

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
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Deputy majority whip
A. Shamba

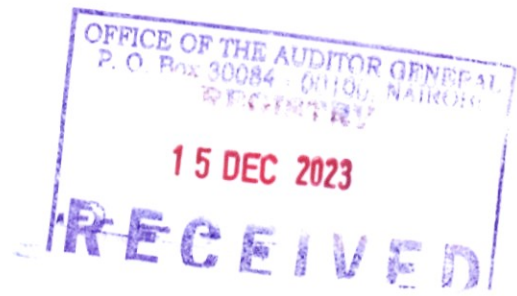
OF

THE AUDITOR-GENERAL

ON

MINISTRY OF HEALTH

FOR THE YEAR ENDED
30 JUNE, 2023



MINISTRY OF HEALTH

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2023

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

MINISTRY OF HEALTH

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

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MINISTRY OF HEALTH

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

Table of Contents	Page
1. ACRONYMS AND GLOSSARY OF TERMS	i
2. KEY ENTITY INFORMATION AND MANAGEMENT	vii
3. STATEMENT OF GOVERNANCE	x
4. STATEMENT BY THE CABINET SECRETARY	xi
5. STATEMENT BY THE PRINCIPAL SECRETARY	xii
6. Statement of Performance Against Predetermined Objectives for the FY2022/23	xvii
7. Management Discussion and Analysis	xvii
8. Environmental and Sustainability Reporting	xxiii
9. STATEMENT OF MANAGEMENT RESPONSIBILITIES	xxix
10. Report of the Independent Auditors of the Financial Statements for the Ministry of Health	xxxix
11. Statement of Receipts and payments for the Year ended 30 th June 2023	1
12. Statement Of Financial Assets And Financial Liabilities As At 30 th June 2023.....	2
13. Statement of Cash Flows For The Year Ended 30 th June 2023.....	4
14. Statement of Comparison of Budget and Actual Amounts combined for FY2022/2023...	6
15. Notes to the Financial Statements.....	14
ANNEX 1 – SUMMARY OF FIXED ASSET REGISTER	67
ANNEX 2 – LIST OF PROJECTS IMPLEMENTED BY THE MINISTRY OF HEALTH	68
ANNEX 3 – LIST OF SCS, SAGAS AND PUBLIC FUNDS UNDER THE MINISTRY OF HEALTH.....	77
ANNEX 4: REPORTING OF CLIMATE RELEVANT EXPENDITURES	79
ANNEX 6- REPORTS GENERATED FROM IFMIS	78

1. ACRONYMS AND GLOSSARY OF TERMS

AIE:	Authority to Incur Expenditure
CFO:	Chief Finance Officer
HAU:	Head of Accounting Unit
IPSAS:	International Public Sector Accounting Standards
OAG	Office of the Auditor General
OCOB	Office of the Controller of Budget
PFM	Public Finance Management

2. KEY ENTITY INFORMATION AND MANAGEMENT**(a) Background information**

The Ministry of Health was formed in March 2014 by merging the former Ministry of Public Health and Sanitation and the Ministry of Medical Services. The Ministry is represented by the Cabinet Secretary for Health who is responsible for the general policy and strategic direction of the Ministry.

The vision of the Ministry is to have healthy, productive and globally competitive nation, while its mission is to build a progressive, responsive and sustainable Health care system for accelerated attainment of the highest standard of health to all Kenyans.

The mandate of the Ministry is to coordinate health policy, health regulation, National Referral Health Facilities, capacity building and provide technical assistance to the Counties.

(b) Key Management

The Ministry's day-to-day management is under the following key organs:

- 1) Directorate of Preventive and Promotive Health.
- 2) Directorate of Health Care Services.
- 3) Directorate of Standards, Regulations and Quality Assurance.
- 4) Directorate of Health Policy, Research, Monitoring and Evaluation.
- 5) Directorate of Public Health.
- 6) Directorate of Health Sector Coordination and Inter Governmental affairs.
- 7) Directorate of Administrative Services.

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1	Cabinet Secretary	Dr.Susan Nakhumicha Wafula
2	Accounting Officer	Mr. HarryK. Kimtai, CBS
3	Ag.Director General of Health	Dr.Patrick Amoth
4	Senior Chief Finance Officer	Dr.PeterChimwele
5	Director of Planning	Mr.Stephen Macharia
6	Head of Accounting Unit	CPA Moses Gitari
7	Head of Procurement	Ms.Nancy Ndegwa

(d) Fiduciary Oversight Arrangements

The Ministry of health has the following key fiduciary committees that are responsible for the day-to-day activities at the Ministry;

1. Audit and finance committee oversees the activities and financial or audit matters in the ministry.
2. Budget Implementation Committee helps in monitoring and implementation of the budget.

(e) Entity Headquarters

P.O. Box 30016 00100 Nairobi

Afya House

Cathedral Road

NAIROBI, KENYA

Entity Contacts

Telephone: (254) 020-2717077

E-mail : ps@health.go.ke

Website: www.health.go.ke

(f) Entity Bankers

Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

NAIROBI, KENYA

(g) Independent Auditors

Auditor - General

Office of The Auditor General

Anniversary Towers, University Way

P.O. Box 30084

MINISTRY OF HEALTH

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

GPO 00100

NAIROBI, KENYA

(h) Principal Legal Adviser

The Attorney General

State Law Office & Department for Justice.

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

3. STATEMENT OF GOVERNANCE

1. Key Leadership Structure

Nakhumicha S. Wafula

Cabinet Secretary, Ministry of Health



Nakhumicha S. Wafula is the Cabinet Secretary (Minister) for Health in the Republic of Kenya. She is keen on patient-centered health care services and has prioritized the delivery of Universal Health Coverage to the citizenry of Kenya. Prior to this appointment, Nakhumicha was the Head of supply chain at Global Programs for Research & Training an affiliate of the University of California, San Francisco where she was responsible for achievement of lean initiatives and transformative procurement processes to achieve the highest standard of operational efficiency. An astute health care supplies chain expert, Nakhumicha has steered several organizational supply chains in achieving operational efficiency and customer centric service delivery.

Previously she served as the Purchasing Manager for Mission for Essential Drugs and Supplies (MEDS), the second top health supply chain organization in Kenya, leading last mile delivery of commodities to health facilities that are faith based, non-Governmental organizations and more recently to public health facilities.

She has also served as a council member and chair of the Human Resource Committee at The Kitale National Polytechnic. She has consulting experience as the lead consultant in the Ministry of Health- Malaria treatment guidelines and commodity management training. With over 19 years' experience in transformational leadership, Nakhumicha is pursuing her PHD in Business management, Operation Management, Supply Chain Research and holds a Master's degree in Procurement and Logistics. She has a Bachelor's degree in Purchasing and Supplies management, 1st class honour's Degree. She also has two diplomas in Healthcare Management and in Pharmacy.

Harry K. Kimtai, CBS

Principal Secretary, State Department for Medical Services



Mr. Harry Kachuwai Kimtai is the Principal Secretary, State Department for Medical Services, Ministry of Health, Republic of Kenya. He is responsible for coordination of medical services as the Accounting and Authorized officer under the direction of the Cabinet Secretary for Health. He is currently spearheading Health Care Services Reforms

geared towards realization of universal health coverage (UHC).

He holds a Bachelor of Arts degree in Economics, Master of Arts in Economics and Master of Philosophy Economics, specialised in Regional Planning and Economic Development from Bhopal University, India (1989 – 1995).

He has served the Government of Kenya in various capacities. He was first appointed to the

MINISTRY OF HEALTH

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

position of Principal Secretary State Department for Livestock from 2018 serving upto 2023. He served as Director at the Capital Markets Authority between 2016 to 2017. Between 2008 and 2014, he was a General Manager at Branded Fine Foods Ltd, a leading private industry player. Prior to joining

Branded Fine Foods Ltd., he had started his career at Kenya Revenue Authority as a management trainee in 1996 and rose through the ranks to the position of Principal Revenue Officer in the period 2003 – 2006.

Dr. Patrick Amoth

Ag. Director General, Health



Dr. Patrick Amoth is the acting Director General for Health in the Ministry of Health, Kenya. A consultant obstetrician and gynecologist of immense repute, Patrick previously headed the Directorate of Public Health at the Ministry, where spearheaded strategy development for effective delivery of health services in all the 47

Dr. Amoth's has had expansive experience in civil service having risen from a Medical Officer at Kisumu's Provincial Hospital before becoming the Medical Superintendent in the former Kiambu District Hospital, now Kiambu County Referral Hospital. He also later served as the Director of Medical Services for Kiambu East and Kiambu West Districts, now Kiambu County. During his stint in Kiambu, Dr. Amoth is credited with having had excellent

counties in Kenya and was centrally involved in the inception and alignment of Universal Health Coverage for the country. Dr. Amoth formerly headed the Department of Health Sector Coordination and Intergovernmental Affairs, an assignment that was preceded by his successful stint as a Chief Medical Specialist and Senior Deputy Director of Medical Services at Mama Lucy Kibaki Hospital Nairobi.

managerial skills as well as robust and successful fundraising for the hospital, initiating various programs, and revolutionizing infrastructural improvement of most hospitals. Dr. Patrick Amoth is a graduate of the University of Nairobi's Medical School and has a Masters in Obstetrics and Gynecology from the same university. He also holds a Diploma in Health Systems management form Galilee College in Israel

Dr. Peter Chemwile

Head of Finance



Dr Peter Chemwile is the current Senior Chief Finance Officer at The State Department of Medical Services. He Holds a PhD in Business Administration (Strategic Management) and a Master of Business Administration from JKUAT, and a Bachelor of Commerce (Finance) from University of Nairobi. He has over 28 years in Public service and has headed the Finance docket in key Ministries such as Water, Agriculture (crops development) Mining, Irrigation, Youth and Sports, Tourism and Labour

Stephen G. Macharia

Director of Planning



Mr. Joseph Macharia is the current Director of Planning in the Ministry of Health. He holds a Bachelor of Science in Statistics & information Technology; and a Master of Arts in Demography from the University of Nairobi. He has worked as He has worked as an Economist/Statistician since December 19th,1994.

