



KMTC is ISO 9001:2015 Certified

# Kenya Medical Training College



## FINANCE AND INTERNAL CONTROLS MANUAL

**MAY 2019**

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## PREFACE.

On behalf of the Kenya Medical Training College (KMTC) Board of Directors, I am delighted to approve this Manual for use by Management. The KMTC Board is determined to improve access to and equity of quality Medical training and to ensure that the institution plays its role in the realization of Sustainable Development Goals, Vision 2030, health sector policies and the government agenda on the “Big Four”. The Board continues to realize the set milestones which contribute to improving the quality and quantity of essential health care providers. Inadequate numbers of skilled care providers have had a negative impact on efforts to expand access and improve the quality of health services. This situation is compounded by continued high prevalence of communicable and non-communicable diseases in the country.

Towards this end, the KMTC Board of Directors under my leadership is determined to critically address the task of defining long-term strategies for addressing the constraints to training and development of quality health care providers through:

- i. Improved policy and corporate governance for enhancing accountability and decision making.
- ii. Enhanced access, quality, relevance and equity in medical training.
- iii. Prudent resource utilization and good infrastructural management.
- iv. Increased visibility of Kenya Medical Training College nationally and internationally as a premier institution focusing on training, research and consultancy.
- v. Improved resource base, partnership and linkages.

Internal control is the process by which management structures an organization to provide assurance that an entity operates effectively and efficiently, has a reliable financial reporting system and complies with applicable laws and regulations and is structured to establish a sound control environment, which aims to provide reasonable assurance that activities are carried out according to the principles of sound financial management, transparency, efficiency, effectiveness and economy, as well as current legislation and the budget. This Manual provides a comprehensive overview of the main principles of modern management and will serve as a guide and tool in performing everyday tasks and activities of all officers and persons involved in financial management and control in KMTC.

I believe successful implementation of the Manual will be realized through total commitment of the entire staff, students and other key stakeholders.



**Prof. Philip Kaloki, MBS,**

**Chairperson, KMTC Board of Directors.**

## FOREWORD

The Kenya Medical Training College was established as a State Corporation established through an Act of Parliament in 1990 (as amended), entrusted with the role of training various health disciplines. KMTC draws on public resources and must be transparent and accountable in its utilization of these resources. This Internal Controls Manual has been developed in recognition of the need for a single, documented reference guide for finance and accounting officers in KMTC in their day to day work; as well as being a source of information for other stakeholders

This Manual is a key reference guide for the practices, policies and procedures used in finance and accounting in KMTC. The Internal Controls Manual provides a standardized and official document for all KMTC staff and officers on financial management and accounting. It will form an invaluable guide to our accounting and finance staff as they go about their day to day duties as well as providing guidance and information to other KMTC Departments in understanding the accounting and financial management policies and procedures. Additionally, the interaction of roles and responsibilities across the finance and accounting functions will be well understood as documentation of end to end processes now exist.

This Manual will provide a guide that ensures uniformity and standardization in the way tasks are approached across the whole of KMTC; a handy reference and training guide to assist new and existing staff to become familiar with various aspects of their work; and provide continuity in the way finance and accounting policies and procedures are undertaken in KMTC.



**Prof. Michael Kiptoo,**

**Chief Executive Officer.**

## **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

## **CORE VALUES**

Accountability

Integrity

Responsiveness

Equity

Teamwork

Professionalism

Creativity and innovation



## ABBREVIATIONS

<b>ADs</b>	Accountable Documents
<b>AIE</b>	Authority to Incur Expenditure
<b>ART.</b>	Article
<b>Cap. 261</b>	Chapter 261 of the Constitution of Kenya
<b>Cap. 446</b>	Chapter 446 of the Constitution
<b>CEO</b>	Chief Executive Officer
<b>CRB</b>	Counterfoil Receipt Book Register
<b>DDA</b>	Deputy Director Academics
<b>F, P&amp;D Committee</b>	Finance, Planning and Development Committee of the Board
<b>FO17</b>	Receipt Voucher
<b>FO20</b>	Payment voucher voted provision
<b>FO22</b>	Claim for travel and subsistence allowance
<b>FO30</b>	Bank Reconciliation
<b>GL</b>	General Ledger
<b>HOD</b>	Head of Department
<b>HQ</b>	Headquarters (Kenya Medical Training College)
<b>HSWG</b>	Health Sector Working Group
<b>IA</b>	Internal Audit
<b>IAD</b>	Internal Audit Department
<b>IAS</b>	International accounting standards
<b>IPSAS</b>	International Public Sector Accounting Standards
<b>JV</b>	Journal Voucher
<b>KMTC</b>	Kenya Medical Training College
<b>KNADS</b>	Kenya National Archives and Documentation Service
<b>LPO</b>	Local Purchase Order
<b>LSO</b>	Local Service Order
<b>MTEF</b>	Medium Term Expenditure Framework
<b>PFM Act</b>	Public Finance Management Act

<b>PSASB</b>	Public Sector Accounting Standards Board
<b>QMS</b>	Quality Management Systems
<b>QP 16</b>	Quality Procedure Number 16
<b>QP14</b>	Quality Procedure Number 14
<b>QP15</b>	Quality Procedure Number 15
<b>QP9</b>	Quality procedure number 9
<b>SWGs</b>	Sector Working Groups

## DEFINITION OF TERMS

<b>Board</b>	Board of Directors appointed under Section 9 (1) of the KMTC Act Chapter 261 of the Laws of Kenya (as amended).
<b>CEO</b>	Chief Executive Officer of Kenya Medical Training College
<b>College</b>	Means Kenya Medical Training College established under Section 3 of KMTC Act, Chapter 261 of the Laws of Kenya.
<b>Constituent campus</b>	A constituent campus of the College specified in the schedule to the KMTC Act and any other institution which has been declared to be a constituent centre of the College under section 3(1) of KMTC Act (as amended)..
<b>Principal</b>	Head of a constituent campus of the College
<b>Public Officer</b>	Any person, other than a State Officer, who holds a public office;
<b>“public office”</b>	Means an office in the national government, a county government or the public service, if the remuneration and benefits of the office are payable directly from the Consolidated Fund or directly out of money provided by Parliament
<b>Statutes</b>	Rules established by KMTC to govern its internal affairs
<b>Vote</b>	One of the main segments into which a budget of KMTC is divided for the appropriation of money for the different departments or functional areas of the College

## 1.0 INTRODUCTION

### 1.1 Mandate of Kenya Medical Training College

The Kenya Medical Training College is a multidisciplinary health training institution and the largest mid-level institution producing core cadres of Kenya's health workforce. KMTC provides approximately 80% of the health workforce. KMTC is also instrumental in the implementation of the Human Resource for Health Strategic Plan (2009 - 2012) and Kenya vision 2030 through training of mid-level health workers. Supply of well-trained health workers has the potential to make significant improvement in critical health indicators such as infant, under-5, and maternal mortality rates.

### 1.2 Objectives of KMTC Finance and Internal Controls Manual

The following are objectives of KMTC's Finance Internal Control Manual:

- i. To provide a guide to handling KMTC's financial and accounting processes, policies and practices to ensure consistency and standardization across the entire College.
- ii. It details the internal controls in each aspect of financial management and accounting to minimize risks in finance and accounting activities.
- iii. To provide a guide and reference to the Board of Directors and other stakeholders in conducting day to day financial operations of the College.
- iv. To ensure policies and procedures used in financial management are based on best practices, principles and comply with statutory regulations.

### 1.3 Scope of the Finance Internal Controls Manual

#### 1.3.1 This manual shall encompass all aspects of financial management and accounting in KMTC related to:

- i. Budgeting process
- ii. Payments and imprest surrender
- iii. Revenue collection and banking
- iv. Financial reporting
- v. Control over accountable documents
- vi. Risk management and audit

#### 1.3.2 This manual was prepared in consideration of the following key legislations, standards and regulations:

- i. Constitution of Kenya 2010(Chapter 12)
- ii. Public Finance Management Act 2012
- iii. International Accounting Standards(IAS)

- iv. International Public Sector Accounting Standards(IPSAS)
- v. Government of Kenya Financial Regulations and Procedures
- vi. Public Procurement and Asset Disposal Act 2015
- vii. KMTC QMS Procedure Manual 2016

## 1.4 Scope

Unless expressly provided in these Policies or where exception is authorized by the Board of Directors of KMTC, these internal control procedures are applicable to all permanent, temporary, contracted, casual and trainee employees of Kenya Medical Training College.

## 2.0 ISSUE AND REVIEW OF THE MANUAL

### 2.1 Custody and Issue of the Manual

- i. The CEO is responsible for the custody and issuance of this manual
- ii. The Manual shall be available to all members of staff for reference purposes
- iii. The softcopy of the Manual shall be issued to Principals and HoDs

### 2.2 Revision of the Manual

- i. This Manual shall be updated and revised annually or any time there are Public Financial Management, accounting and reporting changes.
- ii. Any member of staff may initiate changes to the Manual by submitting written suggestions to the Finance Manager.
- iii. All proposed changes must be submitted to the Deputy Director Finance and Administration who shall forward to CEO for comments and way forward. Any changes made by the CEO to the Manual shall be brought to the attention of the Board of Directors for final approval.
- iv. Once amendments are approved, the CEO shall ensure they are implemented by issuing revisions to the Manual and ensuring dissemination of the approved amendments.

## 3.0 OVERVIEW OF FINANCE AND ACCOUNTING

### 3.1 Accounting Officer

Statute V of the KMTC statutes identifies the CEO as the principal accounting officer of KMTC. For purposes of financial management, the accounting officer is responsible for:

- i. Ensuring KMTC complies with Art. 201 of the Constitution
- ii. Ensuring conditional grants are utilized for the intended purpose

- iii. Ensuring resources of KMTC are used in way that is:-
  - a. Lawful and authorized; and
  - b. Effective, efficient, economical and transparent.
- iv. The Management of KMTC assets and liabilities
- v. Has limited power to reallocate appropriated funds
- vi. Ensuring KMTC has adequate internal auditing arrangements
- vii. Responsible for disciplinary measures of public officers engaged in impropriety of public funds under him in line with code of regulations
- viii. Preparing quarterly and annual financial and non-financial statements and submit to Auditor General with copies to treasury

### 3.2 Holders of Authority to Incur Expenditure

- i. An A.I.E holder shall be appointed personally by a letter issued by the CEO to be responsible for the financial business of the Campuses for whose votes he is required to account. An A.I.E holder shall be responsible to the CEO to ensure that the resources of his/her Campus are used in a way that is:
  - a) Lawful and Authorized; and
  - b) Effective, efficient, economical and transparent.
- ii. In carrying out his/her responsibilities an A.I.E holder shall do the following in relation to his/her Campus.
  - Ensure that no expenditure is made unless it is lawful, authorized, effective, efficient and economical;
  - Ensure proper financial and accounting records are kept;
  - Ensure that any financial or accounting records kept in electronic format are adequately protected which shall include ensuring that such records are adequately backed- up and adequately protected against computer viruses;
  - Prepare and submit quarterly financial performance for the Campus;
  - Ensure that all contracts are compiled with;
  - Ensure that all applicable procedures are followed in the acquisition or disposal of property and that adequate arrangements are made for the custody, safeguarding and maintenance of property;
  - Bring any concerns he has that a proposed decision or policy originating from his Campus may result in resources being used in a way that is unlawful, unauthorized, ineffective, inefficient, uneconomical or not transparent to the attention of the CEO responsible and, if his concerns are not adequately addressed, bring them to the attention of the Board; and
  - Perform such other duties as may be directed by the CEO.

