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REPORT

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OF

THE AUDITOR-GENERAL

ON

**COUNTY FACILITIES
IMPROVEMENT FUND BOARD**

**FOR THE YEAR ENDED
30 JUNE, 2022**

**COUNTY GOVERNMENT OF
TAITA TAVETA**



OFFICE OF THE AUDITOR GENERAL
P.O. Box 95202, MOMBASA
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**TAITA-TAVETA COUNTY FACILITIES IMPROVEMENT
FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2022**

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

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TAITA-TAVETA COUNTY FACILITIES IMPROVEMENT FUND
Annual Report and Financial Statements for the year ended June 30, 2022

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1. Entity Information and Management

a) Background information

Taita-Taveta County Facilities Improvement Fund is established by and derives its authority and accountability from Taita Taveta Health Services Act, 2021. The Fund is wholly owned by the County Government of Taita Taveta and is domiciled in Kenya.

The fund's objective is to improve the quality of health care services in the county, support and empower rural communities to take charge of improving their own health and support health information system.

The Fund's principal activity is the management of monies allocated to Health department to improve the services provided by Health facilities.

b) Principal Activities

The principal activity/mission/ mandate of the Fund is to

- Supervise and control the administration of the fund
- Support and empower rural communities to take charge of improving their health services
- Support health information system

c) Key Management

Ref	Name	Position
1	Andrew Mlawasi	County Executive Committee Member – Finance & Economic Planning
2	Philomena Kirote	County Chief Officer – Health Services
3	Silas Njongwa	Fund Administrator

d) Registered Offices

P.O. Box 1066 - 80304
Wundanyi
Taita Taveta, Kenya

e) Fund Contacts

Telephone: 0432030745/6
E-mail: ttvhealthservices@gmail.com

Key Entity Information and Management (Continued)

f) Fund Bankers

1. Kenya Commercial Bank
Wundanyi Branch
P.O. Box 1067 - 80304
Wundanyi

g) Independent Auditors




Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

h) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

TAITA-TAVETA COUNTY FACILITIES IMPROVEMENT FUND
Annual Report and Financial Statements for the year ended June 30, 2022

2. Management Team

Name	Details of qualifications and experience
<p>1. Andrew Mlawasi</p> 	<p>Andrew is the County Executive Committee Member - Finance & Economic Planning</p> <ul style="list-style-type: none"> - ACCA - CPA(K) <p>He has vast experience having worked in the Taita Taveta County Assembly</p>
<p>2. Philomena Kirote</p> 	<p>Philomena is the County Chief Officer – Health Services and has a degree in Education Science from Kenyatta University.</p> <p>She has vast experience having been a teacher and County Chief Officer – Education</p>
<p>3. Silas Njongwa</p> 	<p>Silas is an Accountant, the Fund Administrator and has degree in Master of commerce. He has vast experience having worked in the National treasury as an accountant</p>

3. Foreword by the County Executive Committee Member

The Taita-Taveta County Facilities Improvement Fund was established by an Act of the Taita Taveta County Assembly, the Taita Taveta County Health Services Act 2021, to provide for the management of a fund to be used to improve the quality of health care services.

The establishment of the Fund has enabled utilization of funds collected by the Health facilities to be ploughed back to the Health sector as opposed to when it was being deposited at the County Revenue Fund where the funds are utilised by the County.

During the financial year 2021/2022, the fund received a total of Kshs 21,278,796 (Twenty One Million Two Hundred and Seventy Eight Thousand Seven Hundred and Ninety Six). The fund was able to expend Kshs 16,401,329 (Sixteen Million Four Hundred and One Thousand Three Hundred and Twenty Nine).

The Department of health is in the process of developing the Facilities Improvement Fund Operation and Supervision Manual. This manual will aid in the improvement of collection of revenue, use of funds and enhance patient and staff satisfaction for services received and rendered.

The County Health Management Board was gazetted on 27th May 2022. As of 30th June 2022 the Board was yet to be inducted. In the absence of an operational board, expenditures from the fund were guided by the Public Finance Management Act, 2012 Section 116 (3) which states that the administrator of a public fund shall ensure that the earnings of, accruals to a county public fund are retained in the fund, unless the County Executive Member for Finance directs otherwise.

