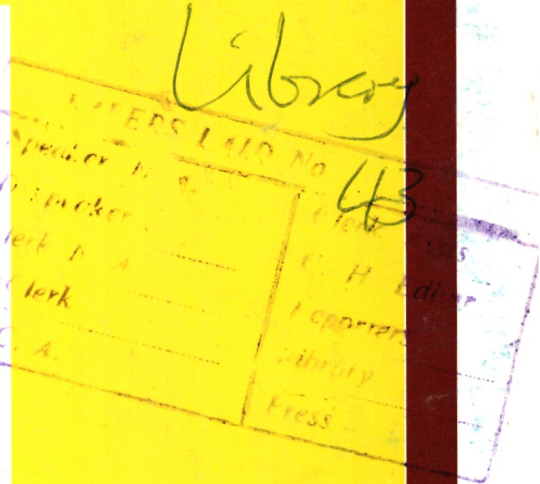


KENYA MEDICAL TRAINING COLLEGE



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KMTC 1997/1998 ANNUAL REPORT AND STATEMENT OF ACCOUNTS

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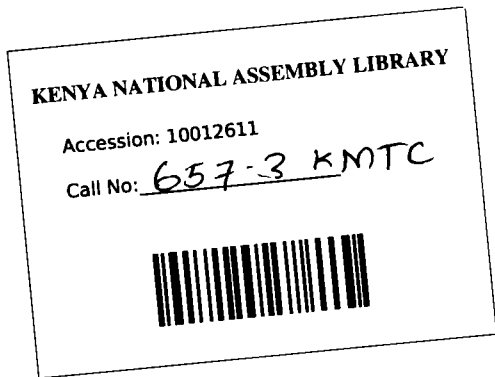
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CHAIRMAN'S FOREWORD

I hereby submit, on behalf of The Kenya Medical Training College Board of Management, the Annual Report and statement of Accounts for the period ending 30th June 1998 in accordance with the provisions of section 18 of KMTC Act of 1990, cap 216, No 14 of the laws of Kenya.

The Kenya Medical Training College was established in 1927 as a training depot for African Compounders and Dressers and has since grown steadily to become a unique multi-disciplinary health training institution.

Currently, it is the largest health training institution in Kenya and the whole African region South of the Sahara and outside the Republic of South Africa. It comprises of twenty two (22) satellite Medical Training Centres spread out in various parts of the country with KMTC – Nairobi serving as The Headquarters.

The Constituent Centres are: -

Nakuru, Kisumu, Mombasa, Kakamega, Nyeri, Embu, Garissa, Machakos, Murang'a, Thika, Meru, Kabarnet, Eldoret, Kisii, Homa-bay, Matuga, Port-reitz, Kilifi, Karen, Mathare, Karuri and Loitoktok.

The college was instituted as a self-governing body Corporate in 1990 vide an Act of Parliament (Cap 261 of the laws of Kenya) with the commencement date being 1st April 1991 vide Legal Notice No. 10.

The first College Board of Management was consequently appointed on 2nd September 1994 and held its inaugural sitting on 30th ay 1995 officiated by then the Minister of Health Hon. Joshua Angatia, thereby occasioning the institutions formal operation as a body Corporate on the 1st of January 1996.

Subsequent to the above, the Board has been meeting on a regular basis- not less than four times a year however, it became imperative to meet more frequently given the delicate transitional stage the organization is experiencing.

KMTC supplements its income derived mainly from the exchequer by contributions from students who pay token fees towards their upkeep and training. Such contributions in the current year amount to Kshs.57, 221,640.00 which constituted a mere 5% of the institutions optimal budget requirement.

In light of this, and given the economic downturn experienced during the year, and therefore serious resource constraints the Board is reviewing proposals for potential income generating activities with a view to narrowing the negative variance resulting from both the grant allocation of 50% and students contribution (5%).

However, as a strategic parastatal with the current mandate/commitment of training/producing about 90% of Health Personnel in the country, it may be imprudent to fully commercialize our training in the foreseeable future given the low earnings/poverty level of nearly 50% of Kenyans. It is for this reason that there is need for assurance from the government of sustained budgetary support to a reasonable level of the institution's optimal budget proposal. This will facilitate improvement and expansion of training facilities – a majority of whose physical conditions are in a sorry state of disrepair.

We also appreciate the grant aid extended to the college by the government of the people of Japan through JICA – Technical Co-operation meant for development of teaching staff in the next five years.

J.P. LAGO
CHAIRMAN
KMTC BOARD OF MANAGEMENT.