CPA, FA Moses Gitari

Head of Accounting Unit



CPA Moses Gitari is the Head of Accounting Unit, State Department for Medical Services. He holds an MBA in Strategic Management from Nairobi University and BBA in Accounting and Finance from KEMU.

Mr Gitari is a practicing Accountant and a member of Institute of Certified Public Accountant of Kenya (ICPAK). He has vast experience in Accounting Systems Implementation and Business process re-engineering.

He has previously worked in the State department for Energy as Head of Accounting unit, Ministry of Health as an Accountant and at the National Treasury IFMIS Department as the Head of Business Process Re-engineering.

2. Management Committees established and their roles.

1. Budget Implementation Committee

The Ministry has a Budget Implementation Committee in place to review and consider the cash flow plans, review the utilization of cash limits, donor funds, advise the Accounting Officer on any challenges related to budget implementation, review and recommend reallocation of expenditure, review and approve the submission of expenditure returns, on-financial reports, IPPD, pending bills and A-I-A returns, participate in Sector Working Groups and prepare budgets in consultation with Heads of Departments.

2. Ministerial Human Resource Management Advisory Committee

To ensure effective human resource management ,the Ministry constituted the Ministerial Human Resource Management Advisory Committee whose functions entail making recommendations to the Authorized Officer regarding Recruitment, selection and appointment Performance Management, Promotions, Confirmations in Appointment, Training and Development, Training Impact Assessment, Management of Skills Inventory, Establishment and complement control, Payroll Management, Deployment, Promotion of Values and Principles of Public Service, Recommendation for secondments and unpaid leave, Recommendation for retirement under 50 years rule, Recommendation for retirement

on medical grounds, Recommendation for re-designation, recommendation for renewal of contract, Discipline and Pension Administration.

The Committee is chaired by the Accounting Officer and the Head Human Resource Management and Development is the Secretariat

3. Ministerial Head of Directorate/Department Committee

Top Leadership and management conducted weekly meetings in the Ministry to develop, Review and share Policy Agenda, Strategic Plans and Workplans that facilitate in spearheading the Ministry Programs and activities.

4. Ministerial Cross Cutting Committees

The Ministry annually appoint committees to carry out the implementation of Cabinet Secretary's Performance Contracting indicators. The reporting is made to the agencies that provide the roadmap of achieving the indicators and also the scores on the targets achieved. The Ministry formed and operationalized the following committees:

- ✓ National Cohesion and National Values committee
- ✓ Road Safety and Mainstreaming Committee
- ✓ Public Complaints Committee
- ✓ Aids Control Unit
- ✓ Assets Management
- ✓ Ministerial Service Delivery Committees.

3. The audit committee (Its formation, composition, and activities/meetings).

It advises on governance, internal controls and risk management in the Ministry.

The members of the Audit Committee in the Financial Year 2022/2023 were as follows;

S/No.	Name	Organization	Position
1	Mr. Lloyd Metha	Private Sector	Chairman
2	Ms. Caren A Oduor	Nuclear Power and Energy Agency	Member
3	Dr. Fauziya K. Brek	Vice Chancellor, Islamic University of Kenya	Member
4	Mr. Daniel Nyaga	National Treasury Representative	Member
5	Isabella Kogei	Deputy Director, ERD	Member
6	Kyendwa Mitau	Head, Internal Audit, MOH	Secretary

The Committee held Six (6) meetings in the FY 2022/2023.

4. Risk management, compliance, conflict of interest etc.

The National Treasury issued guidelines for development of the Risk Management Policy Framework in MDAs in May 2023. A set of three (3) key tools developed to assist in the development are; a procedure manual for the development of Institutional risk management framework in the public sector, Risk Identification survey layout template and Risk register layout template.

In compliance, the Ministry and its Agencies is at different stages of developing the framework

5. Report on recent training and development in governance for those in key leadership.

During the FY 2022/2023 there was no training in governance for Key Leadership in the Ministry.

6. Public participation activities

The Constitution requires Public Participation to enable the Public to meaningful input in decision making. The Ministry accorded the Public in the following:

- ✓ Engagement in Health Bills and Petitions
- ✓ Employment and Labour Negotiations including Corrective Bargaining Agreements.

7. Compliance with laws and regulations among others.

The Ministry of health complied with all statutory and regulatory requirements. This includes and not limited to The Constitution of Kenya, 2010, Executive order No 1of 2020, Executive order No. 1of 2023, the Public Procurement and Disposal Act, 2015, and its attendant Regulations ,2020, The Public Finance Management Act,2012 and its attendant Regulations ,2015, Various circulars from the National Treasury and PSC, Huma Resource Manual,2014, and Public Audit Act , 2015.

4. STATEMENT BY THE CABINET SECRETARY

The ministry of health guided by its policy goal of “attaining the highest possible standard of health in a responsive manner” has the mandate to build a progressive, responsive and sustainable healthcare system for accelerated attainment of the highest standard of health to all Kenyans as enshrined in the Constitution of Kenya 2010.

In the 2022/ 2023 financial year, the health sector exhibited resilience at the backdrop of the lingering effects of the COVID-19 pandemic, elevated global inflation and persistent supply chain disruptions from the ongoing Russia-Ukraine conflict. There were further changes in administration from the 4th where universal health coverage was a big four agenda to the 5th administration with BETA Healthcare as its priority agenda. The health sector, was split to two state department; State Department for Medical Services and State Department for Public Health and Professional Standards. Despite all these phenomenal changes, the Health Sector showed a lot of resilience in service delivery, health products and technologies and infrastructure development.

In the 2022/2023 financial year, over 24 million Covid-19 vaccines and other crucial routine immunization vaccines were administered, over 1.3 million people living with HIV received antiretroviral treatment (ART) and primary care and specialized services were given to combat both the communicable and non-communicable diseases. The maternal and neonatal health over the period improved tremendously with facilities based neonatal deaths per 1000 live births being 10, the lowest ever attained.

In general, the health sector performed exceptionally well in its mandates in the wake of the world pandemic and other risk factors to ensure that the essential services to the ordinary Kenyan was availed at its best.



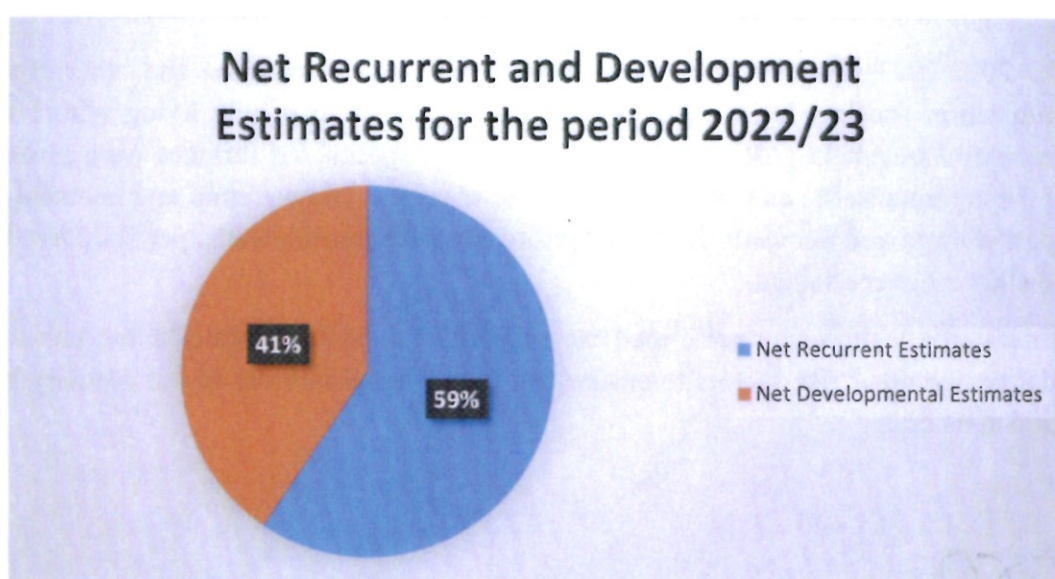
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Nakhumicha S. Wafula
Cabinet Secretary
Ministry of Health

5. STATEMENT BY THE PRINCIPAL SECRETARY

In the 2022/ 2023 financial year, the health sector exhibited resilience at the backdrop of the lingering effects of the COVID-19 pandemic, elevated global inflation and persistent supply chain disruptions from the ongoing Russia-Ukraine conflict. There were further changes in administration from the 4th where universal health coverage was a big four agenda to the 5th administration with BETA Healthcare as its priority agenda. The health sector, was split to two state department; State Department for Medical Services and State Department for Public Health and Professional Standards. Despite all these phenomenal changes, the Health Sector showed a lot of resilience in service delivery, health products and technologies and infrastructure development.

Summary of the budget performance

The total budget for the Ministry of Health for the period ended was **11,185,209,462**. The total approved net recurrent estimates were **48,752,609,739** while the total approved net developmental estimates were **33,270,670,223**.



