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Kenya Medical Training College

2017 ANNUAL REPORT

and Financial
Statements for
the year ended
June 2017

Training for better health

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KMTC Annual Report and Financial Statements for the year ended June 2017

VISION

A model institution in the training and development of competent health professionals

MISSION

To produce competent health professionals through training and research, and provide consultancy services

Motto

Training for better health

CORE VALUES

- Accountability
- Integrity
- Responsiveness
- Equity
- Teamwork
- Professionalism
- Creativity and Innovation

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Eng. David N. Muthoga
Vice Chairperson
Board of Directors

Statement from the Chairperson

On behalf of the Kenya Medical Training College, I am delighted to present the 2017 Annual Report and financial statements for 2016/2017 Financial Year.

KMTC is fortunate to have Board of Directors drawn from various professional backgrounds who share their knowledge and expertise in providing overall leadership and direction of the College as well as oversight on all management functions. With our Board's wise counsel and consistent support, we are confident in our ability to implement the College's Strategic Plan and follow through on our mission to produce competent health professionals through training, research, and consultancy services.

In the year under review, KMTC hosted the President of the Republic of Somalia H.E. Mohammed Farmajo in Nairobi. During discussions with President Farmajo, the College committed to train 200 nationals from Somalia to build the health capacity of Somali people.

Following the conscious lobbying for infrastructural development by the Board, the Government committed to inject Ksh 1.5 billion towards expansion of accommodation facilities in some campuses. The Board takes this opportunity to thank and assure the Government of Kenya of our commitment to achieving the mandate of the College.

As part of commitment to ensure the College continues to provide high quality of training, the Board has employed new lecturers to address the shortages experienced in the number of teaching faculty.

Keen on improving staff welfare, the Board has put in place several strategies. The promotion of staff is part of ensuring they are motivated to continue giving their best to the College. In addition, the Board has continued to encourage the growth of the staff's pension scheme by ensuring its prudent management. As at December 31, 2016, the total investment of the scheme stood at Kshs 2.66 billion.

The Board is committed to ensuring that both staff and students work and study in an environment that inspires excellence. This is why we will continue to seek partnerships and collaborations that benefit KMTC as a whole.

As a model institution in the training and development of competent health professionals, the College has continued to produce graduates to address the existing gaps of health care workers in the country and beyond. That far, the College released over 8,000 graduates in the year 2017 in various fields.

As you read through, share your feedback to enable us know areas of future improvement.

Statement from Chairperson



Peter K. Tum, OGW
Chief Executive Officer

Statement from CEO

Statement from the CEO

I am pleased to present to you the 2017 Annual Report. This Report captures the main activities and achievements of the past year in academic affairs, management and administration, human resource, corporate social responsibility functions, partnerships and collaborations. The report also details the College's good financial performance during the year, which is attributed to the commitment and dedication of staff who worked tirelessly to support management and the Board of Directors in achieving the College's objectives.

The number of students graduating from the College has continued to rise steadily over the years, cementing our position as the largest training and research institution in Kenya and East Africa. In the year under review, more than 8,000 students graduated from KMTC, setting a new record.

In recognition of the College's status as a leader in the training of health professionals for the African continent, the World Health Organization (WHO) sponsored 15 students from Liberia for a certificate course in Medical Engineering.

The College also started new courses to respond to emerging and re-emerging health challenges. The Community Health Extension Workers (CHEWs) course, which has already trained more than 100 students, will prepare trainees to become skilled health educators at the grassroots level.

KMTC also remains cognizant of our duty to give back to the community. Towards this end, the College partnered with various individuals and organizations to provide free services such as medical camps, health talks and clean up exercises to the community.

I urge the staff to continue working together as a team in order to remain the trailblazers in training of health professionals in this country. I wish to remind you that we have a bigger responsibility from the Government to train human resource for health as critical steps towards delivering Universal Health Coverage for all Kenyans by 2022.

To our customers, students and members of the public, as we look forward to the year ahead, thank you for trusting us to get the job done. Kindly give us your feedback on this current issue, and also what you will like us to cover in our subsequent issue. Your feedback and support will assist us in improving service delivery to our clients.

Board of Directors

as at 31st December, 2017



Eng. David N. Muthoga
Board Vice Chairperson,
Chairman Human Resource
Committee



Peter K. Tum, OGW
CEO



Duncan Githinji Mwangi
(Rep. Public Interest)
Chairman, Finance, Planning and
Development Committee



David Kibet Kemei
(Rep. Public Interest)
Chairman, Audit, Risk, Gover-
nance & Compliance Committee



Mrs. Grace Thitai
(Rep. Public Interest)
Chairperson of Training, Stan-
dard & Ethics Committee



Prof. Isaac O. Kibwage
(Rep. Public Interest)
Principal, College of Health
Sciences, UoN.



Ms. Peris Adema
Alt. PS, Ministry of Education



Mr. David N. Kanji
Alt. PS, Director of Public Service
Management



Dr. Pacifica Onyancha
Rep. Director of Medical Ser-
vices
Ministry of Health



Dr. Joseph Sitienei
Alt. PS Health



Ms. Susan Mucheru
(Rep. Principal Secretary)
National Treasury



Dr. Evans Amukoye
(Rep. Director)
Kenya Medical Research
Institute



Lily Koros Tare
Director, Kenyatta National
Hospital



Dr. John K. Nyaga
Principal,
KMTC Murang'a



Ms. Caren Aoko Oyugi
Principal, Homa Bay
Campus



Dr. Miriam Muthoka
Corporation Secretary

Executive Management

as at 31st December, 2017



Peter K. Tum, OGW
CEO



Mrs. Nancy Michire
Deputy Director
(Academics)



Mr. John Anyira
Deputy Director
(Finance and Admin)



Dr. Miriam Muthoka
Corporation Secretary

Campus Principals

as at 31st Dec. 2017



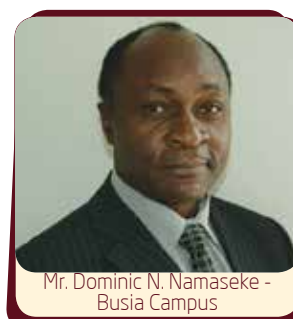
Ms. Sarah Chepkoech Koech -
Bomet Campus



Ms. Getrude A. Opiyo -
Bondo Campus



Mrs. Prudenciana Khakina -
Ag. Principal Bungoma Campus



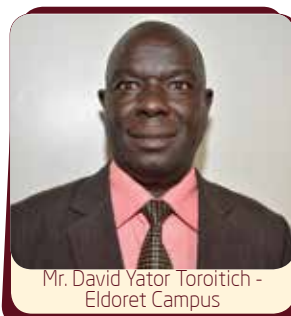
Mr. Dominic N. Namaseke -
Busia Campus



Mr. Samuel Kathuri Ndukanio -
Chuka Campus



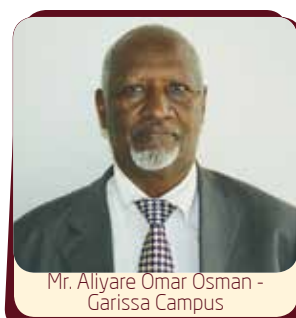
Mrs. Alice Wagunda -
Chwele Campus



Mr. David Yator Toroitich -
Eldoret Campus



Ms. Catherine Kabanya
Embu Campus



Mr. Aliyare Omar Osman -
Garissa Campus



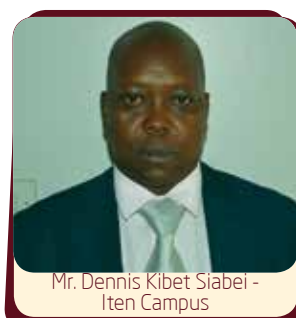
Mr. Mutua Kinyao -
Gatundu Campus



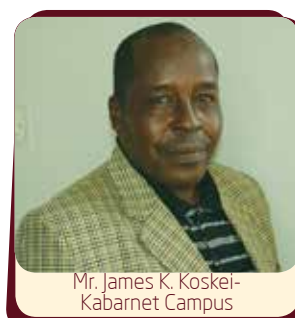
Ms. Caren Aoko Oyugi -
Homa Bay Campus



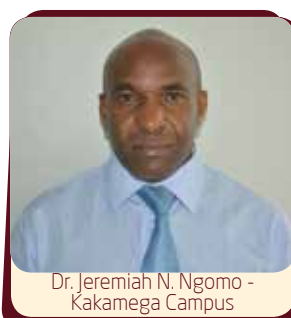
Mrs. Agnes M. Linus -
Isiolo Campus



Mr. Dennis Kibet Siabei -
Iten Campus



Mr. James K. Koskei-
Kabarnet Campus



Dr. Jeremiah N. Ngomo -
Kakamega Campus



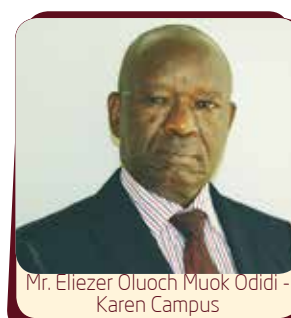
Mr. Ezekiel Kandagor -
Kapenguria Campus



Mr. Richard Korir Kibet -
Kapkatet Campus



Mr. Nicholas K. Rutto -
Kaptumo Campus



Mr. Eliezer Oluoch Muok Odidi -
Karen Campus



Mr. Bernard Gitau -
Karuri Campus



Ms. Florence Adhiambo Hawa -
Kilifi Campus



Ms. Dorothy Atieno Ishombe -
Kisii Campus



Mr. David O. Okach -
Kisumu Campus



Mr. Benson Mbatia Kondo -
Kitale Campus



Ms. Evelyn Musangi Nyamai -
Kitui Campus



Mr. Antony Omondi Radol -
Kombewa Campus



Mr. Samuel Chebet Cherutich -
Ag, Principal Kuria Campus



Ms. Kavwa Mwakaribu -
Kwale Campus



Dr. Kelly Oluoch Jack -
Lake Victoria Campus



Mr. John Mutunga Kaindi -
Lamu Campus



Ms. Rachel Ngikunyuko
Lomechu - Lodwar Campus



Mr. Caleb Mutua -
Loitokitok Campus



Ms. Jesica M. Mudola -
Lugari Campus



Dr. Joseph F.K. Karanja - Ag,
Principal Machakos Campus



Ms. Luciana Njeri Kaloki
Makindu Campus



Mr. Gabriel K. Manyara -
Makueni Campus



Dr. Samuel Kabara Kingau -
Manza Campus



Ms. Florence W. Maina
Mathare Campus



Ms. Gladwell W. Ngang'a
Meru Campus



Mr. Henry A. Ombija -
Migori Campus



Ms. Jeniffer Ogemo -
Ag. Principal, Molo Campus



Mr. Anderson Yeri Kazungu -
Mombasa Campus



Mr. Benedict P. Muyula -
Mosoriot Campus



Ms. Peninah I. Ndambuki -
Msambweni Campus



Dr. John K. Nyaga –
Murang'a Campus



Ms. Mary M. Kibui –
Mwingi Campus



Mr. Matthew Kipturgo –
Nairobi Campus



Mr. Bernard W. Kamuti –
Nakuru Campus



Ms. Loise N. Kingori –
Nyahururu Campus



Mrs. Elizabeth W. Ndura –
Nyamache Campus



Mr. Peterson Omwenga Onger –
Nyamira Campus



Mr. Ronald Wasike –
Nyandarua Campus



Mrs. Zipporah W. Njeru –
Nyeri Campus



Mr. Germano K. Tharamba –
Othaya Campus



Mrs. Gladys N. Motende –
Rachuonyo Campus



Dr. Mary W. Mwaniki –
Port Reitz Campus



Celestine Eric C'oloo
Rera Campus



Mr. Joseph M. Ahomo –
Siaya Campus



Mr. John Kariri Mukui –
Tana River campus



Mr. Richard A. Kolute –
Thika Campus



Mrs. Emily M Awinda –
Ugenya Campus



Mr. Wuluma Fuchingo Indangasi-
Vihiga Campus



Mr. Justus Muendo Kioko –
Voi Campus



Mr. Jaffer S. Mohamed –
Wajir Campus



Mrs. Margaret A. Odidi –
Webuye Campus

Map of established KMTC Campuses across the country



Abbreviations

AfDB	-	African Development Bank
AIDS	-	Acquired Immunodeficiency Syndrome
APHRC	-	African Population and Health Research Centre
BoT	-	Board of Trustees
CEO	-	Chief Executive Officer
CHEWs	-	Community Health Extension Workers
CRA	-	Commission on Revenue Allocation
CSR	-	Corporate Social Responsibility
DB	-	Defined Benefits
DC	-	Defined Contributions
EAC	-	East Africa Community
EAKI	-	East African Kidney Institute
EF	-	Equalization Fund
ERP	-	Enterprise Resource Planning
HELB	-	Hire Education Loans Board
HIV	-	Human Immunodeficiency Virus
ICT	-	Information and Communications Technology
INFOWF	-	Information Without Frontiers
IPSAS	-	International Public Sector Accounting Standards
ISSAIs	-	International Standards of Supreme Audit Institutions
KMTC	-	Kenya Medical Training College
MIS	-	Medical Imaging Sciences
MoH	-	Ministry of Health
MoU	-	Memorandum of Understanding
MSF	-	Medecins San Frontieres
NACADA	-	National Authority for the Campaign Against Alcohol and Drug Abuse
NHIF	-	National Hospital Insurance Fund
NSSF	-	National Social Security Fund
NTSA	-	National Transport and Safety Authority
PAYE	-	Pay As You Earn
PC	-	Performance Contracting
PFM	-	Public Finance Management
PS	-	Principal Secretary
USA	-	United States of America
USAID	-	United States Agency for International Development
WHO	-	World Health Organization

ACADEMIC AFFAIRS



An outstanding graduand receives an award from the Deputy President Hon. William Ruto as former KMTC Director (Now Health PS) Peter Tum looks on

Close to 9000 students graduate from KMTC

More than 8,900 KMTC students graduated on 7th December, 2017, in a colourful ceremony presided over by the Deputy President H.E. William Ruto.