DIRECTOR'S ANNUAL REPORT FOR THE PERIOD ENDING 30th JUNE 1998

KMTC over the recent past has embarked on curriculum reform with a shift towards community orientation, which is expected to prepare trainees and graduands alike in addressing challenges of meeting community health needs and demands; promoting health, solving health problems, enhancing teamwork through application of generic skills among others. The focus on community orientation being not an end itself, specialized health care is still required therefore adequate resource allocation is necessary for training of personnel in specialized areas to offer curative and rehabilitative care.

During the year under review, the college embarked on a policy to facilitate the regular review of curricula. The main thrust of activities in this regard in subsequent year therefore is to review curricula. To this end a curriculum committee has been established whose terms of reference among others is to:

- Harmonize core subjects and identify areas of integration that will remove curriculum overlap and overload.
- Re-orient the curriculum to focus on community health needs with an emphasis on health promotion, self care and disease prevention in line with health sector reforms without necessarily putting emphasise on the need to constantly update our teaching staff with the latest advancements in the medical field.

Towards the achievement of this course, we have embarked on strategies aimed at laying the groundwork for possible collaboration with institutions of higher learning both local and overseas. This will culminate in the launching of in-country work-based training programmes in subsequent years. This initiative is cost effective in terms of operational cost and in-service delivery as our staffs continue to offer services in their work place and learn concurrently.

Development Partners

A number of development partners participate in both the development of human resource and physical facilities. With the assistance of the government of Japan through JICA, the College is set to benefit from a project dubbed ' The Technical Cooperation' meant to complement our efforts of capacity building for the next five years. This will involve in-country training and overseas training mainly in Japan or a third Country identified by JICA.

A number of lecturers are embarked for training through the in-country Middle Level Manpower Training to be undertaken annually effective this year with an initial budgetary support/contribution of 100% expected to decline at the rate of 20% annually – which is essentially the GOK contribution. It is expected that during five year period this programme will have exposed our staff to courses on Management, Community based research methods, Presentation skills, Project

Cycle Management, Curriculum review, Production of teaching materials and Audio Visual Aids Production, etc.

It is our commitment to ensure that the Project purpose is attained and specific strategies are put in place to ensure viability. Towards the achievement of this goal therefore, the college is currently in the process on initiating Income Generating Activities in various departments vide;

- Provision of Health Care
- Provision of rehabilitative Care
- Mounting of short courses

Further in order to achieve optimal utilization of scarce resources at our disposal, the college intends to embark on harmonization process that will culminate in the merging of Departments with related activities into large faculties – a possible maximum of five.

Will witness an improvement in this area as more sources are brought on board and efficient methods of revenue collection are implemented.

W.K. Boit
DIRECTOR

**REPORT OF THE AUDITOR GENERAL (CORPORATIONS) ON THE
ACCOUNTS OF KENYA MEDICAL TRAINING COLLEGE FOR THE YEAR
ENDED 30 JUNE 1998**

I have examined the Accounts of Kenya Medical Training College for the year ended 30 June 1998 in accordance with Section 29(2) of the Exchequer and Audit Act (Cap 412). I have obtained all the information and explanations required for the purpose of the audit. Proper books of account have been kept and the Accounts, which have been prepared under the historical cost convention, are in agreement therewith.

In my opinion, and except for the matters referred to here below, the Accounts, when read together with the Notes thereon, fairly present the College's financial state of affairs as at 30 June 1998 and of its excess expenditure over income for the period then ended.

1. FIXED ASSETS

As was the case in the previous year, the Balance Sheet fixed assets figure of Kshs 875,311,400 as at 30 June 1998 still excludes the value of land and buildings at Kenya Medical Training College Headquarters, South Hill Mess, Nairobi and also at all the constituent colleges inherited from the Ministry of Health across the country. Accordingly, the College's fixed assets of Kshs. 875,311,400 reflected in the Accounts for 1997/98 are understated to the extent of the value of land and buildings so excluded. A review of the position in 1990/2000 indicates that the College's assets were re-valued at Kshs 4,149,782,810 in November but the College is yet to obtain title deeds for its land. In addition, two buildings have been erected on the land at the South Hill mess by a private developer, thus casting doubts as to the College's ownership of the South Hill mess land parcel.

2. PERIMETER WALL FENCING

In August 1997, a consultant was appointed, without competitive bidding, to design a perimeter fence around the College and thereafter to invite selective tenders for the construction of the perimeter fence.