### 3.3 Responsibilities of a Public Officer

- i. All public officers working in national government organs or entities have responsibility to comply with all laws, and:
  - a) Comply with PFM Act (2012) and ensure resources under their responsibility are used, lawfully, in an efficient, effective, economic and transparent manner.
  - b) Within their areas of responsibility ensure adequate arrangements are put in place for proper use, custody, safeguard and maintenance of public property and use best efforts to prevent damage to public financial interests.
- ii. The CEO and holders of AIE should bring these requirements to officers working under them.

### 3.4 Finance and Accounting Functional Structures

The current Finance and Accounting reporting structures are as per the College organogram. It should be noted that the updated and officially documented organization structure of the finance and accounting function shall be reviewed by the Management from time to time.

### 3.5 Core Responsibilities of the Finance and Accounting Department

- i. Development of Campus and departmental budgets and subsequent consolidation of the same.
- ii. Monitoring of actual expenditure on projects and programmes against the budget.
- iii. Reporting on budget implementation.
- iv. Maintain and continuously improve the accounting and reporting systems/ standards to effectively and efficiently meet requirements of KMTC.
- v. Manage day-to-day receipts and payments.
- vi. Complying with all statutory and regulatory reporting requirements relating to financial matters.
- vii. Satisfying internal financial and management information needs
- viii. Being responsible for the key processes and systems by which financial information is generated and distributed.
- ix. Overseeing financial accounting reporting activities of the College
- x. Liaising with external and internal auditors on matters relating to audit.
- xi. Safe custody of all service performance bonds.
- xii. Communication of approved annual estimates.
- xiii. Cost analysis and cash flow control.

## 4.0 FINANCIAL MANAGEMENT GUIDELINES

These are the financial accounting concepts and principles that are used in the financial management activities of KMTC:

- i. **IPSAS Accrual based standards:** The financial statements shall be prepared on IPSAS Accrual based standards of accounting.
- ii. **Fair presentation and compliance to accounting standards:** Financial statements are required to present fairly the financial position, financial performance and cash flows of the College. Such fair presentation will generally be achieved by compliance with accounting standards as prescribed by the Public Sector Accounting Standards Board (PSASB). PSASB is established under the Sections 192 to 195 of the PFM Act (2012). The Public Sector Accounting Standards Board is required to provide frameworks and set generally accepted standards for the development and management of accounting and financial systems by all State organs and public entities.
- iii. **Reporting period:** Financial statements shall be prepared annually; however, if the reporting period changes and financial statements are prepared for a different period, KMTC should disclose the reasons for the change. KMTC's fiscal year is in line with the National Government's financial year, which runs from July 1 to June 30 of each year.
- iv. **Functional currency:** the functional currency of KMTC is the Kenya Shilling (Ksh.) Translation of foreign currencies: Assets and liabilities, at the balance sheet date, that are expressed in foreign currencies should be translated into Kenya shillings at ruling rates as at that date. The resulting differences from conversion and translation are dealt with in the income and expenditure account in the year in which they arise.
- v. **Materiality:** Each material item should be presented separately in the Financial statements and immaterial items aggregated with amounts of a similar nature.

## 5.0 CHART OF ACCOUNTS

### 5.1 Policy

The account codes of the Chart of Accounts shall be arranged in the same sequence in which they appear in KMTC's Financial Statements and shall be in accordance with the Government structured account codes.

### 5.2 Coding System

Any changes to the account codes are processed through the formal procedures described below. These ensure proper documentation and also maintains audit trail of any changes.

- i. After identifying the need for changes, any member of the finance or accounting staff may suggest amendments, deletion, or opening of a new account code.
- ii. The proposed amendment is forwarded to the Finance Manager respectively, who shall review and advise the CEO whether the amendment is necessary.
- iii. The CEO shall review the proposed changes and either approve, defer or reject the proposal. If accepted, the new code shall be forwarded to the National Treasury who is the custodian of the Governments account codes.
- iv. The CEO shall issue a circular with any updates to the account codes whenever an account code change is implemented



## 6.0 BUDGETING PROCESS

In accordance with the State Corporations Act (Cap 446) Section 11 and 12, State Corporations are required to prepare and submit their respective Corporation's/Entity's annual estimates of revenue and expenditure (budget proposals) to the line ministry and the National Treasury for approval.

### 6.1 National Government Budget Preparation Process

The National Government's planning and budgeting process is anchored under the Medium Term Expenditure Framework (MTEF). The PFM Act, 2012 in Section 25, also requires the National Treasury to develop the Budget Policy Statement (BPS), indicating the strategic priorities, covering all arms of Government. The key steps in the MTEF development are as follows:

- i. The National Treasury coordinates the development of the annual MTEF plan and issues guidelines to all public entities that outline: the composition of the Sector Working Groups (SWGs), the MTEF calendar (timelines), the Fiscal Framework, and the sector resource ceilings.
- ii. KMTC is part of the Health Sector working group for MTEF planning purposes.
- iii. The CEO nominates the KMTC's representatives to the HSWG based on advice provided by the Finance Manager.
- iv. Preparation of sectoral review reports: KMTC participates in the HSWG in which a presentation of the Sector mission, objectives and strategies is developed for the sector.
- v. The National Treasury provides the ceilings for the SWGs and the HSWG rationalizes the initial proposals.
- vi. SWGs present their proposals to the public to get its input consistent with requirements for public participation, enshrined in the Constitution as key part of principles of public finance.
- vii. The overall MTEF is prepared by the National Treasury that consolidates all the SWG's sectoral plans and proposals including those of the HSWG.
- viii. Under the PFM Act (Section 36), the National Treasury, issues a circular (budget calendar events) at the beginning of every financial year i.e. before 30th August. The circular covers the following:
  - a) Schedule of preparation of the budget indicating the timelines and key dates for completion of key exercises.
  - b) Procedures for the review and projection of revenues and expenditures;
  - c) Key policy areas to be considered in preparing the budget.
  - d) Public participation procedures.
  - e) Format of the budget information and documents.
- ix. The Budget Circular forms an important part of KMTC's own budget guidelines and policies.

## 6.2 KMTC Budget Process

- i. The CEO shall issue a circular to Principals/HoDs-HQ on budgetary guidelines.
- ii. The Principal shall circulate the CEO's circular to all HoDs advising them to prepare departmental budget proposals.
- iii. HoDs shall prepare departmental budgets which shall include :
  - a) Student Data-student population and their category to calculate expected revenue.
  - b) Accommodation income based on bed capacity and room categorizations.
  - c) Catering services income.
  - d) Rental Income.
  - e) Miscellaneous income.
  - f) Departmental requirements e.g. equipment, stationery, transport, provision for part time workers and travelling and accommodation.
  - g) Development of departments e.g. construction of buildings, gates e.t.c.
- iv. The Principal shall convene a meeting of campus budget committee to discuss the departmental budgets and consolidate them into one campus budget. The budget template is cited as Appendix I of this Manual.
- v. Budget teams from headquarters shall visit each Campus to discuss and agree on their campus budget proposals.
- vi. Budget teams from headquarters shall then submit the discussed budgets to the College budget committee for consolidation by 30<sup>th</sup> November.
- vii. The HoDs Headquarters shall convene meetings to prepare departmental budget proposals and submit the proposals to the budget committee by 30<sup>th</sup> November.
- viii. The College Budget committee shall receive budget proposals from campuses and HoDs headquarters and discuss the budget proposals.
- ix. The budget committee shall harmonize and consolidate the proposals into the annual budget in line with the Strategic Plan.
- x. The Finance Manager shall submit the annual budget to the Finance, Planning and Development Committee (F,P & D Committee ) of the Board
- xi. The Finance Planning and Development Committee shall deliberate and submit the annual budget to the Board of Directors for discussion and approval by 15<sup>th</sup> January.
- xii. The CEO shall submit the approved budget to the Treasury through the parent ministry by 31<sup>st</sup> January.

**TABLE 1: KMTC ANNUAL BUDGET CALENDER**

NO	ACTIVITY	RSPONSIBILITY	DEADLINE
1.	Issuance of budget implementation guidelines to all the Principals and Heads of Departments-HQ	CEO	5 <sup>th</sup> August
2.	Preparation of Departmental and campus budgets	Principal/HOD	30 <sup>th</sup> November
3.	Consolidation of Budgets	College Budget Committee	30 <sup>th</sup> December
4.	Approval of the budget	Finance, Planning and Development committee	10 <sup>th</sup> January
5.	Final Approval of the Budget	Board of Directors	20 <sup>th</sup> January
6.	Submission of the approved budgets to National treasury	CEO	31 <sup>st</sup> January

### 6.3 Supplementary/Revised Estimates

- i. Article 223 of the Constitution allows National Government entities to spend money that has not been appropriated under supplementary appropriation, provided the supplementary appropriation may not exceed 10% of the annual budget.
- ii. A circular shall be issued by the Ministry of Finance through the parent Ministry to the CEO detailing guidelines and timeframes of supplementary budgets.
- iii. The CEO shall convene a budget committee to review the budget and where applicable propose to the Treasury through the parent Ministry for adjustments.

### 6.4 Budget Implementation and Monitoring

- i. The Finance Manager shall allocate funds to various AIE holders based on the approved budgets by July 1.
- ii. The Finance Manager shall then instruct the accountant in charge of AIEs to prepare quarterly AIEs to be signed by the Finance Manager and approved by the CEO and distribute as follows:
  - a) Original to the AIE holder.
  - b) Duplicate to Vote book Accountant in Charge.
  - c) Triplicate remains with accountant in charge of AIEs for filing.
  - d) The quadruplicate remains in the book.
- iii. The accountant in-charge of vote book shall then vote the AIEs in the Master Vote Book and make them ready for distribution by 15<sup>th</sup> day of the commencement of the quarter.
- iv. The signed AIEs are distributed to:
  - a) The Deputy Director Finance & Administration-operation and maintenance HQ
  - b) The Human Resource Manager-Personnel Emoluments(PE) and training HQ

- c) Principals of campuses who are AIE holders
- v. Every AIE Holder shall submit Quarterly revenue and expenditure reports by 5<sup>th</sup> of the first month of the following quarter. The report shall indicate the quarter's revenue and expenditure, performance against budget as well as narrative description of key factors impacting on implementation of the budget. A sample of the quarterly revenue and expenditure report is attached in the Appendices to this manual as Appendix II.
- vi. The Quarterly reports shall then be consolidated by the accountant in charge of quarterly reports in readiness for preparation of the College Finance Board paper.