The cumulative net expenditure for the period was,78,692,449,657 and the total outstanding commitments was 6,146,792,770. The budget performance is indicated in the table below

Actual Budgetary performance

	Approved Estimates	Cumulative Expenditure	Outstanding Commitments	Balance
Developmental Expenditure	33,270,670,223	30,593,615,201	5,957,507,969	-164,081,217
Recurrent expenditure	48,752,609,739	48,098,834,455	189,284,801	520,843,694

Key Achievements

Out of the estimated 1.5 million people living with HIV, 1,330,565 were identified and initiated on antiretroviral treatment (ART) representing 87% ART coverage. The Number of targeted HIV tests amongst high-risk populations was 4,241,677. The Number of HIV Positive Identified was 91,093 from the previous year's 103,099 (2021/22), this is a milestone considering 10,479,542 Number of adolescents and young people reached with HIV prevention and SRH information through peer-to-peer approach.

Nakuru and Garissa Comprehensive regional cancer centers were launched and are operational. The National Cancer Institute Kenya did a public education in cancer prevention and control and were able to reach out to 10,479,542. 78 Cancer Care Centers were certified

The number of Covid 19 vaccines administered in the period was 24,699,468 while 85% of the facilities were equipped with Functional Cold Chain Equipment to promote the storage of vaccines. Number of facilities based neonatal deaths per 1000 live births in the period was 10 against a year's target of 11 and down from 23 in 202/21 period. This was due to scaling-up of high impact interventions, supplies and equipment, capacity building of essential newborn care, development and rolling out of quality-of-care standards. The number of pre-school and school going children de-wormed were 4.5 million

The top three national referral hospital did exceptionally well in specialized service as depicted in the table below

Referral Hospital	Heart surgeries done	Cardiothoracic surgeries conducted	Kidney Transplants conducted	minimally invasive surgeries done	cancer patients on (Chemotherapy and radiotherapy)
Kenyatta National Hospital	627	1,238	19	6,044	37,772
Moi Teaching and Referral Hospital	92	453	18	3,202	
Kenyatta University Teaching, Referral and Research Hospital	35	76	0	1234	1972

The National Blood Transfusion Service collected 412,868 blood units which is an improvement from the 273,349 collected in 2021/22 period. This was due to the increased number of blood units collected at the new blood establishments. KNBTS has equally increased component preparation capacity in the new blood establishments. State Department has continued to invest in HPTs through implementing and utilizing KEMSA-LMIS 3, enabling KEMSA to fulfil and efficiently deliver essential health products and technologies. All essential HPT lists were reviewed to increase the scope and depth of coverage by increasing the number of products available and the level of care decentralized to improve accessed to UHC. The National Medicines and Therapeutics Committee was operationalized to enhance rational use of Medicines in the Country. Subsequently, 47 counties also formed and operationalized their County MTCs.

Establishment and equipping of the East Africa Kidney Institute (EAKI) is ongoing with construction works at 84% completion as of 30th June 2023 and the construction of a National Commodity storage center at KEMSA is at 88% completion. The Managed Equipment System project has continued to be of immense benefit to the supported hospitals and the availability of appropriate medical equipment in 121 hospitals across all the 47 counties has enhanced equity of health care especially in availability of surgical operation, dialysis therapy, screening of cancers, and radiological diagnoses.

During the MTEF period 2020/21 to 2022/23, the sub-sector faced some emerging issues and challenges which impacted negatively on the achievement of the planned outputs and health outcomes. Amongst the emerging issues are emerging and re-emerging diseases due to increases cross-border travel, especially after relaxation of international travel during COVID 19 period. Re-emergence of neglected tropical diseases such as kalaazar and elephantiasis among others and the rise in NCD incidences has continued to put significant hurdles in achieving health for all Kenyans. Dependence on Donor funding is a significant challenge as the country is seeking to reduce the reliance and become self-sufficient in resourcing the health sector. The tightening fiscal space has greatly impacted implementation of programmes, activities and projects.

Constraints and Challenges

The State Department experienced some challenges over the review period that affected the service delivery to the public. Some of the include;

- a) Inadequate optimal human resources at the national and county levels for programmes based on the approved establishment compared to in-post.
- b) Unpredictable/ uneven supply of essential commodities in public health facilities.
- c) Budgetary constraints as a result of emergencies and other competing priorities.
- d) Low awareness of the benefit package among the beneficiaries.
- e) Insurance apathy where Kenyans generally are reluctant to pay for an unforeseen occurrence

- f) Rising cost of healthcare services (medical inflation) which many Kenyans are unable to meet.
- g) Constant stock outs of family planning commodities which results to an unexpected population upsurge, increase in adolescent pregnancies and unsafe abortions leading to high morbidity and infant mortality.
- h) KEMSA has had a decreasing order fill rate due to tied up revolving funds on debt by the counties. This therefore, has constrained the cash conversion cycle at the Authority. The long turnaround time in settlement of these amounts has further negatively affected the Authority's service delivery more so on the order fill rates due to delayed supplier payments for commodities supplied, due to pending bills.

Recommendations

To overcome some of the implementation challenges experienced in previous financial years, the State Department will first track review and strengthening of the legal, policy framework and operations to improve efficiency. It will also strengthen collaboration with various stakeholders including development partners and the private sector. It shall also improve research, development and innovation so as to enhance efficiency, effectiveness and productivity. The sub-sector will also invest in emergency preparedness and response so as to secure the health and lives of Kenyans. In conclusion, the State Department will double-down towards realizing Universal Health Coverage.

Health research and innovation is key to unlocking bottlenecks experienced in the health sector and developing capacity to develop solutions for current and emerging health issues is critical. To achieve this, the sub-sector will endeavour to provide end to end digital solutions for health facilities, develop and implement a national information exchange and put in place a comprehensive health information management system. The sub-sector will establish partnerships and collaboration in order to improve research capacity, acquire technologies for manufacturing of HPTs and achieve technology transfer. The sub sector will prioritize Digitization of Health services. This will increase efficiency, transparency, ensure seamless service delivery between providers. It will also enhance claims management at health facilities and commodity management through provision of end-to-end supply chain management. It will also collaborate with the county governments to ensure retention of funds collected at health facility level for improvement of the facility operations. In partnership with the county governments, the Department will establish and operationalize Primary Care Networks in the counties that will offer effective services to the community, through proper referrals and engagement of multidisciplinary teams at community level. County governments, the National Treasury and the State Department will consider ring-fencing funds for HPTs supply of essential medicines and supplies.

The sub sector should ensure that more focus will be put on local manufacturing of Health products and technologies to enable commodity security and enhance self-reliance. Achievement of Universal Health Coverage will be a core theme during the MTEF period to ensure achievement

of the objectives of BETA, Kenya Health Policy and international commitments on health. To achieve this, the Sub-sector will continue implementing legal and institutional review in order to improve service delivery and ensure achievement of UHC for all Kenyans.



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Harry K. Kimutai, CBS
Principal Secretary
Ministry of Health

6. Statement of Performance Against Predetermined Objectives for the FY2022/23

Section 81 (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 entity Government entity Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the National government entity's performance against predetermined objectives

The Health Sector objectives are as stated in the Health Policy (2014-2030). The policy objectives reflect the country's agenda for improving population health. These are:

- To eliminate communicable diseases
- To halt and reverse rising burden of NCDs
- To reduce the burden of violence and injuries
- To provide essential healthcare
- To minimize exposure to health risk factors
- Strengthen collaboration with private and health related institutions.

The focus areas of investments in the State Department includes Health financing, Leadership and governance, Health Products and Technologies, Health information, Service delivery, Health Infrastructure, Research and Development.

Progress on the attainment of Strategic Objectives through Performance Contracting

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives

7. Management Discussion and Analysis

The approved estimates for the Ministry of Health was at KSh 111 Billion in 2022/23 which represented a 8 percent decrease from KSh 121 Billion in 2021/22 occasioned by the creation of the two state departments in the Ministry of Health. The actual expenditure for the same period was at KSh78 billion, KSh 109 billion and KSh 97 billion respectively for the years 2020/21, 2021/22 and 2022/23. This is shown in table below.

Vote	Approved Budget Allocation			Actual Expenditure		
	2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Recurrent	67,719	65,972	69,199	63,861	65,944	48,098
Development	52,864	63,809	41,986	41,609	43,456	30,593
Total	120,583	129,781	111,185	105,470	109,400	78,692

Breakdown of Recurrent versus Development trends FY 2020/21 to FY 2022/23

Analysis of the breakdown of recurrent and development budgetary allocations and actual expenditures for the State Department of Medical services shows that the recurrent vote had been consuming most of the resources. Figure below shows the breakdown of recurrent and development expenditures for the period between 2020/21 and FY 2022/23.

Breakdown of Recurrent versus Development for FY 2020/21 to FY 2022/23

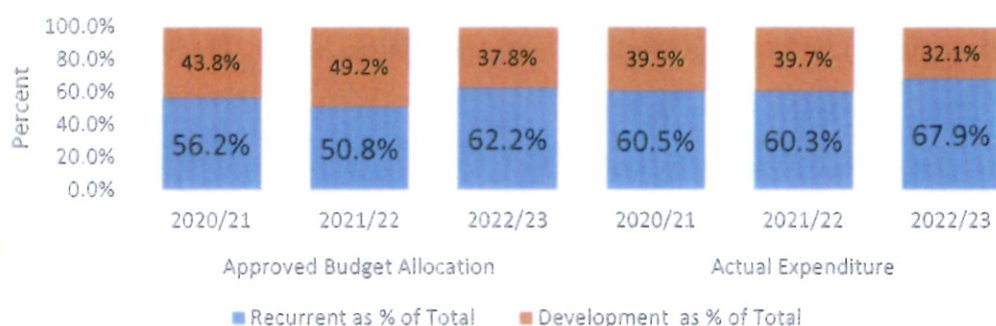


Table below shows the details for the recurrent vote for the period under review.