The firm was awarded the contract at a cost of Kshs 15,086,612 which was later on varied to Kshs 20,205,595 to accommodate additional works including fixing of metal grills, landscaping and security sentries around the gates.

No tender documents or even Board minutes approving the consultancy and construction contracts were, however, seen. In the absence of any competitive bidding for the job as well as tender documents of Board approval for the project, it has not been possible to confirm the propriety of the expenditure or even to establish whether the College obtained value for money when it single sourced the contractor.

3. PURCHASE OF FOOD STUFFS AT NAKURU MTC

The Nakuru Medical Training College incurred total expenditure of Kshs. 9,156,755 from revenue collections to procure foodstuffs but without issuing Local Purchase Orders as required under proper procurement procedures. Consequently and in the absence of orders or Delivery Notes and Goods Received Notes, it was not possible to ascertain and confirm whether the foodstuffs so purchased were delivered and received and was also what was required. It was further noted that out of the expenditure of Kshs. 9,156,755 no mode of payment was indicated on payment vouchers totaling Kshs. 4,824,957 and it was, therefore, not possible to confirm whether the payments were made by cheque or by cash.

4. PARTITIONING, ACCOUSTIC PADDING AND PURCHASE OF FURNITURE

During the year under review, the College awarded tender No. NBI DII/ 35/ 96-97 to a contractor to partition and provide furniture for the whole of its 2nd Floor Head Office building at a contract sum of Kshs. 7,852,825 without inviting open tenders. Bills of Quantities or Board minutes approving the contract, including subsequent variations of Kshs 1,040,134.80, which raised the contract sum to Kshs 8,892,959, were not seen. Verifications of the works carried out by the contractor showed that items valued at Kshs 489,520.00 were not physically seen.

In the circumstances, therefore, it was not possible to confirm whether the College obtained value for money with regard to this contract.

S.M. Maluki

**S.M. MALUKI
AUDITOR-GENERAL (CORPORATIONS)**

19 March 2002

KENYA MEDICAL TRAINING COLLEGE

BALANCE SHEET AS AT 30TH JUNE 1998

	NOTES	1997/98 (Kshs)	1996/97 (Kshs)
FIXED ASSETS		875,311,400	600,829,194.60
CURRENT ASSETS		-	
Stocks		-	
Pre-payments		-	
Short-term Deposits			
Investment	3	112,048,770	96,748,767.00
Debtors	4	61,015,220	51,415,227.40
Imprests	5	636,410	537,416.10
Cash and Bank Controls	6	78,264,530	66,346,743.45
Total Current Assets		251,964,930	215,048,153.95
CURRENT LIABILITIES			
Creditors and Accruals	7	33,936,910	9,105,123.85
General Deposits		-	-
Total Current Liabilities		33,936,910	9,105,123.85
Net Current Assets		218,028,020	205,943,030.10
		1,093,339,420	806,772,224.70
FINANCED BY:			
Capital Grant (JICA)	8	892,162,550	600,179,050
Accumulated Funds	9	201,176,870	206,593,180
		1,093,339,420	806,772,230

The attached notes form an integral part of these Accounts.

CHAIRMAN..... 

DIRECTOR..... 

DATE..... 

KENYA MEDICAL TRAINING COLLEGE

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED
30TH JUNE 1998

	1997/1998	1996/97(18months)
INCOME	(KSHS)	(KSHS)
Grants (GoK)	429,618,260	536,332,080.20
Grants (Others)		
AIA/COST SHARING		
Boarding Fees	57,221,640	98,291,148.20
Investment Income	15,300,000	6,748,767.00
	502,139,900	641,371,995.40
EXPENDITURE		
Cleansing Materials	1,269,440	387,938.10
Personal Emoluments	178,391,330	163,755,738.45
Travelling and Accommodation	7,496,730	12,350,455.95
Leave Passage Allowance	1,818,390	1,997,039.20
Purchase of student Food and Rations	138,223,260	146,611,889.00
Library Expenses	827,880	1,205,442.75
Students Allowance	8,906,850	9,166,362.20
Purchase of Drugs and Dressings	414,230	394,193.70
Purchase of Uniforms and Clothing's (Students)	185,080	1,445,863.80
Contracted Professional Services	1,919,870	966,001.20
Fees Commissions and Honoraria	2,941,460	3,093,232.15
Teaching Materials	157,970	-
Postal Telegrams	303,610	931,929.90
Telephone Expenses	4,064,740	3,348,541.60
Electricity Expenses	32,853,300	6,290,288.85
Water and Conservancy	5,764,320	8,368,604.55
Purchase of Stationery	8,777,360	15,213,823.95
Miscellaneous and other Charges	10,703,580	16,031,495.05
Maintenance of Plant and Equipment	3,803,230	4,446,541.60
Maintenance of Buildings and Stations	7,544,550	6,430,357.55
Transport Operating Expenses	40,517,780	29,023,806.15
Payments of Rents and Rates	1,453,330	2,247,225.00
Purchase of Uniforms and Clothing's (staff)	1,347,010	Nil
Insurance of Property	3,663,810	Nil
Advertising and Publicity	153,650	Nil
Training Expenses (staff)	340,470	Nil
Refund of Caution Money	412,990	1,072,050.00
Income before Depreciation	37,883,680	206,593,174.70
Depreciation Expenses	43,299,990	Nil
Excess Income Over Expenditure	(5,416,310)	206,593,174.70
	502,139,900	641,371,995.00