## 6.5 Budget Reallocations

- i. Under Section 43 of the PFM Act, 2012, the CEO is empowered to reallocate appropriated funds except where:
  - a) The funds are appropriated for transfer to another government entity or person;
  - b) The funds are appropriated for capital expenditure except to defray other capital expenditure;
  - c) The reallocation of funds is from wages to non-wages expenditure; or
  - d) The transfer of funds may result in contravention of fiscal responsibility principles.
- ii. Funds will only be utilized on the activities for which they have been allocated. If, however, there are unavoidable delays in the implementation of such activities which may result in under-expenditure on funds allocated to it, the CEO may consider re-allocation of the resultant savings to other activities within the quarter to which they relate.
- iii. The AIE holder shall apply for re-allocation to the CEO.
- iv. The CEO shall approve the reallocation based on advice from the Finance Manager.
- v. On approval of the request, the Finance manager shall ask the accountant in charge of AIEs to prepare an AIE in line with the request of the AIE holder.
- vi. The signed AIE shall be distributed as per article 6.4.2. of this Manual.
- vii. The accountant in charge of the vote book shall adjust the vote book accordingly.
- viii. Any re-allocations by CEO shall be brought to the attention of the Board of Directors.

## 7.0 PAYMENTS AND IMPREST SURRENDER

### 7.1 Policy

- i. All expenditure payments must be incurred within the relevant budgetary allocation as indicated in the approved budget.
- ii. The payment process must have adequate internal controls including: adequate segregation of duties between those preparing payment documents, those approving payments and execution of actual payment. In addition, authorization of any expenditure must ensure the procedures and policies as laid out in this manual have been adhered to and the correct supporting documentation is completed.

### 7.2 Types of Expenditure

- i. Development expenditure: these are expenses where the benefit continues over a long period rather than being exhausted in a short period. Such expenditure is of a non-recurring nature and results in acquisition of permanent assets.
- ii. Recurrent expenditure: these are payments made for all purposes except capital costs. They include expenses for operations, staff emoluments and payment for repairs and maintenance

### 7.3 Approval Limits

The CEO may delegate approval of expenditure as appropriate through internal memos that will be issued from time to time. These internal memos designate the Officers / Staff (AIE Holders) that have been authorized to approve expenditure at various levels.

### 7.4 Vote book Management/Budgetary Control

- i. The Vote-book shall be used by the accountant in charge to monitor budget implementation per vote head / budget line. A Vote-book shall be maintained at each campus while a master Vote book shall be maintained for the College at headquarters. Vote-books are opened when the AIE is received.
- ii. Accountants in each campus shall update the Vote-book with each approved commitment (LPO and LSO), all payments approved and payments actually disbursed.

### 7.5 Issuance of AIE and Remittances

- i. The Authority to Incur Expenditure (AIE) is delegated authority by the CEO to designated officers who are the AIE holders. They are appointed, in writing, AIE holders currently include :-
  - a) The Chief Executive Officer- Administrative, operations and maintenance
  - b) The Human Resource Manager- Training, personnel and emoluments
  - c) Principals of Campuses
- ii. In the event that the AIE holder is transferred or leaves the respective Station,

the CEO shall terminate the AIE holder designation immediately and re-designate to a new AIE holder, also in writing.

- iii. Issuance of AIE consists of transmission of the AIE form (duly signed and authorized by the Finance Manager and CEO respectively) indicating the amount of the AIE and for which votes as per the approved budget.
- iv. Funds under AIE are issued to each AIE holder to cover recurrent and development expenditure.
- v. For items of the ordinary budget, funds shall be issued to AIE holders on quarterly basis to the Expenditure Bank Account subject to collection of revenue. 75% of total collection is due to campuses whereas 25% is used to fund headquarter expenses.
- vi. For items of the enhanced hospitality services, the AIE holder shall transfer funds from the accommodation and catering account to the expenditure account upon receipt of the AIE form.
- vii. AIE is issued as a commitment (see Section 7.4 above) and discharged through issue of payment vouchers in the payment process described in section 7.6 and 7.7 of this Manual.

## **7.6 Payment to Supplier/Service Provider Process**

- i. Original or certified copies of the supplier invoices such as telephone and water bills, travelling request or maintenance are received by the accounts section of the department/campus.
- ii. The accountant (or a designated staff for stations with minimal accounting staff) shall prepare a Payment Voucher that includes details of the payee, the amount to be paid, invoice details, good or service received and so on and charge it to the right voted item. For the case of merchants, the accounts officer shall receive already prepared vouchers from the procurement office and shall sign vouchers to accounts register.
- iii. The Payment Voucher and its details (payee, amount,) shall be given a number and recorded in the Payment Voucher Movement Register which is signed at every stage of processing the payment voucher. A payment voucher sample is attached in the annexes as annex three.
- iv. The completed Payment Voucher and attachments are examined by another accountant (or a designated staff for stations with minimal accounting staff) for accuracy and completeness for validation. The Payment Voucher movement register is signed by the examining officer.
- v. The examined voucher shall then be voted by the accountant in charge of vote book (or a designated staff for stations with minimal accounting staff) in the relevant voted provision /budget line. The payment voucher movement register is signed by the voting officer.
- vi. The Payment Voucher and attachments shall be circulated to the accountant in charge or the Deputy Principal for authorization after certifying that supporting documents are in order. The authorizing officer shall sign the payment voucher movement register
- vii. The AIE holder shall then approve the payment voucher, along with the Payment Voucher Movement Register

- viii. All fully processed vouchers shall be authorized by the AIE holder/Finance Manager for payment in cash or by cheque.
- ix. The approved payment voucher shall be used to prepare the payment either by cheque, electronic transfer or cash payment (as outlined in Section 8.5 and 8.6 of this Manual).
- x. In the case of cash payment, the cashier/accountant shall obtain and indicate particulars of the payee/authorized agent on the relevant certificate on the voucher and stamp the voucher as paid upon payment
- xi. In the case of cheque payment, the cashier/accountant shall upon preparing the cheques record them in the cheque movement register and cheque confirmation sheet and then circulate them to the relevant signatories for signing.
- xii. The accountant shall then record the signed cheques in the cheque dispatch register and stamp the corresponding vouchers as paid
- xiii. The accountant in charge of dispatch shall then dispatch the cheques to the payee/authorized agents through applicable mode e.g. courier services, post, RTGS, collection by payee etc.
- xiv. The accountant in charge shall then post all paid vouchers in the cashbook.
- xv. The payment vouchers are filed serially for record purposes.
- xvi. The accountant shall at the end of the month prepare monthly bank reconciliations as per the prescribed FO 30 form. A sample is attached in the appendices as Appendix VI.
- xvii. At the end of the quarter the accountant shall prepare quarterly returns that include a report of expenditure incurred in the quarter which he shall then submit to KMTC headquarter by 5<sup>th</sup> of the first month of the next quarter. The quarterly expenditure returns are used by the Accountants at HQ to:
  - a) Credit the Expenditure General Ledger Accounts that provides the expenses balances for the entire KMTC. Each category of expenditure has a separate GL and sub-ledger accounts which are updated with the details of the quarterly expenditure returns.
  - b) Prepare the consolidated expenditure report for KMTC which is reviewed by the Finance Manager prior to submission to the CEO.
  - c) Prepare the Quarterly Expenditure Reports that include the expenses incurred, the analysis between the estimates and the expenses. The Quarterly Expenditure Reports are reviewed by the Finance Manager and submitted to the CEO for approval.
- xviii. The accountant in charge shall then submit the physical payment vouchers to KMTC headquarters for verification by the accountant HQs at the end of the quarter.

## 7.7 Imprests

Imprests are advance payments issued to staff to enable them undertake their official duties.

### i. Types of Imprest

- a) Temporary Imprests – these are advance payments issued mainly in respect of official journeys and are intended to provide officers with funds with which they can meet travelling, accommodation and incidental expenses
- b) Standing Imprest – This is a system whereby a fixed amount of cash is reserved by the cashier which after a certain period of time or when circumstances require, because money was spent, it will be replenished. This replenishment will come from another account source, e.g. petty cash will be replenished by cashing a cheque drawn on a bank account.

### ii. Conditions for Issue of Temporary Imprest

- a) The officer shall have no outstanding imprest that have not been surrendered;
- b) Any accompanying requests for allowances or per diems should be approved by AIE holders on justification and submission of the applicant's names, personal number, job group, rates, number of nights out and the itinerary for a travel imprest.
- c) Travel expenses requested under the imprest should be justified as being the cheapest under the prevailing conditions to ensure that the expenditure is justifiable.
- d) Imprest can only be issued and paid to the applicant and cannot be issued to another officer on behalf of the applicant.
- e) Funds must be available in relevant budget line to cover the intended expenditure

### iii. Imprest Warrant Preparation and Approval

- a) The accountant in charge of imprest shall receive duly approved communication regarding the activities requiring an imprest (e.g. invitation to workshop, a memo allocating responsibilities to applicant, and so on).
- b) The accountant shall then check the Vote-book to ensure that funds are available on the budget line.
- c) If funds are available, the imprest warrant is completed and signed by the applying officer with his identification details, the activity, the proposed surrender dates and the amount requested.
- d) The imprest warrant shall be recorded in the imprest register by the accountant in charge of imprest.
- e) The amount in the approved imprest shall be committed in the Vote-book by the accountant in charge of vote book.



- f) The imprest warrant shall be reviewed and validated by the accountant in charge or Deputy Principal for completeness and then signed at the authorization section.
- g) The imprest folder is forwarded to the AIE holder for approval of the intended expenditure.
- h) The approved imprest shall be forwarded to the cashier for payment to the applicant.
- i) The cashier shall process payments for cash, cheque or electronic payment and disburse funds to the applicant as outlined in section 7.6 (xi) up to 7.6 (xiv).
- j) The imprest warrant is filled out in quadruplicate:
  - i. Original retained by the cashier
  - ii. Duplicate sent to accountants in imprest section for record purposes
  - iii. Third copy retained by the applicant to be used during the imprest surrender.
  - iv. Quadruplicate remains in the book
- k) The cashier posts the imprest warrant amount and details into the cashbook.

#### **iv. Imprest Surrender**

On completion of the activity as stipulated in the imprest warrant, the applicant is required to surrender the imprest following the procedures for surrendering Imprests.

