Collaboration with national, county governments and development partners is also being prioritized, particularly in establishing and upgrading campuses, providing clinical placement sites, and addressing county-specific health workforce needs. These strategic efforts are aimed at positioning KMTC as a responsive and well-resourced institution capable of supporting national and devolved healthcare goals.

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6. Environmental and Sustainability Reporting

During the 2024 - 2025 financial year, the Kenya Medical Training College (KMTC) reaffirmed its strong commitment to Corporate Social Responsibility (CSR), as demonstrated by a wide array of initiatives across its campuses and headquarters. These activities advanced through social upliftment, environmental conservation, disaster response, health and medical services, underpin KMTC's broader mission of serving society beyond the classroom.

In line with this, the following Corporate Social Responsibility activities were carried out: -

Healthcare Access and Outreach

Healthcare Access and Outreach formed a central pillar of KMTC's CSR initiatives. A total of 18 major medical camps were held across the country, including a flagship event in Homa Bay in October 2024 that delivered essential health services, specialist examinations, and surgeries to 1,078 clients. Similar outreach at campuses including Isiolo, Garissa, Kwale, and Kisii, where partnership with Zuri M-PESA Foundation and Lions Eye Care Foundation benefited over 3,000 underserved residents, demonstrated the breadth and scale of KMTC's impact. Blood donation drives, such as those conducted in Webuye and Wajir campuses, contributed hundreds of pints to local hospitals, earning recognition and awards for the College's life-saving work.

Environmental Conservation and Sustainability

Environmental conservation remained a cornerstone of KMTC's CSR efforts throughout the 2024 - 2025 financial year. Recognizing the critical need to protect our natural environment, the College spearheaded an extensive series of tree-planting initiatives across its campuses. Through active collaboration with local communities, government agencies, private sector partners, and environmental organizations, KMTC organized 36 coordinated tree growing events, resulting in the planting of 127,294 trees. These activities were undertaken in support of the national "15 billion Trees" campaign, reflecting KMTC's commitment to promoting biodiversity, combating climate change, and creating healthier, greener spaces.

Beyond tree planting, KMTC further demonstrated its dedication to sustainability by conducting regular campus clean-ups and leading environmental sensitization campaigns. These additional initiatives, helped raise environmental awareness and foster ecological responsibility among students, staff, and surrounding communities. Collectively, KMTC's wide-ranging environmental

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Management Discussion and Analysis (Continued)

programs made a meaningful contribution to reforestation, conservation, and the overall wellbeing of the nation.

Social Inclusion and Upliftment

Social Inclusion and Upliftment activities were woven throughout the year. KMTC campuses reached out to vulnerable groups by donating food, clothing, sanitary pads, and hygiene kits to orphanages, women’s prisons, and marginalized schools, making a tangible difference in countless lives. Notably, 150 staff were trained to better

support students with disabilities, and prosthetics initiatives restored mobility to at least 20 community members. Events like Christmas donations at Shimo la Tewa Women’s Prison and visits to Sunbeam Children’s Home were powerful expressions of KMTC’s compassion and commitment to inclusivity.

Youth Empowerment and Capacity Building

Youth Empowerment and Capacity Building was further actualized through 13 career mentorship forums in schools and broader community settings, as well as innovative training programs. Boda boda riders and other young people, over 1,400 in total, were equipped with first aid and emergency response skills through structured collaborations with partners such as KCB Bank and the Kenya Red Cross. The KMTC Alumni Association maintained robust scholarship and bursary schemes, ensuring that financial hardship did not stall deserving students’ educational journeys.

Advocacy, Special Days, and Societal Impact

Advocacy and Special Days featured prominently in the CSR calendar, as KMTC staff and students led events for World Albinism Awareness Day, International Nurses and Midwives Day, World Handwashing Day, and the “16 Days of Activism” against Gender-Based Violence. These occasions combined outreach, health education, environmental action, and advocacy for marginalized groups, amplifying KMTC’s message of campus safety, professional pride, wellness, and social justice.

Conclusion

In conclusion, KMTC’s activities in 2024/2025 illustrate a profound and holistic investment in Kenya’s health, social welfare, environment, and youth. Whether through mass tree planting, free medical camps, community education, or support for the vulnerable, KMTC exemplified the role of an ethical, caring institution committed to uplifting the lives of both its students and nation.

KENYA MEDICAL TRAINING COLLEGE
Annual Report and Financial Statements
for the year ended June 30, 2025

7. Report of the Directors

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

i) Principal activities

The principal activities of Kenya Medical Training College together with other mandates are specified in KMTC Act Cap 261.

ii) Results

The results of the college for the year ended June 30, 2025 are set out on pages 1 to 37

iii) Directors

The members of the Board of Directors who served during the year are shown on pages 11 to 16. During the year **Dr. Martin Sirengo** retired and **Dr. Hezron Omolo** was appointed with effect from 29.10.2024.

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

20th November 2025

KENYA MEDICAL TRAINING COLLEGE
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8. Statement 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 require the Directors to prepare financial statements in respect to the college, which give a true and fair view of the state of affairs of the college at the end of each financial year and operating results of the college for that year. The Directors are also required to ensure that the College keeps proper accounting records which disclose with reasonable accuracy the financial position of the college. The Directors are also responsible for safeguarding the assets of the College.