KENYA MEDICAL TRAINING COLLEGE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 1998

1. ACCOUNTING POLICIES

a) BASIS OF ACCOUNTING

The Accounts are prepared under the historical cost convention.

b) DEPRECIATION

These depreciation charges on the Accounts are not comprehensive since most of the Fixed Assets have been omitted due to non-valuation. However, the known Assets has been charged in the accounts using the Reducing Balance Method at rates calculated to write-off the assets over their useful lives.

The following rates have been used:-

Land and Buildings	2.5%
Furniture and Fittings	12.5%
Plant, Machinery and Equipment	12.5%
Motor Vehicles	25%
Computers and other Office Machines	30%

2. FIXED ASSETS KSHS. 875,311,400

See schedule of Fixed Assets and Computation of depreciation thereon (pg 13)

3. INVESTMENT OF KSHS. 112,048,770

This is the investment of Kshs. 96,748,770 with the National Bank of Kenya – Hill Branch including interest receivable of Kshs. 15,300,000 at 20% per annum up to 30th June 1998

4. DEBTORS KSHS. 61,015,220

The amount is composed of:-

University of Nairobi	
(Accommodation for Medical Students)	Kshs. 11,395,840.00
Local Fee Balances (GoK and Private)	Kshs. 9,026,945.00
Foreign Students	Kshs. 1,379,500.00
Ministry of Health (Outstanding Grants)	Kshs. 19,812,180.00
K.N.H. Sponsored (Staff) Students	Kshs. 19,400,755.00
<u>TOTAL</u>	<u>Kshs. 61,015,220.00</u>

5. **IMPRESTS AND ADVANCES KSHS. 636,410**

This figure is made up of both outstanding temporary imprests held by officer and salary advanced to staff as at 30th June 1998:-

Imprest	Kshs. 461,525.00
Salary Advances	<u>Kshs. 174,884.70</u>
	<u>Kshs. 636,409.70</u>

6. **CASH AND BANK BALANCES KSHS. 78,263,530**

The Board of Survey exercise was not undertaken as there was no Board constituted by the Ministry of Health as had been the case previously. The balances shown are therefore made up of bank statements adjusted with payments relating to the period under review but paid during the subsequent period.

7. **CREDITORS AND ACCRUALS KSHS. 33,936,910.00**

The amount includes Trade Creditors and accruals as at 30th June 1998

8. **JICA GRANT 892,162,550**

This grant is composed of total JICA grants towards the rehabilitation of KMTCC Physical assets less depreciation.

9. **ACCUMULATED FUNDS KSHS. 216,294,700**

Opening balance	206,593,180
Add: Excess income over	
Expenditure for the year	<u>9,701,520</u>
Balance carried forward	<u>216,294,700</u>

GRANT TO KENYA MEDICAL TRAINING COLLEGE FROM MINISTRY OF HEALTH FOR THE PERIOD ENDING 30TH JUNE 1998

A. GRANTS GoK KSHS. 429,618,260

The figure represents the Annual Grants disbursed by the Government of Kenya to Kenya Medical Training College from 1st July 1997 to 30th June 1998