In order to be able to continue providing quality health care, the department shall strive to increase the services offered in order to generate more funds.



Name: John M. Mwakima

CECM Health Services

4. Report of the Fund Administrator

It is my pleasure to present the Taita-Taveta County Facilities Improvement Fund Financial Statements for the year ended 30th June 2022. The financial statements present the financial performance of the fund over the last five months of the year.

Since February 2022, the Taita-Taveta County Facilities Improvement Fund has received revenue (user fees) from eight Health facilities. These are Moi County Referral Hospital, Mwatate Sub County Hospital, Taveta Sub County Hospital, Wesu Sub County Hospital, Voi Public Health, Mwatate Public Health, Taveta Public Health and Wundanyi Public Health.

During the financial year 2021/2022, the fund received a total of Kshs 21,278,796 (Twenty One Million Two Hundred and Seventy Eight Thousand Seven Hundred and Ninety Six). The fund was able to expend Kshs 16,401,329 (Sixteen Million Four Hundred and One Thousand Three Hundred and Twenty Nine). A further Kshs 184,975 (One Hundred and Eighty Four Thousand Nine Hundred and Seventy Five) was used to acquire furniture, computer and office equipment.

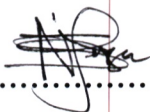
While disbursing funds, the collecting facility shall be allocated 75% of their revenue collection and 25% shall be allocated to County and Sub County Health Management teams

The funds were utilised to purchase Drugs, Laboratory material, Dressing and Other Non-pharmaceutical items, Gas expenses, fuel, General Office supplies, support supervision among others items. This fund has enabled the facilities to cushion themselves from late disbursements from the National treasury.

The revenue collected is through Safaricom paybill. Each health facility has an Mpesa paybill account and the fees collected is swiped weekly into the funds' bank account.

The performance of the fund is expected to significantly grow as the Department of health services is in the process of developing the Facilities Improvement Fund Operation and Supervision Manuals. The manuals will aid in the improvement of collection of revenue, use of funds and enhance patient and staff satisfaction for services received and rendered. The manuals also capture risk management.

I appreciate the unrelenting support from the County Executive Committee Member - Finance & Economic Planning, County Chief Officer - Finance & Economic Planning, County Chief Officer – Health Services and all the key stakeholders.



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Name: SILAS NJONGWA

Fund Administrator

5. Statement of Performance Against the County Fund’s Predetermined Objectives

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each County Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity’s performance against predetermined objectives.

Section 2.2.5 of the Health Sector Strategic & Investment Plan II 2018-2022 states the enacting of a facility improvement fund law to allow respective facilities utilise their own source of revenue

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Health Financing	To develop legislation on health financing	The Taita Taveta County Health Services Act, 2021 was enacted and part X is on health financing	The Health facilities are able to utilise their own revenue	Improved quality of services rendered

6. Corporate Governance Statement

The Taita-Taveta County Facilities Improvement Fund was established by an Act of the Taita Taveta County Assembly, the Taita Taveta County Health Services Act 2021, to provide for the management of a fund to be used to improve the quality of health care services.

The County Health Management Board was gazetted on 27th May 2022 and by the close of the financial year they were yet to be inducted. The Board is responsible for among other functions;

- Making recommendation on the county consolidated health budgets and work plans prepared before submission to the county executive member responsible for matters relating to health
- Distribution of resources on need to need basis to health facilities
- Review and approve annual financial and non-financial statements and reports

The board shall consist of:

- Chairperson appointed by the governor with approval of the county assembly
- The County Executive Member for health services
- The County Chief Officer for Finance and Economic Planning or his/her representative
- The County Chief Officer for Health Services
- County Director of Health Services
- Seven persons of whom not more than two thirds shall be of the same gender appointed by the Governor with approval of the County assembly.

The Board shall meet at least four times but not more than eight meetings in each financial year

The term of office of the members unless ex-officio shall be three years which may be renewed for one term.

The Hospital Management Board was gazetted on 18th February 2022 and by the close of the financial year they were yet to be inducted. The Board is responsible for among other functions;

- Providing oversight to the hospital management team to improve the health status of the community
- Providing necessary checks and balances for use of all resources available to the hospital

Corporate Governance Statement (Continued)

- Making decisions that will improve the hospital, ensure continuity while keeping in line with county government policies
- Overseeing the prudent utilization and reporting of all resources under their responsibility.