The Directors are responsible for preparation and presentation of the College's 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, 2025. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the College; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the College; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

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

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Statement of Directors responsibilities (Continued)

In preparing the financial statements, the Directors have assessed the entity's ability to continue as a going concern and Nothing has come 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.

Approval of the Financial Statements

The College's Financial Statements were approved by the Board on July 25,2025 and signed on its behalf by:



Dr. Kelly Oluoch
Chief Executive Officer



Joseah Kiplangat Cheruiyot
Chairperson

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KENYA MEDICAL TRAINING COLLEGE FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

An Unmodified Opinion is issued when the Auditor-General concludes that 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

Opinion

I have audited the accompanying financial statements of Kenya Medical Training College set out on pages 1 to 37, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kenya Medical Training College as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Kenya Medical Training College Act Cap 257 (Revised 2019) and the Public Finance Management Act, 2012.

Basis for Opinion

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 opinion.

Emphasis of Matter

Financial Unsustainability of Campuses

The statement of financial performance and as disclosed in Note 22 to the financial statements reflect tuition, boarding and application fees of Kshs.6,302,522,581. However, a comparative review of revenue versus expenditure across the campuses revealed that fourteen (14) campuses collectively generated Kshs.340,589,150 in revenue, while incurring total expenditure of Kshs.516,413,913. This resulted in a deficit of Kshs.175,824,763. In addition, review of student's register revealed a list of 87,905 students as at 31 March, 2025 distributed across ninety-one campuses out of which Kerio Valley, Awendo, Marimanti and Burnt Forest had sixty-five (65), fifty-nine (59), thirty (30) and ten (10) students respectively undertaking various courses which cannot generate adequate revenue to sustain the campus operations.

In the circumstances, operating campuses at a loss may be an indication that the campuses will not be able to fund essential services like teaching, maintenance and student support.

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. There were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matters

In the prior years' audit report, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the College in 2024/2025 revealed that the following matters remained unresolved.

No.	Audit Issue
1	Long Outstanding Student Fee Balance
2	Understatement of Provisions for Bad Debts
3	Unconfirmed Receivables from the Non-Exchange Transactions- Ministry
4	Deficit in the Defined Benefit Scheme
5	Non-Compliance with Staffing Requirement for Persons Living with Disabilities
6	Staff Earning Less Than One Third of Basic Salary
7	Inconsistencies in Work-in-Progress Contract
8	Failure to Establish Campuses in all Counties
9	Budget Imbalance
10	Student Under Enrollment
11	Under Staffing of the College

Other Information

The Management is responsible for the Other Information set out on pages i to xlii 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, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors and 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.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with One Third Rule

Analysis of payroll data for twelve (12) months revealed that one hundred and eighty-three (183) employees earned a net salary of less than one third of their basic pay. This is contrary to Section 19(3) of the Kenya Employment Act, 2007 which requires 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 made by an employer from the wages of his employee at any one time shall not exceed two thirds of such wages.

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

2. Irregular Establishment of New Campuses

The College has ninety-one (91) campuses out of which four (4) campuses were established during the year. However, the new campuses were not supported by a concept paper and site visit minutes of the Board and Management on their establishment. This is contrary to Paragraph 4(i)(a) of the College's Expansion Policy 2019 which states that, 'There shall be established an expansion committee chaired by the Deputy Director Academics, consisting of Departmental Heads, and any other officer appointed by the Chief Executive Officer (CEO) which shall from time to time come up with concept paper or proposals for creation of a new campus. Further, the new campuses were established without an approved budget contrary to paragraph 5.2 (ii) of the College Expansion Policy 2019 which prescribes a budget of Kshs.216,000,000 for establishment of a new campus.

In addition, review of campus distribution schedule revealed ninety-one (91) campuses out of which twenty-nine (29) were operating without students' hostels contrary to Paragraph 4 (iv) (b) of the College Expansion Policy, 2019 which requires halls of residence be in place when a campus is established. Inspection reports to confirm the minimum infrastructural facilities are in place such as equipped laboratories and a campus bus to transport students to practical attachment areas were not provided for audit review. These deficiencies compromise the quality of education and are contrary to paragraph 4 (iv) (b) of the College Expansion Policy 2019 which requires these facilities to be in place before a campus is established.

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

3. Non-Compliance with Employment Requirements for Persons Living with Disabilities

Analysis of the master roll revealed that the College has two thousand six hundred and five (2,605) staff out of whom forty-four (44) or approximately 2% are persons living with disability. This is contrary to Section B.23 (1) of the Human Resource Policies and Procedures Manual for the Public Service May, 2016 which states that the Persons living 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 living with disabilities.

