

REPUBLIC OF KENYA



Enhancing Accountability

	PAPERS LAID
DATE	12/04/2024
TABLED BY	Deputy Majority Whip
COMMITTEE	—
CLERK AT THE TABLE	GAROLYNE C.

PARLIAMENT
OF KENYA
LIBRARY

REPORT

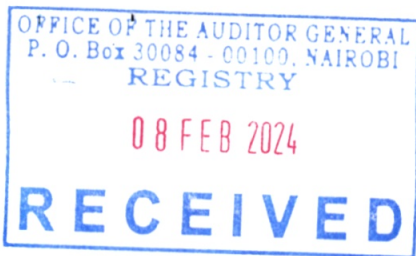
OF

THE AUDITOR-GENERAL

ON

**KIAMBU COUNTY HEALTH SERVICES
FACILITY IMPROVEMENT FUND (HSFIF)**

**FOR THE YEAR ENDED
30 JUNE, 2023**



KIAMBU COUNTY HEALTH FACILITY IMPROVEMENT FUND

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2023**

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

1.

Table of Content

1. Acronyms and Glossary of Terms	iii
2. KEY ENTITY INFORMATION AND MANAGEMENT.....	iv
3. Fund Administration Committee.....	viii
4. Management Team	xi
5. Fund chairperson's report.....	xiv
6. Report of The Fund Administrator	xvi
7. Statement of Performance against the County Fund's Predetermined Objectives.....	xviii
8. Corporate Governance Statement	xix
9. Management Discussion and Analysis	xx
10. Environmental and Sustainability Reporting.....	xxii
11. Report of The Fund administration committee	xxiv
12. Statement of Management's Responsibilities	xxv
13. Report of The Independent Auditor on the Financial Statements for Kiambu county FIF Fund	xxvi
14. Statement of Financial Performance for the Year Ended 30 th June 2023	1
15. Statement of Financial Position As at 30 June 2023	2
16. Statement Of Changes in Net Assets for the year ended 30 th June 2023	4
17. Statement of Cash Flows for The Year Ended 30 June 2023	5
18. Statement Of Comparison Of Budget And Actual Amounts For The Period.....	6
19. Notes to the Financial Statements	7
20. Annexes	43

Kiambu County Health Facility improvement Fund
Revised Annual Report and Financial Statements for the year ended June 30, 2023

1. Acronyms and Glossary of Terms

a) Acronyms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings

FIF- facility improvement fund

KEPH- Kenya Essential Package For Health

CECM- County Executive Committee Member

CIDP- County Integrated Development Plan

2. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

Kiambu County FIF Fund is established by and derives its authority and accountability from Kiambu county health act 2019). The Fund is wholly owned by the County Government of Kiambu and is domiciled in Kenya.

b) Principal Activities

The fund's objective is to

Promote access to health services

- Facilitate progressive realisation of the right to health within the county to the highest attainable standards of health within the county including public health, reproductive health and right to access emergency medical care
- Promote public health
- Establish a framework for cooperation with the health regulatory bodies established under any other written law for purpose of assuring standard health care services.

VISION

An efficient, effective and high quality health care system that is accessible, equitable and affordable for every person in Kiambu County.

MISSION

To provide health services that is equitable, accessible and accountable to the people of Kiambu County through participatory Leadership.

MANDATE OF THE DEPARTMENT

To provide health services, create an enabling environment, regulate, set standards and policy for health service delivery.

Kiambu County Health Facility improvement Fund

Revised Annual Report and Financial Statements for the year ended June 30, 2023

c) Fund Administration Committee

Ref	Name	Position
1	Dr Patrick Njeru Nyaga	Fund administrator
2	Dr Hillary Kagwa Gichuki	Fund secretary
3	Stephen Musyoka Ngui	Member
4	Dr Esther Kamau	Member
5	Dr Penina Waturi Kibuti	Member
6	Dr muthee kamiri	Member
7	Dr Esther Kamau	Member

d) Key Management Team

Ref	Name	Position
1	Dr Patrick .N.Nyaga	Fund Administrator
2	Alex Weru Nyamu	Fund Accountant
3	Dr Hillary Kagwa Gichuki	Fund secretary
4	Stephen Musyoka Ngui	Member
5	Dr Esther Kamau	Member
7	Dr Penina Waturi Kibuti	Member

e) Fiduciary Oversight Arrangements

The fund is audited internally by the Kiambu county internal audit department. The county assembly of Kiambu is mandated to regulate the fund by enacting laws to govern the fund operations. The Kiambu County finance department guides on financial policy matters on how the fund is operated

Ref	Position	Name
1	Directorate Internal Audit Kiambu county	
2	County assembly of Kiambu	

Kiambu County Facility improvement Fund
Annual Report and Financial Statements for the year ended June 30, 2023

3	Kiambu county finance department	
---	----------------------------------	--

a) Registered Offices

Department of health services –Kiambu County
P.O. Box 2344-00900
Kiambu, KENYA

d) Fund Contacts

E-mail: cdhkiambu@gmail.com
Website: www.kiambu.go.ke

e) Fund Bankers

Family bank limited
A/C 005000072712
P.O. Box 74145
00200- Muindi Mbingu Street

Kiambu County Facility improvement Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Key Entity and Management (Continued)

f) Independent Auditors

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

g) Principal Legal Adviser



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

h) County Attorney



The Kiambu county attorney
Kiambu county
P.O. Box 2344
00900
Kiambu, Kenya

**Kiambu County Facility improvement Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

3. Fund Administration Committee

Name	Details of qualifications and experience
<p>Dr Patrick Njeru Nyaga</p> 	<p>Academic qualifications: MMed. Surgery (University of Nairobi). MBChB (University of Nairobi). Strategic leadership programme (SLDP)-KSG over 21 years work experience majorly in management</p>
<p>Dr Hillary Kagwa Gichuki</p> 	<p>Masters Degree of Pharmacy in Clinical Pharmacy from the University of Nairobi Bachelor of Pharmacy from UON Senior Management Course from the Kenya School of Government Post Graduate Diploma in Purchasing & Supply from CIPS UK Preceptor Course in Renal Pharmacy Practice from the East African Kidney Institute Postgraduate diploma in the management of Diabetes and its complications 13years work experience with 5 years in managemen</p>
<p>Stephen Musyoka Ngui</p>	<p>Bachelor of Arts (Kenyatta University) - 1992 Certificate Senior Management Course (SMC) -KSG -2011 Certificate Strategic Leadership Development Programme (SLDP) -KSG-2014 Certificate Strategic Public Procurement Seminar (KSG -Mombasa)- 2008 Certificate Seminar on Rural Health care towards health officials from African countries: Shanxi Province, The People's</p>

Kiambu County Facility improvement Fund
Annual Report and Financial Statements for the year ended June 30, 2023

	<p>Republic of China -2009 Certificate on Senior Management for Health Systems strengthening (KSG NAIROBI) - 2011 Certificate Financial Management course for Public Hospital Managers (KSG, Embu) - 2015 Certificate Financial Management course for County Directors of Health, Finance and Planning (KSG, Nairobi)-2015 Certificate on the foundations of managing healthcare business program – (Strathmore Business School, Nairobi)-2016 24 years as Health Administrative Officer at busy Level 5 and 4 hospitals. -7 years as Director Planning and Administration at the CHMT.</p>
<p>Dr. Kamiri Muthee</p> <hr/> 	<p>Dr. Kamiri Muthee a medical practioner with over 14 years of experience working in the health sector.</p> <p>Qualified as a medical doctor in 2008 after graduating from the University of Nairobi. And as orthopaedic surgeon in 2020 from the University of Nairobi.</p> <p>Dr. Kamiri currently serving in Ruiru and Nairobi and is the current medical superintendent for Ruiru Level IV Hospital.</p>

Kiambu County Facility improvement Fund

Annual Report and Financial Statements for the year ended June 30, 2023



Dr. Peninah Waturi Kibuti)



Date of birth: January 1984

Key qualifications and work experience:
Medical Specialist

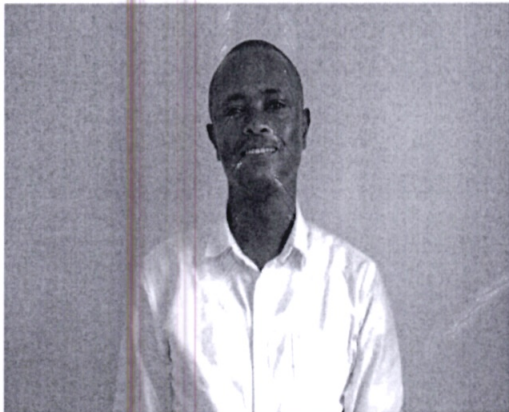

- a) bachelors in Medicine, and Surgery
- b) Masters in Medicine (Psychiatry)