The board shall consist of:

- Chairperson appointed by the governor on the recommendation of the County Executive Member for Health
- The Medical superintendent of the hospital
- Seven persons appointed by the Governor who shall be residents of the area jurisdiction

The Board shall meet at least four times in each year, but the Chairperson shall upon requisition in writing by at least five members, convene a special meeting of the Board at any time.

Remuneration of the board members (County Health Management and Hospital Management) is as per the Salaries & Remuneration Commission circular SRC/ADM/CIR/1/13(122) dated 16th April 2014.

If a member of (County Health Management and Hospital Management) board is directly or indirectly interested in disclosure of any matter before the board and is present at the meeting of the board at which the matter is the subject of consideration, he/she shall, at the meeting and as soon as practicable after the commencement, disclose that fact and shall be excluded at the meeting at which the matter is being considered.

TAITA-TAVETA COUNTY FACILITIES IMPROVEMENT FUND
Annual Report and Financial Statements for the year ended June 30, 2022

7. Management Discussion and Analysis

Operational and Financial performance

The core operation activity of the fund is to disburse funds to health facilities. The Taita-Taveta County Facilities Improvement Fund has so far managed to get revenue from user fees totalling to Kshs 21,278,796 (Twenty One Million Two Hundred and Seventy Eight Thousand Seven Hundred and Ninety Six) from health facilities.

Financial Information

FACILITY	PARTICULARS	AMOUNT
MOI COUNTY REFERRAL HOSPITAL	USER FEES	9,650,729
MWATATE SUB COUNTY HOSPITAL	USER FEES	2,157,162
TAVETA SUB COUNTY HOSPITAL	USER FEES	4,453,464
WESU SUB COUNTY HOSPITAL	USER FEES	1,536,830
VOI PUBLIC HEALTH	USER FEES	1,414,118
MWATATE PUBLIC HEALTH	USER FEES	356,760
TAVETA PUBLIC HEALTH	USER FEES	993,613
WUNDANYI PUBLIC HEALTH	USER FEES	716,120
	TOTAL	21,278,796

8. Report of The Board

The Board submit their report together with the audited financial statements for the year ended June 30, 2022 which show the state of the Fund affairs.

Principal activities

The principal activity of the Fund is the management of funds allocated to Health department to improve the services offered by Health facilities.

Results

The results of the Fund for the year ended June 30, 2022 are set out on page 1 to 5

Board

During the year the board was not operational and the fund was guided by the Public Finance Management Act, 2012 Section 116 (3) which states that the administrator of a public fund shall ensure that the earnings of, accruals to a county public fund are retained in the fund, unless the County Executive Member for Finance directs otherwise.

Auditors

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

9. Statement of Management’s Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of the Taita-Taveta County Facilities Improvement Fund established by Taita-Taveta County Health Services Act 2021 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

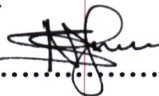
The Administrator of the Fund is responsible for the preparation and presentation of the Fund’s financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the Fund accepts responsibility for the Fund’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Taita-Taveta County Health Services Act 2021. The Administrator of the Fund is of the opinion that the Fund’s financial statements give a true and fair view of the state of Fund’s transactions during the financial year ended June 30, 2022, and of the Fund’s financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund’s financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund’s ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

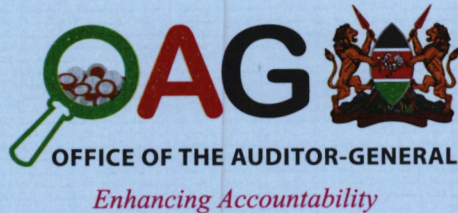
The Fund’s financial statements were approved on 3RD FEBRUARY 2023 and signed on its behalf by:


.....

Administrator of the County Public Fund

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON COUNTY FACILITIES IMPROVEMENT FUND BOARD FOR THE YEAR ENDED 30 JUNE, 2022 - COUNTY GOVERNMENT OF TAITA TAVETA

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Facilities Improvement Fund Board-Taita Taveta County Government set out on pages 1 to 20, which comprise

of the statement of financial position as at 30 June, 2022, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Fund as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and Taita Taveta Health Services Act, 2021.