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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on the 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. Under Remittance of Funds to Campuses

The statement of cash flows reflects receipts amounting to Kshs.5,323,952,316 from tuition, boarding and application fees. However, analysis of the cashbooks revealed that only Kshs.2,728,376,642 or approximately 51% was remitted to campuses which was significantly below the expected remittance of Kshs.3,992,964,237 or approximately 75% of total receipts resulting in an under-remittance of Kshs.1,264,587,595. This was in violation of Paragraph 7.5 (v) of the Kenya Medical Training College Finance and Internal Controls Manual May, 2019 states that 'For items of the ordinary budget, funds shall be issued to AIE holders on quarterly basis to the Expenditure Bank Account subject to collection of revenue. 75% of total collection is due to Campuses whereas 25% is used to fund headquarter expenses'

In the circumstances, the underfunded campuses may fail to deliver on their mandates, affecting the Institution's overall performance.

2. Lack of Annual Recruitment Plans

The statement of financial performance and as disclosed in Note 25 to financial statements reflect employee cost amount of Kshs.5,879,153,227. However, review of recruitment records revealed that the College recruited five hundred and sixty-nine (569) employees between December, 2023 and July, 2024 which was not supported with Annual Recruitment Plans.

In the circumstances, the effectiveness of internal controls on recruitment could not be confirmed.

3. Gender Disparity in Enrolment

Analysis of the March, 2025 student placement data revealed that twenty-five thousand and thirty-four (25,034) students were enrolled in various courses, comprising eight thousand five hundred and sixty-five (8,565) or approximately 34% male students and sixteen thousand four hundred and sixty-nine (16,469) or approximately 66% female students. The disparity is inconsistent with Sustainable Development Goal 4.5, which advocates for the elimination of gender inequalities and the promotion of equal access to education at all levels. In addition, the placement records only indicated the mean grade of the applicants but did not indicate the grades of various subjects to confirm whether the minimum entry requirements were met.

In the circumstances, gender imbalance in enrolment of students may have wider social and economic implications, including unequal access to education and employment opportunities.

4. Limited Capacity to Enroll Students

Review of application records revealed that the College received thirty-four thousand nine hundred and seventy-one (34,971) applicants for twelve (12) courses. However, the established capacity of these courses was five thousand and forty-one (5,041) slots resulting to 29,930 or approximately 86% students not enrolled due to lack of capacity.

In the circumstances, limited capacity to enroll students may result in missed revenue opportunities, reduced Institutional growth, and reputational damage, potentially affecting the Institution's strategic objectives and stakeholder confidence.

5. Delays in Placement of Students

Review of the academic calendar indicated that the College's March/July semester was for twenty-one (21) weeks from 4 March, 2025 to 25 July, 2025. However, six hundred and eighty-four (684) students reported on various dates in the month of May, 2025 about eight (8) to ten (10) weeks after the semester had started. The delayed placement resulted in students losing between 40% to 48% of the academic hours which compromises the quality of education pursuant to Paragraph 6.3.4 of the College

Teaching and Learning Policy, 2024 which require students to achieve a minimum attendance of 90% for both theory and practical sessions in all units.

In the circumstances, Management may have compromised the quality of education, potentially leading to inadequate academic outcomes, reduced student competency, and reputational damage to the Institution.

6. Capacity Underutilization

Review of students application data revealed thirty-two (32) campuses with a capacity of 5,050 students received 1,083 applications or approximately 21% resulting into unutilized capacity of 3,967 slots or approximately 79%. For instance, Marimanti and Lamu campuses with sixty slots each received one and two applications respectively while no student applied in Mandera campus out of a capacity of sixty slots resulting into capacity underutilization. In addition, review of admission records revealed that two thousand nine hundred and sixty-three (2,963) students were enrolled in thirty-two (32) courses whose established capacity was six thousand four hundred and fifteen (6,415) resulting to a shortfall of three thousand four hundred and fifty-two (3,452) or approximately 54%. Further, the College was unable to attract students in ten (10) courses with a capacity of five hundred and fifty-five (555) students resulting to capacity underutilization.

In the circumstances, the inability of the College programs to attract students may be an indication that some of the courses being offered are not aligned to market needs.

7. Inadequate Lecturer Student Ratio

Review of students' records revealed a total of 87,905 students against 1,273 lectures translating into a lecturer student ratio of 1:69 which is below the required lecturer student ratio of 1:10. In addition, thirty-five (35) campuses offered thirteen (13) courses without fulltime lecturers compromising the quality of education pursuant to Paragraph 4.1 (iii) (b) of the College Expansion Policy 2019 which requires a minimum of four (4) full time lecturers for a class of forty.

In the circumstances, the understaffing of lecturers may result in inadequate academic coverage, overburdened lecturers, reduced student engagement and non-compliance with policy standards ultimately affecting student outcomes.