- a) Imprest must be accounted for within 7 days of completion of the activity and must only be spent for the intended activities and if not accounted for or surrendered in 7 days, it will be treated as a staff debt and recovered from the salary of the applicant.
- b) Applicant shall return unutilized funds to the cash office and a receipt is issued. For over expenditure, the imprest holder must receive authorization from the authorizing officer. Where the excess over the imprest is material, additional authorization must be received from the AIE holder. The imprest surrender must be accompanied by the requisite supporting documentation (detailed in section 7.7.5 below), which should be stamped "paid".
- c) The accountant shall examine the imprest surrender for completeness and accuracy and if satisfied, the Imprest surrender shall be forwarded to the accountant in charge of voucher preparation for processing.
- d) The accountant shall update the imprest control register with the authorized imprest surrender cleared against the original warrant.
- e) The accountant in charge of voucher preparation shall prepare the surrender voucher either FO20 or FO22 and circulate it through the same process as that stipulated in section 7.6 of this Manual.
- f) The cashier posts the imprest surrender into the cash book.

## v. **Imprest Surrender Supporting Documents**

Appropriate surrender of imprest includes a duly completed and authorized imprest surrender form (FO20 or FO22), the applicant's copy of the imprest warrant and actual (authentic) expenditure supporting documents which should have been identified as:

- a) For trainings and meetings: Signed list of participants for each day of the training or meeting; training report; copy of minutes of meetings; a fully signed schedule showing names, amounts received, ID numbers and participant signatures; official receipts or cash sales for any expenditure – also signed by the imprest holder.
- b) Daily subsistence allowance: copy of work ticket certified by Transport/ executive officer or travel receipts signed at the back by the imprest holder.
- c) International travel: copy of passport/visa showing where applicable the stamped page certifying arrival; travel clearance by authorized officer; and the boarding pass for air travel.
- d) For local travel a boarding pass will be required.
- e) Other general expenses: official receipts that are also signed by imprest holder at the back.

## **8.0 REVENUE COLLECTION AND BANKING**

### **8.1 Types of Revenue**

Under Article 209 of the Constitution the national government entities may impose user-charge and fees for services they provide. Consequently, KMTC levies various charges and fees and collects revenues based on delivery of its services. The types of charges include:

- i. Tuition fees: fees charged for teaching students as prescribed in the fees structure.
- ii. Boarding fees: fees charged for boarding in the College hostel facilities.
- iii. Catering fees: fees charged on procurement of meals in the College catering facilities.
- iv. Application charges: fee charged to applicants for processing an application to enrol with the College.
- v. Sale of tender documents: fee charged to applicants interested in participating in tendering for the College.
- vi. Rental Income: fees charged for leasing any of the College property.
- vii. Sale of Capital Goods: Revenue collected from sale of capital goods such as vehicles, buildings and equipment.
- viii. Sale of non-capital goods: Revenue collected from sale of any other good that is not a capital good.
- ix. Investment income: Profit through an investment made by the College.

- x. Miscellaneous income: these include funds received for miscellaneous services and include items such as clinical services.
- xi. GoK Grants: Revenue received from government by KMTC to aid the running of the College e.g. salaries.
- xii. Capital grants: Money received from government by KMTC to buy land, buildings, equipment etc. or to make improvements on them.
- xiii. Accumulated funds: Money that is set aside where revenues are greater than expenditure for the purchase of capital or fixed assets.

## 8.2 Revenue Collection

### Revenue Collection Policies

- i. As a rule receipt of any revenue in form of cash is prohibited. There shall be zero tolerance to cash collection.
- ii. At each accounts section, where revenue is received, a cashier shall be designated in writing to collect all bankers' cheques, bank deposit slips and any other approved documentary evidence of payments and issue designated KMTC receipts.
- iii. The receipting, banking and reconciliation of revenue shall be segregated.
- iv. KMTC shall endeavour to broaden payment options for its users, so as to minimize use of cash and enhance efficiency. The options may include use of mobile payment platforms, debit or credit cards, bankers' cheques and other secure non-cash payment options.
- v. All source documents used to collect revenue shall be obtained from KMTC headquarters.
- vi. The CEO is the ultimate authority to the access and usage of all College funds.

### Receivers and collectors of Revenue

- a) Section 75 of the PFM Act (2012) empowers the Cabinet Secretary in charge of the National Treasury to designate persons as receivers of national government revenue under Article 209(1), (2) and (4) of the Constitution. Designation of receivers of revenue is done in writing and those designated are responsible for receiving and accounting for specified revenues as provided in applicable law or in regulations as the Cabinet Secretary may specify. The CEO of KMTC is appointed as the Receiver of Revenue and is expected to ensure that revenue is collected punctually, accounted for according to regulations related to timely and accurate accounting of revenue in KMTC. In undertaking these responsibilities, the CEO is required to ensure:
  - i. Proper safeguards exist and are applied for prompt revenue collection and accounted for within KMTC.
  - ii. Adequate measures, including legal action where appropriate, are undertaken to recover all revenues due.
  - iii. Designated receipts are issued for all moneys paid to KMTC.

- iv. In the event of any difficulty in collecting revenue, report to the Cabinet Secretary of the National Treasury who is in charge of collection of all Government revenues.
  - v. No revenue received by KMTC in local currency is converted into foreign currency and vice versa, without the express authorization of the Cabinet Secretary.
  - vi. All revenues received are paid into the designated bank accounts (see section 8.4 on bank account operations) and not used in any manner between their receipt and subsequent payment into the Bank except as provided by law.
  - vii. Relevant action is taken against any staff or officer in KMTC who contravenes the above regulation.
  - viii. No payments are made from monies collected as the Receiver of Revenue without an AIE.
- b) To assist in these tasks, the PFM Act, under Section 76 allows the CEO to designate other staff as Collectors of Revenue who should remit the collected monies to the Receiver.

### 8.3 Revenue Collection, Accounting and Reporting

- i. The accountant shall avail records required for receipting revenue by obtaining them from KMTC headquarters.
- ii. The accountant shall receive bank deposit slips, banker's cheques and any other approved documentary evidence of payments, confirm the payments against online statements and issue receipts of revenue through issuance of KMTC official receipt. Where the receipt is computer generated it needs to be stamped before issuing it to the payee.
- iii. The accountant shall then post the revenue received to relevant ledgers.
- iv. The accountant shall then prepare a revenue voucher (FO17) and post it to the cashbook on a daily basis. A sample FO17 form is attached as Appendix VII.
- v. At the end of the month, the accountant shall perform monthly bank reconciliations for the revenue accounts at the FO30 form.
- vi. At the end of the quarter the accountant shall prepare quarterly returns that include a report of revenue collected in the quarter which he shall then submit to KMTC headquarter by 5<sup>th</sup> of the first month of the next quarter. The quarterly revenue returns are used by the Accountants at HQ to:
  - a) Debit the Revenue General Ledger Accounts that provides the revenue balances for the entire KMTC. Each category of revenue has a separate GL and sub-ledger accounts which are updated with the details of the quarterly revenue returns. Where KMTC has implemented an automated point of sale system, the GL will be automatically updated on the issue of the receipts.
  - b) Prepare the consolidated revenue report for KMTC which is reviewed by the Finance Manager prior to submission to the CEO.

- c) Prepare the Quarterly Revenue Reports that include the amounts received, the analysis between the estimates and the receipts. The Quarterly Revenue Reports are reviewed by the Finance Manager and submitted to the CEO for approval.
- vii. The accountant in charge shall then submit the physical FO17s to KMTC headquarters for verification by the accountant HQs at the end of the quarter.

## 8.4 Refunds

- i. Fees shall be paid in full on admission at the beginning of every semester in line with the approved College policies.
- ii. In the absence of instructions to the contrary, there shall be no consideration for refund for any fees paid.
- iii. Should a student be discontinued on academic grounds and/or any other reasons, he/she will be expected to pay full fees accordingly on resumption of training.
- iv. Upon dismissal or abscondment fees is not refundable.
- v. **Procedure of refunds**
  - a) The depositor shall make a written request to the CEO through the Principal attaching the original receipt for which he is seeking refund.
  - b) In the case of tuition, the Principal shall forward the request to the CEO along with his/her recommendation as well as a certified copy of the student ledger.
  - c) In the case of accommodation the Principal shall seek approval to effect such refund from the CEO in writing.
  - d) The CEO shall approve/reject such requests depending on merit and communicate the decision to the respective Principals/Finance Manager.
  - e) The Principal/Finance Manager shall effect refund, if approved, by following the payment process outlined in section 7.6 of this Manual
  - f) After payment, the accountant in charge shall debit the revenue account and credit the depositor's account to complete the process.
  - g) The depositor shall acknowledge receipt of such refunds

## 8.5 Bank and Cash Operations

### Opening and Operating Bank accounts

KMTC shall subject to approval by the Board of Directors open bank accounts to manage its financial operations. The Board of Directors shall appoint signatories to the accounts. The bank accounts shall be classified as follows:

- a) **Headquarters bank accounts**
  - i. Personal Emoluments and related costs account.

- ii. Holding Account
- iii. Central Collection Account
- iv. KMTc Headquarters Revenue Account
- v. Recurrent Expenditure Account
- vi. Development Account
- vii. Donor-Funded Programs Account
- viii. Any other account as approved by the Board of Directors in consultation with National Treasury

**b) Constituent campuses Bank accounts**

- i. Accommodation account
- ii. Expenditure Account
- iii. IGA Account
- iv. Meals account
- v. Any other account as approved by the Board of Directors in consultation with National Treasury

**c) All the above accounts shall be opened only in the following banks:-**

- i. National Bank of Kenya
  - ii. Kenya Commercial Bank
  - iii. Cooperative Bank of Kenya
- d) The CEO shall, in writing, designate the signatories to each bank account which must have at least two (2) signatories. Typical composition of signatories is illustrated in the appendices as Appendix VIII.
  - e) The CEO shall also design the account name to be used to ensure consistency and ease of reference for the stakeholders.
  - f) The CEO shall at all times maintain a complete and updated register of all the KMTc's active bank accounts indicating details of the account such as, the bank, signatories, branch location, purpose of the account and so on.
  - g) Each campus operating a bank account shall be required to collect and file a monthly bank statement and where possible daily and weekly electronic bank statements.
  - h) At the end of each financial year, the accountant must collect the certificate of balance for each bank account. This is through instructions issued to the Bank by the account signatories to provide the certificate of balance. These certificates of balance must be filed along with the other bank statements for the bank account
  - i) A request to close a bank account must be made in writing to the CEO for authorization and approval.