Basis for Qualified Opinion

Undisclosed User Fees

The statement of financial performance reflects user fees of Kshs.21,278,796 as disclosed in Note 1 to financial statements. This was fees charged for services offered by the County health facilities for the period between 17 February, 2021 and 30 June, 2022. Management explained that collections for the period between 1 July, 2021 and 16 February, 2022 totalling Kshs.36,283,954 were deposited directly into the County Revenue Fund. However, no details of the direct deposits and cashbook to confirm the deposits were provided for audit review, contrary to Section 57(3) of the Taita Taveta County Health Services Act, 2021 that requires that all monies due to the Fund be received and paid into the Fund. Lack of inclusion of direct deposits of Kshs.36,283,954 understated user fees.

In the circumstances, the accuracy and completeness of user fees of Kshs.21,278,796 for the year ended 30 June, 2022 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Facilities Improvement Fund Board-Taita Taveta County Government's Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.180,289,823 and Kshs.21,278,796 respectively, resulting in an under-funding of Kshs.159,011,027 or 88% of the budget. Further, actual expenditure amount of Kshs.16,401,329 compared with approved budget of

Kshs.180,289,823 resulted in an under-expenditure of Kshs.163,888,494 or 91% of the budget.

In the circumstances, the under-funding and under-expenditure affected the planned activities and may have impacted negatively on service delivery to the public.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Under-allocation of Revenue to Health Facilities

As disclosed in Note 2 to the financial statements, the statement of financial performance for the year ended 30 June, 2022 reflected transfers of funds of Kshs.10,943,111, being funds transferred to the revenue collecting health facilities of the County. However, the funds transferred were fifty one percent (51%) of total collections of Kshs.21,278,796 against the required seventy five percent (75%) or Kshs.15,959,097 as provided under Section 60(1)(b) of the Taita Taveta County Health Services Act, 2021. No explanations have been provided for un-transferred fees of Kshs.5,015,986(31%) of Kshs.15,959,097.

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

2. Preparation of Separate Financial Statements by County and Sub-County Hospitals

The County Government of Taita Taveta has Taveta, Mwatate and Wesu Sub-County Hospitals and Moi County Referral Hospital. As per the National Treasury Circular of 06 July, 2022, Levels four and five hospitals are required to prepare separate financial statements each year, from the financial year ended 30 June, 2022 and to submit the same to the Auditor-General. However, as at 10 March, 2023, no financial statements had been submitted for audit.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Failure to Operationalize County Health Management Board

Records provided for audit review indicate that on 27 May, 2022 the County Government established County Health Management Board in line with the requirements of Section 7(1) of the Taveta County Health Services Act, 2021. However, the Board had not been operationalized by 30 June, 2022.

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

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in

amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Fund's policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

05 April, 2023

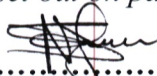
TAITA-TAVETA COUNTY FACILITIES IMPROVEMENT FUND

Annual Report and Financial Statements for the year ended June 30, 2022

11. Statement of Financial Performance for the Year Ended 30th June 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
User fees	1	20,777,675	-
User fees - Mpesa		501,121	
Total Revenue		21,278,796	-
Expenses			
Transfer of Funds	2	(10,943,111)	-
Fund Administration Expenses	3	(385,000)	-
Use of goods and services	4	(5,073,218)	-
Total Expenses		16,401,329	-
Other Gains/Losses			
Gain/Loss on Disposal of Assets		-	-
Surplus/(Deficit) For The Period		4,877,467	-

(The notes set out on pages 15 to 20 form an integral part of these Financial Statements)



.....
Name: Silas Njongwa
Administrator of the Fund



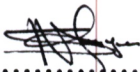
.....
Name: CPA Fredrick Nganga
Principal Accountant
ICPAK Member Number:ICPAK No. 15010

TAITA-TAVETA COUNTY FACILITIES IMPROVEMENT FUND
Annual Report and Financial Statements for the year ended June 30, 2022