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 to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

The Board of Directors is responsible for overseeing the 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

11 December, 2025

KENYA MEDICAL TRAINING COLLEGE
Annual Report and Financial Statements
for the year ended June 30, 2025

10. Statement of Financial Performance for the year ended 30th June 2025

	Notes	2024-2025	2023-2024
		Kshs	Kshs
Revenue from Non-Exchange Transactions			
Transfers from Other Government entities	21	5,402,439,000	6,176,999,979
Sub-total		5,402,439,000	6,176,999,979
Revenue From Exchange Transactions			
Tuition, Boarding and application fees	22	6,302,522,581	5,194,526,495
Rental revenue from facilities and equipment	23	21,529,118	29,772,093
Other income	24	165,676,151	115,683,073
Sub-total		6,489,727,850	5,339,981,661
Total Revenue		11,892,166,850	11,516,981,640
Expenses			
Employee costs	25	5,879,153,227	4,636,320,375
Use of Goods and Services	26	4,024,938,888	3,331,937,510
Repairs and maintenance	27	448,190,629	425,154,045
Operational expenses	28	569,632,461	517,729,091
Depreciation and amortization expense	29	952,981,108	889,818,732
Remuneration of Directors	30	29,887,602	29,323,011
Finance costs	31	6,278,944	13,257,891
Transfers to Other Government entities (HELB)	32	500,000,000	680,000,000
Total Expenses		12,411,062,859	10,523,540,655
Surplus/Deficit for the Period		(518,896,009)	993,440,985
Corporation Tax		21,977,943	9,865,773
Surplus/(Deficit)		(540,873,952)	983,575,212

The Financial Statements set out on pages 1 to 37 were signed on behalf of the Board of Directors by:



Dr. Kelly Oluoch
Chief Executive Officer

20th November 2025



CPA Elijah Mititi
Finance Manager
ICPAK No: 23480

20th November 2025



Joseah Kiplangat Cheruiyot
Chairperson

20th November 2025

KENYA MEDICAL TRAINING COLLEGE**Annual Report and Financial Statements****for the year ended June 30, 2025****11. Statement of Financial Position as at 30th June 2025**

	Notes	2024-2025	2023-2024
Assets		Kshs	Kshs
Current Assets			
Cash and cash equivalents	33	414,141,659	587,083,206
Receivables from exchange transactions	34	1,039,802,493	932,698,777
Receivables from non-exchange transactions	35	449,369,598	1,026,395,496
Inventories	36	57,808,557	36,064,571
Total Current Assets		1,961,122,307	2,582,242,050
Non-Current Assets			
Property, plant and equipment	37	31,781,247,210	30,661,803,245
Intangible assets	38	51,477,394	27,238,336
Total Non-Current Assets		31,832,724,604	30,689,041,581
Total Assets		33,793,846,911	33,271,283,631
Current Liabilities			
Trade and other payables	39	1,833,035,460	769,598,228
Total Liabilities		1,833,035,460	769,598,228
Net assets		31,960,811,451	32,501,685,403
Equity			
Capital fund	40	4,727,538,005	4,727,538,005
Accumulated fund	41	4,059,350,800	4,600,224,752
Revaluation Reserve	42	23,173,922,646	23,173,922,646
Total Equity		31,960,811,451	32,501,685,403

The Financial Statements set out on pages 42 to 81 were signed on behalf of the Board of Directors by:



Dr. Kelly Oluoch
Chief Executive Officer

20th November 2025



CPA Elijah Mititi
Finance Manager
ICPAK No: 23480

20th November 2025



Joseah Kiplangat Cheruiyot
Chairperson

20th November 2025

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12. Statement of Changes in Net assets for the year ended 30th June 2025

Particulars	Capital Fund	Accumulated Funds	Revaluation Reserve	Total
	Kshs.	Kshs.	Kshs.	Kshs.
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	-	983,575,212.00	-	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
Balance as at 01.07.2024	4,727,538,005	4,600,224,752	23,173,922,646	32,501,685,403
Surplus for the year		(540,873,952)		(540,873,952)
Revaluation Gain	-	-	-	-
Balance as at 30.06.2025	4,727,538,005	4,059,350,800	23,173,922,646	31,960,811,451

KENYA MEDICAL TRAINING COLLEGE

Annual Report and Financial Statements

for the year ended June 30, 2025

13. Statement of Cashflows for the year ended 30th June 2025

CASH FLOWS FROM OPERATING ACTIVITIES	Note	2025	2024
Receipts		Kshs	Kshs
Transfers from Other Government entities		4,972,881,583	5,170,416,665
Tuition, Boarding and application fees		5,323,952,316	5,202,136,116
Rental revenue from facilities and equipment		21,529,118	23,138,238
Other income		147,694,683	128,913,822
Total Receipts		10,466,057,700	10,524,604,841
Payments			
Employee costs		4,695,487,309	4,636,320,375
Use of Goods and Services		2,773,116,470	3,067,091,691
Repairs and maintenance		320,342,227	357,060,564
Operational expenses		445,244,621	441,255,726
Remuneration of Directors		29,887,602	29,234,712
Finance costs		6,278,944	13,257,891
Transfers from Other Government entities (HELB)		250,000,000	623,333,337
Corporation Tax		21,977,943	9,865,773
Total Payments		8,542,335,115	9,177,420,068
Net cash flows from/(used in) operating activities	43	1,923,722,585	1,347,184,773
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant, equipment	36	(2,054,609,265)	(1,377,919,075)
Purchase of Intangible asset		(42,054,866)	(9,691,590)
Net cash flows used in investing activities		(2,096,664,131)	(1,387,610,665)
CASH FLOWS FROM FINANCING ACTIVITIES			
Bank OD		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(172,941,547)	(40,425,893)
Cash and cash equivalents at 1 July 2024		587,083,206	627,509,099
Cash and cash equivalents at 30 JUNE 2025		414,141,659	587,083,206