During the graduation, 1,939 students were awarded Certificates, 6,608 Diplomas and 420 Higher Diplomas.

The number of graduates from the College has been on a steady increase, reaching the new high of 8,967 in 2017. In 2014, 6,876 graduated while in 2015, 7,500 students graduated. In 2016, 8,042 students received various awards. According to the Deputy President, the increase in the number of graduands is deliberately aimed at addressing the critical shortage of health workers, which stood at 60,000.

The DP announced the Government's support for KMTC to expand its accommodation facilities at a cost of Ksh 15 billion to enable the College deliver on its mandate.

Speaking during the event, KMTC CEO Mr. Peter Tum said that nine of the new campuses were presenting graduands for the first time. They are: Makueni, Mwingi, Bomet, Kaptumo, Vihiga, Kapenguria, Kitale and Migori and Rera. He also noted that the following new programmes presented graduands for the first time: Nurse Anesthesia, Nephrology Nursing and Health Systems Management.

The Deputy President was received at the graduation ceremony by the then Ministry of Health Cabinet Secretary Dr. Cleopa Mailu, Health PS, Mr. Julius Korir, KMTC Board Vice Chairman Dr. Eng. David Muthoga, and KMTC Director Mr. Peter Tum.

The graduation ceremony is an annual event, held in the first week of December and organized by a committee headed by the Deputy Director (Academics) Mrs. Nancy Michire.

KMTC campuses hold second Annual Open Day



KMTC Nyamache students prepare a roadshow to create awareness about the College Annual Open Day

KMTC held its second open day targeting high school students and members of the public across all campuses from 23 - 25 March, 2017.

The annual event, which attracted the attention of prospective students in high schools, teachers and other stakeholders on the various courses offered by KMTC, aims at enhancing communication and interaction with the internal and external publics. Under the theme "Quality training for health care delivery", the three - day event in all campuses was presided by different leaders including politicians, principals and commissioners.

The event provided an opportunity for Kenyans to interact with the College and get first-hand information on courses offered in the various campuses, the application process, admission requirements and the resources available for training among others.

Across the country, the campuses partnered with communities to mark the open day in style. At KMTC Nairobi campus, the event attracted the President of Somalia Hon. Mohamed Abdullahi Farmajo who said his country would send 200 Somali nationals to KMTC to train as nurses. He also requested KMTC to consider opening a campus in Mogadishu, Somalia.

At Nyamache and Gatundu campuses, staff and students took to the streets with banners and loudspeakers mounted on vehicles to mobilize members of the public to attend the three-day event.

At Rachuonyo Campus, Homa Bay County Commissioner Mr. Osiemo presided over the official opening of the event. High school students and members of the public came out in large numbers at Kakamega campus, to learn more about the College. Gatundu South MP Hon. Moses Kuria presided over the official opening of the event at KMTC Gatundu.

Somali to send 200 nationals to KMTC to train as nurses

Somalia President Mohamed Abdullahi Farmajo pledged to send 200 Somali nationals to KMTC to train as nurses. The President said this when he attended KMTC's Second Annual Open Day on 23rd March, 2017.

The President also requested KMTC to consider opening a campus in Mogadishu, Somalia. He said his Government would also explore other areas of collaboration in health training with Kenya, including Laboratory and Pharmacy, and would make arrangements to have KMTC faculty sent to Somalia to train and transfer skills in various health disciplines.

The then Health Principal Secretary Dr. Nicholas Muraguri assured President Farmajo that Kenya would support Somalia develop the health capacity of Somali people by training health practitioners and faculty.

KMTC Board Chairman Prof. Philip Kaloki said the College would design tailor-made programs to suit the Somalia context, like it did for other African countries.

The then KMTC CEO Peter Tum informed the Somalia delegation that KMTC Nursing department was the largest, constituting 60 percent of the entire student population, which placed the College in a better position to transfer skills to Somalia.



Somalia President H.E. Mohammed Farmajo signs the visitors' book when he visited the College in March 2017.

Departmental head authors book

KMTC's Head of Medical Imaging Sciences (MIS) department has authored a book. The book, which is titled "Medical Imaging Techniques and Procedures", was published in 2015 and is retailing at Ksh 1,530.

The author who is a Senior Principal lecturer and a practitioner in Radiography Mr. Alfonse Mang'oka Nyalla, has wide knowledge in

Medical Imaging accumulated since 1984, when he started working in the field. He is also an IT instructor in the College.

The book addresses the critical inadequacy of medical books, especially in Medical Imaging profession in Kenya. It is a good resource for students undertaking Basic Diploma, Higher Diploma and Bachelor of Science in Medical Imaging.

Keep depression at bay, says MoH Director of Mental Health

Ministry of Health's Director of Mental Health Dr. Simon Njuguna led a team of experts to discuss depression at KMTC Nairobi Campus on 4th April, 2017.

"A healthy mind is important for a healthy body and in keeping depression at bay," Dr. Njuguna said. He challenged KMTC students to focus on changing people's lives and

ensure that their patients do not suffer from depression.

The health talk was part of activities being held in 2017, to mark the World Health Day, celebrated worldwide on April 7.

The University of Nairobi's Dr. Serah Wawa discussed features of depression, noting that depression is not easy to diagnose despite the fact that one in every five people suffers from the condition.

Mathare Mental Hospital Resident Psychiatrist Dr. Boniface Chitayi however assured the students that depression was treatable. He said that the disease could affect anyone, adding that, "with the right treatment and support, people suffering from depression can recover completely, leading to restoration of occupational and psychosocial functioning."

KMTC introduces addiction management course

KMTC launched a new course to address the effects of addiction caused by drugs and substance abuse.

KMTC in partnership with the Ministry of Health developed a curriculum for the new course aimed at responding to challenges posed by drug addiction in the country. This

is an online course that is also offered in the evening to benefit trainees already in employment.

A week-long stakeholders' workshop, which brought together participants from referral hospitals, training institutions, NACADA, Ministry of Health, universities and rehabilitation centres, was held in Machakos campus from 16 - 20 January, 2017 to fine tune the programme".

The Ministry of Health Director of Mental Health Dr. Simon Njuguna commended the College for introducing the course, saying it will go a long way in ending the stigma against mental health patients in the country.

Liberia's students graduate with Certificates in Medical Engineering



Some of the students at a luncheon after the graduation. With them are KMTCC Registrar Dr. Lucy Waweru, Nairobi campus Principal Mr. Matthew Kipturgo and former Nairobi campus Deputy Principal (Academics) Mrs. Florence Maina

Fifteen students from Liberia graduated from KMTCC Nairobi Campus on 15th March, 2017.

The students, who joined the College in April 2016, were awarded certificates in Medical Engineering after successful completion of a one-year Programme. To equip them with leadership skills, they also underwent training on

Health Systems Management, to develop their competencies in strengthening health care systems at their level within the health sector.

Sponsored by the World Health Organization (WHO), the curriculum was specifically developed and tailor-made to enable the group complete the two year course in a year. Academic Registrar Dr. Lucy

Waweru congratulated the students for excellent results. "Go and make a difference in your country," she urged them. Nairobi Campus Principal Mr. Matthew Kipturgo encouraged the students to return for further studies to upgrade the training. "KMTCC can offer solutions in different areas of your healthcare system," he added.

New program to train Community Health Extension Workers launched



Ministry of Health's Dr. Ali Salim addresses Management and participants during the official launch of the training program

A program to train Community Health Extension Workers (CHEWs) was unveiled at KMTC.

Launched in Nairobi on 13th February, 2017 by the Ministry of Health (MoH), the one-and-a-half -month program will prepare trainees to become skilled health educators who can teach communities about good health, hygiene, nutrition, common diseases and disease prevention.

Launching the program, the then KMTC CEO Mr. Peter Tum said "We are taking this training seriously as it provides the first intervention for communities against diseases."

MoH is partnering with Unicef and Norvatis, who have a program dubbed "Familia Nawiri" (Healthy Family), a social venture to build local sustainable solutions to address health care challenges for communities unable to access health care.

In his remarks, Ministry of Health's Head of Community Health Strategy, Dr. Ali Salim thanked KMTC for accepting to run the program.

KMTC campuses are strategically located near hospitals in 43 counties, which is an advantage to Community Health Extension Workers (CHEWs), he added.

Management & Administration

Lecturers and exhibitors attend scientific conference in Burundi

Two lecturers and two exhibitors represented KMTC at the 6th East African Community Scientific Conference and Health Exhibition held in Bujumbura, Burundi, from 27 - 31 March, 2017.

Mr. John Kyalo, a lecturer in the Health Education and Promotion department, presented a case control study on "Risk of neonatal mortality and its association with HIV infection among postnatal women attending Pumwani Maternity Hospital" while Dr. Marsellah Ogendo, a lecturer in the Pharmacy department, presented a study on "Content

validity of a licensure examination: Is preparedness for disease outbreaks, epidemics and pandemics assessed?

The KMTC stand attracted attention of high profile guests including the President of Burundi H.E. Pierre Nkurunziza, Kenya's Ambassador to Burundi Amb. Ken Vitisia and his deputy Sylvane Chongwony among others.

There are many health training opportunities in Burundi, according to the Ambassador, a fact that was supported by enquiries in Medical Engineering, Nursing, Environmental Health Sciences and Health System Management.



Burundi President Pierre Nkurunziza meets exhibitors at the KMTC stand during the conference

New ICT system to improve efficiency at KMTC

KMTC installed an Enterprise Resource Planning (ERP) system to improve operations of its departments.

The system will enhance overall efficiency in departments such as Academics, Finance, Supply Chain Management, Human Resource and Administration. While employing the latest technology, the ERP is flexible to accommodate future growth.

KMTC Board Chairman Prof. Philip Kaloki lauded the initiative, saying it "will bring a lot of change and transformation in KMTC."

The system will manage the student portal, admissions, online application and fee payment. Other services under the system are examination management, change of students' courses and allocation of academic facilities such as lecture halls. The system will also enhance selection of students, update of student records and provide quick access to student data and information.

The ERP system is expected to revolutionize operations at the College, promote transparency and accountability in addition to ensuring that the day-to-day operations of the College are carried out in an effective and efficient manner.



KMTC Nairobi campus Heads of Departments and outgoing Principal Mr. Richard Kolute (seated 5th right) with new Principal Mr. Mathew Kipturgo (seated 5th left)

Nairobi Campus welcomes new principal

KMTC Nairobi Campus welcomed a new principal Mr. Mathew Kipturgo, a former principal of KMTC Nakuru, during a special meeting hosted by the outgoing Principal Mr. Richard Kolute on January 31, 2017.

Departmental heads paid glowing tribute to Mr. Kolute, who moved to Thika Campus as Principal. Mr. Kolute was described as a person

guided by passion, hard work and commitment during his tenure as principal. "I am sure you will continue to do well even in Thika," said the Head of Community Health, Dr. George Githu.