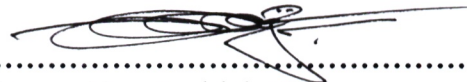
12. Statement of Financial Position as at 30 June 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	5	4,692,492	-
		4,692,492	-
Non-Current Assets			
Property, Plant and Equipment	6	184,975	-
		-	-
Total Assets		4,877,467	-
Liabilities			
Current Liabilities			
		-	-
Non-Current Liabilities			
Total Liabilities		-	-
Net Assets		4,877,467	-
Accumulated Surplus		4,877,467	-
Total Net Assets and Liabilities		4,877,467	-

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 3rd February 2023 and signed by:



.....
Name: Silas Njongwa
Administrator of the Fund

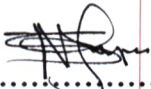


.....
Name: CPA Fredrick Nganga
Principal Accountant
ICPAK Member Number: ICPAK No. 15010

TAITA-TAVETA COUNTY FACILITIES IMPROVEMENT FUND
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13. Statement of Changes in Net Assets for the year ended 30th June 2022

	Revolving Fund	Revaluation Reserve	Accumulate d surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2020	-	-	-	-
Surplus/(Deficit) For the Period	-	-	-	-
Funds Received During the Year	-	-	-	-
Balance As At 30 June 2021	-	-	-	-
Balance As At 1 July 2021	-	-	-	-
Surplus/(Deficit) For the Period		-	4,877,467	4,877,467
Funds Received During the Year	-	-	-	-
Balance As At 30 June 2022	-	-	4,877,467	4,877,467



.....
Name: Silas Njongwa
Administrator of the Fund

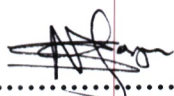


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Name: CPA Fredrick Nganga
Principal Accountant
ICPAK Member Number:ICPAK No. 15010

TAITA-TAVETA COUNTY FACILITIES IMPROVEMENT FUND
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14. Statement of Cash Flows for The Year Ended 30 June 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
User fees	1	20,777,675	-
User fess - Mpesa		501,121	-
Total receipts		21,278,796	-
Payments			
Transfer of Funds	2	(10,943,111)	-
Fund administration expenses	3	(385,000)	-
General expenses	4	(5,073,218)	-
Total payments		(16,401,329)	-
Net cash flows from operating activities		4,877,467	-
Cash flows from investing activities			
Purchase of property, plant & equipment	6	(184,975)	-
Net cash flows used in investing activities		(184,975)	-
Cash flows from financing activities		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash & cash Equivalents		4,692,492	-
Cash and cash equivalents at 1 July		-	-
Cash and cash equivalents at 30 June	5	4,692,492	-



.....
Name: Silas Njongwa
Administrator of the Fund



.....
Name: CPA Fredrick Nganga
Principal Accountant
ICPAK Member Number:ICPAK No. 15010

15. Statement of Comparison of Budget And Actual Amounts For The Period

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilisation
	2022	2022	2022	2022	2022	2022
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers From County Govt.	151,406,925	(24,117,102)	127,289,823	-	127,289,823	0%
User fees	53,000,000	-	53,000,000	21,278,796	31,721,204	40%
Total Income	204,406,925	(24,117,102)	180,289,823	21,278,796	159,011,027	
Expenses						
General Expenses	193,078,814	(24,117,102)	168,961,712	5,073,218	163,888,494	30%
Fund Administration Expenses	385,000	-	385,000	385,000	-	100%
Transfer of Funds	10,943,111	-	10,943,111	10,943,111	-	100%
Total Expenditure	204,406,925	(24,117,102)	180,289,823	16,401,329	163,888,494.	
Surplus For The Period				4,877,467	(4,877,467)	

Budget notes

1. *The differences between actual and budgeted amounts is as a result of;*
 - *Revenue collected from July 2021 to part of February 2022 was deposited in the County Revenue Fund.*
2. *The changes between original and final budget is due to reallocations during the supplementary budget.*

16. Notes to the Financial Statements

1. General Information

Taita-Taveta County Facilities Improvement Fund is established by and derives its authority and accountability from Taita Taveta Health Services Act, 2021. The entity is wholly owned by the Taita Taveta County Government and is domiciled in Kenya. The entity's principal activity is the management of funds allocated to Health department to improve the services offered by Health facilities.

2. Statement of compliance and basis of preparation

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

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

3. Adoption of new and revised standards

(i) Relevant new standards and amendments to published standards effective for the year ended 30 June 2022

IPSASB deferred the application date of standards from 1st January 2022 owing to Covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p>

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Standard	Effective date and impact:
	<ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.