KENYA MEDICAL TRAINING COLLEGE
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for the year ended June 30, 2025

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

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	%	Note
Revenue from Non-Exchange Transactions							
Grants and donations	6,012,000,000	(609,561,000)	5,402,439,000	5,402,439,000	0	-	
	6,012,000,000	(609,561,000)	5,402,439,000	5,402,439,000		-	
Revenue from Exchange Transactions				-			
Tuition, Boarding and application fees	4,130,390,704	2,458,251,961	6,588,642,665	6,302,522,581	-286,120,084	(0.06)	
Rental revenue from facilities and equipment	30,238,372		30,238,372	21,529,118	-8,709,254	(0.29)	a
Other income	235,442,388		235,442,388	165,676,151	-69,766,237	(0.30)	b
	4,396,071,464	2,458,251,961	6,854,323,425	6,489,727,850	-364,595,575	-	
Total Revenue	10,408,071,464	1,848,690,961	12,256,762,425	11,892,166,850	-729,191,150		
Expenses							
Employee costs	4,855,140,200	1,045,536,110	5,900,676,310	5,879,153,227	21,523,083	0.00	
Use of Goods and services	4,064,697,181		4,064,697,181	4,024,938,888	39,758,293	0.00	
Repairs and maintenance	331,094,356	130,000,000	461,094,356	448,190,629	12,903,727	0.01	
Operational expenses	596,863,144		596,863,144	569,632,461	27,230,683	0.01	
Depreciation and amortization expense	130,495,000	566,536,784	697,031,784	952,981,108	-255,949,324	1.00	c
Directors' remuneration	30,000,000	-	30,000,000	29,887,602	112,398	0.00	
Finance costs	5,399,650	1,000,000	6,399,650	6,278,944	120,706	0.02	
Transfers from Other Government entities (HELB)	500,000,000	-	500,000,000	500,000,000	0	-	
Total Expenses	10,408,071,464	1,743,072,894	12,256,762,425	12,411,062,859	-154,300,434		

KENYA MEDICAL TRAINING COLLEGE
Annual Report and Financial Statements
for the year ended June 30, 2025

Notes

- (a) Rental income declined in the financial year owing to slow down in activities in site rentals and facilities hire.
- (b) Other income was affected by shift of admission process from the college to Kenya Universities and Colleges Central Placement Service and Graduation fee review
- (c) Depreciation increase is as a result of revalued assets.

KENYA MEDICAL TRAINING COLLEGE
Annual Report and Financial Statements
for the year ended June 30, 2025

15. Notes to the financial statements for the year ended 30th June 2025

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.

KENYA MEDICAL TRAINING COLLEGE
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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 2025.*

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:
IPSAS 46 Measurement	<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>
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an 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>
IPSAS 48- Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>The change in the standard will not have an impact in the college operations</i></p>
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>The change in the standard will not have an impact in the college operations</i></p>

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ii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in year 2024/2025.

16. 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.

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

KENYA MEDICAL TRAINING COLLEGE
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for the year ended June 30, 2025

Summary of significant accounting policies (Continued)

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 FY2024/2025 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 and the actuals as per the statement of financial performance has been presented in statement of comparison of budget and actual amounts.

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Summary of significant accounting policies (Continued)

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.

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

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Summary of significant accounting policies (Continued)

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

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.

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Notes to the Financial Statements (Continued)

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: -

	<u>Percentage (%)</u>
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

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Notes to the Financial Statements (Continued)

amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

h) 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.

KENYA MEDICAL TRAINING COLLEGE
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for the year ended June 30, 2025
Notes to the Financial Statements (Continued)

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.

KENYA MEDICAL TRAINING COLLEGE
Annual Report and Financial Statements
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Notes to the Financial Statements (Continued)

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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Notes to the Financial Statements (Continued)

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 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.

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Notes to the Financial Statements (Continued)

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.

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.

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for the year ended June 30, 2025
Notes to the Financial Statements (Continued)

Related party transactions

	2025	2024
	Kshs	Kshs
a) Ministry of health		
Transfers from Ministry of Health	5,402,439,000	6,176,999,979
Transfers to Ministry of Health	Nil	Nil
b) Compensation to key Management		
Directors Emoluments	29,887,602	29,323,011
Key management staff	59,239,032	49,520,741
c) Due from related parties		
Due from Ministry of Health	449,369,598	1,026,395,496

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.

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.

KENYA MEDICAL TRAINING COLLEGE
Annual Report and Financial Statements
for the year ended June 30, 2025
Notes to the Financial Statements (Continued)

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
- 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, 2025

u) Taxation

The statement of financial performance for the year ended June 30, 2025 include a taxation charge for corporation tax.

KENYA MEDICAL TRAINING COLLEGE
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for the year ended June 30, 2025
Notes to the Financial Statements (Continued)

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:

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

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:

KENYA MEDICAL TRAINING COLLEGE
Annual Report and Financial Statements
for the year ended June 30, 2025
Notes to the Financial Statements (Continued)

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.