Mr. Kipturgo expressed his gratitude to Nairobi campus staff for the warm reception accorded to him. "As you have supported Mr. Kolute, please support me too," he asked staff.

College signs 10th cycle of Performance Contract with Government



Board Chairman Prof. Philip Kaloki (2nd right) signs the performance contract with then Health CS Dr. Cleopa Mailu (left) as former Health PS Dr. Nicholas Muraguri (right) and former KMTCC CEO Peter Tum (3rd right) look on

KMTC Board Chairman Prof. Phillip Kaloki signed the 10th cycle of Performance Contract (PC) with Government on 16th February, 2017 at the Ministry of Health Headquarters, Nairobi.

The CEO Mr. Peter Tum then signed the PC with the Board Chairman as a commitment to achieve targets set by the Board of Directors on behalf of the Government.

The Performance Contract guides the College's focus to the specific set targets for the 2016/2017 academic year. KMTCC Board Chairman Prof. Philip Kaloki and CEO Peter Tum represented the College while the Health Cabinet Secretary Dr. Cleopa Mailu, Principal Secretary Nicholas Muraguri and the Director Medical Services Dr. Jackson Kioko represented the Ministry of Health.

The CEO later signed the contract for

2016/2017 with the Deputy Director (Academics) Mrs Nancy Michire, Deputy Director (Finance and Administration) Mr. John Anyira and the Corporation Secretary Dr. Miriam Muthoka at an Academic Board meeting, witnessed by the Board of Directors Vice Chairman Eng. David Muthoga.

Eng. Muthoga urged principals, who were present during the meeting, to ensure that all targets are met to guarantee financial prudence. He also reminded them to work closely with the community and the respective County Governments. On his part, the CEO asked the principals to work on improving the image of the College as a committed partner in providing quality health training in Kenya.

Board members Mrs. Grace Thitai, Ms. Susan Mucheru and Dr. Evans Amukoye were also present during the signing.

KMTC puts in place plans to enhance security

KMTC has adopted a “Nyumba Kumi initiative” and put in place access control measures to enhance security within the campuses.

In a circular to all principals dated 2nd February, 2017, KMTC’s CEO Peter Tum said the Institution was to establish the “Nyumba Kumi” initiative and access control measures

to reinforce security.

The initiative was to run in clusters established by the College Principals within the campuses, according to a concept paper by the acting KMTC Chief Security Officer Mr. Justus Nalika. “Access control measures are being undertaken to enhance security within the institution,

including screening of visitors, identity cards and use mobile data capturing device” Mr. Nalika said.

Plans were underway to install automated barriers in all campuses in addition to making use of metal detectors and belly scanners to search all vehicles.



Graduation's security subcommittee with some KMTC senior staff

KMTC Nyahururu campus receives skills lab equipment

KMTC acquired laboratory equipment worth more than Ksh 10 million for its newly established Nyahururu campus.

Campus Principal Ms. Loise King’ori received the equipment in November, 2017, which included anatomical models like human skeleton, suturing equipment and medical oxygen cylinders.

According to Deputy Director (Academics) Mrs. Nancy Michire, the equipment will “enable students acquire first hand practical and professional experience as they prepare themselves to become competent medical

practitioners.”

Principal King’ori said the equipment was “of significant importance for effective teaching and learning for both the lecturers and the students during lab sessions”. She added that the “advanced equipment would make it possible for students to look beyond the books as well as think deeper into the theoretical concepts.

“With the use of advanced equipment, students grasp what they practice and retain the knowledge,” said the Registrar Dr. Lucy Waweru.

Board employs new lecturers to replace those who have left service

The KMTC Board of Directors employed 97 new lecturers in April 2017, to replace those who had left service for various reasons.

The lecturers will be teaching in 12 KMTC departments namely: Nursing, Clinical Medicine, Pharmacy, Environmental Health Services, Orthopaedic Technology, Occupational Therapy, Medical Laboratory Sciences, Medical Engineering, Medical Imaging Sciences, Community Nutrition, Health Promotion, Health Records



Some of the new lecturers at an induction workshop

and Information Technology.

"The recruitment of the new staff is aimed at maintaining the high standards and quality of training that KMTC is known for," said Human Resource Manager Mr. John Obiye.

Their duties will include teaching and evaluating relevant subjects in their discipline areas in addition to assessing and supervising students in clinical areas. The lecturers will also be expected to organize extra-curricular activities, assist senior lecturers in research and development as well as planning and designing of relevant teaching materials.

The lecturers will be posted to various KMTC campuses across the country including newly opened ones such as Nyamache, Isiolo, Lamu and Lugari.

Makindu campus opens to the public

Makueni Governor Prof. Kivutha Kibwana handed over two newly constructed classrooms to KMTC Makindu Campus on 24th May, 2017. The handing over coincided with the KMTC Second Annual Open Day that ran from 23 - 25 May, 2017.

KMTC Board of Directors Chairman Prof. Philip Kaloki expressed his gratitude to H.E President Uhuru Kenyatta for supporting the College to open more campuses, not only in the County, but also across the country. "We have opened more campuses in the country. We now have 65 campuses up from 28 that existed in 2013. The student population also increased from 18,000 to 33,000 during the same period" Prof. Kaloki said. He also thanked the County Government for the support accorded.

Governor Kibwana hailed the College

students for their discipline and the contribution they make to health care in the County, and undertook to support the construction of hostels for the campus.

Makueni County Chief Officer for Health Dr. Patrick Kibwana urged community members to encourage their children to join KMTC. On the other hand, KMTC Makueni Principal Ms. Luciana Kaloki expressed her gratitude to KMTC's Board of Directors and the County Government for their support towards operationalization and smooth running of the campus.



Makueni County Governor Prof. Kivutha Kibwana and KMTC Board Chairman Prof. Philip Kaloki are joined by Makindu Campus Principal Ms. Luciana Kaloki and Registrar Dr. Lucy Waweru in one of the new classrooms

Human Resource

Board approves promotion of staff

The KMTC Board of Directors approved the promotion and re-designation of staff to various positions in the College, subject to meeting specific requirements as per the Government's regulations.

Among those earmarked for promotion were lecturers, accountants, HR personnel, administrators and ICT specialists among others. The initial batch of those to be promoted or re-designated is more than 400 and was to be implemented from August 2017.

The exercise of promotion and re-designation was conveyed to staff by KMTC CEO Mr. Peter Tum, in a circular dated 14th July, 2017. Part of circular read "The College is in the process of considering promotions and re-designations

of staff to other grades that they qualify for in accordance to the existing service regulations."

The promotions, according to the circular, were to start with those in common establishment grades, followed by staff in competitive grades that were to be advertised. These promotions were part of improvement of terms of service for KMTC staff. The exercise was also part of the efforts to recognize excellence in work performance by staff as well as improvement in academic progression.

A number of staff earmarked for promotion were those who had undertaken further training in their areas of specialization. The CEO urged staff to double their efforts in service delivery, as a way of showing gratitude for the promotions and designations.



Some KMTC staff display an award at a past ASK show.

KMTC managers attend team building and leadership skills workshop

KMTC executive management attended a five-day team building and leadership skills workshop in Mombasa from 21 - 25 August, 2017.

The workshop was aimed at equipping the managers with the requisite knowledge to enable them steer the process of achieving the College's strategic objectives while moving the Institution forward to the right direction.

Topics covered during the workshop included: corporate leadership development, management challenge, importance of interpersonal relationships and team building.

The participants engaged in both theory lessons and rigorous team building activities that gave them an opportunity to interact with each other,

build trust among team members and improve their teamwork skills in addition to allowing them know each other outside the office.

Speaking during the workshop, CEO Peter Tum said that building a cohesive team was critical to improving performance and increasing productivity of an organization. "This will become a routine activity for KMTC staff in future," he said.

Deputy Director (Finance and Administration) Mr. John Anyira said that team building activities would be enhanced for staff, adding that the activities help build trust and bond staff together.

Outward Bound Trust Kenya, a non-profit educational organization which provides services to the youth and the uniformed cadre clientele, facilitated the event.

Induction course held for new KMTC Principals



Board of Directors and Principals during the induction course and training workshop

37 newly appointed principals were inducted into their new roles from 15 - 21 January, 2017 in Naivasha. The Principals were introduced to the day-to-day operations of heads of campuses.

The new principals were appointed by the Board of Directors to serve for a period of three years. The then KMTC Director Peter Tum called on the principals to deliver on their mandate, urging them to "get down to business, without wasting time

and provide real time solutions to issues facing their campuses." He also encouraged them to practice servant leadership. "To succeed, good leaders harness the best out of all their people" Mr. Tum said.

Key topics covered during the principal's induction workshop included: good governance, financial management, procurement, human resource issues, communication and auditing, among others.

KMTC Pension Scheme hits Kshs. 2.6 billion mark

KMTC staff Retirement Benefit Scheme stood at 2.66 billion, as at 31st December, 2016. The Scheme registered over 112 percent growth in the year ending December 2016, moving by Kshs.386.2m to stand at Kshs. 2.66 billion.

The 2.66 billion-figure was surpassed as at 15th December 2017. It stood at more than 3 billion for the two schemes – Defined Benefits (DB) and Defined Contributions (DC). This was announced by the acting Board of Trustees (BoT) Chairman Mr. Elijah Mititi during the Scheme's Annual General Meeting held in Nyeri on 15th December, 2017, where the Scheme service providers presented reports on performance.

KMTC CEO Peter Tum attributed the steady and speedy growth of the fund to improved terms of service for staff. The lowest paid staff in KMTC was to earn a basic salary in excess of Kshs. 24,000, up from Kshs. 12,000 upon implementation of re-categorization of the College, marking a growth of more than 100 percent.

According to Mr. Mititi, splitting of assets attributed to DB and DC schemes was concluded in the first quarter of 2017. This paved way for operationalization of the two Schemes at College, as guided by Treasury circular of 2010. He added that an actuarial valuation was also undertaken to determine the funding status of the DB scheme. A member education was to be conducted in 2018 for all staff to give members a good understanding of the purpose, structure and operations of the

two Schemes. The member education forums were also to upraise members on the benefits provided by the Schemes and the main provisions of the Trust Deed and Rules, which are formal documents governing the Schemes.

Members of the two Schemes were encouraged to make additional voluntary contributions to allow them benefit in the overall positive performance of the schemes as well as update their nomination forms to reflect the beneficiaries who should access their benefits in the event of unfortunate death.

Board of Management acting Chairman Dr. Eng. David Muthoga announced two vacancies in the Board of Trustees, following expiry of the first term of the member representative trustees. He urged members to elect representatives with "impeccable character to manage the Schemes that had a combined asset base in excess of Kshs. 3 billion.

The Board "is committed to a maximum contribution allowed by the government for each member, which underscores the value placed on your retirement by KMTC," added the Ag. Chairman.

The consultants assured members that the scheme's funds were in safe custody and were being invested prudently.

The Scheme is regulated by the Retirement Benefits Authority and managed by a Board of Trustees with professional advice from consultants in banking, investment, auditing and administration.



Partnerships

Jackson Clinic donates physiotherapy equipment worth Kshs 10 million

KMTC received teaching equipment and books worth Ksh 10 million from the Jackson Clinics, USA. The Deputy Director (Academics) Ms. Nancy Michire and head of Physiotherapy Department Mr. Daniel Kangutu received the donation, consisting of 10 mannequins of the foot and ankle and goniometers, on 18th

May, 2017.

The partnership between KMTC and the Jackson Clinics dates back to 2010 and has strengthened training of Physiotherapists in the College. The founder of the Jackson Clinic, Dr. Richard Jackson, has been facilitating an advanced course in Orthopaedic Therapy

on "functional relationships of the lower half of the body" at KMTC since May 2017.

As a result of the partnership, a Higher Diploma course in Neuro-Rehabilitation was started in December 2016, in addition to sponsoring training of Higher Diploma in Orthopaedics Manual Therapy.



Deputy Director (Academics) Ms. Nancy Michire receiving some of the foot mannequins donated by Dr. Richard Jackson

Spanish-based partner donates books to KMTC

A Spanish-based Non-Governmental Organization donated books to KMTC. Information Without Frontiers (InfowF)'s Elsebeth Arribas presented the books to the College in Nairobi on 24th February, 2017.

Receiving the books on behalf of the CEO, KMTC Registrar Dr. Lucy Waweru, thanked the NGO for the kind gesture adding that the books will enhance students' training and research. KMTC Nairobi campus Principal Mr. Mathew Kipturgo said students and staff were already enjoying the benefits of the collaboration

noting that the books were an enriching addition to the existing reference books.