GRANTS FROM MINISTRY OF HEALTH TO KENYA MEDICAL TRAINING COLLEGE FOR 1997/ 1998 FINANCIAL YEAR – RECURRENT EXPENDITURE

MONTH TO WHICH GRANT RELATES	CHEQUE (KSHS)	AMOUNT No:	OUR RECEIPT No:	DATED
JULY 1997	031795	33,333,333.35	BK 473204	08.10.1997
AUG. 1997	031796	33,333,333.35	BK 473204	08.10.1997
SEPT. 1997	032094	33,333,333.35	BK 473215	11.11.1997
OCT. 1997	033240	33,333,333.35	BK 473214	10.11.1997
NOV 1997	035156	33,333,333.35	BK 473230	11.02.1998
DEC. 1997	037673	33,333,333.35	BK 456211	21.04.1998
JAN. 1998	036680	33,333,333.35	BK 473241	09.03.1998
FEB. 1998	036798	33,333,333.35	BK 473246	16.03.1998
MAR 1998	037673	33,333,333.35	BL 456211	21.04.1998
APR. 1998	038506	33,333,333.35	BL 456222	26.05.1998
MAY. 1998	040492	33,333,333.35	BM 839213	07.07.1998
JUNE. 1998	040493	62,951,593.15	BM 839213	07.07.1998
		429,618,260.00		

B. A.I.A/COST SHARING KSHS. 57,221,640

This figure consists of the contribution/fees from students towards their training and sale of miscellaneous items

C. DEPRECIATION KSHS. 43,299,990

See schedule of Fixed Assets and computation of depreciation thereof on page 13.

DEBTORS: -

The Debtors figure is composed of: -

(A) Outstanding fee balances i.e.

(i)	Local college fees balance outstanding (Private/Government)	Kshs. 1,277,627.00
(ii)	Foreign Students	Kshs. 1,379,500.00
(iii)	Kenyatta National Hospital	<u>Kshs. 19,400,755.00</u>
		<u>Kshs. 22,057,882.00</u>

(B) University of Nairobi
(96 rooms x 80/- per day x 365 days) Kshs. 11,395,840.00

(C) Ministry of Health Kshs. 19,812,181.00

TOTAL HEADQUATERS (KMTC).....KSHS.53,265,903.00

Kisii MTC (School fees defaulters)	Kshs. 475,690.00
Karen College (School fees defaulters)	Kshs. 371,520.00
Kisumu MTC (school fees defaulters)	Kshs. 1,482,052.00
Kilifi MTC (school fees defaulters)	Kshs. 14,900.00
Loitokitok HMTS (school fees defaulters)	Kshs. 43,500.00
Kakamega MTC (school fees defaulters)	Kshs. 790,060.00
Mombasa MTC (school fees defaulters)	Kshs. 90,700.00
Nakuru MTC (school fees defaulters)	Kshs. 1,993,315.00
Nyeri MTC (school fees defaulters)	Kshs. 607,200.00
Garissa MTC (school fees defaulters)	Kshs. 226,400.00
Embu MTC (school fees defaulters)	Kshs. 491,080.70
Eldoret MTC (school fees defaulters)	Kshs. 443,550.00
Kabarnet MTC (school fees defaulters)	Kshs. 301,730.00
Muranga MTC (school fees defaulters)	Kshs. 125,400.00
Homa- Bay MTC (school fees defaulters)	Kshs. 177,820.00
Thika MTC (school fees defaulters)	<u>Kshs. 104,400.00</u>
TOTAL.....	<u>Kshs. 1,015,220.00</u>

**APPENDIX A:
A SCHEDULE OF FIXED ASSETS - 1997/98 FINANCIAL YEAR**

Cost	Land and Buildings	Motor Vehicles	Furniture Fittings	Plant Equipment	Medical Equipment	Kitchen Equipment	O/Machinery and Equipment	Library Equipment	Hostel Equipment	Total
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Balance b/f	56,100,000	24,686,050	-	15,777,460	211,385	54,300	-	-	-	600,829,195
Additions during the year	186,540,750	Nil	191,000	129,543,440	582,872	192,310	296,460	91,420	343,940	317,782,192
Revaluation	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-	-
Totals (1)	746,640,750	24,686,050	191,000	143,320,900	794,257	246,610	296,460	91,420	343,940	918,611,387
DEPRECIATION										
Balance b/f	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Depreciation for the year	18,666,019	6,171,513	23,875	18,165,113	99,282	30,826	88,938	11,428	42,993	43,299,987
Disposal	-	-	-	-	-	-	-	-	-	-
Totals (2)	18,666,019	6,171,513	23,875	18,165,113	99,282	30,826	88,938	11,428	42,993	43,299,987
Net Book Value For the year (1-2)	727,974,731	18,514,537	167,125	127,155,787	694,975	215,784	207,522	79,992	300,947	875,311,400



Kenya Medical Training College

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