Analysis of Recurrent Expenditure (KSh.Million)

Classification	Approved Budget Allocation			Actual Expenditure		
	2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Gross	67,719	65,972	69,198	63,861	65,944	65,620
AIA	16,233	18,448	20,446	14,421	18,370	17,550
NET	51,486	47,524	48,752	49,440	47,574	48,070
Compensation to Employees	13,239	13,718	14,354	13,243	13,717	14,137
Transfers	52,653	49,841	52,520	48,839	49,836	49,111
Other Recurrent	1,827	2,413	2,325	1,779	2,391	2,372
<i>Insurance Costs</i>	2		-	1		-
<i>Utilities</i>	109		104	108		78
<i>Rent</i>	3		1	3		-
<i>Contracted Professionals (Guards & Cleaners)</i>	56		70	55		62
<i>Others</i>	1,657	2,413	2,150	1,612	2,391	2,232

Table below shows the details for the Development vote for the period under review.

Analysis of Development Expenditure (KSh. Million)

Description	Approved Budget	Actual Expenditure
-------------	-----------------	--------------------

	2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Gross	52,864	63,809	41,986	41,609	43,456	31,057
GOK	32,007	35,479	25,561	28,902	29,406	22,567
Loans	11,005	19,524	8,180	7,585	10,442	5,041
Grants	9,852	8,805	8,245	5,122	3,608	3,449
Local AIA	-	-	-	-	-	-

The table below shows spending for the FY 2020/21 – 2022/23 by programmes. In FY 2022/23, National Referral and specialized Services programme was allocated 46 percent of all resources. Preventive & Promotive Health Services including RMNCAH as well as Health Policy, Standards and Regulations programmes were allocated 18 percent each. A breakdown of spending by programmes is provided in the table that follows.

Table: Analysis by Programme FY 2020/21 – 2022/23 (KSH Million)

Programme	Approved Budget			Actual Expenditure		
	2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Preventive & Promotive Health Services including RMNCAH	28,505	30,076	20,340	16,132	15,483	12,148
<i>As a % of Total</i>	24%	23%	18%	15%	14%	13%
National Referral and specialized Services	44,705	50,281	50,822	42,938	48,011	48,126
<i>As a % of Total</i>	37%	39%	46%	41%	44%	50%
Health Research and Development	9,773	11,353	10,016	8,551	11,221	7,907
<i>As a % of Total</i>	8%	9%	9%	8%	10%	8%
General Administration, Planning & Support Services	7,983	8,101	10,085	7,281	7,534	9,114
<i>As a % of Total</i>	7%	6%	9%	7%	7%	9%
Health Policy, Standards and Regulations	29,618	29,969	19,922	30,568	27,151	19,382
<i>As a % of Total</i>	25%	23%	18%	29%	25%	20%
Total Expenditure Health Vote	120,584	129,780	111,185	105,470	109,400	96,677

Expenditure Analysis of Programmes FY 2020/21 – 2022/23

This section shows the breakdown of approved and actual expenditures in FY 2020/21 to 2022/23 disaggregated by programmes and sub programmes.

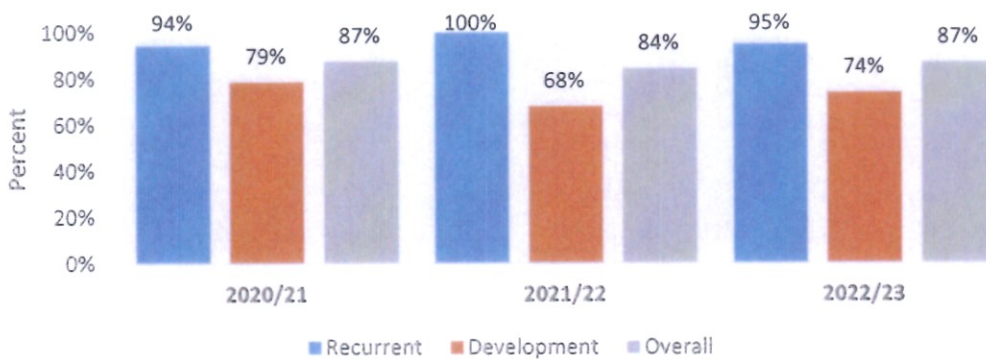
Analysis of Programme Expenditure (KSh. Million)

Programme	Approved Budget			Actual Expenditure		
	2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Programme 1 – Preventive & Promotive Health Services including RMNCAH						
SP1.2 - Non-communicable disease prevention & control	367	535	670	333	394	529
SP1.3 –RMNCAH	8,047	7,648	7,155	4,445	3,232	3,040
SP1.4 - Radiation Protection	142	235	191	142	235	108
SP1.5 -Communicable Disease Control	6,367	6,391	7,140	5,581	3,774	5,019
SP1.8- Disease Surveillance and Response	13,516	15,139	4,684	5,485	7,773	2,989
SP1.5 Environmental Health	66	128	500	146	75	463
Total Expenditure Programme 1	28,505	30,076	20,340	16,132	15,483	12,148
Programme 2 - National Referral and specialized Services						
SP2.1 - National Referral Services	33,095	37,098	41,799	31,883	35,887	41,370
SP 2.2 Mental Health	-	-	125	-	-	111
SP 2.4 Forensics and Diagnostics	-	-	2,067	-	-	1,483
SP2.5 - Free Primary Healthcare	8	-	-	8	-	-
SP 2.6 Specialized Medical Equipment	6,205	7,205	3,795	6,195	7,205	3,712
SP2.8 – National Blood Transfusion Service	1,705	1,988	129	1,035	985	125
SP2.9 - Health Products and Technologies	3,692	3,990	2,907	3,817	3,934	1,325
Total Expenditure Programme 2	44,705	50,281	50,822	42,938	48,011	48,126
Programme 3 - Health Research and Development						
SP3.1 - Capacity Building & Training	7,130	7,860	6,701	5,850	7,760	4,894
SP3.2 – Research & Innovations	2,643	3,493	3,315	2,701	3,461	3,013
Total Expenditure Programme 3	9,773	11,353	10,016	8,551	11,221	7,907
Programme 4 - General Administration, Planning & Support Services						
SP 4.1 - Health Policy, Planning & Financing	1,866	1,527	1,958	1,193	963	1,425

Programme	Approved Budget			Actual Expenditure		
	2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
SP4.2 – Health Standards, Quality Assurance & Standards	-	-	1,116	-	-	644
SP4.3 – National Quality Control Laboratories	-	-	118	-	-	117
SP 4.4 Human Resource Management	6,117	6,574	6,893	6,088	6,571	6,928
Total Expenditure Programme 4	7,983	8,101	10,085	7,281	7,534	9,114
Programme 5 - Health Policy, Standards and Regulations						
SP5.1 -Health Policy, Planning & Financing	14,445	17,059	12,268	17,127	15,940	11,787
SP5.2 -Health Standards and Regulations	957	406	436	843	401	366
SP5.3 -Social Protection in Health	14,216	12,504	7,218	12,598	10,810	7,229
Total Expenditure Programme 5	29,618	29,969	19,922	30,568	27,151	19,382
Total Expenditure Health Vote	120,584	129,780	111,185	105,470	109,400	96,677

The overall absorption rate for over the period has is shown as 87 percent, 84 percent and 87 percent in FY 2020/21, FY 2021/22 and FY 2022/23 respectively. The recurrent absorption rate at 94 percent, 100 percent and 95 percent in FY 2020/21, FY 2021/22 and FY 2022/23 respectively while Development absorption rate was 79 percent, 68 percent and 74 percent in FY 2020/21, FY 2021/22 and FY 2022/23 respectively.

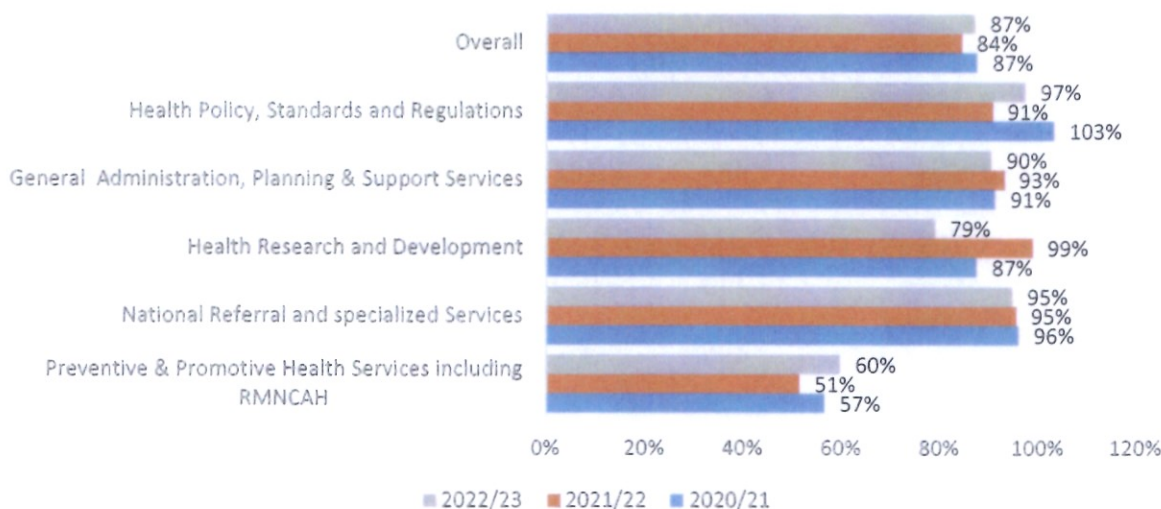
Budget Absorption by Vote from FY 2020/21 to FY 2022/23.