KMTC and InfowF signed a Memorandum of Understanding, on 21st January, 2016, to improve library services at the College, including medical literature searches in different areas of specialty.

The one-year old partnership facilitated by Nairobi Campus Clinical Medicine Department's Dr. Nyawira Mwangi, has recorded more than 330 searches by KMTC students.

KMTC Murang'a holds talks with referral hospital

KMTC Murang'a campus held a consultative meeting with Murang'a County Referral Hospital to discuss modalities of improving training at the Campus.

The meeting whose theme was "collaboration for quality training", discussed students' discipline while on practical placement, clinical training and mentorship.

It also sought to establish ways of improving joint continuous medical education between KMTC and the Hospital. "The meeting was beneficial to both institutions and will be held every three months," said KMTC Murang'a Campus Principal Dr. John Nyaga.

The hospital team was led by the Medical Superintendent Dr. S.K Mbugua while Dr. Nyaga led his team that comprised of departmental heads. "You can't separate the two institutions. They enjoy a symbiotic relationship," added Dr. Mbugua.

Ground-rounds sessions - where students give presentations on their ward experiences to a team of lecturers and mentors – were to be introduced, thanks to the resolutions of the meeting.

Some hospital staff with vast specialization and knowledge undertook to give free training and mentorship to students.



KMTC Murang'a Principal Dr. John Nyaga (In brown suit) with staff from Murang'a County Referral Hospital

KMTC signs agreements with County Governments

KMTC has entered into Memoranda of Understanding with County Governments to train for specific needs of the Counties.

Agreements have been signed with the Counties of Isiolo, Makueni, Nandi and Mandera. Discussions with other Counties were at different stages.

In the MoUs, the County Governments provide training facilities while KMTC provides faculty and students. 30 percent of trainees admitted

into the respective campuses shall hail from the respective counties.

At the same time, KMTC has entered into various partnerships with various organizations, in a bid to enhance training. The organizations that have partnered with the College include: the Jackson Clinics in the USA, USAID through the "FunzoKenya" project, the World Health Organization and Sight Savers International.



KMTC Board Chairman Prof. Philip Kaloki (seated 2nd right) and CEO Prof. Michael Kiptoo (right) sign a Memorandum of Understanding with Kisumu County Governor Hon. Anyang' Nyong'o (in checked shirt). Board Vice Chairman Eng. David Muthoga (left), Administration Manager Mr. David Ondeng, Corporation Secretary Dr. Miriam Muthoka and Kisumu campus Principal Dr. Kelly Oluoch look on.

KMTC Campuses to benefit from the Equalization Fund

Six KMTC campuses were set to benefit from the Equalization Fund (EF). The six are: Voi, Taita Taveta, Isiolo, Mandera, Lamu and Garissa campuses.

The earmarked campuses fall in the 14 Counties targeted by the National Government to benefit from Ksh 6 billion equalization fund for the next three years. The KMTC campuses were identified to be key in supporting the Government achieve the goals of Universal Health Coverage, by training competent health professionals for sustainable development and in bridging the human resource gaps of medical workers. Through the fund, Government also aims at improving provision of health services in the regions where the campuses are located to a level comparable with the rest of the nation.

This comes after the Commission on Revenue Allocation (CRA) approved the inclusion of the campuses as beneficiaries, awaiting disbursement of the funds. CRA's principle mandate under Article 216 of the 2010 Constitution "is to make recommendations concerning the basis for the equitable sharing of revenue raised by the National Government, between the National and County Governments and among county governments".

The fund provides opportunity for the Government to address ethno-regional economic inequalities that have seen some counties lag in development since the country gained independence.

The fund seeks to ensure equity in national development and especially targets arid and semi-arid areas.

Corporate Social Responsibility

Makindu Campus holds free medical camp



KMTCC students attend to members of the public during the free medical camp

KMTC Makindu Campus treated more than 1000 residents of Kibwezi Sub County during a free medical camp held at Kambu Sub-County Hospital, Makueni County, on 3rd February, 2017.

KMTC Board Chairman Prof. Philip Kaloki led the College management, staff and students to the camp, where various ailments were treated and some patients referred to other health facilities. Prof. Kaloki praised the new campus for putting the interest of the community first and mobilizing partners to offer free treatment.

All key medical services were provided free of charge, including maternal and child health, laboratory services, ophthalmology, family planning, health education and pharmacy services among others, said the Makindu Principal Mrs. Luciana Kaloki.

KMTC Nairobi students and staff travelled to Makindu to supplement the efforts of the new campus, which President Uhuru Kenyatta officially opened on 7th December, 2017. Speaking on behalf of the CEO, Deputy Director (Academics) Mrs. Nancy Michire commended the students for their enthusiasm in attending to the sick.

The participating students were drawn from various departments in Nairobi and Makindu campuses, among them Clinical Medicine, Nursing, Pharmacy, Health Records and Community Oral Health.

The County Government of Makueni, Beyond Zero Trust, Post Bank, Kenya Commercial Bank and local traders in Makindu were among partners who supported the initiative.

KMTC students participate in President's Award Program

Members of the KMTC President's Award (PA) program visited Kabarnet in Baringo County in February 2017, as part of preparations for the final award by the President later in the year.

The group drawn from KMTC Lodwar and Nairobi campuses took part in community activities and an expedition meant to test their endurance.

The team held health talks in various secondary and primary schools in Kabarnet town. Among the topics covered at Kabarnet Boys High School, Kapropita Girls School, Ossen Girls School and Kapropita Primary School were oral health, general body cleanliness, good hand-washing practices, drugs and substance abuse, sexual education and menstruation.

Kapropita Girls Deputy Principal Ms. Betty Too thanked the team for "empowering students to conduct themselves well in a world filled with pitfalls." Through participation in the Award Program, Solomon Mwangi, a student at Health Promotion Department, said the program helped him discover his hidden talents.

The President's Award program is a self-development program that is open to young people across the country, encouraging them, among other things, to give useful services to others. The Award was first launched in Kenya by the founding father of the Nation, Mzee Jomo Kenyatta. The Award is a member of the Duke of Edinburgh's International Award Association which oversees the Award programme for young people in over 120 countries.



A pupil receives a toothbrush and toothpaste from one of the President's Award scheme members

KMTC responds to distress call by Kenyans

A combined team of students and staff from Nairobi, Kabarnet and Nakuru campuses treated more than 1,500 residents of Tiaty in Baringo County of various ailments in the between 11 - 14 October, 2017.

More than 150 students from the campuses camped at Chemolingot, Tangelbei, Nginyang', Kolowa, Kongor and Akichatis in Tiaty Sub-County of Baringo County, where a malaria upsurge had been reported.

Led by College's Inter-Governmental Relations Manager Dr Leah Bii, the KMTC team joined the Red Cross, World Vision, Baringo County health team, Medecins San Frontieres (MSF) and Kenya Defence Forces, who were carrying out malaria and other treatment, immunization and health education in the area. They also distributed food supplements.

Another team of 20 students and 10 staff from Kapenguria campus were in Lomut, West Pokot for four days carrying out immunization, ante-natal care, malaria treatment and provision of food supplements to residents.

Health PS Mr. Julius Korir officially launched the free medical camp and said that the upsurge of disease would be contained in the sub county through concerted efforts. More resources would be sent to help prevent diseases.

KMTC CEO Mr. Peter Tum announced that the College would open a campus in Tiaty. KMTC Principals: Mr. Mathew Kipturgo (Nairobi), Mr James Kosgei (Kabarnet), Mr Bernard Kamuti (Nakuru) and Ezekiel Kandago (Kapenguria) led their staff and students in the exercise. Other senior managers from the headquarters were also present.



KMTC sensitizes the public on road safety

KMTC in collaboration with the National Transport and Safety Authority (NTSA) participated in a public sensitization on road safety campaign at Nairobi's Railway Station and Karai, Naivasha.

The two day event, which took place from 18 - 19 November, 2017, was meant to educate drivers, conductors, motor cycle riders and other road users on transport safety. This was the first awareness campaign on road safety and transport in which the College participated.

"I am impressed by the collaboration between KMTC and NTSA," said the NTSA CEO Mr. Francis Meja, adding that he would engage the students more in the future to educate the public on road safety and the effects of alcohol.



KMTC students attend to a motorbike rider during the public sensitization on road safety

Residents of Korogocho receive free medical treatment

More than 700 residents of Korogocho informal settlement in Nairobi County benefited from a free medical camp organized by KMTC Nairobi's departments of Nursing and Clinical Medicine on 2nd and 9th December, 2017.

Residents turned out in large numbers to get free medical check-up from the team of 20 students, which was led by Mr. Trevor Machasio, a lecturer in Occupational Therapy Department.

The camp was hosted by the African Population and Health Research Center (APHRC), who coordinated the exercise and provided drugs, while Nairobi County Health department provided logistical support.



ISO 9001:2008 Certified

Kenya Medical Training College

Financial Statements for the Year Ended June 30, 2017

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

Institutional Details/Information

Incorporation/Establishment

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 and it is domiciled in Kenya.

Registered Office and Principal Place of Business

Kenya Medical Training College
Off – Ngong Road
P.O. Box 30195, Nairobi, Kenya




Bankers

National Bank of Kenya
Kenyatta National Hospital Branch
P. O. Box 30763, Nairobi, Kenya
Kenya Commercial Bank
Moi Avenue Branch
P. O. Box 30081, Nairobi, Kenya

Independent Auditor

Auditor General
Kenya National Audit Office
Anniversary Towers
P. O. Box 30084, Nairobi, Kenya

Board of Directors

PHOTO	MEMBER'S NAME DATE OF BIRTH	HIGHEST PROFESSIONAL/ ACADEMIC QUALIFICATIONS	KEY WORK EXPERIENCE
	Prof. Philip Kaloki 10.12.1960	PhD (Business Administration)	Chairman, Board of Directors (Upto May 9 th , 2017)
	Eng. David N. Muthoga 26.03.1954	Bachelors of Science (Civil Engineering)	Vice Chairman, Board of Directors
	Eng. Peter K. Tum 2.6.1962	Master of science (Energy)	Chief Executive Officer (CEO)
	Mrs Grace Thitai 10.05.1950	Masters Degree in Plant Pathology	Member, representing public interest Chair, Academics/ Training Standards, Ethics committee
	Mr. David Kemei 12.12.1964	Masters Degree in Business Administration- (Finance)	Member, representing public interest Chair, Audit Committee
	Mr. Duncan Mwangi 08.08 1952	Masters in Business Administration	Member, representing public interest Chair, Finance, Planning & Development committee

Board of Directors



Dr. Joseph Sitienei

31.12.1965

PhD – Epidemiology & disease Control

Rep, Principal Secretary
Ministry of Health



Ms. Susan Mucheru

30.12.1962

Masters of Science in Human Resource Management

Rep. Cabinet Secretary
National Treasury



Ms. Peris Adema

22. 11. 1962

Master of Business Administration

Alt. Principal Secretary
Ministry of Education



Mr. David N. Kanji

22.12.1963

Master of Science in Human Resource Management

Rep, Principal Secretary,
Ministry of Public Service



Ms. Lily Koros Tare

1973

Master of Business Administration (Finance)

Director
Kenyatta National Hospital



Dr. Evans Amukoye

18.01.1959

Masters in Medicine (Paediatric)

Rep. Director
KEMRI
Nairobi

Board of Directors



Prof. Isaac O. Kibwage

1954

PhD in Pharmaceutical Chemistry

Principal
College of Health Sciences, UoN



Dr. Pacifica Onyancha

1966

Masters of Medicine (Psychiatry)

Alt. Director of Medical Services
Ministry of Health
Afya House



Mrs. Rose Kuria

30.12.1960

Masters Degree in Public Health & Epidemiology

Ag. Director of Nursing Services
Ministry of Health
Afya House



Mrs. Caren Oyugi

29.10.1955

Bachelors Degree (Nursing)