- j) Approved bank account closing instructions will be transmitted to the bank in which the account is held. Accounts that are closed must have their mandates withdrawn from the bank account register updated to reflect the closure and balances transferred as directed.
- k) Account signatories shall identify designated bank agents within the station. Bank agents must be appointed in writing by the Account Signatories with a letter providing details of: the bank agent's name, bank account number for the account for which they are appointed as agents, designation/position at the Station, ID Number and photograph.
- l) Bank agents may be authorized to:
  - i. Collect bank statements and cheques or any other documentation from Bank related to the Account on behalf of the signatories;
  - ii. Withdraw cash from the bank account;
  - iii. Convey instructions to the bank from the signatories;
- m) Account signatories must also inform the bank in writing when an officer ceases to be a designated bank agent.
- n) Separate cash books shall be maintained for each bank account held by the College.
- o) Bank reconciliations for each bank account shall be prepared by the Accountant at the end of each month and given to the Finance Manager for review and approval. The reconciliations should be signed and dated by both the preparer and the reviewer as evidence of such checks.

## 8.6 Cheque Management

- i. Where a bank account has associated cheque books, these must be held securely at the Accounting and Finance Section.
- ii. The AIE holder will designate officers, in writing, to be responsible for the custody of blank cheques in the Accounting and Finance Section.
- iii. A record of the cheque books indicating cheque book series, date received and the bank account they relate to will be maintained in the accountable documents register.
- iv. Only one cheque book per account may be issued to Accountants responsible for preparing payments at any given time.
- v. Cheque signatories are required to sign the cheque and the cheque movement register as well when approving payments.
- vi. Used up cheque books will be surrendered to the custodian of the cheque books in the station and recorded in the accountable books register.
- vii. When cheques are required for payment purposes, the payment will be prepared by the designated accountant in the accounts section.
- viii. Cheques will be completed with details from the authorized payment voucher including the payee, the date and so on in readiness for signing by the authorized signatories.

- ix. A cheque movement register and cheques confirmation sheet shall accompany the cheques for signing. The register outlines the cheque details including: payee, cheque number, date and signatures and is intended to track cheque signing procedures while the cheque confirmation sheet is supposed to assist the paying bank in confirmation of cheques.
- x. Cheques, together with all supporting documentation, will be reviewed by a designated examination officer to confirm that they are correctly prepared prior to signing.
- xi. Examined cheques will be presented to the authorized signatories for signing who are required to confirm the cheque amounts against the supporting documentation including the authorized payment voucher. Authorized signatories are required to sign the cheque movement register and cheque confirmation sheet when they have signed the cheque.
- xii. Signed cheques should be recorded serially in the cheques dispatch register with details of the payee, date and amount. On collection of the cheques, the collector should sign the cheques dispatch register to confirm collection.
- xiii. Cheques that are cancelled prior to signature and not issued should be clearly crossed cancelled, recorded in the cheque book register, subsequently filed in the cancelled cheques file and stored in the safe to prevent any malpractices.
- xiv. Cheques that are cancelled after signature should be should be clearly crossed cancelled, recorded in the cheque book register, subsequently filed in the cancelled cheques file and stored in the safe to prevent any malpractices
- xv. Cheques that remain uncollected or unbanked and become stale (that is unbanked for longer than 6 months) should be cancelled and indicated as cancelled in the cheque register. This should also be filed and stored as above.
- xvi. In the event that a cheque book /cheque leaf is lost, the officer in whose custody, this occurs must inform the senior most accountant in the accounts section in writing as well as the account signatories.
- xvii. The account signatories must immediately write to the Bank to report the loss and request the Bank to cancel the lost cheques.
- xviii. The account signatories must also provide a report to the CEO on the loss of the cheques, the circumstances of the loss and action taken to mitigate the loss.
- xix. In the event that the stock of cheque books runs out, the Account Signatory may request the bank for a stock of new cheque books.
- xx. The accountant provides a summary of the cheque books indicating the “used” or “lost” series to support the request for new cheque books. This is provided to the Account Signatories.
- xxi. A request for new cheque books is prepared, by the senior most accountants in the Accounts Section, for the Account Signatories to sign requesting new cheque books from the relevant bank.
- xxii. The duly signed request for new cheque books is submitted to the Bank by the Accounts Section’s agent who is also duly instructed to collect the new cheque books.



- xxiii. New cheque books are received by the officer designated by the Account Signatories to store the cheque books and details of the cheque number series are recorded in the accountable documents register.

## 8.7 Electronic Transfers

Where KMTC uses electronic funds transfers instead of cheque payments:

- i. Schedules of electronic transfers (outlining the amounts, transfer instructions, bank account details and all necessary electronic transfer details) shall be maintained and filed serially.
- ii. The funds transfer instructions will be prepared, examined and authorized in a similar manner to cheques.
- iii. Authorization of the funds transfer instructions will be by the authorized bank account signatories.
- iv. The duly approved instructions will be conveyed to the bank for effecting the transfer.
- v. In the event of electronic transfers using online banking: the authorization will only be by the designated bank account signatories who will also be required to safely store any authorization tokens or passwords for the bank accounts.
- vi. For electronic transfers, authorization should only be done on receipt of duly approved payment vouchers, following which the transaction details will be recorded on the payment voucher.

## 8.8. Bank Statements

- i. Every month the bank account signatories and heads of the accounting function at the Station, will receive or have online access to bank account statements.
- ii. Bank statements should be filed by each accounts section and retained in line with the document retention policy.
- iii. KMTC shall aim to have real time access to its bank account statements through electronic banking platforms to allow constant monitoring of bank balances.
- iv. Any issues arising from the bank reconciliation must be referred to the Bank Manager, as soon as possible but not later than the next reconciliation report, by the head of the accounting function in the Station.

## 8.9 Cash Withdrawals

- i. KMTC does not allow cash transactions (i.e. deposits or withdrawals of large amounts of cash) except for imprest purposes only.
- ii. Where cash is to be withdrawn from any bank account, a cash withdrawal request must be approved by the bank account's authorized signatories.
- iii. The cash withdrawal request is prepared once the payment voucher is approved. A separate designated officer examines the cash withdrawal request and a separate officer approves it for signature.

- iv. On approval, the cashier shall write a cheque payable to the CEO KMTC (for headquarter) and Principal KMTC (for the campuses), with the amount on the request which shall be signed by the account signatories in the format that enables over the counter withdrawals.

## 8.10 Cash Management

KMTC shall endeavour to ensure that minimal cash balances are held on site. Petty cash balances should be minimal. The Finance Manager shall define the minimum petty cash balances for each campus and headquarters. The current petty cash limits are specified in this Manual as Appendix X. Cash held at any Station should be properly secured in a safe. Cash in transit security arrangements should be made to safeguard it during the transfer. Campus Heads in liaison with their accounts counterparts should arrange, where necessary, for police escort or cash in transit services.

### 8.10.1 Standing Imprest

Standing imprest is a cash advance issued to support operations at a station for a period of not more than one-year. Standing Imprests are generally used to cover routine petty cash expenses such as office tea, low value procurements and administrative expenses.

### 8.10.2 Conditions for Issue of Standing Imprests

- i. For an officer to be issued with a standing imprest, he should have no outstanding imprest that has not been surrendered.
- ii. Imprest can only be issued and paid to the applicant and cannot be issued to another officer on behalf of the applicant.
- iii. The applicant must be a cashier appointed in writing by the AIE holder.
- iv. Issue and surrender of petty cash to staff is done in the same steps as those outlined in section 7.7.3 of this Manual
- v. The entire petty cash float must be accounted for through the surrender of the standing imprest.
- vi. The imprest must be accounted for at the end of the financial year and only spent on the intended purpose.
- vii. Applicant shall complete the imprest surrender form and undertake the same imprest surrender process outlined in chapter seven section 7.7.4.
- viii. Unutilized funds are banked in the expenditure account and a receipt issued, and no over expenditure on standing imprest will be processed for refund.

## 8.11. Cash Book Management

- i. Each Station shall maintain a cash book, for all accounts held by the Station, in which details of all payments and receipts for each bank account shall be recorded and updated daily
- ii. All receipts shall be debited in the respective cash book and any withdrawals /

banking credited in the cash book.

- iii. On a monthly basis, the senior accountant in the Station (or the AIE holder where there is minimal accounting staff) shall review and examine the cashbook and indicate this examination by signing.

## **8.12 Bank Reconciliations**

- i. Bank reconciliation shall be prepared on monthly basis for all bank accounts held by a Station using the standard FO30 forms.
- ii. The reconciliation shall be done by one officer, reviewed and examined by another.
- iii. It should reconcile KMTC's respective cashbook balance and the balances from the bank statements. Any outstanding items should be noted and explanations sought.
- iv. The bank reconciliation must be submitted to the Finance Manager for review and approval every month.
- v. Each campus should submit its duly authorized bank reconciliation to the Head Office by the 5<sup>th</sup> of the following month.
- vi. Any variances and outstanding items should be followed up within 30 days and should not recur on the bank reconciliation for longer than 3 months.

## **8.13 The Board of Survey**

- i. The Principal/CEO shall on annual basis constitute a board of survey who shall on quarterly basis:
  - a) Count the cash at hand;
  - b) Confirm that the actual cash on hand corresponds with the balance on hand as recorded in the cash book;
  - c) Confirm that all movements (expenses and receipts) since the last check have been properly recorded and are properly documented; and
  - d) Ensure that the documents justify the difference between the fixed imprest level and actual cash balance.
- ii. The Principal or Internal Auditor in the case of campuses shall perform routine checks of the cash in hand using the same procedure as stipulated in section 8.12.1 above.
- iii. The Finance Manager or Internal Auditor in the case of Headquarters shall perform routine checks of the cash in hand using the same procedure as stipulated in Section 8.12.1 above.

## 9.0 FINANCIAL REPORTING

### 9.1 Posting to the General Ledger

- i. The General ledger (GL) accounts are the source of the financial reports and must accurately capture all financial transactions occurring during the financial year.
- ii. KMTC's GL shall be centrally managed from the Accounts section in the Head office.
- iii. Posting to the GL shall be a two-step process where transactions are initially recorded and subsequently authorized to update the relevant GL account.
- iv. In the event that any adjustments need to be made to the GL after initial entry, Journal Vouchers (JVs) shall be completed.
- v. The accountant shall complete the JV with a detailed narrative description of the adjustment and the amount of the adjustment.
- vi. This JV shall be reviewed and approved by the senior and Chief Accountant or the Principal Finance officer depending on the threshold amounts.
- vii. Once approved, it shall be posted into the GL.

### 9.2 Monthly Reports

At the end of each month, the cashbooks should be updated with all transactions to enable timely preparation of monthly bank reconciliations. Where any anomalies are noted, investigations must be undertaken and if necessary, adjustments using the JV are undertaken.