Budget Absorption by Programmes from FY 2020/21 to FY 2022/23.

Figure below shows analysis of budget execution by the Ministry of health for FY 2020/21 to FY 2022/23 by programmes.

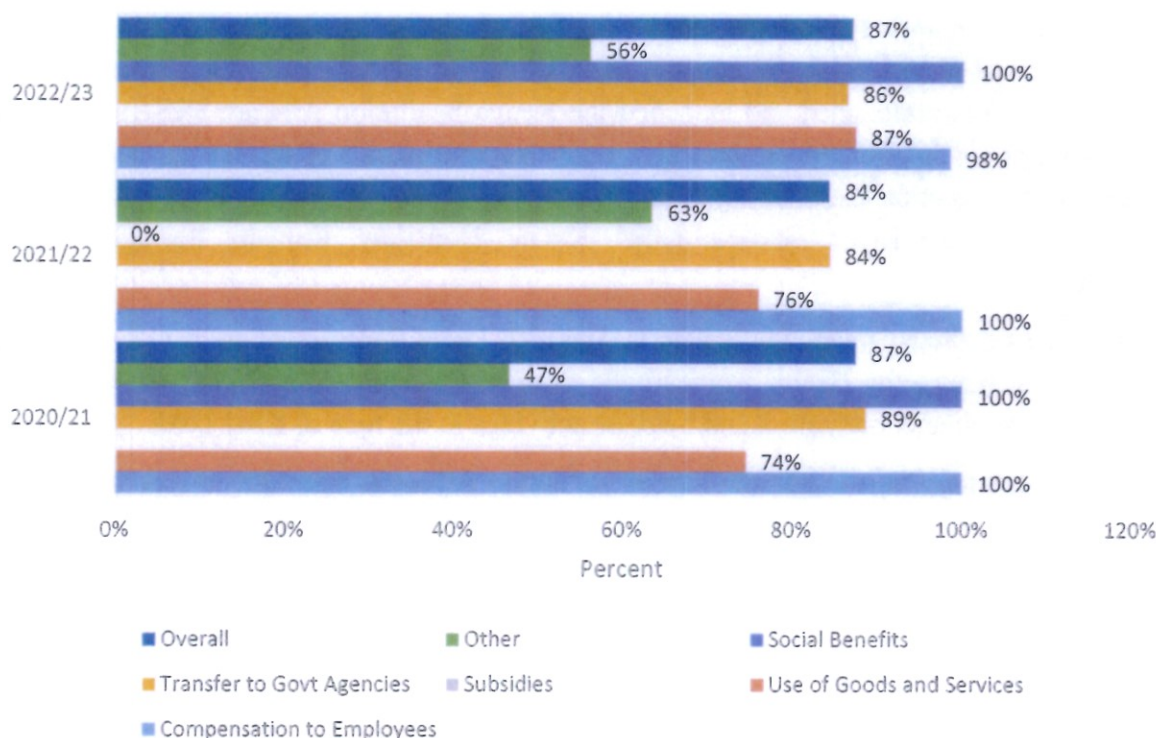
Figure: Budget Execution by Programmes, FY 2020/21 to FY 2022/23



Budget Execution by Economic Classifications, FY 2020/21 to FY 2022/23

Figure below shows analysis of budget execution by the Ministry of health for FY 2020/21 to FY 2022/23 by Economic Classifications.

Figure: MOH Budget Execution by Economic Classifications, FY 2020/21 to FY 2022/23



8. Environmental and Sustainability Reporting

The Ministry of Health exists to transform lives with a mandate among others to minimize exposure to health risk factors by strengthening the health prevention and promotion interventions, which addresses risk factors to health, plus facilitating use of products and services that lead to healthy behaviours in the population. Further, the Ministry has the mandate of strengthening collaboration with private and other sectors that have an impact on health. The health sector will achieve this by adopting a ‘Health in all Policies’ approach, which ensures it interacts with and influences design implementation and monitoring processes in all health-related sector actions.

Below is a brief highlight of the sustainability activities conducted in the year.

a) Sustainability strategy and profile

The ministry has adopted the WHO Global Strategy on Health, Environment and Climate Change. This strategy aims to provide a vision and way forward on how the world and its health community need to respond to environmental health risks and challenges until 2030, and to ensure safe, enabling and equitable environments for health by transforming our way of living, working, producing, consuming and governing. Environmental risks to health, in the framework of this strategy, are defined as all the environmental physical, chemical, biological and work-related factors external to a person, and all related behaviours. It focuses especially on the part of the environment that can reasonably be modified.

b) Environmental performance /climate change/ mitigation of natural disasters

Water Sanitation and Hygiene (WASH)

The Ministry of Health with the support from UNICEF, USAID and other Water Safety and Sanitation players established and launched the Kenya Sanitation Alliance (KSA) in December 2021. KSA is a sanitation Movement that envisions elimination of Open Defecation in the 15 biggest open defecation contributing counties namely Turkana, Marsabit, West Pokot, Samburu, Narok, Isiolo, Tana River, Garissa, Kilifi, Kwale, Homabay, Kajiado, Baringo, Wajir and Mandera.

The KSA first quarterly meeting was held in April 2022 with Representation by County Executive committee members for Health from all the priority Counties. Four Counties have signed a commitment to finance sanitation and hygiene activities to the tune of KSH 10M.

During the quarterly meeting of the Kenya Sanitation Alliance, three documents were launched namely Urban Sanitation guidelines, Menstrual Hygiene Management Teachers handbook and Hygiene Promotion Teachers handbook.

Quality assurance in the context of Open defecation free campaign includes random selection of open defecation free villages and undertaking a transect walk in the villages to confirm if they are actually open defecation free as claimed by a third party. This exercise was carried out in six counties namely Kilifi, Kwale, Narok, Homabay, West Pokot, Turkana. One sub county in each county was certified as open defecation free.

Health Care Waste Management, Pollution and Climate Change

Medical waste incinerators emit toxic air pollutants and are a major source of dioxins in the environment. They also produce potentially hazardous ash. To mitigate this, medical waste microwave equipment provides alternative to incineration of waste for they greatly reduce the risk of pollution and respiratory diseases. In realization of above, a total of 9 out of 10 microwave equipment, for medical waste sterilization, were installed and commissioned in 9 targeted sites in Kisii, Kisumu, Nakuru, MTRH, Embu, Machakos, KNH, Kakamega and Mombasa. In line with these installations, 100 technical staff were trained on operations and maintenance. Installation in Nyeri County remains pending. Two additional microwaves were installed at Migori and Busia County referral hospitals with support from United Nations Development Programme Japan (UNDP)

During the United Nations Framework Convention on Climate Change (UNFCCC) Conference of Parties (COP) 26, the country made commitments / ambitions on developing a health system that is resilient to the impacts of climate change and developing a health system that is sustainable with low carbon emissions by contributing to meeting the emission targets of the Paris Agreement.

Food safety and Quality Control

The establishment of the national food safety surveillance system aims at enhancing monitoring of food safety hazards to inform timely action through synchronizing surveillance activities across

the country. In the year under review the ministry completed the conceptual design of the proposed system.

The Ministry developed the Guideline on Surveillance and Enforcement for Food Fortification in Kenya with the aim of strengthening enforcement of mandatory required food as per CAP 254 and Kenyan Standards through building capacity PHOs at the county level thereby increasing compliance by the Food Business Operators (FBOs). A total of 22 TOTs were trained from 10 counties who later cascaded further to another 156 PHOs from their respective counties.

The government of Kenya through legal 162 of 2012 and 157 of 2015 under food drugs and chemicals act CAP 254 and various Kenyan standards made it mandatory for packaged maize meal and wheat flour among other three food commodities to be mandatorily fortified. In order to increase compliance of these products' the ministry embarked on building capacity of large and medium scale millers across the country. A total of 6 associations of millers and 208 millers were trained don various aspects of ensuring compliance to not only the regulations and Standards but also on the safe production of such flours. The areas covered included flour fortification, Good Manufacturing Practices (GMP), premix quality assurance through Hazard Analysis Critical Control Points (HACCP).

The Kenya School Meals Food Safety and Quality Guideline was developed in 2019 to guide matters of food safety and quality in learning institutions. It is a reference document for PHOs, School Boards of Management (BOM) and Suppliers of food to schools. It provides practical guidance on how to implement and manage an effective food safety and quality system for schools. The implementation of the guideline leads to the realization of article 43 (1) (c & d) of the Constitution of Kenya on freedom from hunger and access to adequate food of acceptable quality. Dissemination of this guideline to these target groups has been a priority for the Division of Food Safety. In the FY 2021/2022 the ministry disseminated to PHOs from 12 counties and School BOM from 5 counties.