**Kiambu County Facility improvement Fund
Annual Report and Financial Statements for the year ended June 30, 2023**



4. Management Team

Name	Details of qualifications and experience
<p>Dr Patrick Njeru Nyaga</p> 	<p>Academic qualifications: MMed. surgery (University of Nairobi). MBcHB (University of Nairobi). Strategic leadership programme (SLDP)- KSG Health systems management (HSM)- Kenya Medical Training College (KMTC) over 21 years work experience majorly in management</p>
<p>Mr Alex Weru Nyamu</p> 	<p>Academic qualification masters in Business administration, Bcom accounting, Cpa-K . Over 14 years' experience in finance department</p>
<p>Dr Hillary Kagwa Gichuki</p>	<p>Masters Degree of Pharmacy in Clinical Pharmacy from the University of Nairobi Bachelor of Pharmacy from UON Senior Management Course from the Kenya School of Government Post Graduate Diploma in Purchasing & Supply</p>

Kiambu County Facility Improvement Fund
Annual Report and Financial Statements for the year ended June 30, 2023

	<p>from CIPS UK Preceptor Course in Renal Pharmacy Practice from the East African Kidney Institute Postgraduate diploma in the management of Diabetes and its complications 13years work experience with 5 years in managemen</p>
<p>Stephen Musyoka Ngui</p> 	<p>Bachelor of Arts (Kenyatta University) - 1992 Certificate Senior Management Course (SMC) -KSG -2011 Certificate Strategic Leadership Development Programme (SLDP) -KSG-2014 Certificate Strategic Public Procurement Seminar (KSG -Mombasa)- 2008 Certificate Seminar on Rural Health care towards health officials from African countries: Shanxi Province, The People’s Republic of China -2009 Certificate on Senior Management for Health Systems strengthening (KSG NAIROBI) - 2011 Certificate Financial Management course for Public Hospital Managers (KSG, Embu) - 2015 Certificate Financial Management course for County Directors of Health, Finance and Planning (KSG, Nairobi)-2015 Certificate on the foundations of managing healthcare business program – (Strathmore Business School, Nairobi)-2016 24 years as Health Administrative Officer at busy Level 5 and 4 hospitals. -7 years as Director Planning and Administration at the CHMT.</p>

**Kiambu County Facility improvement Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

<p>Dr. Kamiri Muthee</p> <hr/> 	<p>Dr. Kamiri Muthee a medical practitioner with over 14 years of experience working in the health sector.</p> <p>Qualified as a medical doctor in 2008 after graduating from the University of Nairobi. And as orthopaedic surgeon in 2020 from the University of Nairobi.</p> <p>Dr. Kamiri currently serving in Ruiru and Nairobi and is the current medical superintendent for Ruiru Level IV Hospital.</p>
 <p>Dr. Peninah Waturi Kibuti)</p>	<p>Date of birth: January 1984</p> <p>Key qualifications and work experience:</p> <p>Medical Specialist bachelors in Medicine, and Surgery Masters in Medicine (Psychiatry)</p>

Kiambu County Health Facility improvement Fund
Revised Annual Report and Financial Statements for the year ended June 30, 2023

5. FIF FUND CHAIRMANS REPORT

Introduction

The Kiambu county health services facility improvement fund, is established under the Kiambu county health services act of 2019 section 32 and in line with the public finance management act. The bill sets forth the source of funds to be used in Kiambu county hospitals. The funds are to be utilized in the purchase of drugs and commodities, to fund health facility's, administrative function, aid in the purchase, acquisition and maintenance of health care equipment, apparatus, and accessories, and other of such other items or services as may be approved by the executive member.

Changes over last year

In the last one year, the county health management team, with leadership from the office of the CECM and Chief Officer Health, ensured the fund flow to hospitals on a regular basis. Emphasis has been given to sufficient supply to hospitals with minimum stock outs to ensure adequate quality of care to patients visiting Kiambu hospital facilities

The fund management committee was appointment with a mandate to ensure efficient implementation of the fund by providing the Executive Member with policy and strategic recommendations, guide monitoring and evaluation, provide recommendations on the budgets from the facilities, and propose investments

The office of the CECM also saw the gazettelement of hospital management boards across all level - 4 and 5 facilities.

Kiambu County Health Facility improvement Fund
Revised Annual Report and Financial Statements for the year ended June 30, 2023

Outlook of the Fund

As the fund grows, facilities shall be upgraded up the KEPH ladder ensuring that high-quality services are available close to our residents. This in-turn will increase the number of residents seeking services from our facilities and thus increase the amount of funds available to improve the facilities.

This feedback mechanism shall ensure the sustainability of the fund to ensure that the Kiambu county health department achieves its target of being a responsive, data driven, connected automated and efficient.

The department of health has made great strides in terms of infrastructure development since health care was devolved to the county. The FIF fund will cement this work by strengthening service delivery, commodity acquisition, research, innovation, and development. A streamlined health care system will see Kiambu county become a medical tourism haven across the country and continent.



Name: Dr Elias Mbuthia Maina

CECM- Health Services Kiambu County

Chairperson of the Fund

Kiambu County Facility improvement Fund
Annual Report and Financial Statements for the year ended June 30, 2023

6. Report of The Fund Administrator

The Kiambu county government made a deliberate move to operationalize the Kiambu county health act 2019 by opening an FIF fund account. *The Kenya constitution dictates that There shall be established a Revenue Fund for each county government, into which shall be paid all money raised or received by or on behalf of the county government, except money reasonably excluded by an Act of Parliament.* The Kiambu county assembly in their legislative role considered to exempt FIF from being banked to County revenue account this done to increase efficiency in collecting, banking and use of funds collected by hospitals to enable the department of health services to achieve its vision. The aim of this is to be an efficient, effective and high quality health care system that is accessible, equitable and affordable for every person in Kiambu County.

In the last financial year, the department of health services has ensured reduced delays in financing the Kiambu County funded health facilities increasing the supplier's confidence with the county hence ensuring a seamless system of supplies, hence an affordable quality health care system.

The fund main purpose was to ensure that all Kiambu county health facilities are able to provide health services to residents of Kiambu County in an efficient and timely manner by; ensuring financial stability and consistency in reimbursing FIF contributed, scaling up services in all levels of healthcare provision by equipping of various hospitals, improve health infrastructure, seamless provision of health products and technology and promotion of research and innovation.

The FIF fund has been operated by FIF guideline issued by CECM-finance Kiambu County in March 2022,

The fund committee has had seven meetings since inception to discuss on administration, budgets and reimbursement of FIF to contributing health facilities.

For the year ended 30th June 2023, the FIF has been able to collect and reimburse all collections from the hospitals up to 28th June 2023 in accordance to the financial guidelines the balance to be appropriated in the financial year 2023/2024

For the financial year 2021/2022 the Kiambu county FIF fund through the fund committee resolved to equip all the level 4 and 5 hospitals with key equipment's in the laboratory to

Kiambu County Facility improvement Fund
Annual Report and Financial Statements for the year ended June 30, 2023

reduce referrals especially from the low volume level 4 hospitals and ensure that service delivery is close to residents. This has so far been achieved. The fund has also been making timely reimbursements to contributing hospitals therefore ensuring efficiency in supplies and reduced stock outs as previously experienced.

The department of health services is focused on ensuring that the Kiambu county residents receive quality, subsidized healthcare by ensuring economies of scale in purchasing and distribution of resources.

Monitoring and evaluation has previously not been utilized to guide the management on achieving its strategic objectives. The department of health services has embraced this organ to guide on achievements already made, mitigation measures if any that can be adopted on emerging issues as well as impact of investments made by the FIF fund



Dr Patrick N Nyaga
Fund Administrator
FIF Fund

7. 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 Government entities 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.

1)progress on attainment of the health sector strategic development objectives

The health department is committed in the provision of a high quality healthcare system that is accessible, equitable and affordable inKiambu County.

The key development objectives of the fund as per the county health strategic plan 2019-2023 are:

1. Reduce morbidity and preventable deaths from infectious diseases
2. Reduce morbidity and preventable deaths from non-communicable diseases
3. Improve efficiency and quality health services and adopt healthcare innovations
4. Improve access and demand for essential and specialized health services to accelerate the achievement of Universal Health Coverage

In the FY 2022/2023, the sector executed the implementation of the strategic objectives across the six programmes as follows.