### 9.3 Quarterly Reports

Quarterly financial reports include:

- i. Quarterly expenditure and revenue returns from AIE holders
- ii. Quarterly board paper
- iii. Quarterly performance reports

### 9.4 Year end Procedures and Reporting

At the end of the financial year, KMTC prepares its annual financial statements. This entails:

- i. Recording of all transactions to June 30<sup>th</sup> in the books of account and GL and close of the accounts;
- ii. The accounting system should be closed and all updates for the previous financial year completed by the 10<sup>th</sup> of July.

- iii. Campuses submit their final monthly and quarterly reports per the reporting schedule and from these, annual financial reports are prepared.

## 9.5 Consolidation of Reporting

KMTC's accountants at head office shall undertake consolidation of reports received from the stations on a quarterly and on annual basis. These consolidated reports present a comprehensive view of KMTC's financial position.

## 9.6 Report Formats

Financial reports to the Auditor General will be in the formats prescribed by the PSASB. Other external entities requiring reports such as donors and development partners may specify their required formats. Reports for internal consumption within KMTC, shall be developed by the Finance Manager and approved by the Board of Directors.

## 9.7 Reporting Schedule

The reporting schedule below presents the list of financial reports, responsibility and due dates for each report.

**TABLE 2: REPORTING SCHEDULE**

NO	REPORT	RESPONSIBILITY	DUE DATE
1.	Bank reconciliation	Accountant	5 <sup>th</sup> of next month
2.	Quarterly income and expenditure report	Accountant	5 <sup>th</sup> of subsequent month after end of quarter
3.	Consolidated Quarterly income and expenditure reports	Senior Accountant	10 <sup>th</sup> of the next Quarter
4.	Board Paper	Finance Manager	15 <sup>th</sup> of the next quarter
5.	Annual financial statements: income and expenditure reports	Finance Manager	August 30 <sup>th</sup>

## 10.0 CONTROL OVER ACCOUNTABLE DOCUMENTS

### 10.1 Introduction

Accountable documents are documents that when completed and duly authorized can be exchanged for a benefit including for money or goods or services. They are documents that may authorize the release or acceptance of funds. Examples of accountable documents may include: LPOs / LSOs, cheque books, receipt books, imprest warrants, AIE forms and Payment Vouchers.

### 10.2 Policy on Management of Accountable Documents

- i. Accountable Documents (ADs) must be held in safe custody by the designated custodians. The custodians of the ADs in each relevant functional area shall be in line with KMTC's quality control master list QP 9, which outlines the holder and authority of all KMTC documents.
- ii. The custodians of the ADs shall be independent officers appointed and informed in writing by the Finance Manager in the case of head office or by the Principal

in case of Campuses and if there are any changes to the custodians this shall also be recorded in writing.

- iii. All accountable documents shall be obtained either from KMTC Headquarters or Government printers.
- iv. ADs shall be held under lock and key in the department by the appointed custodian and a counterfoil receipt book register (CRB) maintained for movement of ADs showing issues of blank ADs, return of completed ADs including any cancellations.
- v. Electronic ADs shall also be monitored and tracked in the respective CRB register.
- vi. Holders of ADs that are in use shall maintain a movement register to track the movement and usage of the ADs.
- vii. Further issue of accountable documents to the user shall be made after previous ones have been fully accounted for and surrendered.
- viii. A quarterly as well as periodic ad hoc check shall be carried out of the ADs and by an independent officer who is not a custodian. The inspections shall include unused ADs, ADs in use and those that have been utilized.
- ix. Loss of any ADs shall be reported to the custodian / holder who issued the stock and the accountant in charge, as soon as the loss is noted. This notification shall include a report on the circumstances of the loss, description of the lost ADs and the actions taken to recover them. This report must be submitted to the CEO so that steps are taken to prevent the use of such ADs.
- x. Any damaged, cancelled or obsolete ADs must be cancelled and retained until disposal and this reflected in the register.

### **10.3. Retention and Disposal of Accountable Documents**

KMTC like other national government entities is required to retain documents that may be required for: archiving for historical purposes; subject to outstanding audit queries, and if likely to be required for pension purposes. The designated document retention timelines and disposal method is outlined below.

**TABLE 3: RETENTION TIMELINES AND DISPOSAL METHODS**

RECORD	HOLDER	AUTHORITY	IDENTIFICATION	RETENTION TIME	DISPOSAL METHOD
Medium Term Expenditure Framework	Finance Manager	CEO	KMTC/QP-14/MTF	5 years	Shredding
Approved Annual Budget	Finance Manager	CEO	KMTC/QP-14/ANB	3years	Shredding
Vote book	Finance Manager	CEO	KMTC/QP-14/FO11	5years	Shredding
AIE forms	Finance Manager	CEO	KMTC/QP-14/14/AIE	3years	Shredding
Cash book	Finance Manager	CEO/Principal	KMTC/QP-15/CSB	3years	Shredding
Cheque book	Finance Manager	CEO/Principal	External origin	3years	Archived
Payment Authorization Register	Finance Manager	CEO/Principal	KMTC/QP-15/PAR	3years	Archived
Value Added Tax Register	Finance Manager	CEO/Principal	KMTC/QP-15/VAT	5years	Shredding
Payment Vouchers	Finance Manager	CEO/Principal	KMTC/QP-15/FO22	5years	Shredding
Cheque Dispatch Register	Finance Manager	CEO/Principal	KMTC/QP-15/CSR	5years	Shredding
Finance Manager	Finance Manager	CEO/Principal	KMTC/QP-15/VMR	5years	Shredding
CEO/Principal	Finance Manager	CEO/Principal	KMTC/QP-15/VNR	5years	Shredding
KMTC/QP-15/CDR	Finance Manager	CEO/Principal	KMTC/QP-15/IMW	5years	Shredding
5years	Finance Manager	CEO/Principal	KMTC/QP-15/ICR	5years	Shredding
Shredding	Finance Manager	CEO/Principal	KMTC/QP-15/ICR	5years	Shredding
Cheque Signatory Register	Finance Manager	CEO/Principal	KMTC/QP-15/BRs	5years	Shredding
Voucher Movement Register	Finance Manager	CEO/Principal	KMTC/QP-15/CRR	5years	Shredding
Voucher Numbering Register	Finance Manager	CEO/Principal	KMTC/QP-15/FO25	5years	Shredding
Imprest warrant	Finance Manager	CEO/Principal	KMTC/QP-14/FO6	5years	Shredding
Imprest warrant registers	Finance Manager	CEO/Principal	KMTC/QP-16/LFR	10years	Shredding
Surrender of Imprest Register	Finance Manager	CEO/Principal	KMTC/QP-16/RIR	5years	Shredding
Bank Reconciliation State-ments	Finance Manager	CEO/Principal	KMTC/QP-16/MRR	5years	Shredding
Counter Requisition and Issue Register	Finance Manager	CEO/Principal	KMTC/QP-16/FO17	5years	Shredding
Journal Voucher	Finance Manager	CEO/Principal	KMTC/QP-15/FO25	5years	Shredding
Official Receipt book	Finance Manager	CEO/Principal	KMTC/QP-14/FO6	5years	Shredding
Student Fee Ledger	Finance Manager	CEO/Principal	KMTC/QP-16/LFR	10years	Shredding
Rental Income Register	Finance Manager	CEO/Principal	KMTC/QP-16/RIR	5years	Shredding
Miscellaneous Revenue Register	Finance Manager	CEO/Principal	KMTC/QP-16/MRR	5years	Shredding
Receipt Vouchers	Finance Manager	CEO/Principal	KMTC/QP-16/FO17	5years	Shredding

### 10.3.1 Disposal of Accountable Documents Procedure

Disposal of ADs is subject to the Public Archives and Documentation Service Act:-

- i. The CEO shall form a committee on an annual basis to review the ADs to be disposed and ensure they are in line with the retention periods of section 10.3 above.

- ii. Stations shall provide lists of their disposable ADs to the committee for review.
- iii. From the Committee's recommendations, the CEO shall communicate, in writing to the Director, Kenya National Archives and Documentation Service (KNADS) on the ADs to be disposed of and seeks approval to dispose.
- iv. Kenya National Archives shall undertake verification of the disposable ADs and issue a certificate of destruction to the CEO.
- v. Destruction shall be undertaken in line with the KNADS Act.

## **11.0 RISK MANAGEMENT AND INTERNAL AUDIT**

### **11.1 Introduction**

The risk management and internal audit processes are concerned with identifying and mitigating risks within KMTC. The financial management processes described in the preceding sections have many risk areas and must be constantly monitored, identified and managed. This is done through a risk management process supported by a robust internal audit.

### **11.2 Risk Identification and Assessment**

Management and mitigation of risks is a core function of each functional area of the college. KMTC expects stations to drive identification of their risks and provides technical support for assessment and analysis of the identified risks. The Finance department therefore shall:

- i. Complete risk identification forms in which each station identifies its risks, rates them, their impacts, probability, determines risk treatment, risk owner and therefore the level of overall risk.
- ii. Prepare a consolidated risk identification form covering all financial management areas and submit to the audit and risk committee for analysis and assessment.
- iii. Carry out this identification and assessment of risk annually at the beginning of the financial year and may update if issues arise during the course of the year

### **11.3 Risk Reporting**

- i. An annual risk review shall be carried out by the audit and Risk Committee to determine effectiveness of the mitigation strategies.
- ii. The Finance Manager shall review the findings and recommendations of the risk assessment report and provide feedback on the implementation of the suggested recommendations as well as comment (if any) on the findings.



## 11.4 Role and Scope of Internal Audit

Internal audit is undertaken by an independent internal audit department which operates under the guidance and direction of the KMTC Board of Directors. Administratively the department reports to the CEO and functionally to the Audit Committee of the Board. KMTC's Finance Section is a key auditee (a person or organization that is audited) by the internal audit. The Internal Audit department (as detailed in Section 73 of the PFM Act) has been put in place to ensure that there are appropriate arrangements in place for conducting internal audit according to the guidelines of the PSASB. The main mandate of the audit department is to:

- i. Review reliability and integrity of financial information and the systems and report on their status;
- ii. Review the organizational policies and procedures to ensure that they are consistent, aligned to good practices and safeguard the college as well as a subsequent review of the compliance to the procedures.
- iii. Review the operations and activities of the various College stations to ensure they are cost effective in utilization of resources, attaining expected results and efficiently delivering the expected outcomes.
- iv. Conduct specific reviews and audits as may be required by the CEO and approved by the audit committee.
- v. Provide advisory and assurance services to the College in relation to internal controls and risk management strategies;
- vi. Review internal controls and policies and identify any instances of fraud, waste and abuse.
- vii. Reviewing the governance mechanisms of the College and mechanisms for transparency and accountability with regard to the finances and assets of the entity.
- viii. Conduct risk-based, value-for-money and systems audits aimed at strengthening internal control mechanisms that could have an impact on achievement of the strategic objectives of KMTC.
- ix. Verify the existence of assets administered by the College and ensure that there are proper safeguards for their protection.
- x. Ensure that internal audits in respect of the College are conducted in accordance with international best practices.