Principal
Medical Training College
Homa Bay



Dr. John Nyaga

05.09.1966

Masters of Science in Public Health

Principal
Medical Training College
Murang'a Campus



Dr. Miriam Muthoka

09.09.1985

PhD-Strategic Management

Corporation Secretary

Management Team

PHOTO	NAME	PROFESSIONAL/ACADEMIC QUALIFICATIONS	MAIN AREAS OF RESPONSIBILITY
	Eng. Peter K. Tum	Master of Science (Energy)	Chief Executive Officer
	Mr. John Anyira	Masters in Community Health and Development	Deputy Director (Finance and Administration)
	Mrs. Nancy Michire	Masters of Mental Health/ Psychiatric Nursing	Deputy Director (Academic Affairs)
	Dr. Miriam Muthoka	PhD –Strategic Management	Corporation Secretary
	Dr. Lucy Waweru	PhD, Nursing Education	Registrar (Academic Affairs)
	Dr. Silas E. Njeru	PhD (Supply chain Management)	Supply Chain Manager

	Mr. John I. Obiye	Masters of Business Administration (MBA) - HR	Human Resource Manager
	Mr. David O. Ondeng	Masters of Business Administration	Administration Manager
	Mr. Elijah Mititi	Masters of Business Administration (MBA) – Finance	Ag. Finance Manager
	Mr. Mathew Kipturgo	Masters of Nursing	Deployment: Principal, KMTC Nairobi
	Ms. Callen Nyabuto	Bachelor of Commerce (BCOM)	Chief Internal Auditor
	Mr. Kamau Maina	Masters of Arts in communication studies	Deputy Corporate Communications Manager

	Ms. Lilian Obinju	Bachelor of Science (Computer)	Information Technology Manager
	Ms. Caroline Musango	Master of Law	Legal Officer
	Ms. Lucy Kuria	Bachelor's Degree in Health Sciences - Psychological Counseling	Principal Lecturer Deployment: Head, Performance Contracting
	Dr. Leah Bii	Masters in Public Health	Chief Principal Lecturer Deployment: Intergovernmental Relations



Report from the Chairperson

Eng. David N. Muthoga

Vice Chairperson Board of Directors

Opening Statement

On behalf of the Board of Directors, I am pleased to present the College Annual Report statement for the year ended 30th June, 2017. I hereby report impressive performance characterized by remarkable improvement in financial and operational performance as well as expansion of the College in the entire Country.

College Mandate

Kenya Medical Training College (KMTc) is a State Corporation under the Ministry of Health established under Chap 261 of laws of Kenya, and exists to train and develop competent health professionals through training and research, and provision of consultancy services. It is the main arm of the Government that trains mid-level health professionals and contributes to over 80% of the health care workforce in Kenya.

College Performance

In line with the Government commitment to provide efficient and high quality health care that is accessible, equitable and affordable to all Kenyans, KMTc has endeavored to ensure quality training. It is for this reason that the Board of Directors has grown the College in pursuit of the expansion policy into a regional health training hub with a network of 65 campuses spread out in 42 out of 47 counties in Kenya. The College has over 33,000 students attending more than 65 courses in 18 Academic Programmes, aimed at ensuring the country has adequate health care providers with the right skills mix.

The aim is to provide training opportunities to Kenyans so that they can bridge the human resource for health gaps in the country. Through this effort, KMTc Board has developed a cordial working relationship with devolved units of Government resulting to attraction of support of financial resources, infrastructure and practical training sites.

The Board successfully requested for re-categorization of the College from PC 2 to PC 4A which translates to improved terms and conditions of staff leading to retention of skilled workforce.

The Board approved for implementation of the Enterprise

Resource planning (ERP) for automation of all College operations. This will lead to increased efficiency and effectiveness across the College in delivering quality health care training.

Future Outlook

The Board is committed to growing the potential of KMTc through establishing at least one campus in each of the remaining counties. This will open up opportunities for more students to access training opportunities and hence ease out the shortage of health professionals in the Country.

Tribute

I wish to convey my sincere gratitude to His Excellency the President Hon. Uhuru Kenyatta CGH, the Deputy President H.E Hon. William Ruto, EGH, EBS, Cabinet Secretary, Ministry of Health, Dr. Cleopa Mailu, EGH, Principal Secretary Mr. Julius Korir, CBS, Governors of the County Governments and Development partners for their immense support. I also thank fellow Board of Directors, Chief Executive Officer, Management team, Principals, staff, students, for their steadfast support and contribution towards KMTc success in the year.

Eng. David Muthoga,

Vice Chairman

16th March, 2018



Chief Executive Officer's Statement

Prof. Michael Kiptoo

Ag. CEO

The year 2016/17 was a great success for Kenya Medical Training College (KMTTC). As we conclude the year, it gives me and staff joy and confidence that our understanding, interpretation and implementation of strategies and policies set by the Board of directors are yielding results and the College is on course as it continues to be a model institution in providing quality training for health professionals.

College Performance

During the year, about 12,500 new students joined the College for training while 8,042 graduated with various Certificates, Diplomas and Higher Diplomas in different courses to serve Kenyans and as part of efforts to generate new knowledge that is aimed at advancing the health of Kenyans. The College is ISO 9001:2008 Certified and compliant and looks forward to its successful recertification and transition to ISO 9001:2015 standards.

The College through the Ministry of Health received sponsorship from World Bank to train Enrolled Community Health Nurses (ECHN) for the marginalized communities. The two and half year program is in two phases of 400 students each. The training will be instrumental in addressing child and maternal death in marginalized areas.

KMTTC, Ministry of Health, Kenyatta National Hospital and the University of Nairobi, School of Health Sciences are collaborating in the establishment of a Centre of Excellence for Skills development and Tertiary Education in Biomedical Sciences (East African Kidney Institute (EAKI). The project is part of the African Development Bank (AfDB) support to the East African Community (EAC) member countries. The objective is to contribute to development of relevant and highly skilled workforce in biomedical sciences. This will reduce the dependency of the member countries on services outside the region.

The College management also successfully implemented the Collective Bargaining Agreement for staff and this contributed to industrial harmony between staff and management. Terms and conditions

of staff have been enhanced through staff promotions, staff training and capacity building leading to improved service delivery and harmony among the members of staff.

Technology

The College developed an ICT Policy and is in the process of implementing the Enterprise Resource Planning (ERP). The system will enable automation in Finance, Human Resource, Academics and administration areas of operations. This will play a crucial role in supporting growth and excellent service provision to our customers and stakeholders. The College also implemented online admission of students to the College and the systems will be successfully integrated to ensure the operations are flawless and there is harmony across the departments.

Way Forward

I am dedicated to the College performance and seeking to ensure that KMTTC continues to offer quality training to elevate the gap of health professionals in the various disciplines. It is my belief that the road KMTTC has taken in opening up more training opportunities will yield fruits and contribute to the Health Human Resource in the Country.

Conclusion

I wish to convey my sincere gratitude to His Excellency the president Hon. Uhuru Kenyatta CGH, the Deputy President H.E Hon. William Ruto, EGH, EBS, Cabinet Secretary, Ministry of Health, Dr. Cleopa Mailu, EGH, Principal Secretary Mr. Julius Korir, CBS, Governors of the County Governments and development partners for their immense support. I also thank the Board of Directors, management team, Principals, staff, students, for their steadfast support and contribution towards KMTTC's success in the year.

Prof. Michael Kiptoo,
CEO

16th March, 2018

Corporate Governance Statement

Oversight role of Board of Directors

The Board of directors' most significant responsibilities includes guiding the institution with view to ensuring long-term, sustainable returns for stakeholders, whilst delivering exceptional services to our customers and having regard to the interests of all other stakeholders, including staff, regulators and the communities in which the College operates. The Board provides strategic direction with a focus on consistent business performance in an atmosphere of transparency and accountability whilst reviewing and monitoring proper governance throughout the institution.

The Board has provided strong leadership to the institution, resulting to institution expanding to different parts of the country and generated stakeholder wealth. The Board has attracted outstanding directors who have grown great commitment and enthusiasm in discharging their duties and obligations to the institution while also demonstrating the spirit and ethos of the organization. The directors subscribe to the code of corporate governance and practices which guides

them in the fulfillment of their duties and responsibilities to shareholders, customers, employees and respective communities. The code of corporate practices provides guidance on the following principles among others.

One of the core values is effective corporate governance. There are benefits of a properly implemented effective corporate governance system as it provides stakeholders confidence. The College has built its operations on very strong corporate governance principles based on the application of high and consistent ethical standards in its relationships with all customers, employees and other stakeholders. This is consistent with the institutions core values of effective corporate governance that has led to a strong commitment to conduct business in accordance with best business practices based on principles of transparency, accountability and responsibility, monitoring compliance with relevant laws and regulations, risk management, appropriate checks and balances and the delivery to commitments to all stakeholders. Ethical leadership and integrity, socio-environmental responsibility and determination of group strategy are the key principles

that are taken into account while setting governance standards for the group. The College has kept abreast with international developments in corporate governance for the promotion of enhanced transparency, integrity and rule of law. The Board of Directors is the representative of the stakeholders, and has the duty of validating financial results and the review of College performance, protecting assets, counselling the CEO on strategy and nurturing the next generation of leaders. Directors are all responsible for ensuring proper and sound corporate governance within the College. Good corporate governance is therefore a fundamental part of the culture and the business practices of the College."

a) Principle on the appointment, composition, and qualification of the Board members

The code states that appointment to the Board shall consider academic qualifications, technical expertise, experience, age and gender. The President appoints the Chairperson of the Board while the Cabinet Secretary Ministry of Health appoints the Board Directors representing Public interest. Alternate Directors to the Board are appointed to represent various

Government institutions, while the Board appoints the Chief Executive Officer.

b) Principle on Board composition

In accordance with the code, the Board shall ensure that no one person or group of persons shall have unfettered power and that there is an appropriate balance of power on the Board, and one third shall be independent members so that the Board can exercise objective and independent judgment, as well as adequately represent minority shareholders. No one person or persons has unfettered power and there is an appropriate balance of power and authority on the Board.

The code states that Directors have the following fiduciary duties:

- I. Duty to act within its powers; Director is required to only exercise their powers for purposes which they were conferred.
- II. Duty to avoid conflicts of interest; a Director should identify and disclose the nature of a conflict and procure authorization for the same if permitted. Conflicts of interests include situational conflict, transactional conflicts and third party benefits.
- III. Duty to declare interests in proposed or existing transactions or arrangements.
- IV. Exercise their role collectively and not individually.
- V. Determine the organization's mission, vision, purpose and core values.
- VI. Set and oversee the overall strategy and approve significant policies of the organization.
- VII. Ensure that the strategy is aligned with the purpose of the organization and the legitimate interests and expectations of its shareholders and other stakeholders.
- VIII. Ensure that the strategy of the organization is aligned to the long term goals of the organization on sustainability so as not to

compromise the ability of future generations to meet their own needs.

- IX. Approve the organizational structure.
- X. Approve the annual budget of the organization.
- XI. Monitor the organization's performance and ensure sustainability.
- XII. Enhance the corporate image of the organization.
- XIII. Ensure availability of adequate resources for the achievement of the organization's objectives.
- XIV. Hire CEO, on such terms and conditions of service as may be approved by the relevant government organ(s) and approve the appointment of senior management staff.
- XV. Ensure effective communication with stakeholders.

c) Principle on roles of Chairperson, Chief Executive Officer and the Corporation Secretary

The code recognizes the need to differentiate and distinguish between the roles played by the Chairman, Chief Executive Officer and the Corporation Secretary.

The roles are distinct and there is clear separation and the offices are held by different persons in the College.

d) Principle on induction and continuous skill development

The code points out that on appointment to the Board and Board committees, all Directors will receive a comprehensive induction on their individual requirements in order to become as effective as possible in their role within the shortest applicable time. These skills and knowledge shall be updated at regular intervals. The objective of this training is to among others, build an understanding of the College main relationships and ensure an understanding of

the role of directors and the framework within which the Board operates. The Directors are well trained and updated on matters of the College and governance.

e) Principle on Board tools

The College formulated a code of Ethics and conduct, which has been cascaded down to all employees. Additionally the College has a Board charter and a Board calendar developed annually to guide the activities of the Board.

f) Principle on governance and legal audit

An annual governance audit meant to ensure and confirm that the College is operating on sound governance practices is conducted and reports discussed by the Board and filled with relevant authorities.

g) Compliance with laws and regulations

The College complies with the Constitution of Kenya 2010, the KMTC Act of 1990, code of governance, and other government laws, regulations, procedures and policies.

h) Committees of the Board

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

1. Human Resource Committee

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

2. Academic, Training, Standards And Ethics Committee

- a. To receive and consider reports from the Academic Board and make appropriate recommendations to the Board.
- b. To advise the Board on issues relating to

students affairs.