- Curative health services -Promotion of curative health services in the county
- Administration and Planning Programme - To ensure effective and efficient health service delivery
- Preventive health services- Reduction in preventable health conditions
- Reproductive health services- To provide quality reproductive and maternal child health care services
- Pharmaceutical services -To offer quality pharmaceutical care services
- County health policy - Substantially increase health financing and the recruitment, development, training and retention of thehealth workforce and build the capacity of County health research and development unit

Kiambu County Facility improvement Fund
Annual Report and Financial Statements for the year ended June 30, 2023

8. Corporate Governance Statement

The Kiambu county FIF fund is governed by the Kiambu county health act 2019 that establishes the fund and health structures in Kiambu County. The fund as established has a principal duty of financing the Kiambu health sector hence ensuring the provision of affordable, quality health care to Kiambu county residents. Kiambu count health fund is governed by different institutions of the Kiambu county government as indicated below

The fund is regulated by Kiambu health regulations issued in march 2022 by the CECM-finance who has the authority to among others, give guidance on the operations of the fund, guide on investment of surplus , designate officers of the county government who will be running the fund, approve the opening and operationalization of any bank account held by the fund.

The CECM health is responsible for appointing the fund committee members who advise on the running of the fund. Appoints and gazette board members to various hospitals, approve tge fund budget that is proposed by the fund committee.

The fund administrator committee is responsible for appointment of accounting officers in the hospitals who would be running the fund, issuance of AIEs to hospitals, prepare financial accounts for the fund in each financial year, present the fund financial statements to the county assembly, ensure efficient management of the fund, disbursement of funds to institution's in accordance to the approved budgets, among other duties.

Kiambu County Facility improvement Fund
Annual Report and Financial Statements for the year ended June 30, 2023

9. Management Discussion and Analysis

The fund committee is appointed by CECM –health services has the responsibility of advising the executive member on matters related to the fund, recommend investments to the executive , recommend respective individual institution budget, evaluate performance among other duties .

The hospital boards act as link between the community and management hence the need to involve them in running the institutions. They are responsible of approving budgets for respective hospitals, provide oversight on general administration, ensure community participation and feedback platform, assess delivery of services at the hospital and advice the executive member, monitor hospital performance against set targets and advice the executive member.

At the hospital level, the fund is run through hospital executive expenditure committee that refines budgets, expenditure plans strategic and annual work plans. The hospital management committees that comprise of heads of department is responsible for establishing departments need and forward to the executive expenditure committee, day to day running of the departments, Management Discussion and Analysis

The Kiambu county government under the leadership of the executive member has ensured the development of County Integrated Development Plan (CIDP) 2018-2023, this is a guide on planning on investments, the plan sets out a standard and comprehensive approach to county planning and budgeting for effective and efficient service delivery in the period 2018-2022

This County Integrated Development Plan (2018-2023) is program based and paves the way for transparency in implementation of programs. It lays the foundation for developing a performance monitoring system with clear indicators, targets and time frame, which will create an environment for effective management and a high level of service delivery.

The county in its wish to achieve the CIDP 2018-2023 passed a legislation (*the Kiambu health act 2019*) that formed the basis of operationalizing the fund. The fund is run as per PFM act and any other legislation enacted in Kenya and affects public funds.

The fund therefore adopts to county government operations procedures that dictates that the fund must be run:

Kiambu County Facility improvement Fund
Annual Report and Financial Statements for the year ended June 30, 2023

From an approved budget, the FIF fund committee is responsible for recommending fund budgets to the executive member Individual hospitals set their respective revenue and budgets which are consolidated to form the fund budget. The fund budget is integrated into the department of health services budget to form the overall health department's budget.

Medical superintendents of individual hospitals are appointed as accounting officers of the respective hospitals. This ensures that the fund achieve its objectives by ensuring responsible officers are accountable in ensuring efficient running of institution resources and advising on investment necessary to attain quality health care.

In the financial year 2022-2023, through the recommendation of county and sub-county supervision teams, the fund committee recommended investment in all hospitals supplies . This will greatly reduce on referrals increase efficiency and build confidence in patients on the quality of healthcare being provided by the hospitals.

The fund after operationalization was able to make two disbursement to the contributing hospitals in cash. The fund was also able to support various hospitals struggling financially to settle pressing needs that impacted negatively on management hence reduced internal conflicts and enabled management focus to core hospitals business.

10. Environmental and Sustainability Reporting

1. Sustainability strategy and profile -

The fund administration committee has put in place measures ensure that the fund is able to sustain its operations and grow its revenues by increasing the level of services per facility depending on individual facility need.

2. Environmental performance

The fund management through the executive has recommended for a provision of insurance cover to the venerable in the communities to reduce the burden of waivers borne by the hospitals. This in turn will increase on accountability and better clients satisfaction and effective policy adherence through better financing of health products.

3. Employee welfare

The department of health services has successfully appointed hospital boards to ensure proper operations of the hospitals and community involvement. The boards are expected to be the link between the hospital management and the communities that hospitals exist in. With proper communication, the boards are expected to reduce conflict between the community and the staffs. Boards are also expected to contribute to hospital developments, political goodwill

4. Market place practices-

The organization should outline its efforts to:

a) Responsible competition practice.

The department of health services advertised and received bids for prequalification of suppliers who wished to work with the county organizations. Bids were evaluated and results communicated to the tenderers. All departments in the county are expected to trade with bidders identified from this process to ensure effective market practices

b) Responsible Supply chain and supplier relations-

The county in order to maintain good supplier relationship has been honoring its credit policy and payment periods. Supply timelines and quality expectations are well communicated in advance to the suppliers to reduce on conflicts.

c) Responsible marketing and advertisement-outline efforts to maintain ethical marketing practices

The county government of kiambu has adopted online and print media advertising on works and consumable tenders. Special needs groups are taken care of and works reserved for them is well indicated

5. Corporate Social Responsibility / Community Engagements

The fund doesn't have corporate social responsibility directly funded . The department of health services however through the various hospital engages in community education, waivers, treating of the venerable and community contribution to social welfare through the community health volunteers.

**Kiambu County Facility improvement Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

11. Report of Fund Administration Committee

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2023 which show the state of the Fund affairs.

Principal activities

The principal activities of the Fund are to,

Promote access to health services

- Facilitate progressive realization of the right to health within the county to the highest attainable standards of health within the county including public health, reproductive health and right to access emergency medical care
- Promote public health
- Establish a framework for cooperation with the health regulatory bodies established under any other written law for purpose of assuring standard health care services.

Results

The results of the Fund for the year ended June 30, 2023 are set out on page 1-7 of the financial statements

Trustees

The members of the Board of Trustees who served during the year are shown on page xi-xiii . The changes in the Board during the financial year are as shown below:

Name	Position	Name	Position
Dr calorine mwangi	member	Dr waturi kibuti	member
Ann wambugu	member	Dr kamiri muthee	member
Robert muchena	member		

Auditors

Kiambu County Facility improvement Fund
Annual Report and Financial Statements for the year ended June 30, 2023

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. to carry out the audit of the *entity* for the year/period ended June 30, 2023

By Order of the Board


.....

Chair of the Board/Fund Administration Committee

Date: 29/12/23

Kiambu County Facility improvement Fund
Annual Report and Financial Statements for the year ended June 30, 2023

12. 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 a County Public Fund established by *The Kiambu Health Services act 2019* 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 County Public 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, 2023. 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.

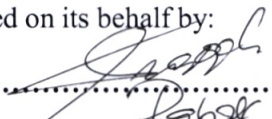
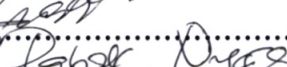
The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (*The Kiambu Health Services act 2019*). 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, 2023 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. OR

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 by the Board on 29/12/23 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



Enhancing Accountability

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

REPORT OF THE AUDITOR-GENERAL ON KIAMBU COUNTY HEALTH SERVICES FACILITY IMPROVEMENT FUND (HSFIF) FOR THE YEAR ENDED 30 JUNE, 2023

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, gazette 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 the Kiambu County Health Services Facility Improvement Fund (HSFIF) set out on pages 1 to 43, which comprise of the statement of financial position as at 30 June, 2023, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the

Report of the Auditor-General on Kiambu County Health Services Facility Improvement Fund (HSFIF) for the year ended 30 June, 2023

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Kiambu County Health Services Facility Improvement Fund (HSFIF) as at 30 June, 2023, 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 the Kiambu County Health Services Act, 2019.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Review of the financial statements revealed that the statement of changes in net assets reflects prior year adjustments balance of Kshs.63,834,660 which was not supported by adjustment journals and did not have a disclosure note in the financial statements.

In addition, the statement of financial position reflects comparative net assets balance of Kshs.119,295,324. Re-computation of the totals revealed nil net assets balance. Further, the prior year certified financial statements reflect nil net assets and liabilities balances. The variance of Kshs.119,295,324 was not explained or reconciled.

In the circumstances, the accuracy and completeness of the financial statements as presented could not be confirmed.