Every 7th of June since 2019 each year the world celebrates the myriad benefits of food safety. Kenya commemorated this day for the fourth time through a hybrid conference and social media drives where 4,771,081 people were reached through the social media platforms with 3,357 engagement, while there were 64 people attending physically and 250 others attending virtually.

Port Health Services

The spread of infectious diseases are not only a health concern but affect many sectors in society. In the case of the COVID-19 pandemic education, tourism and trade were among those that were hardest hit. With this realization, the East African Community with support from Japan International Corporation Agency (JICA) conducted a survey focusing on points of entry to assess epidemic preparedness and response across the region with a special focus on COVID-19 in a bid to mitigate spread of the disease.

Among the interventions that were put in place to mitigate gaps identified during the survey included: provision of hand washing facilities at targeted points of entry (Lwakhakha, Suam, Taita Taveta, Illasit and Nadapal) as well as water tanks with of 5000l; provision of screened booths at Nadapal and Lwakhakha borders and; Training of border management committees from Malaba, Busia, Namanga, Illasit, Lwakhakha and Isebania. Additionally, through joint efforts with International Organization for Migration, the EAC installed handwashing facilities to serve adults, children and people with disabilities in Nmanga, LungaLunga and Miritini. An ablution block was constructed at the Miritini testing site for truckers to deal with issues of open defecation.

Moreover, given digitization of traveler clearance at points of entry, a Command Center was set up at the Ministry of Health headquarters to provide customer service to the end users, escalate system issues, and enable information sharing among EAC Partner States and carryout data analysis that would inform COVID-19 interventions. Two staff were hired with support from EAC through TradeMark EA to man the Command Center.

Furthermore, through partnership with International Organization for Migration a Handbook covering fifteen (15) Standard Operating Procedures (SOPs) was developed and validated.

Finally, the Port Health Services participated in cross-border engagements with Tanzania that resulted in the signing of the General Memorandum of Understanding for Health between Kenya and Tanzania and a simulation exercise at Kilimanjaro Airport in Arusha.

Occupational Health and Safety

The Occupational Safety and Health Act 2007 require that every workplace with more than 20 employees must establish and train safety and health committees. The safety and health committees help in prevention of injuries and illnesses on the job; increase awareness of health and safety issues among workers, supervisors, and managers; and develop strategies to make the work environment safe and healthy for health workers to offer Universal Health Coverage services without interruption. To comply with this requirement the Ministry Of Health planned to establish and train 10 safety and health committees from 10 counties in the reporting period 2019/20. However, this was not achieved due to the emergence of COVID-19 pandemic which required that actions be directed to combating spread of the infection. With the health and safety challenges witnessed during COVID-19 pandemic, the Ministry established and trained safety and health committees in the remaining 10 National and County Health Referral Facilities. The Ministry also did risk assessment in three level 4 facilities in Kilifi, Nyeri and Kirinyaga Counties.

Disinfection, Vector and Vermin Control

Over the years improved sanitation in homes, provision of clean water has helped control the infestation of most vectors. Interventions such as the integrated vector management strategy has resulted in the control of a few select vectors such mosquitoes.

The division coordinated the commemoration of the National Jigger Day which is marked annually on the 3rd day in the month of March every year. This year's commemoration was undertaken in Busia County, Teso South Sub County. The Division also took part in a survey conducted in

Muranga County to assess the level of Jigger's infection among school going children. This activity was conducted in three primary schools in Muranga County.

During the year under review, the division responded to the yellow fever outbreak in Isiolo County. The response activities included providing technical support to the County Health Department by provision of Vector Control Commodities such as fungicides and chemicals and equipment, identification and destruction of mosquito breeding site through Indoor residual spraying and outdoor spraying.

c.) Employee welfare

i.) Key Recent Reforms/Changes

In the year 2021/22, the Ministry in collaboration with the Ministry of State for Public Service (MSPS) undertook a workload/workforce analysis to determine optimal staffing levels and ensure smooth operationalization in service delivery in the Ministry. This was aimed at strengthening the institutional framework for administration and implementation of policies and programmes under the Ministry. In essence, the restructuring is aimed at addressing duplications, overlaps and harmonizing the reporting relationships. Additionally, the restructuring will address gaps arising from devolution and new & emerging health technologies.

The Ministry also undertook operational reforms in the following State Corporations that are critical in the achievement of the Universal Health Care (UHC) agenda of the country. The HR instruments are at different stages of completion.

- Mathari National Teaching and Referral Hospital;
- Kenya Nuclear Regulatory Authority (KNRA);
- Kenya Health Practitioners Oversight Authority (KHPOA);
- Kenya Health Human Resource Advisory Council (KHHRAC);
- Kenya National Strategic Authority;
- Clinical Council
- Kenya Biovax Institute; and
- The Kenya Medical Research Institute (KEMRI)

ii.) Industrial Relations

The Ministry has been facing a series of industrial unrests which have adversely affected service delivery. The Ministry came up with an alternative dispute resolution mechanism that has improved the relationship between the Ministry and the various health workers Unions thus averting pending strikes. Currently as a Ministry we are experiencing unprecedented industrial peace and harmony.

iii.) Training and Development

In the year under review, training was emphasized on increasing the pool of specialized health workforce. The Ministry trained three hundred (300) officers various disciplines of General Surgery, Neurology, Critical Care, Anesthesia, Diagnostic Radiology, Nephrology, Urology, Mental Health and Psychiatry, Ophthalmology, Family Health, Emergency care, Internal Medicine, Palliative Care and Geriatrics. Additionally, six hundred and sixty (660) officers were trained in development programmes restructured to enable develop skills on Change Management, Conflict Resolution, Public Relations and Customer Care as well we as sponsoring group training to undertake various courses at the Kenya School of Government (KSG).

iv.) Internship programme

The number of institutions and interns has increased leading to a disproportionate number of placement positions available for interns thereby leading to long waiting periods. Notably, within the last two decades, more competency-based health care professional cadres in the country are introducing internship programmes, thereby increasing the complexity in management of the internship programmes.

Additionally, completion of a prescribed internship period at an approved internship Centre is mandatory for all eligible health care interns to achieve registration as a practitioner with the relevant regulatory body. It is against this background that the Ministry developed internship policy and enabling guidelines to provide policy direction on eligibility and streamline the management of the Internship program. It is envisaged that the policy will address the challenges currently facing management of the internship programme in the health sector to conform to government planning cycle and relevant policy guidelines.

v.) Recruitment of COVID-19 specialists

The Ministry through the Public Service Commission targeted to recruit one thousand, one hundred and nineteen (1119) staff to handle the increased workload in combating the disease spread, management of COVID - 19 patients and tracing of case contacts at both the National and County Government levels. Six hundred and five (605) out of the targeted (1119) health care workers are currently on board for a period of three years (3) years. An additional three hundred and twenty-nine (321) health workers were contracted through the COVID-19 Health Emergency Response Project (CHERP) supported by the World Bank in 2021 and eight one (81) contracted under Agency Francaise De Development (AFD).

9. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the Ministry of Health is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year(period) 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 entity, (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 entity; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the Ministry of Health accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2023, and of the entity's financial position as at that date. The Accounting Officer in charge of the Ministry of Health further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the Ministry of Health confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The Ministry of Health financial statements were approved and signed by the Accounting Officer on 22/9/ 2023.



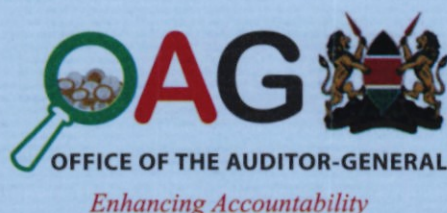
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REPORT OF THE AUDITOR-GENERAL ON MINISTRY OF HEALTH FOR THE YEAR ENDED 30 JUNE, 2023

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 Ministry of Health set out on pages 1 to 66, which comprise of the statement of financial assets and financial liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows

Report of the Auditor-General on Ministry of Health for the year ended 30 June, 2023

and the statement of comparison 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 Ministry of Health 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 (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Undisclosed Bank Balances

Note 12A to the financial statements reflects bank balance of Kshs.304,951,441. However, the balance excludes an amount of Kshs.850,928,545 held in three (3) bank accounts. In addition, the bank balances have not been reported separately in the respective funds financial statements. Further, review of the bank accounts register revealed ten (10) bank accounts whose respective cashbooks, bank statements and certificates of bank balance were not provided for audit.

In the circumstances, the accuracy and completeness of bank balances of Kshs.304,951,441 could not be confirmed.

2. Unauthorised Development Expenditure

The statement of comparison of budget and actual amounts: development reflects actual expenditure of Kshs.30,593,615,201 against an approved budget of Kshs.41,986,549,723 on a comparable basis. Included in the actual expenditure are amounts of Kshs.30,897,854 and Kshs.112,971,802 spent under the Department of Clinical Waste Disposal System Project and supply of medical equipment and associated services respectively totalling Kshs.143,869,656 that had not been included in the approved budget. The expenditure was incurred contrary to Regulation 52(1)(b) of the Public Finance Management (National Government) Regulations, 2015 which states that AIE holders shall be made to understand that the limit to which they may spend is that prescribed by the Authority and not their expectations, however justified this may seem.

In the circumstances, the regularity of the expenditure of Kshs.143,869,656 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Ministry of Health Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit

evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts combined reflects final receipts budget of Kshs.111,185,209,462 and actual on comparable basis of Kshs.78,696,295,000, resulting to underfunding of Kshs.32,488,914,462 or 29% of the budget. Similarly, the Ministry spent an amount of Kshs.78,692,449,657 out of the approved expenditure budget of Kshs.111,185,209,462, resulting in an under expenditure of Kshs.32,492,759,805 or 29% of the budget.