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30TH JUNE 2025				
Receivables from exchange transactions	1,039,802,492	1,039,802,492		
Receivables from non-exchange transactions	469,181,778	449,369,598	19,812,180	
Total	1,508,984,270	1,489,172,090	19,812,180	
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	

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.

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.

KENYA MEDICAL TRAINING COLLEGE**Annual Report and Financial Statements****for the year ended June 30, 2025****Notes to the Financial Statements (Continued)**

1.Wathanagu Holdings Ltd –Vs- The Hon. Attorney General & 4 Others	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.
2.National Social Security Fund	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
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 has implemented measures of settling the deficit.

KENYA MEDICAL TRAINING COLLEGE
Annual Report and Financial Statements
for the year ended June 30, 2025
Notes to the Financial Statements (Continued)

NOTE:

In the printed estimates for the financial year 2024/2025 the college had not received Grants amounting to Kshs.449,369,598.

Note 21:
Transfer from other government entities

	2025	2024
	(Kshs.)	(Kshs.)
Government of Kenya grants		
Recurrent	5,021,689,000	5,023,000,000
Development	380,750,000	1,153,999,980
TOTAL	5,402,439,000	6,176,999,979

Note 22:

Tuition, Boarding and application fees	2025	2024
	(Kshs.)	(Kshs.)
Tuition Boarding fees and meals	6,113,832,953	5,016,908,471
Boarding fees	171,627,933	150,924,496
Catering fees	1,409,863	4,238,509
Application fees	15,651,832	22,455,019
TOTAL	6,302,522,581	5,194,526,495

Note 23:

Rental Revenue from Facilities and Equipment	2025	2024
	(Kshs.)	(Kshs.)
Staff Houses	21,529,118	29,772,093
TOTAL	21,529,118	29,772,093

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for the year ended June 30, 2025

Notes to the Financial Statements (Continued)

Note 24:

Other Income	2025	2024
	(Kshs.)	(Kshs.)
Sale of Tender documents	42,700	-
Sale of Capital goods	29,680	2,794,350
Sale of Non-Capital goods	46,091	187,844
Graduation Fees	85,044,000	56,725,000
Miscellaneous income	80,513,680	55,975,879
TOTAL	165,676,151	115,683,073

Note 25:

Employee Costs	2025	2024
	(Kshs.)	(Kshs.)
Salaries and wages	2,397,279,944	1,962,667,122
Contributions to pensions	574,521,742	413,510,432
House allowances	635,664,662	518,081,506
Medical insurance	702,108,781	492,115,234
Commuter and other allowances	645,904,125	521,503,212
Health workers extraneous allowances	857,616,650	671,992,905
Levies	66,057,323	56,449,964
TOTAL	5,879,153,227	4,636,320,375

Note 26

Use of goods and services	2025	2024
	(Kshs.)	(Kshs.)
Travelling and accommodation – local	1,561,099,326	1,169,917,947
Travelling and accommodation – external	2,344,384	858,275
Purchase of uniforms and clothing	41,740,239	8,135,869
Personal Protective Equipment	2,000	730,950
Fees and commissions	557,748,651	525,615,457
Staff training expenses	145,267,031	35,825,855
Postal and telegrams	24,611,074	18,405,042
Telephone	28,666,152	28,283,007

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Electricity	93,397,942	99,985,834
Water and conservancy	62,407,953	49,553,918
Stationery	84,172,192	113,811,786
Rent and rates	2,040,057	1,598,151
Contracted professional services	418,234,433	408,862,038
Insurance of property	505,115,039	449,886,033
Internet Expenses	162,854,789	116,952,465
Advertising, printing and publicity	141,685,278	117,115,598
Official entertainment	77,512,807	69,553,673
Computer expenses	102,512,874	89,253,462
Audit Fee	3,480,000	3,480,000
Corporate Social Responsibility	3,987,806	7,884,905
Increase/Decrease in provision for bad debts	6,058,861	16,227,245
TOTAL	4,024,938,888	3,331,937,511

Note 27:

Repairs and Maintenance	2025	2024
	(Kshs.)	(Kshs.)
Maintenance of plant and machinery	49,455,899	50,860,546
Maintenance of buildings and stations	398,734,730	374,293,499
TOTAL	448,190,629	425,154,045

Note 28:

Operational costs	2025	2024
	(Kshs.)	(Kshs.)
Transport operating	135,394,408	140,745,114
Food and rations	14,279,535	18,471,447
Library expenses	56,480,436	42,925,496
Cleansing materials	11,243,944	14,361,898
Teaching materials	180,534,833	150,469,925
Student activity and sports	140,978,398	112,840,805
Student Allowance	9,614,301	15,986,827

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Fuel, gas and firewood	2,341,396	2,428,551
Insecticides and pesticides	16,903,574	16,698,476
Drugs and dressings	1,861,636	2,800,552
TOTAL	569,632,461	517,729,091

Note 29.

Depreciation and Amortization Expenses	2025	2024
	(Kshs.)	(Kshs.)
Depreciation Expenses	952,981,108	889,818,731
TOTAL	952,981,108	889,818,731

Note 30.