2. Misstatement of Transfers from Hospitals

The statement of financial performance and Note 3 to the financial statements reflects transfer from hospital amounting to Kshs.1,182,161,856 which includes transfers from Level 5 and 4 hospitals (14 facilities) of Kshs.660,902,663. Analysis of the bank statements maintained in the family bank for the fourteen facilities in the County revealed that the revenue collection totaled to Kshs.642,869,510 resulting to an unexplained variance of Kshs.18,033,153. Further, Note 3 to the financial statements reflects Tigoni Level 4 hospital transfers of Kshs.56,450,896 which differs from the sum of FIF weekly collections and NHIF transfers of Kshs.68,647,467 by Kshs.12,196,571.

The statement of financial performance and Note 3 to the financial statements reflects transfer to Limuru and Githunguri Health Centres of Kshs.1,392,215 and Kshs.3,123,862 which differ with NHIF transfers report balances of Kshs.5,353,715 and Kshs.11,968,612 respectively resulting to an unexplained and unreconciled total variance of Kshs.12,806,250. Further, the analysis of Community Health Information System (CHIS) reports for collecting revenue from the hospitals revealed total collection of Kshs.169,002,234 for ten (10) out of fourteen (14) hospitals. However, CHIS report for four (4) hospitals were not provided for audit.

In the circumstances, the accuracy and completeness of transfers from hospital amounting to Kshs.1,182,161,856 could not be confirmed.

3. Unsupported Transfers from Health Centers and Dispensaries

The statement of financial performance and Note 3 to the financial statements reflects transfer from hospital amounting to Kshs.1,182,161,856 which includes transfers from health centres and dispensaries and Universal Health Care of Kshs.44,009,366. Review of the receipts revealed that the amount was not supported by billing reports from the dispensaries, NHIF returns, invoices and claims and hospitals bank statements. Further, Universal Health Care balance of Kshs.24,964,320 was not supported by requisitions and disbursements schedules to the facilities.

In the circumstances, the accuracy and completeness of the transfers from health centres and dispensaries amounting to Kshs.44,009,366 could not be confirmed.

4. Irregular Expenditure on Administration Fees

The statement of financial performance reflects use of goods and services amount of Kshs.9,012,935, which includes administration fees expenditure of Kshs.3,167,000 as disclosed in Note 7 to the financial statements. Review of the payment vouchers revealed that an amount of Kshs.1,394,000 relating to administration fees was incurred through imprest for facilitation of public participation in various wards. The payments were however, not supported by the budget, advertisement, invitation letter to the participants and clearly stated criteria for payment to the 150 participants. Further, an amount of Kshs.744,000 paid for facilitation of hospital board meetings was not supported by invitation of the members to the meeting and the hospital meetings schedule. In addition, the payment vouchers for the use of goods and services were not pre-numbered and the vote book did not capture allocation, commitments and balance.

In the circumstances, the regularity and completeness of the administration fees expenditure amounting to Kshs.3,167,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kiambu County Health Services Facility Improvement Fund 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 audit 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 revenue budget and actual on comparable basis of Kshs.1,723,826,023 and Kshs.1,182,161,856 respectively resulting to under collection of Kshs.541,664,167 or 31% of the budget. Similarly, the Fund expended Kshs.1,206,728,858 against a budget of Kshs.1,723,826,023 resulting to an under-expenditure of Kshs.517,097,165 or 30% of the budget.

The under-collection and under-expenditure affected implementation of the planned activities and programs and may have impacted negatively on the delivery of services to the public.

My opinion is not modified in respect of this matter.

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.

Other Matter

Prior Year Audit Issues

In the audit report of the previous year, several matters were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. Appendix I on progress on follow up of prior year auditor's recommendations indicate that most of the issues have been resolved. However, Management has not provided evidence on how the resolution was arrived at.

Therefore, the matters have not been concluded.

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. Non-Compliance with Transfers to Facilities of 80% Threshold

The statement of financial performance and Note 6 to the financial statements reflects transfer to hospital amounting to Kshs.1,197,715,923. Review of the schedule for the transfer to Level 4 and 5 hospitals against the 80 percent (80%) of the approved budget for the facilities revealed that the funds disbursed to the facilities did not amount to 80% of the approved budget and this resulted to under transfer to the facilities of Kshs.321,810,640.

This was contrary to Paragraph 9 of Facility Improvement Fund Guidelines, 2022 which requires that all institutions or facilities shall allocate at least 20% of their annual budget estimates to County Health Management Team operations (CHMT) therefore expected to utilize 80% of the budget estimates.

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

2. Irregularities in Procurement Process

The statement of financial performance and Note 6 to the financial statements reflects transfer to hospitals amounting to Kshs.1,197,715,923 which includes drugs and non-pharm expenditure amounting to Kshs.78,622,633 and Kshs.23,996,635 respectively. Review of the procurement documents provided for audit revealed the following anomalies:

2.1 Supply and Delivery of Non-Pharmaceuticals

Contract for supply and delivery of non-pharms amounting to Kshs.5,398,000 was awarded to a local supplier on 31 May, 2023. Review of the procurement records revealed that there was no evidence that the user department made requisition for the goods. Further, advertisement for the tender, bids documents, tender opening and evaluation committee minutes, professional opinion and contract agreement were not provided for audit review. In the circumstances, it was not possible to confirm whether the procurement process was followed in award of the contract. This was contrary to Section 114(1) of the Public Finance Management (County Governments) Regulations, 2015 which states that all purchases of goods, works and services from suppliers, including capital investments, shall comply with the provisions prescribed in the Public Procurement and Asset Disposal Act, 2015, and the Regulations made thereunder and shall have the prior approval of the Accounting Officer.

2.2 Supply and Delivery of Laboratory Reagents

Contract for supply and delivery of laboratory reagents and other consumables amounting to Kshs.3,956,971 was awarded to a local supplier through four (4) Local Purchase Orders. The requisition from the user department, tender advertisement, bid documents, tender opening and evaluation minutes and notification of award were however, not provided for audit review. Further, the distribution list to the hospitals and counter requisition and issue voucher (S11) were not provided for audit review. This was contrary to Section 114(1) of the Public Finance Management (County Governments) Regulations, 2015 which states that all purchases of goods, works and services from suppliers, including capital investments, shall comply with the provisions prescribed in the Public Procurement and Asset Disposal Act, 2015, and the Regulations made thereunder and shall have the prior approval of the Accounting Officer.

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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standard requires that I plan and perform the audit to obtain assurance about whether effective 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 controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain 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 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 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 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 continue 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 continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with 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.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

25 March, 2024

Appendixes


Hospital	Budget (Kshs.)	Transfer to FIF (Kshs.)	Variance (Kshs.)
Thika Level 5 Hospital	572,901,917	403,835,091	169,066,826
Kiambu Level 5 Hospital	562,008,000	375,450,894	186,557,106
Gatundu Level 5 Hospital	153,089,864	139,011,760	14,078,104
Ruiru Level 4 Hospital	56,379,448	44,138,609	12,240,839
Igegania Level 4 Hospital	22,177,799	23,081,796	(903,997)
Kihara Level 4 Hospital	82,234,271	36,774,067	45,460,204
Karuri Level 4 Hospital	12,456,861	9,559,548	2,897,313
Tigoni Level 4 Hospital	89,727,000	56,450,896	33,276,104
Wangige Level 4 Hospital	100,850,000	20,618,078	80,231,922
Nyathuna Level 4 Hospital	3,293,530	2,504,430	789,100
Lussigatte Level 4 Hospital	30,299,000	7,302,691	22,996,309
Lari Level 4 Hospital	21,334,000	11,253,980	10,080,020
Kigumo Level 4 Hospital	12,837,850	6,577,772	6,260,078
Karatu Level 4 Hospital	4,236,784	1,592,878	2,643,906
	1,723,826,324	1,138,152,490	585,673,834


**Kiambu County health facility improvement Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

14. Statement of Financial Performance for the Year Ended 30th June 2023

Description			
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	1	0	0
Transfers From the County Government	2	0	0
Transfer from hospitals	3	1,182,161,856.00	379,038,464.60
Revenue From Exchange Transactions			
Interest Income	4	0	0
Other Income	5	0	0
		0	0
Total Revenue		1,182,161,856.00	379,038,464.60
transfer to hospitals	6	1,197,715,923	246,800,771
Use of goods and services	7	9,012,935	12,942,369
Depreciation and Amortization Expense	8	0	0
Finance Costs	9	0	0
Total Expenses			
Total Expenses		1,206,728,858	259,743,140
Other Gains/Losses			
Gain/Loss on Disposal of Assets	10	0	0
Gain /Loss on fair value of investments	11	0	0
Surplus/(Deficit) for the Period		(24,567,002)	119,295,325

(The notes set out on pages 20 to 37 form an integral part of these Financial Statements)

.....

Name: Patrick Nyaga
Administrator of the Fund

.....