The underfunding and underperformance may have affected the Ministry's key mandate of coordinating health policy, health regulation, National Referral Health Facilities, capacity building and provision of technical assistance to the Counties.

2. Pending Accounts Payables

I draw attention to Note 20 to the financial statements which reflects pending bills amounting to Kshs.41,169,835,759 which includes Kshs.40,218,084,659 for the previous year. However, analysis revealed payment of Kshs.1,671,543,405 towards pending bills for financial year 2021/2022 but which had not been included in the balance for the prior year.

Failure to disclose and to settle bills during the year to which they relate distorts the financial statements and adversely affects the budgetary provisions for the subsequent year as they form a first charge.

My opinion is not modified in respect of these matters.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Adhere to the Executive Order No.1 of 2023 on Organization of the Government of Kenya

Executive Order No. 1 of 2023 on organization of the Government of the Republic of Kenya created two entities from the former Ministry of Health, that is the State Department for Medical Services and the State Department for Public Health and Professional Standards. Subsequently in line with Section 67(1) of the Public Finance Management Act, 2012, which states that the Cabinet Secretary, except as otherwise provided by law, shall in writing designate Accounting Officers to be responsible for the proper management of the finances of the different National Government entities as may be specified in the different designations. Two (2) Accounting Officers were designated for the State Department of Medical Services and State Department of Public Health and Professional Standards on 11 January, 2023 and 21 March, 2023 respectively to be responsible for the proper management of the finances in their respective Departments. However, the State Department for Medical Services (being a separate Government entity) has not prepared the financial statements in line with Section 81(1) of the Public Finance Management Act, 2012. In addition, the financial statements provided for audit indicates that they are for the Ministry of Health for a period of twelve (12) months from 1 July, 2022 to 30 June, 2023. However, the Ministry of Health ceased to exist after the issuance of Executive Order No. 1 of 2023.

Further, paragraph 1.4.14 of the International Public Sector Accounting Standards under the Cash Basis of Accounting requires presentation of individual financial statements differently upon a major restructuring of service delivery arrangements, creation of a new, or termination of a major existing, government entity.

In response the State Department of Medical Services held that it was not allocated a new Vote Head and continued with Vote 1081 for the Ministry of Health until 30 June, 2023, hence failure to separate the budgets and the transactions for the two entities leading to preparation of combined financial statements under the name Ministry of Health.

In the circumstances, Management was in breach of the Public Finance Management Act, 2012, the Public Audit Act, 2015 and Executive Order No.1 of 2023 and did not comply with the requirements of International Public Sector Accounting Standard under the Cash Basis.

2. Non-Compliance with the One Third of Basic Salary Rule

Analysis of the staff payroll revealed that one hundred and sixty-eight (168) employees were earning less than one third of their basic salaries. This was contrary to Section 19(3) of the Employment Act, 2007 which states that without prejudice to any right of recovery of any debt due, and notwithstanding the provisions of any other written law, the total amount of all deductions which under the provisions of subsection (1), may be made by an employer from the wages of his employee at any one time shall not exceed two thirds

of such wages or such additional or other amount as may be prescribed by the Minister either generally or in relation to a specified employer or employee or class of employers or employees or any trade or industry.

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

3. Construction of Kisii Cancer Centre

3.1 Delayed Construction of Kisii Cancer Centre

The project was to be financed through a loan whose agreements were signed on 03 June, 2015 between the Republic of Kenya (Borrower) and Arab Bank for Economic Development in Africa (BADEA) at USD 10,000,000 (or Kshs.1 Billion at the prevailing exchange rate at the time) and on 12 April, 2017 between the Saudi Fund for Development (SFD) and the Republic of Kenya at 37,500,000 Saudi Riyals (or Ksh.1 Billion, at the prevailing exchange rate at the time). The borrower was expected to provide additional funding of USD.2,800,000 (or Kshs.280,000,000 at the prevailing exchange rate at the time) bringing the total estimated project cost to Kshs.2,280,000,000. The project duration was six (6) years from 10 August, 2016 to 10 August, 2022. However, as at 30 June, 2023, construction had not commenced and total loan amount disbursed since the inception of the project has also not been disclosed. The commencement of the project has delayed for over seven (7) years.

In the circumstances, the expected value for money has not been obtained.

3.2 Expired Contract on Consultancy Services

The Ministry entered into contract for provision of consultancy services for the proposed cancer centre at Kisii Level 5 Hospital on 14 November, 2019 for a contract sum of Kshs.128,402,000. The expected consultancy period was eighteen (18) months starting December, 2019 and ending May, 2021. However, during the period under review, payment amounting to Kshs.19,220,000 was made from the Ministry as part of the counterpart funding against the expired contract which had not been renewed or extended.

In the circumstances, the regularity and value for money on the expenditure of Kshs.19,220,000 incurred on consultancy services for the proposed cancer centre at Kisii Level 5 Hospital could not be confirmed.

4. Delayed Construction of Paediatric Emergency Centre and Burns Management Centre

The statement of receipts and payments and Note 11 to the financial statements reflects acquisition of assets of Kshs.1,943,005,000. The amount includes expenditure of Kshs.377,455,655 on construction of buildings out of which Kshs.131,647,317 was paid to a contractor for construction of Paediatric Emergency Centre and Burns Management Centre located at Kenyatta National Hospital. The project which commenced in 2017-2018 financial year was expected to be completed in 2021-2022 was at 58% completion

level as per the hospital project status report of June, 2023. Further, physical inspection carried out revealed that although the contractor had some presence on site, no construction works were ongoing.

In the circumstances, value for money on expenditure of Kshs.131,647,317 on construction of Paediatric Emergency Centre and Burns Management Centre could not be confirmed.

5. Failure to Operationalise Institutions

The following institutions have not been fully operationalised;

5.1 Mathari Teaching and Referral Mental Hospital

Paragraph 3(1) of Legal Notice 165 of 2017 states that there is established a State Corporation to be known as Mathari National Teaching and Referral Hospital. In addition, paragraph 16(2) states that the accounts of the Referral Hospital shall be audited and reported upon in accordance with the Public Finance Management Act, 2012 and Public Audit Act, 2015. However, as at 30 June, 2023, six (6) years after the Legal Notice, the Referral Hospital had not been operationalised, despite existence of a fully constituted board.

5.2 National Spinal Injury Referral Hospital

Executive Order No.1 of 2023 on organization of the Government of Kenya listed Spinal Injury Hospital as one of the institutions under the State Department for Medical Services. However, as at 30 June, 2023, the Hospital had not been operationalised and is managed by a Hospital Management Committee. The existence of the hospital is not supported by legislation either in form of an Act of Parliament or a legal notice.

5.3 Kenya Tissue and Transplant Authority

Paragraph 3(1) of Legal Notice 142 of 2022 established a State Corporation known as Kenya Tissue and Transplant Authority. In addition, paragraph 17(2) states that the accounts of the Kenya Tissue and Transplant Authority shall be audited and reported upon in accordance with the Public Finance Management Act, 2012 and Public Audit Act, 2015. However, as at 30 June, 2023 the Authority had not been constituted and did not have a Board of Directors.

5.4 Kenya Institute of Primate Research

Paragraph 3(1) of Legal Notice 273 of 2017 established the Kenya Institute of Primate Research as a body corporate with perpetual succession and a common seal. In addition, paragraph 23 (2) states that the accounts of the Institute shall be audited in accordance with the Public Audit Act, 2015. However, as at 30 June, 2023 six (6) years after the Legal Notice the Institute had not been constituted and did not have a Board of Directors.

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

6.0 Procurement of Histochemistry Machine

Note 11 to the financial statements reflects construction of buildings of Kshs.377,455,655 out of which Kshs.28,500,000 was for supply, delivery and installation of an immune-histochemistry machine for breast cancer at National Cancer Reference Laboratory. Review of Inspection and Acceptance Committee minutes revealed that the equipment was supplied, delivered and installed. However, the procurement documents indicating how the supplier was identified and awarded the contract were not provided for audit.

In the circumstances, the regularity and value for money on expenditure of Kshs.28,500,000 could not be confirmed.

7.0 Long Outstanding Deposits

Note 14 to the financial statements reflects third party deposits of Kshs.301,533,549 out of which Kshs.55,247,609 relates to long outstanding deposits for over five (5) years from 2017/2018 which has remained unsettled. This was contrary to Regulation 106 of the Public Finance Management (National Government) Regulations, 2015 which states that unless otherwise exempted by an Act of Parliament, any deposit which has remained unclaimed for five (5) years may, with the approval of the Cabinet Secretary, be paid into Consolidated Fund and thereafter the Accountant-General may refund the deposit to any person entitled thereto, if he or she is satisfied that the claim is authentic.

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

8.0 Training of Kenyan Doctors in Cuba

Note 7 to the financial statements reflects use of goods and services of Kshs.7,339,616,756 out of which Kshs.493,954,203 was training expenses which includes Kshs.15,168,550 incurred on thirty-five (35) Kenyan Doctors undertaking family medicine training in Cuba.

However, the following unsatisfactory matters were noted:

8.1 Lack of Approval to Train in Foreign Based Institution

Training records indicate that the Ministry entered into a contract to train fifty (50) doctors in Family medicine for two years at a cost of USD.2,147,625 or Kshs.214,762,500 without evidence that the course was not available in Kenya before granting approval to train in a foreign institution. This was contrary to Paragraph 4.2.1 of the Guidelines on Managing Training in Public Service, 2017, which provides that an approval to train in foreign-based institution will only be granted in instances where the courses applied for are not available in local institutions.