Remuneration of Directors	2025	2024
	(Kshs.)	(Kshs.)
Sitting allowances	10,710,000	11,492,000
Honoraria (Chairman)	1,044,000	957,000
Lunch allowances	400,190	552,000
Mileage	2,554,947	1,758,953
Travelling and accommodation (local)	14,232,135	12,080,671
Medical insurance	437,930	575,587
Training	508,400	1,906,800
TOTAL	29,887,602	29,323,011

Note 31.

Finance Costs	2025	2024
	(Kshs.)	(Kshs.)
Bank charges	6,278,944	13,257,891
TOTAL	6,278,944	13,257,891

KENYA MEDICAL TRAINING COLLEGE
Annual Report and Financial Statements
for the year ended June 30, 2025

Notes to the Financial Statements

(Continued)

Note 32:

Transfer to Other government entities	2025	2024
	(Kshs.)	(Kshs.)
Student Loans HELB	500,000,000	680,000,000
TOTAL	500,000,000	680,000,000

Note 31.

33 (i) Cash and Cash Equivalent

	2025	2024
	(Kshs.)	(Kshs.)
Cash at Hand	741,761	878,862
Cash at Bank	383,529,765	563,656,138
Cash in Transit (222222)	29,870,133	22,548,206
TOTAL	414,141,659	587,083,206

(ii) Detailed cash and cash equivalents

Current accounts	Account numbers	2025	2024
		(Kshs.)	(Kshs.)
National bank of Kenya	Various	224,369,227	283,234,116
Kenya commercial bank	Various	156,103,815	253,614,756
Cooperative bank of Kenya	Various	3,056,722	2,189,153
Others			
Cash in hand	Various	741,761	878,862
Cash in Transit (222222)	222222	29,870,133	22,548,206
Total		414,141,659	587,083,206

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Notes to the Financial Statements (Continued)

Note 34:

Receivables from Exchange Transactions	2025	2024
	(Kshs.)	(Kshs.)
Trade receivables (outstanding fee balances)	905,327,808	775,547,796
Rent receivable	98,398,091	88,109,695
Temporary imprests	42,501,275	47,745,004
Salary advances	194,922	69,269
Prepayments	85,805,006	107,592,762
Provision for bad debts	(92,424,610)	(86,365,749)
Total	1,039,802,492	932,698,777

Note 35:

Receivables from Non-Exchange Transactions	2025	2024
	(Kshs.)	(Kshs.)
Government of Kenya grant	429,557,417	1,006,583,315
Ministry of Health	19,812,181	19,812,181
Total	449,369,598	1,026,395,496

Note 36:

Inventory	2025	2024
	(Kshs.)	(Kshs.)
Stationery and related items	40,040,869	29,185,795
Electrical items	1,864,264	2,098,385
Maintenance items	1,852,606	415,879
Other consumables	14,050,818	4,364,512
Total	57,808,557	36,064,571

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for the year ended June 30, 2025
Notes to the Financial Statements (Continued)

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 (01.07.2023)	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	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
COST:								
Balance b/f (01.07.2024)	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
Revaluation surplus	0	0	0	0	0	0	0	0
Transfer TO/FROM	0	435,041,103	-435,041,103	0	0	0	0	0
Additions during the year	0	0	703,193,029	58,982,000	917,192,509	170,178,614	205,063,113	2,054,609,265
Balance as at 30.06.2025	16,362,252,000	13,821,235,676	703,193,029	1,171,193,974	5,363,417,502	1,466,462,247	1,448,277,208	40,336,031,637
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
DEPRECIATION:								
Balance as at 01.07.2024		1,965,128,238	0	1,029,634,213	2,941,374,032	699,718,528	983,764,116	7,619,619,126
Charge for the year		266,894,685	0	115,566,761	283,294,838	134,065,978	135,343,039	935,165,301
As at 30.06.2025		2,232,022,923	0	1,145,200,973	3,224,668,871	833,784,506	1,119,107,154	8,554,784,427
Net Book Values								
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
As at 30.06.2025	16,362,252,000	11,589,212,753	703,193,029	25,993,001	2,138,748,632	632,677,742	329,170,053	31,781,247,210

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for the year ended June 30, 2025
Notes to the Financial Statements (Continued)

Note 38:

Intangible assets	2025	2024
Description	Kshs	Kshs
Cost		
At beginning of the year	130,923,757	121,232,167
Additions	42,054,866.00	9,691,590
At end of the year	172,978,623	130,923,757
Additions–internal development	-	-
At end of the year	172,978,623	130,923,757
Amortization and impairment		
At beginning of the year	103,685,421	95,578,597.00
Amortization	17,815,806	8,106,824
At end of the year	121,501,227	103,685,421
Impairment loss	-	-
At end of the year	121,501,227	103,685,421
NBV	51,477,396	27,238,336

Note 39:

Payables	2025	2024
Trade and other Payables from Exchange Transactions	(Kshs.)	(Kshs.)
Use of Goods and services	494,049,433	303,113,749
Repairs and Maintenance	129,998,402	69,250,187
Operational Expenses	140,613,823	81,279,160
Capital items	337,165,549	315,955,132
Personnel Emoluments	481,208,253	
Transfer to Other Government Entities(helb)	250,000,000	
Total	1,833,035,460	769,598,228

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Notes to the Financial Statements (Continued)

Note 40:

Capital Fund	2025	2024
	(Kshs.)	(Kshs.)
Government Investment	4,727,538,005	4,727,538,005

Note 41:

Accumulated Fund	2025	2024
	(Kshs.)	(Kshs.)
Balance at start of the year	4,600,224,752	3,616,649,540
Surplus/(Deficit for the year)	(540,873,952)	983,575,212
Balance at end of year	4,059,350,800	4,600,224,752

Note.42:

Revaluation Reserve	2025	2024
	(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	2025	2024
	(Kshs.)	(Kshs.)
Surplus for the year before tax	(540,873,952)	983,575,212
Adjusted for:		
Depreciation expense	952,981,108	889,818,732
Working capital adjustments:		
Decrease (Increase) in inventory	(21,743,986)	16,332,145
Decrease (Increase)in receivables	469,922,183	(353,581,261)
Increase (Decrease)in payables	1,063,437,232	(188,960,055)
Net cash flows from operating activities	1,923,722,585	825,832,125

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for the year ended June 30, 2025
Notes to the Financial Statements (Continued)

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.

KENYA MEDICAL TRAINING COLLEGE
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for the year ended June 30, 2025
Transfers from Other Government Entities
Appendix I

Confirmation of amounts received by Kenya Medical Training College as at 30th June (Current FY)				
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)
2024/2025	2.09.2024	376,807,416.60		376,807,416.60
2024/2025	18.09.2024	376,807,416.60		376,807,416.60
2024/2025	16.10.2024	376,807,416.60		376,807,416.60
2024/2025	20.11.2024	376,807,416.60	220,500,000.00	597,307,416.60
2024/2025	17.12.2024	376,807,416.60		376,807,416.60
2024/2025	15.01.2025	376,807,416.60		376,807,416.60
2024/2025	11.02.2025	376,807,416.80		376,807,416.80
2024/2025	17.03.2025	376,807,416.60		376,807,416.60
2024/2025	7.04.2025	376,807,416.80		376,807,416.80
2024/2025	8.05.2025	376,807,416.60		376,807,416.60
2024/2025	20.05.2025		45,000,000.00	45,000,000.00
2024/2025	17.06.2025	376,807,416.60		376,807,416.60
2024/2025 Supplementary HELB	18.06.2025	500,000,000.00		500,000,000.00
2024/2025	23.06.2025		62,500,000.00	62,500,000.00
2024/2025	2.07.2025	376,807,416.80		376,807,416.80
2024/2026	11.07.2025		52,750,000.00	52,750,000.00
Total		5,021,688,999.80	380,750,000.00	5,402,438,999.80

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

KENYA MEDICAL TRAINING COLLEGE**Annual Report and Financial Statements****for the year ended June 30, 2025****APPENDIX II: Progress on follow up of Auditor Recommendations**

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	Status	Timeframe
1.1	Long outstanding student fee balance whose recoverability cannot be confirmed	The matter was referred to Attorney general office for resolution and ultimate conclusion	Not Resolved	30 th June 2026
1.2	Understatement of provision for Bad debts	The college is awaiting necessary National Treasury approval to write off this un-recoverable debt. The college is still following up the matter with parent Ministry.	Resolved	
2	Unconfirmed receivables from non-exchange transactions	The college is awaiting necessary National Treasury approval to write off this un-recoverable debt. The college is still following up the matter with parent Ministry.	Not resolved	30 th June 2026
3	Deficit in Defined Benefit Scheme	The Board of Directors have instituted remedial measures progressively to address the deficit as advised by RBA	Not resolved	30 th June 2026
	Basis for Conclusion			
1	Non-Compliance with staffing requirement for persons living with disabilities	The college has continued to accord equal opportunities to employment to persons with disability. The number has grown from 29 to 52.	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status	Timeframe
2	Staff earning less than one third of basic salary	This was occasioned by commitments arising from Housing Levy and NSSF. Employees have been notified and guided on restructuring their commitments. This	Resolved	
3	Inconsistencies in Work-in-Progress contract	The inconsistency in the wording in the cover of contract was rectified although the scope of work undertaken as [per the requirements.	Resolved	
4	Failure to establish campuses in all counties	In line with the expansion policy the college is keen in establishing a campus in Kirinyaga county. The college is working with stakeholders to actualize this	Not resolved	30 th June 2026
5	Budget imbalance	Variance arose due to adjustments made during the supplementary budget process, where anticipated additional revenues were factored in to enhance fiscal planning flexibility.	Resolved	
1	Student under enrolment	The management has engaged with various stake holders such as county governments and regulatory bodies for student enrolment	Resolved	
2	Understaffing of the college	The college has strived to fill this gap by requesting for funding from the government, Management has engaged part time lecturers and requested for secondment of lecturers from various county governments	Resolved	



Dr. Kelly Oluoch
Chief Executive Officer