Name: Alex Mwangi
Fund Accountant
ICPAK Member Number: 20970

Kiambu County Health Facility improvement Fund
Revised Annual Report and Financial Statements for the year ended June 30, 2023

15. Statement of Financial Position As at 30 June 2023

Description	Note	Current FY	Comparative
		2022/2023	FY 2021/2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	12	132,986,359	119,295,324
Current Portion of Long- Term Receivables From Exchange Transactions	13	40,102,216	0
Prepayments	14	0	0
Inventories	15	0	0
Investments in financial assets	16	0	0
Total current assets		173,088,575	119,295,324
Non-Current Assets			
Property, Plant and Equipment	17	0	0
Intangible Assets	18	0	0
Long Term Receivables from Exchange Transactions	13	0	0
Investment Property	19	0	0
Total non- current assets		0	0
Total Assets		173,088,575	119,295,324
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	20	14,525,594	119,295,324
Current Portion of Borrowings	21	0	0
Employee Benefit Obligations	22	0	0
Social benefit liabilities	23	0	0
Total current liabilities		14,525,594	119,295,324
Non-Current Liabilities			
Long Term Portion of Borrowings	21	0	0
Non-Current Employee Benefit Obligation	22	0	0
Social benefit liabilities	23	0	0
Total Non-Current liabilities		0	0
Net Assets		158,562,982	119,295,324
Revolving Fund			
Reserves		0	
Accumulated Surplus		158,562,982	119,295,324

Kiambu County Health Facility improvement Fund
Revised Annual Report and Financial Statements for the year ended June 30, 2023

Description	No.	Current FY	Comparative
		2022/2023	FY 2021/2022
		Ksh	Ksh
Total Net Assets and Liabilities		158,562,982	119,295,324

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 _____ 2023 and signed by:

.....
 Name: *Dr. P. Njoroge*
Administrator of the Fund

.....
 Name: *Klox wani*
Fund Accountant
ICPAK Member Number: 20720

Kiambu County Health Facility improvement Fund
Revised Annual Report and Financial Statements for the year ended June 30, 2023

16. Statement Of Changes in Net Assets for the year ended 30th June 2023

Description	Revolving Fund Kshs	Revaluation Reserve Kshs	Accumulated surplus Kshs	Total Kshs
Balance As At 1 July 2021	0	0		0
Surplus/(Deficit) For the Period	0	0	119,295,324	119,295,324
Funds Received During the Year	0	0	0	0
Transfers	0	0	0	0
Revaluation Gain	0	0	0	0
Balance As At 30 June 2022	0	-	119,295,324	119,295,324
Balance As At 1 July 2022	0	0	119,295,324	119,295,324
Surplus/(Deficit) For the Period		0	(24,567,002)	(24,567,002)
Funds Received During the Year		0	0	0
Transfers		0	0	0
proir year adjustments		0	63,834,660	63,834,660
Balance As At 30 June 2023	0	0	158,562,982	158,562,982

Kiambu County Health Facility improvement Fund
Revised Annual Report and Financial Statements for the year ended June 30, 2023

17. Statement of Cash Flows for The Year Ended 30 June 2023

Description	Note	FY 2022/2023	FY 2021/2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations	1	0	0
Transfers from the county government	2	0	0
Interest received	4	0	0
receipts from hospitals	3	1,142,059,64 0	379,038,464.6 0
Total receipts		1,142,059,64 0	379,038,465
Payments			
Fund administration expenses	7	3,167,000	3,072,456
General expenses		5,788,728	9,836,317
transfers to hospitals		1,183,190,32 9	246,800,770.6 8
Other payments (Bank Charges)	7	57,208	33,596
Total Payments		1,192,203,26 5	259,743,140
Net cash flows from operating activities		(50,143,625)	119,295,325
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets		0	0
Proceeds from sale of property, plant & equipment		0	0
Proceeds from loan principal repayments		0	0
Loan disbursements paid out		0	0
Net cash flows used in investing activities		0	0
Cash flows from financing activities			
Additional borrowings		0	0
Repayment of borrowings		0	0
Net cash flows used in financing activities		0	0
Net increase/(decrease) in cash & cashEquivalents		(50,143,625)	119,295,320
Cash and cash equivalents at 1st July		119,295,324	
Prior year adjustment		63,834,660	
Cash and cash equivalents at 30th June		132,986,359	119,295,324

(PSASB has prescribed the direct method of cash flow preparation/ presentation for all entities under the IPSAS accrual basis of accounting.)

Kiambu County Health Facility improvement Fund

Annual Report and Financial Statements for the year ended June 30, 2023

18. Statement Of Comparison Of Budget And Actual Amounts For The Period

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% U
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f
Revenue						
Public Contributions and Donations	0	0	0	0	0	
Transfers From County Govt.	0	0	0	0	0	
Interest Income	0	0	0	0	0	
transfer from hospitals	1,723,826,023	0	1,723,826,023	1,182,161,856	541,664,167	
Total Income	1,723,826,023	0	1,723,826,023	1,182,161,856	541,664,167	
Expenses						
Fund administration expenses	51,714,780	0	51,714,780	9,012,935	42,701,845	
General expenses	34,476,520	0	34,476,520		34,476,520	
Transfer to hospitals	1,637,634,723	0	1,637,634,723	1,197,715,923	439,918,800	
Total Expenditure	1,723,826,023	0	1,723,826,023	1,206,728,858	517,097,165	
Surplus For the Period	0	0	0	(24,567,002)	24,567,002	
Capital expenditure	0	0	0	0	0	

Budget notes

The fund did not meet all its budgets and therefore could not actualize all its deserved transfer to hospitals. The fund committee to mitigate on this has set out proposed structures on revenue enhancement

19. Notes to the Financial Statements

1. General Information

Kiambu County Health Facility Improvement Fund entity is established by and derives its authority and accountability from Kiambu Health act 2019. The entity is wholly owned by the Kiambu county Government and is domiciled in Kenya. The entity’s principal activity is to ensure hospitals operate with minimum interference on their resources.

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) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023

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. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <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

Standard	Effective date and impact
	<p>that is applicable to all financial instruments subject to impairment testing; and</p> <ul style="list-style-type: none"> • 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. 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>Amendments to IPSAS 33, to update the guidance on classifying</p>

Kiambu County Health Facility improvement Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Standard	Effective date and impact
	financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.
Other improvements to IPSAS	<p>Applicable 1st January 2023</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>

(ii) *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.*

Standard	Effective date and impact:
IPSAS 43	<p>Applicable 1st January 2025</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	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p>

Kiambu County Health Facility improvement Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Standard	Effective date and impact:
for Sale and Discontinued Operations	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: 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.

(iii) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year

1. 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.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Entity's right to receive payments is established.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget for FY 2023 was approved by the County Assembly on 2022. 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 any additional appropriations FY 2023 budget following the governing body's approval.

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.

Summary of Significant Accounting Policies (Continued)

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 xxx of these financial statements.

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) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. *Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over the year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.* Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Summary of Significant Accounting Policies (Continued)

f) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements.* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Summary of Significant Accounting Policies (Continued)

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL).

Significant Accounting Policies (Continued)

Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

g) 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.

h) 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.

i) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

Summary of Significant Accounting Policies (Continued)

j) 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.

k) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

l) 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.

m) Employee benefits – Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

Summary of Significant Accounting Policies (Continued)

n) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

o) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

p) 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.

q) 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.

r) Comparative figures

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

Summary of Significant Accounting Policies (Continued)

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.

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

c) Provisions

Provisions were raised and management determined an estimate based on the information available.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Kiambu County Health Facility improvement Fund
Annual Report and Financial Statements for the year ended June 30, 2023

6. Notes To The Financial Statements

1. Public contributions and donations

Description	FY 2022 - 2023	FY 2021-2022
	Kshs	Kshs
Donation From Development Partners	0	0
Contributions From The Public	0	0
Total	0	0

2. Transfers from County Government

Description	Current FY 2022/2023	Comparative FY 2021/2022
	Kshs	Kshs
Transfers From County Govt. –Operations	0	0
Payments By County On Behalf Of The Entity	0	0
Unconditional Development grants	0	0
Total	0	0

3. Transfer from Hospitals

Description	FY 2022 - 2023	FY 2021-2022
	Kshs	Kshs
Thika Level 5 Hospital	403,835,091.00	150,477,449.00
Kiambu Level 5 Hospital	375,450,894.00	116,884,753.00
Gatundu Level 5 Hospital	139,011,760.00	42,487,898.75
Ruiru Level 4 Hospital	44,138,609.00	17,256,997.75
Igegania Level 4 Hospital	23,081,796.00	11,045,381.75
Kihara Level 4 Hospital	36,774,067.00	9,367,241.00
Karuri Level 4 Hospital	9,559,548.00	3,005,932.35
Tigoni Level4 Hospital	56,450,896.00	8,494,895.00
Wangige Level 4 Hospital	20,618,078.00	3,787,780.00
Nyathuna Level 4 Hospital	2,504,430.00	672,859.00
Lussigatte Level 4 Hospital	7,302,691.00	1,127,564.00
Lari Level 4 Hospital	11,253,980.00	6,287,709.00
Kigumo Level 4 Hospital	6,577,772.00	2,244,008.00
Karatu Level 4	1,592,878.00	609,028.00