TAITA-TAVETA COUNTY FACILITIES IMPROVEMENT FUND
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Standard	Effective date and impact:
	<p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other improvements to IPSAS	<p><i>Applicable 1st January 2023</i></p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p>
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non-Current Assets Held for Sale and	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p>

TAITA-TAVETA COUNTY FACILITIES IMPROVEMENT FUND
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Standard	Effective date and impact:
Discontinued Operations	<p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

(iii) Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2022.

3. Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

b) Budget information

The original budget for FY 2021-2022 was approved by the County Assembly on 25th June 2021. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund did not record additional appropriations on the FY 2021-2022 budget.

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

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section of these financial statements.

Summary of Significant Accounting Policies (Continued)

c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

d) Intangible Assets

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

The useful life of the intangible assets is assessed as either finite or indefinite.

e) Inventories

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

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

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

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

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

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

Summary of Significant Accounting Policies (Continued)

f) Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

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

Contingent assets

The Entity does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

g) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. The entity has no reserves.

h) Changes in accounting policies and estimates

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

i) Related parties

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

Summary of Significant Accounting Policies (Continued)

j) Cash and cash equivalents

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

k) Comparative figures

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

l) Events after the reporting period

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

m) Ultimate and Holding Entity

The entity is a County Public Fund established by the Taita Taveta County Health Services Act, 2021 under the Department of Health Services. Its ultimate parent is the County Government of Taita Taveta.

n) Currency

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

5. Significant judgments and sources of estimation uncertainty

The preparation of the Entity's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

State all judgements, estimates and assumptions made e.g.

- a) Estimates and assumptions** – The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140.

Summary of Significant Accounting Policies (Continued)

b) Useful lives and residual values

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

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

TAITA-TAVETA COUNTY FACILITIES IMPROVEMENT FUND
Annual Report and Financial Statements for the year ended June 30, 2022

6. Notes to the Financial Statements

1. User Fees

Description	2021-2022	2020-2021
	Kshs	Kshs
MOI COUNTY REFERRAL HOSPITAL	9,650,729	
MWATATE SUB COUNTY HOSPITAL	2,157,162	
TAVETA SUB COUNTY HOSPITAL	4,453,464	
WESU SUB COUNTY HOSPITAL	1,536,830	
VOI PUBLIC HEALTH	1,414,118	-
MWATATE PUBLIC HEALTH	356,760	-
TAVETA PUBLIC HEALTH	993,613	
WUNDANYI PUBLIC HEALTH	716,120	
Total	21,278,796	-

This revenue is fees charged for the services offered by hospitals and Public Health facilities

2. Transfer of Funds

Description	2021-2022	2020-2021
	Kshs	Kshs
MOI COUNTY REFERRAL HOSPITAL	6,529,779	-
MWATATE SUB COUNTY HOSPITAL	1,279,610	-
TAVETA SUB COUNTY HOSPITAL	2,354,750	-
WESU SUB COUNTY HOSPITAL	778,972	-
Total	10,943,311	-

3. Fund Administration Expenses

Description	2021-2022	2020-2021
	Kshs	Kshs
Fund Administration Expenses	385,000	-
Total	385,000	-

TAITA-TAVETA COUNTY FACILITIES IMPROVEMENT FUND
Annual Report and Financial Statements for the year ended June 30, 2022

Notes to the Financial Statements Continued

4. Use of Goods and Services

Description	2021/22	2020/21
	Kshs.	Kshs.
General Office Expenses	316,311	-
Bank Charges	3,376	-
Electricity	34,300	-
Water Expenses	62,850	-
Fuel And Oil Costs	833,987	-
Postage And Courier	8,350	-
Printing And Stationery	99,700	-
Telephone And Communication Expenses	170,500	-
Gas Expenses	530,406	-
Internet connections	5,000	-
Accommodation – Domestic Travel	13,300	-
Domestic Subsistence Allowance	529,865	-
Advertisement, Awareness & Publicity Campaigns	60,000	-
Catering Services	376,755	-
Boards, Committees, Conferences and Seminars	106,225	-
Medical Drugs	147,537	-
Dressing and Non- Pharmaceuticals	3,000	-
Fungicides, Insecticides and Sprays	11,262	-
Laboratory Materials, Supplies and Small Equipment	425,600	-
Supplies and Accessories for Computer and Printers	10,500	-
Sanitary and Cleaning Materials	69,097	-
Other Fuels	11,550	-
Motor Vehicle Maintenance Expenses	398,271	-
Maintenance of Buildings and Stations	817,501	-
Purchase of Office Furniture	1,525	-
Purchase of Computer, Printers & other IT Equipment	8,500	-
Overhaul of Water Supply and Sewerage	17,950	-
Total	5,073,218	-