- c. To receive and consider reports from regulatory bodies pertaining to KMTC's programs.
- d. To recommend and advice the Board on establishment of new campuses..
- e. Admissions and examinations.
- f. Curriculum development.
- g. Quality management systems.

3. Finance, Planning And Development Committee

- a. The College planning and financial strategy
- b. Annual budget and Medium Term Expenditure Framework;
- c. Appointment of bankers, opening of accounts and signatories;
- d. Resource mobilization
- e. Purchase and sale of property and disposal of idle assets.
- f. The College investment and borrowings;
- g. The progress of the implementation of plans and policies as outlined in the strategic plan.
- h. Approval of new construction projects;
- i. The progress of building projects;
- j. Maintenance and development of buildings and land;
- k. Development, investment and enterprise.

4. Audit, Risk, Governance And Compliance Committee

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

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

Financial Highlights

Statement of Comprehensive Income

Total revenues from various streams during the year amounted to Kshs. 5.9 billion against a resource application of Kshs. 5.5billion thus yielding a surplus of Kshs. 380million. Notably for the first time the internally generated revenue surpassed the grants received from the government. This remarkable performance is attributed to the strategic expansion process. Employee costs, General expenses, Repairs and maintenance and operational expenses accounted for 58%, 24%, 5%, and 7% respectively, whereas Board expenses took about 0.6% of the total resource application. There was an increase in revenue collection from exchange transactions of Kshs.888million (42%) compared to 2015-2016 financial year. This is largely due to the massive expansion of the college. The College was at 65 campuses as at 30th June 2017, up from 50 campuses in the financial year 2015-2016. The total expenses also increased by Kshs. 926million (20%) to 5.5billion up from 4.6billion in 2015-2016. This is largely due to implementation of the collective bargaining agreement which increased employee costs as well general College expansion.

Statement of Financial Position

The balances of receivables and payables amounted to Kshs. 446million and Kshs. 407million. Receivables were largely made up of outstanding fees whereas trade payables mainly consisted of outstanding claims relating to utilities, capital works in progress and personal emoluments related expenses. The working capital ratio stood at 2.6 whereas the debt to equity ratio as at year end stood at 0.07. This implies that the College had a relatively low liquidity risk during the financial year.

Statement of Changes in Equity

Accumulated fund balances at the end of the year totaled Kshs. 1.775 billion with an opening balance of Kshs. 1.395billion and Kshs. 320million surplus for the year..

Capital Expenditure

The College committed additional resources to the tune of Kshs. 476 million on capital expenditure mainly building works, computers and accessories, teaching equipment and furniture and fittings.

Key projects / investment decisions implemented

The College managed to increase the number of enrolled students from 25,601 as at 30th June 2016 to 35,426 in 2017. This is in line with the current health sector 2012-2017 plan to reduce health inequalities and reverse the downward trend in health related impact and outcome indicators.

The College in collaboration with county governments managed to increase campuses from 50 in 2016 to 65 in 2017. The campuses opened in the financial year include Rera, Rachuonyo, Molo, Othaya, Nyahururu, Nyamache, Lugari, Wajir, Kombewa, Lamu, Ugenya, Isiolo, Tana river, Busia and Voi.

The College successfully introduced five new training programs in the financial year as follows:

- Clinical Medicine in Kitale campus
- Medical Laboratory Sciences in Kombewa campus
- Kenya Registered Community Health Nursing in Garissa campus
- Clinical Medicine in Busia campus
- Enrolled Community Health Nursing in Wajir

Compliance with statutory requirements

The College in compliance with the Public

Procurement and Disposal regulations managed to allocate projects worth Kshs. 111,163,031 to youth, women, and people with disability. This is 33% of procurement budget.

The College in compliance with the Public Procurement and Disposal Act developed a procurement plan as part of the budgeting process and submitted it to the relevant bodies within the statutory deadlines. The quarterly procurement plan implementation reports were submitted to Public Procurement and Oversight Authority in the required format. The College has also been remitting statutory deductions such as Pay As You Earn, NHIF, NSSF and HELB as required by law.

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

- i. Submission of the Financial Programme Performance report to Controller of Budget every quarter within the deadline
- ii. Submission of Draft Budget Estimates by 30th April 2017
- iii. Submission of Annual Procurement Plan by 30th July 2016 .
- iv. Submission of Annual Work plan and Cash flow projections by 30th July 2016.
- v. Compliance with other circulars from National treasury issued in 2016/2017.

Conclusion

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

Corporate Social Responsibility Statement

The Board has created a framework that facilitates achievement of social and sustainability goals. As part of commitment to a sustainable relationship with its stakeholders, the College takes an active part in supporting the local community on social causes. In so doing, which includes working with neighbors to improve the welfare of the communities, KMTC is guided by ethical practices that seek to promote good corporate citizenship.

Pursuant to this goal all the 40 KMTC campuses participated in Corporate Social Responsibility (CSR) activities aimed at giving back to the community. The activities, which were organized by the campuses and held at various places, included health talks, HIV counseling and testing, HIV attitude training, screening for breast and cervical cancer and sanitation and awareness creation. KMTC Nairobi and Makueni campuses partnered with the Special Olympics to hold free medical screening clinics for children and adults with intellectual disabilities. The exercise involved checking their eyesight, dental check-ups and promotion of healthy living.


KMTC Karuri and Bondo participated in polio and measles vaccination campaigns where they joined other health professionals in giving door to door vaccinations to children. Other campuses partnered with their respective County Governments to give services to the community. KMTC Lodwar took part in the construction of pit latrines at the Nakwamekwi, as part of the President's Award scheme.

KMTC Lake Victoria and Bomet campuses participated in cleaning the environment around their respective campuses and planted trees to conserve the environment. Manza, Msambweni, Port Reitz, Kwale and Machakos were among campuses that organized free medical camps, community outreach programs, HIV/AIDS attitude training and sanitation programs in the community. During the World Consumers' Rights Day organized by Competition Authority of Kenya, KMTC Mombasa campus gave health talk on use of antibiotics.

Kapkatet and Migori campuses carried out community diagnosis aimed at ascertaining the health status of the communities around them. Nakuru campus pharmacy students visited children from St. Anne's Baby and Children's Home and donated food items to them. They also visited patients at the Nakuru Hospice.

These activities were aimed at cementing the trust that communities have on KMTC, which is the cardinal reason they entrust them with their children to train.

By Order of the Board



Dr. Miriam Muthoka, CPS (K)

Corporation Secretary

16th March, 2018



Report of the Directors

The directors have the pleasure of presenting their report together with the audited Financial Statements for year ended 30th June 2017 which show the state of the Board's affairs.

Principal activities

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

Results

The results of the College for the year ended June 30th, 2017 are set out on pages 59 to 77

Directors

The Board of Directors who held office during the year are shown on pages 38 to 40 . In accordance with section 9 (2) of KMTCC Act, the Board of Directors other than an ex officio member, shall hold office for a period of three years from the date of appointment as specified in the instrument of appointment, but shall be eligible for re-appointment. The appointment and vacation of office of any member of the Board shall be in accordance with Section 9 Sub Section 3 of Kenya Medical Training College Act.

Financial statements

At the date of this report, The Board was not aware of any circumstances which would have rendered the financial statement misleading.

Auditors

The Auditor General is responsible for statutory audit of Colleges accounts in accordance with Section 81 of the Public Finance Management (PFM) Act, 2012 and Section 14 and 39 (i) of chapter 12 of the Laws of Kenya, Public Audit Act, 2013.

Dr. Miriam Muthoka, CPS (K)

Corporation Secretary

16th March, 2018

Statement of Board of Directors' responsibilities

Section 83 of the PFM Act, 2012, requires the Directors to prepare financial statements in respect to the College which give a true and fair view of the state of the College affairs at the end of each financial year and operating results of the College for that year. The Board of Directors is required to ensure that the College maintains proper accounting records which disclose, with reasonable accuracy, the financial position of the college. The Directors are responsible for safeguarding the assets of the college.

The Directors are responsible for preparation and presentation of the 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, 2017. This responsibility includes:

- i. Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the period;
- ii. Maintaining proper accounting records, which disclose reasonable accuracy at any time financial position of the College;
- iii. Designing, implementing and maintaining Internal Controls relevant to preparation and fair presentation of Financial Statements, and ensuring they are free from Material Misstatements, whether due to error or fraud;



Prof. Michael Kiptoo
Ag. CEO
16th March, 2018

- iv. Safeguarding the assets of the College;
- v. Selecting and applying appropriate Accounting Policies; and
- vi. Making accounting estimates that are responsible in the circumstances.

The Directors accepts responsibility of Financial Statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimate, in conformity with International Public Sector Accounting Standards (IPSAS), and in manner required by PFM Act and State Corporations Act. The Directors confirm the completeness of accounting records maintained for the College; which have been relied upon in the preparation of the Colleges financial statements as well as the adequacy of the systems of financial control. Nothing has come to the attention of the Directors to indicate that the College will not remain a going concern for at least the next twelve months from the date of this statement.

The Directors are of the opinion that the College's financial statements give a true and fair view of its transactions during the financial year ended June 30, 2017.

The College's Financial Statements were approved by the Board and signed on behalf by:



Eng. David Muthoga
Vice Chairman
16th March, 2018

Report of the Auditor General

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NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON KENYA MEDICAL TRAINING COLLEGE FOR THE YEAR ENDED 30 June 2017

Qualified Opinion

I have audited the accompanying financial statements of Kenya Medical Training College set out on pages 59 to 77, which comprise the statement of financial position as at 30 June, 2017, and the statement of financial performance, statement of changes in equity, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kenya Medical Training College as at 30 June, 2017, 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 Kenya Medical Training College Act, Cap 261 of the Laws of Kenya.

In addition, as required by Article 229(6) of the Constitution, except for the matters described in the Basis for Opinion and Emphasis of matter sections of my report, based on the procedures

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

Basis for Qualified Opinion

1.0 Revenue from Exchange Transactions

1.1 Fraudulent Receipts

Included in the statement of financial performance for the year ended 30 June, 2017 is tuition, boarding and application fees of Kshs. 2,962,923,630 which includes fraudulent receipts for the period totaling Kshs. 3,363,260 caused by the students falsifying deposit slips in the payment of fees. There was no evidence that the same had been recovered by the time of audit in February, 2018.

Consequently, the accuracy of the tuition, boarding and application fees of Kshs. 2,962,923,630 included in statement of financial performance could not be confirmed.

2.0 Receivables from Exchange and Non-Exchange Transactions

As previously reported, receivables from exchange and non-exchange transactions balances totaling Kshs. 457,178,715 reflected in the statement of financial position as at 30 June 2017 include brought forward amounts of Kshs.19,812,181 and Kshs.21,831,155 due from the Ministry of Health and Kenyatta National Hospital respectively and which, although recommended for write-off by the Board were not expunged from the books of

account because approval in this respect had not been obtained from the parent Ministry by 30 June, 2017.

Further, the total receivables transactions balance of Kshs. 457,178,715 includes an amount of Kshs. 64,656,640 in respect of accumulated rent arrears due from the University of Nairobi for ninety-six (96) rooms occupied by the University's medical students. Records available show that the rent arrears have accumulated at the rate of Kshs. 2,803,200 per annum for over 23 years. However, no lease agreement between the College and the University was presented for audit verification.

Consequently, it has not been possible to establish the circumstances under which the arrears accumulated to Kshs. 64,656,640 as at 30th June 2017.

3.0 Property, Plant and Equipments

3.1 Lack of land ownership documents

As similarly reported in the year 2015/2016, property, plant and equipment balance of Kshs. 5,840,132,791 reflected in the statement of financial position as at 30th June 2017 includes the following: 22 parcels of land at the headquarters and constituent colleges with a total acreage of 277.587 acres valued at Kshs. 502,485,000 in the June 2017 assets valuation report but whose title documents have not been availed for audit review: (see table on page 74) Further, the lands occupied by the campuses have not been valued nor brought into the books of account. Consequently, it has not been possible to confirm ownership of the twenty two (22) parcels of land included in the property, plant and equipment balance in the statement of financial position.