Kiambu County Health Facility improvement Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Langata	2,528,640.00	1,380,300.00
Limuru H/Center	1,392,215.00	277,168.00
Githunguri H/Center	3,123,862.00	937,330.00
Ndeiya H/C	819,940.00	572,870.00
Ngewa Health Center	361,219.00	266,140.00
Ngenda Health Center	547,230.00	225,000.00
Kagwe Dispensary	110,120.00	602,500.00
Kagaa Dispensary	151,120.00	355,970.00
Gachororo Health Center	2,346,243.00	65,890.00
Mumyu H/C	804,000.00	119,800.00
Githiga H/C	1,070,620.00	236,000.00
Ngoliba H/C	573,460.00	250,000.00
Kiandutu H/C	1,606,230.00	0
Juja Farm H/C	1,007,920.00	0
Gichuru Dispensary	856,158.00	0
Magogoni Dispensary	370,500.00	0
Kinale Dispensary	148,430.00	0
Uhc	24,964,320.00	0
Ngecha	215,910.00	0
Gathanga	152,350.00	0
Makongeni Dispensary	577,670.00	0
Miguta Dispensary	38,059.00	0
Gathangari Dispensary	81,000.00	0
Muchatha Dispensary	65,000.00	0
Gikambura health centre	56,650.00	0
KARATINA dispensary	40,500.00	0
Total	1,182,161,856.00	379,038,464

4. Interest income

Description	FY 2022 - 2023	FY 2021-2022
	Kshs	Kshs
Interest Income from Mortgage Loans	0	0
Interest Income From Car Loans	0	0
Interest Income From Investments in financial assets	0	0
Interest Income On Bank Deposits	0	0
Total Interest Income	0	0

Kiambu County Health Facility improvement Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Notes to the Financial Statements Continued

5. Other income

Description	FY 2022 - 2023	FY 2021-2022
	Kshs	Kshs
Insurance Recoveries	0	0
Income from Sale of Tender Documents	0	0
Bad debts recovered	0	0
Miscellaneous Income	0	0
Total Other Income	0	0

6. Transfer to hospitals

Description	FY 2022 - 2023	FY 2021-2022
	Kshs	Kshs
Thika level 5 hospital	389,273,821.60	70,835,692.80
Kiambu level 5 hospital	350,297,784.00	74,372,579.20
Gatundu level 5 hospital	116,473,154.60	25,253,131.00
Ruiru level 4 hospital	40,125,506.40	10,518,471.00
Igeganja level 4 hospital	23,366,171.00	4,139,247.00
Kihara level 4 hospital	30,966,844.80	5,973,325.60
Karuri level 4 hospital	11,353,162.40	1,448,173.88
Tigoni level4 hospital	49,436,660.00	4,015,412.00
Wangige level 4 hospital	17,846,939.20	2,165,731.20
Nyathuna level 4 hospital	2,518,198.40	377,187.20
Lussigatte level 4 hospital	6,656,028.00	581,673.60
Lari level 4 hospital	11,194,161.60	2,988,732.00
Kigumo level 4 hospital	6,139,013.60	1,322,120.00
Karatu level 4	1,602,973.60	343,300.80
Langata	2,763,286.40	1,104,240.00
Limuru h/center	1,194,372.00	221,734.40
Githunguri h/center	3,977,193.60	145,184.00
Ndeiya h/c	830,912.00	283,336.00
Ngewa health center	350,975.20	212,912.00
Ngenda health center	437,784.00	180,000.00
Kagwe dispensary	88,096.00	482,000.00
Kagaa dispensary	120,896.00	284,776.00
Gachororo health center	1,993,594.40	52,712.00

Kiambu County Health Facility improvement Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Mumyu h/c	643,200.00	95,840.00
Githiga h/c	264,792.00	188,800.00
Ngoliba h/c	458,768.00	200,000.00
Kiandutu h/c	1,284,984.00	0
Juja farm h/c	806,336.00	0
Gichuru dispensary	684,926.40	0
Magogoni dispensary	296,400.00	0
Kinale dispensary	118,744.00	0
Other level 2 \$3	2,546,542.00	0
Ngecha health centre	172,728.00	0
Gathanga health centre	121,880.00	0
Makongeni dispensary	462,136.00	0
Miguta dispensary	30,447.20	0
Gathangari dispensary	64,800.00	0
Muchatha dispensary	52,000.00	0
Gikambura dispensary	45,320.00	0
Karatina dispensary	32,400.00	0
Chmt		0
Electricity	3,477,129.00	2,044,375.00
Drugs	78,622,633.00	0
equipments	0.00	23,976,716.00
Non pharm	23,996,635.00	12,993,368.00
untransferred hospital revenue	14,525,593.60	
Total	1,197,715,923	246,800,771

7. Use of Goods and Services

Description	FY 2022 -	FY 2021-2022
	2023	
	Kshs.	Kshs.
General Office Expenses	0	3,921,260.00
Loan Processing Costs	0	0
Professional Services Costs	0	0
Administration Fees	3,167,000.00	3,072,456.00
Committee Allowances	2,222,995.00	4,194,657.00
Bank Charges	57,208	33,596.00
Electricity And Water Expenses	270,000.00	0
Fuel And Oil Costs	0	398,000.00
Insurance Costs	0	0
Postage And Courier	0	0

Kiambu County Health Facility improvement Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Description	FY 2022 - 2023	FY 2021-2022
	Kshs.	Kshs.
Printing And Stationery	1,462,980	1,322,400.00
Rental Costs	0	0
Security Costs	0	0
Telephone And Communication Expenses	0	0
Audit Fees	0	0
Provision For Doubtful Debts	0	0
Other (<i>Specify</i>)	1,832,752.00	0
Social benefit expenses*	0	0
Total	9,012,935	12,942,369

8. Depreciation and Amortization Expense

Description	FY 2022 - 2023	FY 2021-2022
	Kshs.	Kshs.
Property Plant and Equipment	0	0
Intangible Assets	0	0
Total	0	0

9. Finance costs

Description	FY 2022 - 2023	FY 2021-2022
	Kshs	Kshs
Interest On Bank Overdrafts	0	0
Interest On Loans From Banks	0	0
Total	0	0

10. Gain/(loss) on disposal of assets

Description	FY 2022 - 2023	FY 2021-2022
	Kshs	Kshs
Property, Plant and Equipment	0	0
Intangible Assets	0	0
Total	0	0

Kiambu County Health Facility improvement Fund

Revised Annual Report and Financial Statements for the year ended June 30, 2023

11. Gain/ (loss) on Fair Value Investments

Description	FY 2022 - 2023	FY 2021-2022
	Kshs	Kshs
Investments at Fair Value- Equity investments	0	0
Fair value – Investment property	0	0
Fair value- other financial assets (specify)	0	0
Total Gain	0	0

12. Cash and cash equivalents

Description	FY 2022 - 2023	FY 2021-2022
	Kshs	Kshs
family Bank	132,986,359	119,295,324
Fixed Deposits Account	0	0
On – Call Deposits	0	0
Current Account	0	0
Others (<i>Specify</i>)	0	0
Total Cash And Cash Equivalents	132,986,359	119,295,324

Kiambu County Health Facility improvement Fund
Revised Annual Report and Financial Statements for the year ended June 30, 2023

Notes to the Financial Statements Continued

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

Financial Institution	Account number	FY 2022 - 2023	FY 2021-2022
		Kshs	Kshs
a) Fixed Deposits Account			
Kenya Commercial Bank		0	0
Equity Bank, Etc.		0	0
Sub- Total		0	0
b) On - Call Deposits			
Kenya Commercial Bank		0	0
Equity Bank - Etc.		0	0
Sub- Total		0	0
c) Current Account			
Family Bank	05000072712	132,986,358.60	119,295,324
Sub- Total		132,986,359	119,295,324
d) Others(Specify)			
Cash In Transit		0	0
Cash In Hand		0	0
Sub- Total		0	0
Grand Total		132,986,359	119,295,324

13. Receivables from exchange transactions

Description	FY 2022 - 2023	FY 2021-2022
	Kshs	Kshs
Current Receivables		
Interest Receivable		
Current Loan Repayments Due	0	0
Other Exchange Debtors	40,102,216	0
Less: Impairment Allowance	0	0
Total Current Receivables	40,102,216	0
Non-Current Receivables		
Long Term Loan Repayments Due		
Total Non- Current Receivables	0	0
Total Receivables From Exchange Transactions	40,102,216	0