TAITA-TAVETA COUNTY FACILITIES IMPROVEMENT FUND
Annual Report and Financial Statements for the year ended June 30, 2022

Notes to the Financial Statements Continued

5. Cash and cash equivalents

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank Account	4,191,371	-
Mpesa	501,121	-
Total Cash And Cash Equivalents	4,692,492	-

Detailed analysis of the cash and cash equivalents are as follows:

Financial Institution	Account number	2021-2022	2020-2021
		Kshs	Kshs
a) Bank Account			
Kenya Commercial Bank	1293040819	4,191,371	-
b) Mpesa			
Cash Held in Mpesa		148,691	
Cash in Transit - Mpesa		352,430	
Total		4,692,492	-

Mpesa details are in note No. 9

TAITA-TAVETA COUNTY FACILITIES IMPROVEMENT FUND
Annual Report and Financial Statements for the year ended June 30, 2022

Notes to the Financial Statements (Continued)

6. Property, plant and equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
At 30 th June 2021	-	-	-	-	-
At 1 st July 2021	-	-	-	-	-
Additions	-	-	83,475	101,500	184,975
Depreciation	-	-	-	-	-
At 30 th June 2022	-	-	83,475	101,500	184,975
Net Book Values					
At 30 th June 2021	-	-	-	-	-
At 30 th June 2022	-	-	83,475	101,500	184,975

TAITA-TAVETA COUNTY FACILITIES IMPROVEMENT FUND
Annual Report and Financial Statements for the year ended June 30, 2022

Notes To The Financial Statements (Continued)

Other Disclosures

7. Related party balances

a) Nature of related party relationships

Entities and other parties related to the Fund include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members. The fund/scheme is related to the following entities:

- a) The County Government;
- b) The Parent County Government Ministry;
- c) Key management;
- d) Board of Trustees;

8. Disbursement of the Funds

In the absence of an operational board, expenditures from the fund were guided by the Public Finance Management Act, 2012 Section 116 (3) which states that the administrator of a public fund shall ensure that the earnings of, accruals to a county public fund are retained in the fund, unless the County Executive Member for Finance directs otherwise.

The use of Goods and services is in relation to Voi Public Health, Mwatate Public Health, Taveta Public Health, Wundanyi Public Health, County Health Management Team, Voi Sub-County Health Management team, Mwatate Sub-County Health Management team, Taveta Sub-County Health Management team, Wundanyi Sub-County Health Management team. This facilities were in the process of getting their own bank accounts.

9. Balances in revenue collection accounts

The County Government own source revenue is recognised in the financial statements when it has been swiped to the FIF Fund account and when received in the Mpesa paybill. Swiping of the funds from Mpesa to FIF Fund is done on a weekly basis.

			2021-2022	2020-2021
Financial Institution	Paybill Account No.		Kshs	Kshs
a) Cash Held in Mpesa				
Moi County Referral Hospital	593856		97,881	-
Mwatate Sub County Hospital.	593948		20,120	-
Taveta Sub County Hospital.	593863		16,740	-
Wesu Sub County Hospital	593858		13,950	-
Total			148,691	-

TAITA-TAVETA COUNTY FACILITIES IMPROVEMENT FUND
Annual Report and Financial Statements for the year ended June 30, 2022

Notes to the Financial Statements (Continued)

		2021-2022	2020-2021
Financial Institution	Paybill Account No.	Kshs	Kshs
b) Cash in Transit - Mpesa			
Voi Sub-County Public Health	4087137	194,500	-
Mwatate Sub-County Public Health	4087141	26,500	-
Taveta Sub-County Public Health	4087139	106,530	-
Wundanyi Sub-County Public Health	4087135	24,900	-
Total		352,430	-