Table 1: Land that is not possible to confirm ownership

No.	Location of Parcel of land	Size (Acres)	Value as at 30 June 2017 (Kshs)
1	Nairobi	5	88,750,000
2.	Nakuru	6.82	32,730,000
3.	Mombasa	4.42	19,800,000
4.	Kakamega	16.41	34,500,000
5.	Homabay	9.12	14,750,000
6.	Garissa	16.83	5,845,000
7.	Embu	8.471	13,600,000
8.	Meru	6.946	17,350,000
9.	Kisumu	21.5	41,450,000
10.	Murang'a	4	8,710,000
11.	Siaya	11.29	6,800,000
12.	Lodwar	40.11	11,500,000

13.	Loitokitok	3	2,550,000
14.	Kitui	20	20,000,000
15.	Port Reitz	7.5	28,500,000
16.	Kabarnet	9.25	5,600,000
17.	Kilifi	4.34	9,600,000
18.	Eldoret	21.32	43,250,000
19.	Msabweni	19.76	6,200,000
20.	Karuri	5	6,000,000
21.	Mathare	1.5	22,500,000
22.	Karen	25	62,500,000
Total		277.587	502,485,000

4.0 Opening of New Constituent Colleges

As reported in the previous year, the College opened eight (8) new constituent Colleges during the years 2013/2014, 2014/2015 and 2015/2016 contrary to Part 4.0 of Expansion and Policy Guidelines. Section 1 and 3 which states that new infrastructure should only be developed after concept paper and proposal in compliant with the respective Kenya Medical Training College Strategic Plan are prepared and approved, and source of financing identified. The new colleges are Makueni, Vihiga, Chwele, Kapenguria, Migori, Bomet, Kitale and Nyandarua. These colleges were not budgeted for in the year when established (2013/14) and the total expenditure of Kshs. 104,870,2014 incurred on the same was not included in the annual estimates for the year. This is contrary to Section 12 of the State Corporations Act, Cap 446 which states that no corporation shall without the prior approval in writing of the Minister and the Treasury incur any expenditure for which provision has not been made in annual estimates.

Further, a total of fourteen new constituent colleges with a total cost of Kshs.76,127,341 were opened during the financial year under review. They include; Kuria, Lake Victoria, Chuka, Gatundu, Iten, Kaptumo, Makindu, Molo, Mosoriot, Mwingi, Nyahururu, Rachuonyo, Rera and Othaya. These constituent colleges were not budgeted for during the year and were not included in the annual estimates for 2016/2017 contrary to Section 12 of the State Corporations Act, Cap 446. No reason has been provided for failure to comply with the Expansion Policy and the State Corporations Act Cap 446.

Consequently, the management is in breach of the law and the propriety of Kshs. 76,127,341 utilized in opening of new constituent colleges for the year ended 30th June, 2017 could not be ascertained.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Kenya Medical Training College in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical

requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of the Matter

It was observed that at the closing date of the financial year 2016/2017, Kenya Medical Training College had pending legal proceedings against them that if successful would cost the College approximately Kshs.

1,653,515,593 and which would have a significant impact on its finances and operations. These litigations have been disclosed under note (II) R of the financial statements as required by IPSAS 19 Paragraph 100 and IAS 37, there is a strong case against the College and the verdict may fall on either side/party.

Key Audit Matters

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

Responsibilities of Management and those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the College's ability to continue as a going concern/

sustain services, disclosing, as applicable, matters related to going concern/sustainability of services and using the going concern basis of accounting unless the management either intends to liquidate the College's or to cease operations, or have no realistic alternative but to do so.

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.

Those charged with governance are responsible for overseeing the College's financial reporting process.

Auditor-General's Responsibilities for the Audit of the Financial Statements

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. 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 and weakness 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.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern or to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the College to cease

as a going concern or to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the College to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL
Nairobi
23rd April, 2018

Statement of the financial performance for the year ended 30th June, 2017

	Notes	2016 - 2017 (Kshs)	2015 - 2016 (Kshs)
Revenue from Non-Exchange Transactions			
Grants and donations	3	2,901,981,667	2,855,892,266
		2,901,981,667	2,855,892,266
Revenue From Exchange Transactions			
Tuition, Boarding and application fees	4	2,962,923,630	2,050,721,583
Rental revenue from facilities and equipment	5	23,544,945	29,819,606
Other income	6	34,661,560	46,178,644
		3,021,130,135	2,126,719,833
Total Revenue		5,923,111,802	4,982,612,099
Expenses			
Employee costs	7	3,217,656,337	2,739,412,080
General expenses	8	1,376,466,821	1,096,383,553
Repairs and maintenance	9	266,266,643	162,583,075
Operational expenses	10	367,957,498	312,726,927
Depreciation and amortization expense	11	268,177,460	261,868,280
Expenses of the boards, committees & conferences	12	34,710,124	26,305,823
Finance costs	13	6,575,437	6,052,555
Total Expenses		5,537,810,320	4,605,332,292
Surplus for the Period		385,301,482	377,279,807

Statement of financial position as at 30th June, 2017

	Notes	2016-2017 (KShs)	2015-2016 (KShs)
Assets			
Current Assets			
Cash and cash equivalents	14	603,200,080	427,986,677
Receivables from exchange transactions	15	432,299,868	389,002,302
Receivables from non - exchange transactions	16	24,878,847	453,891,115
Inventories	18	18,058,635	41,012,289
Total Current Assets		1,078,437,430	1,311,892,384
Non-Current Assets			
Property, plant and equipment	17	5,840,132,791	5,631,124,036
Total Assets		6,918,570,221	6,943,016,419
Current Liabilities			
Trade and other payables from exchange transactions	19	410,764,444	820,455,578
Bank overdraft	20	161,088	217,634
Total Liabilities		410,925,532	820,673,212
Net assets		6,507,644,689	6,122,343,207
Equity			
Capital fund	21	4,727,538,005	4,727,538,005
Accumulated fund	22	1,780,106,684	1,394,805,202
Total Equity		6,507,644,689	6,122,343,207



Prof. Michael Kiptoo, Ag. CEO
16th March 2018



Eng. David Muthoga, Vice Chairman
16th March 2018

Statement of cashflows for the year ended 30th June, 2017

	Notes	2016-2017(KShs)	2015-2016 (KShs)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	23	652,456,164	574,203,832
Net cash flow from operating activities		652,456,164	574,203,832
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant, equipment and intangible assets	17	(477,186,215)	(336,060,549)
Net cash flows used in investing Activities		(477,186,215)	(336,060,549)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) Bank overdraft		(56,546)	217,634
Net cash flows used in financing Activities	20	(56,546)	217,634
Net increase/(decrease) in cash and cash equivalents		175,213,403	238,360,917
Cash and cash equivalents at 1 July 2016		427,986,677	189,625,760
Cash and cash equivalents at 30 June 2017		603,200,080	427,986,677

Statement of change of equity for the year ended 30th June, 2017

	Capital Fund (Kshs.)	Accumulated Funds Kshs.	Total (Kshs.)
Balance as at 01.07.2015	4,727,538,005	1,017,525,395	5,745,063,400
Surplus for the year	0	377,279,807	377,279,807
Balance as at 30.06.2015	4,727,538,005	1,394,805,202	6,122,343,207
Balance as at 01.07.2016	4,727,538,005	1,394,805,202	6,122,343,207
Surplus for the year	0	385,301,482	385,301,483
Balance as at 30.06.2016	4,727,538,005	1,780,106,684	6,507,644,690

Statement of comparison of budget and actual amounts for the year ended 30th June, 2017

	Original Budget 2016-2017 (Kshs)	Adjustments 2016-2017 (Kshs)	Final Budget 2016-2017 (Kshs)	Actual on co- parable basis	Perfor- mance difference	% age	Explanation
Revenue from Non-Exchange Transactions							
Grants and donations	9,951,250,000	7,049,268,333	2,901,981,667	2,901,981,667	0		
Revenue from exchange transactions							
Tuition, Boarding and application fees	2,331,742,546	0	2,331,742,546	2,962,923,630	631,181,084	27	Positive variance occurred due to expansion of the college. The college enrolled more students during the financial year with 65 campuses in 42 out of the 47 campuses.
Rental Revenue from facilities and equip- ment	33,523,000	0	33,523,000	23,544,945	- 9,978,055	- 30	Negative variance is because some of the houses initially occupied by members of staff were convert- ed into hostels and thus revenue that used to be collected as rental income reduced.
Other income	21,988,000	0	21,988,000	34,661,560	12,673,560	58	Variance is due to increased revenue collected-from graduation fee; as more than expected students gradu- ated during the year.
Total Revenue	12,338,503,546	7,049,268,333	5,289,235,213	5,923,111,802	633,876,589		
Expenses							
Employee cost	6,217,771,179	3,000,114,842	3,217,656,337	3,217,656,337	0		
General expenses	1,399,319,478		1,399,319,478	1,376,466,821	22,852,657	2	Variance is due to the general expansion of the college. With increased population came increased expenses.
Repairs and mainte- nance	223,172,342	48,000,000	271,172,342	266,266,643	4,905,699	2	Due to increased student population, a lot of ren- ova- tions had to be done in order to accommodate them hence increasing the cost of repairs.
Operational costs	399,471,071		399,471,071	367,957,498	31,513,573	8	Variance is due to expansion of the college. With increased population came increased expenses.
Depreciation and amortization expense	430,744,000		430,744,000	268,177,460	162,566,540	38	Anticipated capital investment in asset was not undertaken.
Expenses of the boards, committee and conferences	35,000,000		35,000,000	34,710,124	289,876	1	A significant increase in board travel (local) arising from expansion activities.
Finance costs	8,721,350		8,721,350	6,575,437	2,145,913	25	Variance is due to increased financial transactions espe- cially in the revenue accounts.
Total costs	8,714,199,420	3,048,114,842	5,762,084,578	5,537,810,320	224,274,258		
	3,624,304,126			385,301,482			

Notes to the financial statements for the year ended 30th June, 2017

Note 1-2: Summary

1. Statement of Compliance and Basis of Preparation

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

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

2. Summary of Significant Accounting Policies

a) Revenue Recognition

i) Revenue from Non - Exchange Transactions - IPSAS 23

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 - IPSAS 9

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 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 - IPSAS 24

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the college. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or college differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

c) Property, Plant and Equipment - IPSAS 17

i) 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 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.

(ii) Basis of Depreciation: Non-current assets are fully depreciated in the year of disposal and no depreciation is provided for in the year of acquisition 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:-

No.	Asset	Percentage (%)
1	Land	Nil
2	Buildings	2.5
3	Work in Progress	Nil
4	Motor Vehicles	25
5	Plant, Office and Other Equipment	12.5
6	Furniture and Fittings	12.5
7	Computers and Accessories	30

d) Intangible Assets - IPSAS 31

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

e) Financial Instruments - IPSAS 29

Financial Assets

Initial Recognition and Measurement

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

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Impairment of Financial Assets

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

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

f) Financial Liabilities

Initial Recognition and Measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The College determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and Borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

IPSAS 29.65

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate:

g) Inventories - IPSAS 12

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.

h) 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.

i) Changes in Accounting Policies and Estimates - IP5A5 3

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.

j) Employee Benefits - IPSAS 25

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.

k) Related Parties - IPSAS 20

The College regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the 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 Directors. The Board of Directors consists of 18 members who are responsible for strategic direction and operational management of KMTC and is entrusted with significant authority to execute KMTC's mandate.

	2017	2016
Related party transactions		
Transfers from Ministry of Health	2,893,066,667	2,841,947,227
Transfers to Ministry of Health	Nil	Nil
Compensation to key Management		
Directors Emoluments	14,259,900	14,185,190
Key management staff	42,807,540	38,662,724
Due from related parties		
Due from Ministry of Health	19,812,180	19,812,180
Due from National Government	5,066,667	434,078,935

l) Cash and Cash Equivalents

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

m) Comparative Figures

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

n) Significant Judgments and Sources of Estimation

Uncertainty- IPSAS 1

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.

o) 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 IPSAS 1.140

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

p) Subsequent Events - IPSAS 14

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30th, 2017

q) Taxation

The statement of financial performance for the year ended 30 June 2017 does not include a taxation charge since the institution is exempted from corporation tax.

r) 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 minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The College 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:

i) 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 endeavours 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.

	Total amount (Kshs)	Fully perform- ing (Kshs)	Past due (Kshs)	Impaired (Kshs)
At 30 June 2017				
Receivables from exchange trans- actions	432,299,867	432,299,867	Nil	Nil
Receivables from non- ex- change transactions	24,878,847	5,066,667	19,812,180	Nil
Total	457,178,714	437,366,534	19,812,180	
At 30 June 2016				
Receivables from exchange trans- actions	453,891,115	453,891,115	Nil	Nil
Receivables from non- ex- change transactions	19,812,180		19,812,180	
Total	473,703,295	453,891,115	19,812,180	

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

- 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 recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.
- The entity 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.

ii) 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 entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

s) 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.