## 11.5. Internal Audit Cycle and Role of the Auditees

The internal audit cycle includes internal audit planning, audit execution and reporting, and requires collaboration from Auditees during these phases. Specific policies and procedures for undertaking each of the internal audit activities are detailed in the Internal Audit Plan. This section outlines the responsibilities of Auditees in the respective phases of the internal audit.

### 11.5.1 Internal Audit Planning

The Internal Audit Department (IAD) team develops its annual audit plan including scheduling of the various audits across functional areas.

- i. The auditees shall receive notification of any audits in good time to ensure adequate preparation for the internal audit.
- ii. The finance department shall participate in risk identification activities as outlined in section 11.2 of this manual.
- iii. The auditees may also recommend areas for investigation by the IAD.

### **11.5.2 Internal Audit Execution**

Here the auditors conduct the actual audit:-

- i. The auditee shall participate in the entry meeting;
- ii. The auditee shall provide the required documentation and reports;
- iii. The auditee shall provide access to staff, management and leadership across the functional area for the internal auditors;
- iv. The auditee shall participate in the exit meeting

### **11.5.3 Internal Audit Reporting**

In this phase, the auditors present their audit findings and recommendations

- i. The auditee shall review the findings and recommendations of the internal audit and provide appropriate management responses
- ii. The auditee shall review the IA reports within two (2) weeks of receipt for implementation of recommendations

## **11.6 External Audits**

### **i. Types of Audit**

There are various types of audits that may be carried out by external auditors, which include:

- a) Statutory year-end audit of financial statements carried out by the Office of the Auditor General.
- b) Audits carried out by other Government auditors such as: Public Procurement Oversight Authority, Ethics and Anti-Corruption Commission, among others.
- c) Targeted audits e.g. audits as may be conducted at the request of oversight agencies and National Assembly, sometimes triggered by its Sector Committee.
- d) Audits commissioned by development partners and donors.
- ii. Statutory Audits Timelines and Requirements
  - a) Under Article 229 of the Constitution the Auditor General must audit and report on the KMTC's financial statements within six (6) months of the end of the financial year.

- b) The College shall prepare and submit financial statements within three months of the end of financial year i.e. by September 30<sup>th</sup>.
- c) The financial statements to be prepared and submitted include: the Chairman's report; Management Responsibility Statement and Financial Statements for: Appropriation Accounts, Statement of Asset and Liabilities; Statement of Pending Bills and Notes to the Financial Statements.

## **12.0 POLICY IMPLEMENTATION**

### **12.1 Implementation Date**

This Manual takes effect on the date it is approved by the KMTC Board of Directors.

### **12.2 Monitoring and Evaluation**

- i. The College shall conduct monitoring and evaluation of the effectiveness of this Policy in line with the Monitoring, Evaluation and Reporting framework.
- ii. The College shall:
  - a. Develop and maintain strategies and mechanisms for monitoring and evaluation of this Manual.
  - b. Undertake regular check on implementation of the Manual.
  - c. Carry out annual evaluation on the implementation of the Manual.
  - d. Use the information for planning and management.
  - e. Propose potential areas for review.

### **12.3 Review**

The Manual shall be reviewed after every five (5) years or earlier as need arises with an aim to enhance efficient delivery of effective outcomes.

**APPENDIX I: BUDGET TEMPLATE****COLLEGE/CAMPUS.....****BUDGET FOR..... FINANCIAL YEAR**

ORDINARY BUDGET						ENHANCED HOSPITALITY BUDGET					
Item	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total (A)	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total (B)	Sub-total (A)+(B)
<b>1.Revenue</b>											
Tuition											
Boarding											
Application fees											
Sale of tender documents											
Rental income											
Sale of Non-Capital goods											
Miscellaneous income											
Catering income											
<b>Subtotal (C )</b>											
<b>2.Recurrent Expenditure</b>											
Travelling expenses											
Uniform Clothing staff											
Fees and Commissions-Ordinary											
IGA											
Postal Expenses											
Telephone expenses											
Electricity											
Water and conservancy											
Stationery expenses											
Payment of Rent and Rates											
Bank Charges											
Contracted professional services											
Contribution to HQ											
Insurance of Property											
Internet expenses & utilities											

ORDINARY BUDGET						ENHANCED HOSPITALITY BUDGET					
Item	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total (A)	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total (B)	Sub-total (A)+(B)
Advertising, Publishing and Printing											
Official entertainment											
Computer expenses											
Maint. of plant & equipment											
Maint. of building & station											
Purchase of food and rations											
Library expenses											
Purchase of cleansing materials											
Teaching materials/ examinations											
Students' activity & sports											
Fuel firewood & gas											
Purchase of insecticides & Fungicides											
Drugs & Dressings											
Transport operating expenses											
<b>Subtotal (D)</b>											
<b>3. Development Expenditure</b>											
Land and Building											
Purchase of Plant & Equipment											
Purchase of Medical Equipment											
Purchase of Motor vehicles											
Furniture, Fixtures & Fittings											
Office Machinery & Equipment											
Computers											
Kitchen Equipment											
Hostel Equipment											
<b>Subtotal (E)</b>											
<b>Subtotal (F)=(D)+(E)</b>											
<b>Surplus (C) – (F)</b>											

**APPENDIX II: QUARTERLY REVENUE AND EXPENDITURE REPORT****KENYA MEDICAL TRAINING COLLEGE**

REVENUE			
ITEM	JULY TO SEPTEMBER	CUMULATIVE JULY TO SEPTEMBER	
	KSHS.	KSHS.	
Tuition.....			
Boarding services.....			
Catering services.....			
Sale of Tender Documents			
Rental Income.....			
Sale of Non-Capital Goods...			
Miscellaneous Income .....			
<b>TOTAL</b>			
RECURRENT EXPENDITURE			
ITEM	QUARTER ENDING 30TH SEPTEMBER 2015	CUMULATIVE( JULY TO SEPTEMBER 2015)	
	KSHS	KSHS	
Personal Emoluments			
Travelling & Accommodation expenses			
External Travelling			
Staff Uniform & Clothing			
Fees, Commission & Honoraria			
Postal & Telegram Expenses			
Telephone Expenses			
Electricity Expenses			
Water & Conservancy			
Purchase of Stationery			
Payment of rent & rates			
Bank Charges			
Contracted Professional Services			
Internet Expenses			
Advertising, Printing & Publicity			
Official Entertainment			
Computer Expenses			
Maintenance of Plant, & Equipment			
Maintenance of Building & Stations			
Purchase of Food and Rations			
Library Expenses			

Purchase of Cleaning materials			
Teaching Materials			
Student Activity & Sports			
Fuel, Firewood & Gas expenses			
Purchase of Insecticides & Pesticides			
Purchase of Drugs & Dressing			
Transport Operating Expenses			
<b>TOTAL</b>			
<b>DEVELOPMENT EXPENDITURE</b>			
ITEM	QUARTER ENDING 30TH SEPTEMBER 2015	CUMULATIVE( JULY TO SEPTEMBER 2015)	
	KSHS	KSHS	
Purchase of Land & Buildings			
Purchase of Plant & Equipment			
Purchase of Medical Equipment			
Purchase of Motor vehicles			
Purchase of Furniture , Fixt& Fittings			
Office Machinery & Equipment			
Purchase of Computers			
Purchase of Kitchen Equipment			
Purchase of Hostel Equipment			
<b>TOTAL</b>			
<b>CASH AND BANK BALANCES AS AT END OF THE QUARTER</b>			
	Cash at Hand	Cash at Bank	Total
	Kshs	Kshs	Kshs
Balances as per the cashbook			
Balances as per the cash count/Bank statement			
<b>DEBTORS,CREDITORS &amp; INVENTORY /STOCKS BALANCES</b>			
ITEM	AMOUNT(KSHS)		
Debtors			
Creditors			
Inventory			

**PREPARED BY:****ACCOUNTANT IN CHARGE: KMTc****AUTHORIZED BY:****PRINCIPAL: KMTc****SIGN..... DATE.....**

# APPENDIX III: PAYMENT VOUCHER VOTED PROVISION (FO20)

KMTGQP-15/ FO 20/PVC



## KENYA MEDICAL TRAINING COLLEGE

### PAYMENT VOUCHER (VOTED PROVISION)

Payee's Name and Address:

Particulars	LPO/LSO No.	Invoice No.	AMOUNT	
			Shs.	Cts
Amount payable (in words)	TOTAL KSH.			

Authority Reference No. ....Cts!

<p align="center"><b>EXAMINATION</b></p> <p>Voucher Examination by: _____</p> <p>Date: _____</p>	<p align="center"><b>Internal Audit</b></p> <p>_____</p>
<p align="center"><b>VBC CERTIFICATE</b></p> <p>I certify that expenditure has been entered in this Vote Book, and that adequate funds to cover it are available against the chargeable item as shown here below.</p> <p>Approved Estimates/Allocation Item No. _____ Ksh _____</p> <p>Less Total expenditure plus commitments Ksh _____</p> <p>Balance _____ Ksh _____</p> <p>Less: This Entry - Vch No. _____ Ksh _____</p> <p>Balance _____ Ksh _____</p> <p>Date _____ Signature _____ Accountant in VBC</p>	<p align="center"><b>AIE HOLDER CERTIFICATE</b></p> <p>I certify that expenditure has been incurred for the authorized purposes and should be charged to the item as shown here below.</p> <p>Signature _____ Date _____</p> <p align="center"><b>DIRECTOR</b> Designation of AIE Holder</p> <p align="center"><b>AUTHORIZATION</b></p> <p>I certify that the rate/price charged is/are according to regulation/contract, fair and reasonable and that the expenditure has been incurred on proper authority and should be charged as under. Where appropriate a certificate overleaf has been completed I hereby AUTHORIZE payment of the amount shown above without any alteration</p> <p>Signature _____ Date _____ Accounting officer/District Accountant</p>

Vote	Head KMTCHQRS	Sub-Head	Item
Health			
AIE	Accounts No.	Dept Vch No	Station
2019/2020			001

CASH BOOK		Amount	
Vch.No.	Date	Shs.	Cts

\*Delete inapplicable title



[illegible]

## APPENDIX IV: PAYMENT VOUCHER DEPOSITS AND SUSPENSE (F021)



### KENYA MEDICAL TRAINING COLLEGE CLAIM FOR TRAVEL AND SUBSISTENCE ALLOWANCE (VOTED PROVISION)

K.M.T.C.Q.P-ISO.FO.22

Name and Address .....

Personal Number ..... **J. Grogg** .....Amount claimed (in words) **2,000** .....