Additional disclosure on receivables from exchange transaction

Description	FY 2022 - 2023	FY 2021-2022
	Kshs	Kshs
Current Receivables		

Kiambu County Health Facility improvement Fund
Annual Report and Financial Statements for the year ended June 30, 2023

receivables from hospitals		0
Thika Level 5 Hospital	2,195,824.00	0
Kiambu Level 5 Hospital	1,440,391.00	0
Gatundu Level 5 Hospital	448,604.00	0
Ruiru Subcounty Level 4 Hospital	3,869,398.00	0
Kihara Subcounty Level 4 Hospital	126,336.00	0
Igegania Level 4 Hospital	70,484.00	0
Wangige Subcounty Level 4 Hospital	3,857,129.00	0
Limuru Subcounty Hospital	199,371.00	0
Lari Subcounty Level 4 Hospital	702,629.00	0
Kigumo Subcounty Hospital	293,044.00	0
Karuri Subcounty Level 4 Hospital	45,271.00	0
Lussingeti Subcounty Hospital	27,622.00	0
Karatu Sub District Hospital	13,737.00	0
Nyathuna Level 4 Hospital	254,152.00	0
chmt	26558224	0
Total	40,102,216.00	0

14. Prepayments

Description	FY 2022 - 2023	FY 2021-2022
	Kshs	Kshs
Prepaid Rent	0	0
Prepaid Insurance	0	0
Prepaid Electricity Costs	0	0
Other Prepayments (<i>Specify</i>)	0	0
Total	0	0

15. Inventories

Description	FY 2022 - 2023	FY 2021-2022
	Kshs	Kshs
Consumable Stores	0	0
Spare Parts And Meters	0	0
Catering	0	0
Other Inventories (<i>Specify</i>)	0	0
Total Inventories at The Lower of Cost and Net Realizable Value	0	0

Kiambu County Health Facility improvement Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Notes to the Financial Statements Continued

16. Investments in financial assets

Description	FY 2022 - 2023	FY 2021-2022
	Kshs	Kshs
a. Investment in Treasury bills and bonds		
Financial institution		
CBK	0	0
CBK	0	0
Sub- total	0	0
b. Investment with Financial Institutions/ Banks	0	0
Bank	0	0
Bank	0	0
Sub- total	0	0
c. Equity investments (specify)	0	0
Equity/ shares in Entity	0	0
Sub- total	0	0
Grand total	0	0

Movement of Equity Investments

Impairment allowance/ provision	FY 2022 - 2023	FY 2021-2022
	Kshs	Kshs
At the beginning of the year	0	0
Purchase of investments in the year	0	0
Sale of investments during the year	(0)	(0)
Gain/(loss) in fair value of investments through surplus or deficit	0	0
At the end of the year	0	0

e) Shareholding in other entities

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding			
	%	%	%	Kshs	Current year	Prior year
Entity A	0	0	0	0	0	0
Entity B	0	0	0	0	0	0
Entity C	0	0	0	0	0	0
	0	0	0	0	0	0

Kiambu County Health Facility improvement Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

17. Property, plant and equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July (Previous FY)	0	0	0	0	0
Additions	0	0	0	0	0
Disposals	0	0	0	0	0
Transfers/Adjustments	0	0	0	0	0
At 30th June (Previous FY)	0	0	0	0	0
At 1st July (Current FY)	0	0	0	0	0
Additions	0	0	0	0	0
Disposals	0	0	0	0	0
Transfer/Adjustments	0	0	0	0	0
At 30th June (Current FY)	0	0	0	0	0
Depreciation And Impairment	0	0	0	0	0
At 1st July (Previous FY)	0	0	0	0	0
Depreciation	0	0	0	0	0
Impairment	0	0	0	0	0
At 30th June (Previous FY)	0	0	0	0	0
At 1st July (Current FY)	0	0	0	0	0
Depreciation	0	0	0	0	0
Disposals	0	0	0	0	0
Impairment	0	0	0	0	0
Transfer/Adjustment	0	0	0	0	0
At 30th June (Current FY)	0	0	0	0	0
Net Book Values	0	0	0	0	0
At 30th June (Previous FY)	0	0	0	0	0
At 30th June (Current FY)	0	0	0	0	0

KIAMBU County HEALTH FACILITY IMPROVEMENT Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

18. Intangible assets

Description	FY 2022 - 2023	FY 2021-2022
	Kshs	Kshs
Cost		
At Beginning of The Year	0	0
Additions	0	0
At End of The Year	0	0
Amortization And Impairment		
At Beginning of The Year	0	0
Amortization	0	0
At End of The Year	0	0
Impairment Loss	0	0
At End of The Year	0	0
NBV	0	0

19. Investment Property

Description	FY 2022 - 2023	FY 2021-2022
	Kshs	Kshs
At beginning of the year	0	0
Additions	0	0
Disposal during the year	(0)	(0)
Depreciation	(0)	(0)
Impairment	(0)	(0)
Gain/(loss) in fair value (if fair value is elected)	0	0
At end of the year	0	0

KIAMBU County HEALTH FACILITY IMPROVEMENT Fund

Revised Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

20. Trade and other payables from exchange transactions

Description	FY 2022 - 2023		FY 2021-2022	
	Kshs		Kshs	
Trade Payables	14,525,594		119,295,324	
Refundable Deposits	0		0	
Accrued Expenses	0		0	
Other Payables	0		0	
Total Trade and Other Payables	14,525,594		119,295,324	
Ageing analysis (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	14,525,594	100%	0	%
1-2 years		0%	0	%
2-3 years		0%	0	%
Over 3 years		0%	0	%
Total (tie to above total)	14,525,594	100%	0	

Receivables from hospitals

Description	FY 2022 - 2023	FY 2021-2022
	Kshs	Kshs
Thika Level 5 Hospital	1,756,659.20	61,932,833.00
Kiambu Level 5 Hospital	1,152,312.80	23,919,029.00
Gatundu Level 5 Hospital	358,883.20	10,921,485.00
Ruiru Subcounty Level 4 Hospital	3,095,518.40	4,108,909.00
Kihara Subcounty Level 4 Hospital	3,791,468.80	1,830,344.00
Igegania Level 4 Hospital	56,387.20	5,871,323.00
Wangige Subcounty Level 4 Hospital	3,085,703.20	1,080,616.00
Limuru Subcounty Hospital	159,496.80	3,475,630.00
Lari Subcounty Level 4 Hospital	562,103.20	2,551,794.00
Kigumo Subcounty Hospital	234,435.20	591,358.00
Karuri Subcounty Level 4 Hospital	36,216.80	1,195,715.00
Lussingeti Subcounty Hospital	22,097.60	400,472.00
Karatu Sub District Hospital	10,989.60	179,902.00
Nyathuna Level 4 Hospital	203,321.60	201,375.00
kinale dispensary	-	755,850.00
munyu health center	-	218,700.00

KIAMBU County HEALTH FACILITY IMPROVEMENT Fund
Revised Annual Report and Financial Statements for the year ended June 30, 2023

Total	14,525,593.60	119,235,335
--------------	----------------------	--------------------

21. Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance At the Beginning Of The Year	0	0	0	0
Additional Provisions	0	0	0	0
Provision Utilised	(0)	(0)	(0)	(0)
Change Due To Discount And Time Value For Money	(0)	(0)	(0)	(0)
Transfers From Non -Current Provisions	0	0	0	0
Balance At The End of The Year	0	0	0	0

KIAMBU County HEALTH FACILITY IMPROVEMENT Fund

Revised Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

22. Borrowings

Description	FY 2022 - 2023	FY 2021-2022
	Kshs	Kshs
Balance At Beginning of The Period	0	0
External Borrowings During the Year	0	0
Domestic Borrowings During the Year	0	0
Repayments Of External Borrowings During the Period	(0)	(0)
Repayments Of Domestic Borrowings During the Period	(0)	(0)
Balance At End of The Period	0	0

The table below shows the classification of borrowings into external and domestic borrowings:

Description	FY 2022 - 2023	FY 2021-2022
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From 'X Organization'	0	0
Sterling Pound Denominated Loan From 'Y Organization'	0	0
Euro Denominated Loan from Z Organization'	0	0
Domestic Borrowings	0	0
Kenya Shilling Loan From KCB	0	0
Kenya Shilling Loan from Barclays Bank	0	0
Kenya Shilling Loan from Consolidated Bank	0	0
Borrowings From Other Government Institutions	0	0
Total Balance at End of The Year	0	0

The table below shows the classification of borrowings long-term and current borrowings:

Description	FY 2022 - 2023	FY 2021-2022
	Kshs	Kshs
Short Term Borrowings (Current Portion)	0	0
Long Term Borrowings	0	0
Total	0	0

KIAMBU County HEALTH FACILITY IMPROVEMENT Fund
Revised Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

23. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	Insurance (Contractual)	Insured Compulsory
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	0	0	0	0	0
Non-Current Benefit Obligation	0	0	0	0	0
Total	0	0	0	0	0

24. Social Benefit Liabilities

Description	FY 2022 - 2023	FY 2021 - 2022
	Kshs	Kshs
Health social benefit scheme	0	0
Unemployment social benefit scheme	0	0
Orphaned and vulnerable benefit scheme	0	0
Elderly social benefit scheme	0	0
Bursary social benefits	0	0
Total	0	0
Current social benefits	0	0
Non- current social benefits	0	0
Total (tie to totals above)	0	0

KIAMBU County HEALTH FACILITY IMPROVEMENT Fund

Revised Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

25. Cash generated from operations

Description	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	(24,567,002)	119,295,325
Adjusted For:		
Depreciation	0	0
Amortisation	0	0
Gains/ Losses On Disposal Of Assets	0	0
Interest Income		
Finance Cost	0	0
Working Capital Adjustments		
Increase In Inventory	0	0
Increase In Receivables	(40,102,216)	
Increase In Payables	14,525,594	
Net Cash Flow From Operating Activities	(50,143,624)	119,295,325

Kiambu County
Health facility improvement Fund
Revised Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

26. 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) Fund committee; etc.

b) Related party transactions

Description	FY 2022 - 2023	FY 2021-2022
	Kshs	Kshs
Transfers From Related Parties'	1,182,161,856	379,038,465
Transfers To Related Parties	1,197,715,923	246,800,771

c) Key management remuneration

Description	FY 2022 - 2023	FY 2021-2022
	Kshs	Kshs
Fund committee	0	0
Key Management Compensation	0	0
Total	0	0

d) Due from related parties

Description	FY 2022 - 2023	FY 2021-2022
	Kshs	Kshs
Due From Hospitals	40,102,216.00	0
Due From County Government	0	0
Total	40,102,216.00	0

Kiambu County
Health facility improvement Fund
Revised Annual Report and Financial Statements for the year ended June 30, 2023

Other Disclosures Continued

e) Due to related parties

Description	FY 2022 - 2023	FY 2021-2022
	Kshs	Kshs
Due To Hospitals	14,525,593.60	119,295,324
Due To County Government	0	0
Due To Key Management Personnel	0	0
Total	14,525,593.60	119,295,324

27. Contingent assets and contingent liabilities

Contingent Liabilities	FY 2022 - 2023	FY 2021-2022
	Kshs	Kshs
Court Case Against the Fund	0	0
Bank Guarantees	0	0
Total	0	0

Kiambu County
Health facility improvement Fund
Revised Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

28. Financial risk management

The Fund's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Fund's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Fund does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Fund's financial risk management objectives and policies are detailed below:

a) Credit risk

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Ksh	Fully performing Ksh	Partially Ksh	Impaired Ksh
At 30 June 2023				
Receivables From Exchange Transactions	40,102,216	0	40,102,216	0
Receivables From Non-Exchange Transactions	0	0	0	0
Bank Balances	132,986,359	132,986,359	0	0
Total	173,088,575	132,986,359	40,102,216	0
At 30 June 2022				
Receivables From Exchange Transactions	0		0	0
Receivables From Non-Exchange Transactions	0	0	0	0
Bank Balances	119,295,324	119,295,324	0	0
Total	119,295,324	119,295,324	0	0

Kiambu County
Health facility improvement Fund
Revised Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The entity has no significant concentration of credit risk on amounts due .

The fund committee sets the Fund's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Fund Administrator, who has built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the Fund under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023				
Trade Payables	14,525,594	0	0	14,525,594
Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	0	0
Employee Benefit Obligation	0	0	0	0
Total	14,525,594	0	0	14,525,594
At 30 June 2022				
Trade Payables	0	0	0	0
Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	0	0
Employee Benefit Obligation	0	0	0	0
Total	0	0	0	0

Kiambu County
Health facility improvement Fund
Revised Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

c) Market risk

The board has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The Fund's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

i. Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Description	Other currencies		
	Kshs	Kshs	Total Kshs
At 30 June 2023			
Financial Assets	0	0	0
Investments	0	0	0
Cash	0	0	0
Debtors/ Receivables	0	0	0
Liabilities			
Trade And Other Payables	0	0	0
Borrowings	0	0	0
Net Foreign Currency Asset/(Liability)	0	0	0

Kiambu County
Health facility improvement Fund
Revised Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

Foreign currency sensitivity analysis

The following table demonstrates the effect on the Fund's statement of financial performance on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs	Kshs	Kshs
FY 2021/2022			
Euro	0%	0	0
USD	0%	0	0
Fy 2022/2023			
Euro	0%	0	0
USD	0%	0	0

ii. Interest rate risk

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The entity's interest rate risk arises from bank deposits. This exposes the Fund to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Fund's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase the fund revenues will not be affected.

Kiambu County
Health facility improvement Fund
Revised Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

d) Capital risk management.

The objective of the Fund's capital risk management is to safeguard the Fund's ability to continue as a going concern. The entity capital structure comprises of the following funds:

Description	Current FY	Comparative FY
	Kshs	Kshs
Revaluation reserve	0	0
Revolving fund	0	0
Accumulated surplus	158,562,982	119,295,324
Total funds	158,562,982	119,295,324
Total borrowings	(14,525,594)	0
Less: cash and bank balances	132,986,359	119,295,324
Net debt/(excess cash and cash equivalents)	118,460,765	119,295,324
Gearing	75%	100%

NB at the end of 2021/2022 the fund erred in not reporting bank balances amounting to sh 63,834,660 held in the facility bank accounts at the end of the financial year. this understated the performance of the fund

29. Detailed analysis of bank balances are as per the table

Prior year adjustments	Current FY
	Kshs
Thika Level 5	11,772,590.00
Kiambu Level 5	35,481,865.00
Gatundu Level 5	1,839,919.00
Ruiru Level 4	5,439,691.00
Kihara Level 4	3,442,138.00
Karuri Level 4	68,350.00
Igegania Level 4	230,970.00
Tigoni Level 4	826,569.00
Wangige Level 4	3,264,790.00
Lusigatte Level 4	100,114.00
Lari Level 4	979,327.00
Kigumo Level 4	94,290.00
Karatu Level 4	262,257.00

Kiambu County
Health facility improvement Fund
Revised Annual Report and Financial Statements for the year ended June 30, 2023

Nyathuna Level 4	31,790.00
Total	63,834,660.00

30. Events after the reporting period

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

31. Ultimate and Holding Entity

The entity is a County Public Fund established by Health Act 2019 under the Ministry of Health services. Its ultimate parent is the County Government of Kiambu .

32. Currency

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

Kiambu County
Health facility improvement Fund
Revised Annual Report and Financial Statements for the year ended June 30, 2023

20. Annexes

Annex I: Progress on Follow Up Of Prior Year Auditor’s Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe (If a date when you expect the issue to be resolved)
Oag/nro/kce/2021-2021(1)	Revesion of presentation	This was adjusted accordingly	resolved	
	Delayed operationalization of FiF	Management took note	resolved	
	Unsupported expenditure	Copies of vouchers were presented	resolved	
	Incorrect enforcement of transfers	Tranfers effected before 5 th and recognized in bank reconciliation	resolved	

Fund Manager

Date.....

s Annex II: Inter-Fund Confirmation Letter

Kiambu county FIF fund

The *Kiambu county health services fund* wishes to confirm the amounts disbursed to you as at 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary Fund] as at 30 th June 2023							
		Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30 th June 2023				Amount Received by [beneficiary]	Differences
Refere	Date	Recurr	Develop	Inter-Minist	Total		

Kiambu County
Health facility improvement Fund
Revised Annual Report and Financial Statements for the year ended June 30, 2023

Account Number	Disbursed	Amount (A)	Amount (B)	Material (C)	(D)=(A+B+C)	Balance [Fund] (KShs) as at 30 th June 2023 (E)	(KShs) (F)=(D-E)
		0	0	0	0	0	0
Total							

In confirm that the amounts shown above are correct as of the date indicated.

Head of Accountants department of beneficiary Fund:

Name *ALOK N. N. N.*
 Sign *[Signature]* Date *29/12/23*

Kiambu County
Health facility improvement Fund
Revised Annual Report and Financial Statements for the year ended June 30, 2023

Annex III: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q 1	Q 2	Q 3	Q 4		

Kiambu County
Health facility improvement Fund
Revised Annual Report and Financial Statements for the year ended June 30, 2023

Annex IV: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (KShs.)	Comments