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.....
Dominc Ndwiga Ngure -Vs- KMTC & AG	The Plaintiff claims unlawful termination from employment. Mombasa Labor Relations Court judgement awarded Mr. Ngure Kshs. 1,428,589 for wrongful termination of employment. KMTC has lodged an appeal against the judgement.

t) Project Accounts

As at close of the financial year 2016/2017 the College had two project accounts that did not form part of the assets of the College. This donor funded project accounts are:

a) Kenya Mental Health Project:

0100305856100:

National Bank

Hospital Branch:

Kshs 1,290,566.45

b) VVOB SKILLS Lab project:

01020058377000:

National Bank

Hospital Branch:

Kshs 4,800,105.40

Note 3: Revenue from Non Exchange Transactions

	2017 (KShs)	2016 (KShs)
Government of Kenya grants	2,893,066,667	2,841,947,227
Funzo Kenya Project grant	475,000	13,092,769
UNICEF	3,080,000	-
Sight Savers International grant	0	852,270
ALDAICDF	4,400,000	0
USAID AFYA JIJINI	960,000	0
TOTAL	2,901,981,667	2,855,892,266

Note 4: Revenue from Exchange Transactions

	2017 (KShs)	2016 (KShs)
Tuition and Boarding fees	2,899,142,098	2,000,951,873
Application fees	63,781,532	49,769,710
TOTAL	2,962,923,630	2,050,721,583

Note 5: Rental Revenue from Facilities and Equipment

Grants and Donations	2017 (KShs)	2016 (KShs)
Rental income	23,544,945	29,819,606
TOTAL	23,544,945	29,819,606

Note 6: Other Income

	2017 (KShs)	2016 (KShs)
Sale of tender documents	34,650	131,500
Sale of Non-Capital goods	11,170	-
Miscellaneous income	34,615,740	46,047,144
TOTAL	34,661,560	46,178,644

Note 7: Employee Costs

	2017 (KShs)	2016 (KShs)
Salaries and wages	1,532,662,947	1,327,597,228
Contributions to pensions	313,814,137	254,323,130
House allowances	484,044,593	314,277,360
Medical insurance	195,140,914	138,910,402
Commuter and other allowances	483,213,859	523,887,890
Health workers extraneous allowances	208,779,887	180,416,070
TOTAL	3,217,656,337	2,739,412,080

Note 8: General Expenses

	2017 (KShs)	2016 (KShs)
Travelling and accommodation - local	409,056,121	284,734,289
Travelling and accommodation -external	1,204,714	263,465
Purchase of uniforms and clothing	21,827,560	5,137,985
Fees, commission and honoraria	195,408,203	188,971,756
Staff training expenses	9,813,391	3,692,249
Postal and telegrams	21,300,034	16,908,925
Telephone	24,537,038	22,197,120
Electricity	60,203,529	55,748,278
Water and conservancy	47,479,122	36,600,708
Stationery	81,784,755	74,266,983
Rent and rates	1,562,621	2,324,690
Contracted professional services	202,646,051	169,962,401
Insurance of property	144,580,837	95,882,601
Internet Expenses	22,068,605	17,123,456
Advertising, printing and publicity	71,462,011	82,918,065
Official entertainment	26,842,883	14,039,949
Computer expenses	29,500,701	19,024,861
Audit Fee	1,160,000	1,160,000
Increase in provision for bad debts	4,028,644	5,425,771
TOTAL	1,376,466,821	1,096,383,553

Note 9: Repair and maintenance

	2017 (KShs)	2016 (KShs)
Maintenance of plant and machinery	73,461,972	33,622,650
Maintenance of buildings and stations	192,804,672	128,960,424
TOTAL	266,266,643	162,583,075

Note 10: Operational Expenses

	2017 (KShs)	2016 (KShs)
Transport operating	54,948,478	51,086,143
Food and rations	24,275,651	59,389,483
Library expenses	33,868,063	35,335,702
Cleansing materials	11,732,916	16,571,250
Teaching materials	110,144,912	65,155,428
Students activity and sports	74,335,044	60,063,037
Student Allowance	37,509,135	9,325,147
Fuel, gas and firewood	2,542,882	6,420,151
Insecticides and pesticides	3,851,504	2,304,138
Drugs and dressings	14,748,914	7,076,448
TOTAL	367,957,498	312,726,927

Note 11: Depreciation and Amortization Expense

	2017 (KShs)	2016 (KShs)
Depreciation expenses	268,177,460	261,868,280
TOTAL	268,177,460	261,868,280

Note 12: Expenses of Boards, Committees and Conferences

	2017 (KShs)	2016 (KShs)
Sitting allowances	12,560,000	11,796,000
Honoraria (Chairman's)	843,900	1,044,000
Lunch allowances	856,000	890,000
Mileage•	3,045,412	2,044,963
Travelling and accommodation (local)	17,404,812	10,075,670
Medical insurance	-	455,190
Total	34,710,124	26,305,823

Note 13: Finance Costs

	2017 (KShs)	2016 (KShs)
Bank charges	6,575,437	6,052,555
Interest charges	-	-
Total	6,575,437	6,052,555

Note 14: Cash and Cash Equivalents

	2017 (KShs)	2016 (KShs)
Cash at Hand	260,518	1,029,635
Cash at Bank	601,907,461	425,390,463
Pay bill	1,032,102	1,566,579
Total	603,200,080	427,986,677

Note 15: Receivables from Exchange Transactions

	2017 (KShs)	2016 (KShs)
Trade receivables (outstanding fee balances)	381,532,483	346,087,301
Rent receivable	67,679,670	62,838,408
Outstanding imprests	11,852,501	5,897,953
Salary advances	648,096	1,087,387
Prepayments	15,508,333	13,983,824
Provision for bad debts	(44,921,215)	(40,892,571)
Total	432,299,868	389,002,302

Note 16: Receivables from Non-Exchange Transactions

	2017 (KShs)	2016 (KShs)
Government of Kenya grant	5,066,667	434,078,935
Ministry of Health	19,812,180	19,812,180
Total	24,878,847	453,891,115

Note 17: Property, Plant and Equipment

	Land KShs	Buildings KShs	Work in Progress KShs	Motor Vehicles KShs	Plant, Office and Other Equipment KShs	Furniture and Fittings KShs	Computers and Accessories KShs	Totals KShs
COST								
Balance b/f (01.07.2015)	1,165,920,000	3,267,527,074	405,673,665	267,333,145	1,929,393,546	284,460,097	331,062,304	7,651,369,831
Additions during the year			102,297,653	25,856,800	112,543,479	50,098,241	45,264,376	336,060,549
Balance as at 30.06.2016	1,165,920,000	3,267,527,074	507,971,318	293,189,945	2,041,937,025	334,558,338	376,326,680	7,987,430,380
DEPRECIATION								
Balance as at 01.07.2015		628,594,194		211,342,106	933,103,518	108,024,101	213,374,142	2,094,438,061
Charge for the year		65,973,322		13,997,760	124,536,254	22,054,500	35,306,449	261,868,283
As at 30.06.2016		694,567,516		225,339,866	1,057,639,772	130,078,601	248,680,591	2,356,306,344
Net book Value (as at 30.06.2016)	1,165,920,000	2,572,959,558	507,971,318	67,850,079	984,297,253	204,479,738	127,646,090	5,631,124,036
COST								
Balance b/f (01.07.2016)	1,165,920,000	3,267,527,074	507,971,318	293,189,945	2,041,937,025	334,558,338	376,326,680	7,987,430,380
Transfer TO/(FROM)		391,348,306	(391,348,306)					
Additions during the year			144,518,087	4,400,000	177,139,992	86,224,254	64,903,883	477,186,216
Balance as at 30.06.2017	1,165,920,000	3,658,875,380	261,141,099	297,589,945	2,219,077,017	420,782,592	441,230,563	8,464,616,596
DEPRECIATION:								
Balance as at 01.07.2016		694,567,516		225,339,866	1,057,639,772	130,078,601	248,680,591	2,356,306,344
Charge for the year		64,323,989		16,962,520	123,037,157	25,559,967	38,293,827	268,177,460
As at 30.06.2017		758,891,505		242,302,386	1,180,676,928	155,638,568	286,974,418	2,624,483,804
Net Book Value (as at 30.06.2017)	1,165,920,000	2,899,903,875	261,141,099	55,287,559	1,038,400,089	265,144,024	154,256,145	5,840,132,792

Note 18: Inventory

	2017 (KShs)	2016 (KShs)
Food and rations	789,361	1,106,020
Stationery and related items	13,922,144	12,132,980
Other consumables	3,347,130	27,773,290
Total	18,058,635	41,012,289

Note 19: Trade and other Payables from Exchange Transactions

	2017 KShs	2016 KShs
Trade and other Payables from Exchange Transactions	410,764,444	820,455,578

Note 20: Overdrawn Account

	2017 KShs	2016 KShs
Overdrawn account	161,088	217,634

Note 21: Capital Fund

	2017 KShs	2016 KShs
GOK capital investment	4,727,538,005	4,727,538,005

Note 22: Accumulated Fund

	2017 (KShs)	2016 (KShs)
Balance at start of the year	1,394,805,202	1,017,525,395
Surplus for the year	385,301,482	377,279,807
Balance at end of year	1,780,106,684	1,394,805,202

Note 23: Cash Generated from Operations

	2017 (KShs)	2016 (KShs)
Surplus for the year before tax	385,301,482	377,279,807
Adjusted for:		
Depreciation	268,177,460	261,868,280
Working capital adjustments:		
Decrease (Increase) in inventory	22,953,654	2,567,084
Increase(Decrease) in receivables	385,714,702	(355,006,507)
Increase (Decrease) in payables	(409,691,134)	287,495,168
Net cash flows from operating activities	652,456,164	574,203,832

Appendix I: Recording of transfers from other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/ Development/ Others	Total Amount (Kshs)	Where Recorded/recognized					Total Transfer during the Year
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must Be specific	
UNICEF	09.01.2017	Recurrent	1,400,000	Grants & donations	N/A	N/A	N/A	N/A	1,400,000
AFYA JIJINI USAID	19.01.2017	Recurrent	960,000	Grants & donations	N/A	N/A	N/A	N/A	960,000
UNICEF	27.03.2017	Recurrent	1,680,000	Grants & donations	N/A	N/A	N/A	N/A	1,680,000
ALDAI CDF	23.06.2017	Development	4,400,000	Grants & donations	N/A	N/A	N/A	N/A	4,400,000
Total			8,440,000						8,440,000

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	Focal Point person to resolve the issue	Status	Time frame
1.1	Receivables from exchange and non exchange transactions include brought forward amounts of Kshs.19,812,181 & 21,831,115 from Kenya National Hospital and Ministry of Health respectively and which although recommended for write off by the Board were not expunged from the books of account because approval had not been obtained from the parent ministry	The issue has been presented to the Public Investment Committee	Chief Executive Officer- KMTC	Not resolved	Ongoing
1.2	No lease agreement between Kenya Medical Training College & Nairobi University to enable verification of receivables amount of Kshs.61,853,440 from Nairobi University	The issue has been presented to the Public Investment Committee	Chief Executive Officer- KMTC	Not resolved	Ongoing
2.	Title documents of 22 parcels of land which form part of the Property Plant and Equipment valued at Kshs. 50 2,485,000 have not been availed for audit review	The College has appointed regional surveyors to sort out the valuation and title deed issue	Chief Executive Officer- KMTC	Not resolved	Ongoing
3.	The College opened new constituent campuses contrary to part 4.0 of expansion and policy guidelines section 1 and 3	The issue is being handled by the Board of Directors	Board of Directors - KMTC	Not resolved	Ongoing



Prof. Michael Kiptoo,
A.g CEO
16th March 2018



Eng. David Muthoga,
Vice Chairman
16th March 2018

KMTC Programmes:

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

Short courses:

- HIV Training and Counseling Services (HTS)
- Echocardiography
- Monitoring & Evaluation
- Healthcare Entrepreneurship
- Safe Phlebotomy
- Infection Prevention
- First Aid and Basic Life Support
- Sign Language for Health workers
- Community Health Extension Work
- Community Health and Development
- Medical Engineering (Basic Electronics)
- Medical Engineering (Basic Electrical Wiring)
- Medical Engineering (Refrigeration, Air Conditioning and Cold Room)
- Medical Engineering (Welding and Fabrication)
- Food Hygiene and Inspection
- Counseling Skills for Healthcare Professionals



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