AMOUNT	
Shs	Cts

#### I HEREBY CERTIFY THAT:

- The journey for which travel allowance is claimed was undertaken on official duty in my own motor Vehicle Reg. No. ....  
Make: ..... Of: ..... C.C.
- Number of kilometers claimed by me since 1<sup>st</sup> July, 200... Exclusive of this claim totals .....
- The amount claimed for subsistence allowances are in accordance with and at the rates prescribed by existing Regulations and that I was not accommodated by a Government Officer.

Signature of Claimant	Designation	Date
<b>EXAMINATION</b>		<b>Internal Audit</b>
Voucher Examined By: .....		.....
Date: .....		.....
<b>V.B.C CERTIFICATE</b>		<b>A.L.E HOLDER CERTIFICATE</b>
I certify that the expenditure has been entered in the Vote Book and that Adequate funds to cover it are available against the chargeable items as shown here below		I certify that the expenditure detailed overleaf has been included on Governments services, was necessary has been properly authorized and should be charged to the items shown here below
Approved Estimates / Allocation: .....		<b>PRINCIPAL</b>
Item No: .....	Kshs. ....	<b>Signature</b> .....
Less: Total expenditure plus commitments Kshs. ....		<b>Designation of A.L.E Holder</b> .....
Balance: .....	Kshs. ....	<b>Date</b> .....
Less: This ENTRY- Vch.No. .... Kshs. ....		<b>AUTHORIZATION</b>
Balance: .....	Kshs. ....	I certify that the amount claimed for subsistence mileage allowance is according to existing regulations, hotel rates claimed are fair and reasonable and the expenditure is a proper charge to the public funds. I hereby authorize payment of the amount claimed, without any alteration which should be charged as below.
Date: .....	Signature: .....	<b>ACCOUNTING OFFICER/DISTRICT ACCOUNTANT</b>
Date: .....		
<b>ACCOUNTANT in V.B.C</b>		
<b>Vote R11</b>	<b>HEAD 344</b>	<b>Sub - Head 621</b>
<b>Health</b>	<b>M.T.C</b>	<b>K.S.M</b>
<b>Item 00150</b>	<b>Item 00150</b>	<b>Item 00150</b>
<b>Travelling &amp; Accommodation</b>	<b>Travelling &amp; Accommodation</b>	<b>Travelling &amp; Accommodation</b>
A.I.B.No.	Account No	Dept. Vch No
		Station
		Cash Book
		Vch No
		Date
		Kshs
		Cts

\*Delete inapplicable

```

# Importing the libraries
import numpy as np
import pandas as pd

# Importing the dataset
dataset = pd.read_csv('Salary_Data.csv')
X = dataset.iloc[:, :-1].values
y = dataset.iloc[:, 1].values

# Splitting the dataset into the Training set and Test set
from sklearn.cross_validation import train_test_split
X_train, X_test, y_train, y_test = train_test_split(X, y, test_size = 0.2, random_state = 0)

# Feature Scaling
from sklearn.preprocessing import StandardScaler
sc_X = StandardScaler()
X_train = sc_X.fit_transform(X_train)
X_test = sc_X.transform(X_test)

```

## APPENDIX V: CLAIM FOR TRAVEL AND ACCOMODATION (F022)



**KENYA MEDICAL TRAINING COLLEGE**  
**CLAIM FOR TRAVEL AND SUBSISTENCE ALLOWANCE**  
**(VOTED PROVISION)**

K M T/C/F-13/F.O.22

Name and Address .....

Personal Number ..... **B Group** .....

Amount claimed (in words) etc

AMOUNT	
Shs	Cts

**I HEREBY CERTIFY THAT:**

- The journey for which travel allowance is claimed was undertaken on official duty in my own motor Vehicle Reg. No. ....  
 Make ..... Of ..... c.c
- Number of kilometers claimed by me since 1<sup>st</sup> July, 200 .. Exclusive of this claim totals .....
- The amount claimed for subsistence allowances are in accordance with and at the rates prescribed by existing Regulations and that I was not accommodated by a Government Officer .....

Signature of Claimant	Designation	Date
<b>EXAMINATION</b>		<b>Internal Audit</b>
Voucher Examined By .....		
Date .....		
<b>V.B.C CERTIFICATE</b>		<b>A.L.E HOLDER CERTIFICATE</b>
I certify that the expenditure has been entered in the Vote Book and that Adequate funds to cover it are available against the chargeable items as shown here below		I certify that the expenditure detailed overleaf has been included on Government services, was necessary has been properly authorised and should be charged to the items shown here below
Approved Estimate / Allocation .....		<b>PRINCIPAL</b>
Item No. ....	Kshs .....	Signature .....
		Designation of A.L.E Holder .....
Less: Total expenditure plus commitments Kshs .....		Date .....
Balance .....	Kshs .....	<b>AUTHORIZATION</b>
Less: This ENTRY- Vch.No. ....	Kshs .....	I certify that the amount claimed for subsistence mileage allowance is according to existing regulations, hotel rates claimed are fair and reasonable and the expenditure is a proper charge to the public funds. I hereby authorize payment of the amount claimed, without any alteration which should be charged as below
Balance .....	Kshs .....	Signature .....
Date .....	Signature .....	<b>ACCOUNTING OFFICER/DISTRICT ACCOUNTANT</b>
<b>ACCOUNTANT in V.B.C</b>		Date .....

Vote 021 Health	HEAD 044 M.T.C	Sub - Head 021 K.S.M	Item 00150 Travelling & Accommodation
A.L.E No	Account No	Dept. Vch No	Station
			Cash Book
			Vch No
			Date
			Kshs
			Cts
		002	

\*Dedate inapplicable

[illegible]

REPUBLIC OF KENYA  
KENYA MEDICAL TRAINING COLLEGE



## As at ..... 20..... Station:

[illegible]

Less =

1. Payment in Cash Book not yet recorded in Bank statement (Unpresented Cheques)
2. Receipts in Bank Statement not yet recorded in Cash Book

Add—

3. Payment in Bank Statement not yet recorded in Cash Book
4. Receipts in Cash Book not yet Recorded in Bank Statement

Bank Balance as per Cash Book

I certify that I have verified the Bank Balance in the Cash Book with the Bank statement and that the above Reconciliation is correct.

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Date \_\_\_\_\_

[illegible]

[illegible][illegible]

## APPENDIX VIII: TYPICAL COMPOSITION OF SIGNATORIES

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REPUBLIC OF KENYA



**KENYA MEDICAL TRAINING COLLEGE**

**RECEIPT VOUCHER**

TO:..... **DIRECTOR**

Particulars or Summary	AMOUNT	
	Sh.	Cts.
		-
		-

Please receive (or) Please note that the sum shown above has been paid into

Bank Account on the ..... **Month of** .....: the paying - in slip is attached.

Date		Signature		Designation	
VOTE		HEAD/ SUB-HEAD		ITEM	

Account No.	Dept. Vch. No.	Station	CASH BOOK		
			Voucher No	Date	Sh.
					-

GPK



**Typical composition of signatories For KMTC Head office**


- a) The CEO
- b) The Deputy Director Finance and Administration
- c) The Deputy Director Academics
- d) The Finance Manager
- e) The Chief Accountant
- f) The Senior Accountant

**Typical composition of signatories for Constituent Campuses**

- a. The Principal
- b. The Deputy Principal Finance and Administration
- c. The Deputy Principal Academics
- d. The Accountant

## APPENDIX IX: IMPREST WARRANT

KMTC/OP-15/IW  
F.O. 24 (Revised)



P.O. Box 30195-00100, Old Hbagathi Road  
Tel: 2725191, 2725711/14,  
FAX: 2722903, NAIROBI KENYA  
E-mail: info@kmtc.ac.ke

**KENYA MEDICAL TRAINING COLLEGE**

**IMPREST WARRANT** No. **117501**

1. Name of Applicant \_\_\_\_\_ Designation \_\_\_\_\_  
Personal Number \_\_\_\_\_ Station \_\_\_\_\_ I apply  
Imprest of Kshs. \_\_\_\_\_ in words \_\_\_\_\_  
\_\_\_\_\_ for the following purposes:  
Nature of duty \_\_\_\_\_  
Proposed Itinerary \_\_\_\_\_  
Estimated number of days away from station \_\_\_\_\_  
Date \_\_\_\_\_  
(Signature of Applicant)

2. I certify that the amount has been noted in the imprest Register Folio No. \_\_\_\_\_ and the  
applicant does not have any outstanding imprest.  
Date \_\_\_\_\_  
(Accountant-in-Charge-Imprest)

3. I certify that the imprest has been noted in the Vote book and that the balance available in the  
chargeable item after taking into account this commitment is Kshs. \_\_\_\_\_  
Date \_\_\_\_\_  
(Accountant-in-Charge-Vote Book Control)

4. Approved/Not Approved\*  
Date \_\_\_\_\_  
(A.E. Holder)

5. I hereby authorize payment of the imprest  
Date \_\_\_\_\_  
(Chief Finance Officer/Accountant-in-charge)

6. I acknowledge receipt of an imprest of Ksh \_\_\_\_\_ which I undertake to account  
for in full on or before the \_\_\_\_\_ in the event of failure to retire the imprest within  
48 hours following return from official duty, the Director KMTC \_\_\_\_\_ will recover  
the amount in full from my salary in addition to any other action that may be preferred against me.  
Date \_\_\_\_\_  
(Imprest Holder)

Accounting No.	Dept. Voucher No.	Station	C.B.Vr. No.	Date	Kshs.	Cts.

**Distribution of Copies:-**  
Original: White - Accounts Department  
Duplicate: Pink - To be retained by Imprest Section  
Triplicate: Yellow - To be used by applicant to account for the imprest  
Quadruplicate: Green - Bookcopy

**APPENDIX X. CASH LIMITS FOR STANDING IMPREST**

<b>NO</b>	<b>PARTICULARS</b>	<b>AMOUNT IN KSHS</b>
1.	KMTC Headquarters	<b>300,000.00</b>
2.	Campuses with students over 2500	<b>200,000.00</b>
3.	Campuses with students between 2001 and 2500	<b>100,000.00</b>
4.	Campuses with students between 1,501 and 2,000	<b>80,000.00</b>
5.	Campuses with students between 800 and 1500	<b>70,000.00</b>
6.	Campuses with students under 800	<b>50,000.00</b>

## APPROVAL

**Title** : Finance and Internal Controls Manual

**Contact** : Deputy Director Finance and Administration

**Approval Authority** : The Board of Directors

**Commencement Date** : May 2019

## SIGNED



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**Prof. Philip Kaloki, MBS,**  
**Chairperson, KMTC Board of Directors.**

15th      May      2019

**Date**



KMTC is ISO 9001:2015 Certified.

**Kenya Medical Training College**


PO BOX 30195-00100

Nairobi, Kenya.

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