8.2 Training County Government Employees

Review of human resource records revealed that the trained doctors are not employees of the Ministry but are employed by various County Governments which manages their human resource matters including training. Management has not provided the criteria used in identification, selection and award of scholarship and why the training could not be done by the respective County Governments. In addition, since the Ministry does not manage the payroll for these employees, the recovery of 20% training levy for the sponsored doctors was not made, although Management had requested various counties to recover the training levy. This was contrary to Section H.5(2) of Human Resource Policies and Procedures Manual for the Public Service, 2016 which states that officers attending courses lasting more than four (4) weeks in institutions outside the country will contribute at the rate of twenty percent (20%) of their basic salary per month for the duration of the course.

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

9.0 Outstanding Imprest

The statement of financial assets and financial liabilities reflects imprest and advances of Kshs.44,226,312, which ought to have been accounted for on or before 30 June, 2023. As at the time of audit in September, 2023, Management had not instituted measures on recovery of the long outstanding imprest. This was contrary to Regulations 93(5) and 93(6) of the Public Finance Management (National Government) Regulations, 2015 which requires a holder of a temporary imprest to account or surrender the imprest within seven (7) working days after returning to the duty station and Accounting Officers to recover the full amount from the salary of the defaulting officers with interest at the prevailing Central Bank Rate.

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

10.0 Unutilised Medical Equipment

The statement of receipts and payments reflects use of goods and services amount of Kshs.7,339,616,756 as disclosed in Note 7 to the financial statements. The amount includes Kshs.2,939,233,336 on rental of produced assets out of which Kshs.2,341,127,802 was for repair and maintenance of Managed Equipment Services (MES) equipment outsourced by the Ministry. However, physical verification in the month of September, 2023 in sampled hospitals revealed that the contracts between maintenance service providers and the Ministry had expired. Therefore, some equipment including renal dialysis equipment, Intensive Care Unit (ICU) equipment, X-ray and other Imaging equipment were not functioning and had not been serviced as at September, 2023.

In addition, verification of the Microwave projects with an estimated value of Kshs.135,000,000 revealed that the microwave equipment in Narok County was still in

sealed containers. Further, the Microwave equipment in Kisumu was functioning but had a defect that had not been corrected due to the absence of a maintenance contract.

In the circumstances, value for money of Kshs.2,341,127,802 in respect of repair and maintenance of Managed Equipment Services (MES) equipment and Microwave project could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Assets Management

1.1 Failure to Maintain Fixed Assets Register

Annex 1 to the financial statements reflects historical cost of Kshs.6,141,769,839. However, the Ministry did not maintain a fixed asset register to record the assets indicating their nature, date of purchase, amount, unique identifier, depreciation among other details.

1.2 Residential Housing Units

Annex 1 to the financial statements reflects building and structure of Kshs.2,056,054,582. However, the balance excludes two hundred and thirty-five (235) housing units at Mathari Teaching and Referral Hospitals whose values have not been determined. Management indicated the housing units belong to National Housing despite being located at a parcel of land belonging to the Ministry.

1.3 Undisclosed Land and Buildings

Annex 1 to the financial statements reflects Nil land balance. However, the Ministry possess various parcels of land across the country including land on the ongoing

construction of Cancer Centres in Mombasa, Nakuru and Garissa. However, a list of the parcels of land, buildings and ownership documents was not provided for audit. Further, excluded from the balance is land and buildings along Cathedral Road where the Ministry of Health Headquarters is located.

1.4 Encroachment of Land at Mathari Teaching and Referral Hospital

Available information confirmed that the Ministry owns a parcel of land which houses Mathari Teaching and Referral Hospital measuring approximately 34.3 hectares of undetermined value. Physical verification and explanation by Management revealed that the land was partially fenced by Nairobi Metropolitan Services (NMS). However, no documentary evidence was provided to support this explanation. Further, it was observed that an undisclosed developer had erected a temporary fence on the unfenced portion of the land.

In the circumstances, the effectiveness of internal controls in place to safeguard the assets from loss, misuse or theft could not be confirmed.

2. Payment of Salaries Outside the Payroll

The statement of receipts and payments reflects compensation of employees amount of Kshs.14,157,676,754 which includes Kshs.766,458,883 that was paid outside the Integrated Personnel and Payroll Database (IPPD) system. Management confirmed this to be payments made to Agence Française de Développement (AFD) project, Cuban Doctors and Malaria vector specialists processed outside the system. This was contrary to The National Treasury directive that require personnel emoluments to be processed and paid through IPPD.

In the circumstances, existence of effective mechanisms on the payroll could not be confirmed.

3. Lack of Training Needs Assessment

Note 7 to the financial statements reflects training expenses of Kshs.493,954,203 out of which Kshs.99,936,658 was tuition fees and allowances for employees. However, it was noted that the trainings were conducted without a Training Needs Assessment identifying performance gaps and linking the trainings to closing such gaps. This was contrary to Paragraph 3.0 of the guidelines to managing training in Public Service, 2017 which states that "As per the Human Resource Development Policy and other Human Resource Management & Development guidelines in the Public Service, planning for training shall be guided by the outcome of Training Needs Assessment and shall be designed in line with identified performance gaps linking training to closing of such gaps. Training will be planned to upgrade core competencies, knowledge, skills and attitudes of public servants, with the aim of enhancing service delivery."

In the circumstances, the relevance and effectiveness of the staff training undertaken by the Ministry could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, 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 (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Ministry's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Ministry 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 Ministry'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 controls 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 controls 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 policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgment and maintain professional scepticism 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 the 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 Ministry's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the

financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Ministry to cease to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Ministry 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 Nandy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

23 January, 2024

11. Statement of Receipts and payments for the Year ended 30th June 2023

	Note	FY 2022/2023 Kshs	FY 2021/2022 Kshs
RECEIPTS			
Proceeds from Domestic and Foreign Grants	2	620,000,000	-
Exchequer releases	1	75,385,635,274	84,638,005,991
Proceeds from Foreign Borrowings	3	2,686,871,222	5,158,136,069
Proceeds from Sale of Assets	4	-	10,742,319,287
Other Receipts	5	3,788,504	6,812,478,902
TOTAL RECEIPTS		78,696,295,000	107,350,940,249
PAYMENTS			
Compensation of Employees	6	14,157,676,754	13,712,918,331
Use of goods and services	7	7,339,616,756	12,183,660,271
Transfers to Other Government Entities	8	53,435,376,444	77,155,075,338
Other grants and transfers	9	1,816,774,703	2,168,422,341
Social Security Benefits	10	0	99,999,999
Acquisition of Assets	11	1,943,005,000	2,000,223,435
		78,692,449,657	
TOTAL PAYMENTS			107,320,299,715
SURPLUS/DEFICIT		3,845,343	30,640,534

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 22/9/2023 and signed by:



Name Harry Kimtai CBS
Accounting Officer



Name Moses Gitari
Head of Accounting Unit
ICPAK M/No 4204

12. Statement Of Financial Assets and Financial Liabilities as at 30th June 2023

	Note	Period ended 30th June 2023	2021-2022
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	12A	304,951,441	245,754,940
Cash Balances	12B	427,452	2,053,554
Total Cash And Cash Equivalents		305,378,893	247,808,494
Accounts Receivables - Outstanding Imprestand Salary advance	13	44,226,312	106,671,192
TOTAL FINANCIAL ASSETS		349,605,205	354,479,686
LESS: FINANCIAL LIABILITIES			
Accounts Payables – Deposits	14	301,533,549	243,197,236
NET FINANCIAL ASSETS		48,071,656	111,282,450
REPRESENTED BY			
Fund balance b/fwd	15	111,282,450	855,726,452
Prior year adjustments	16	(67,056,137)	(775,084,536)
Surplus for the year		3,845,343	30,640,534
NET FINANCIAL POSSITION		48,071,656	111,282,450

Prior year adjustment is the Exchequer Remittances to National Treasury and prior year imprest surrendered during the year.

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 22/9 2023 and signed by:



.....

Name Harry Kimtai CBS

Accounting Officer



.....

Name Moses Gitari

Head of Accounting Unit

ICPAK M/No 4204

13. Statement of Cash Flows For The Year Ended 30th June 2023

	Note	2022-2023	2021-2022
		Kshs	Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts for operating income			
Proceeds from Domestic and Foreign Grants	2	620,000,000	-
Exchequer Releases	1	75,385,635,274	84,638,005,991
Other Receipts	4	3,788,504	6,812,478,902
		76,009,423,778	91,450,484,893
Payments for operating expenses			
Compensation of Employees	6	14,157,676,754	13,712,918,331
Use of goods and services	7	7,339,616,756	12,183,660,271
Transfers to Other Government Units	8	53,435,376,444	77,155,075,338
Other grants and transfers	9	1,816,774,703	2,168,422,341
Social Security Benefits	10	-	99,999,999
		76,749,444,657	105,320,076,280
Adjustments during the year			
Adjustments during the year	16	(67,056,137)	-
Decrease/(Increase) in Accounts Receivable	17	62,444,880	31,407,466
Increase/(Decrease) in Accounts Payable	18	58,336,313	101,284,082
		53,725,056	69,876,616
Net Adjustments			

		(686,295,823)	(13,799,714,771)
Net cashflow from operating activities			
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	8	-	10,742,319,287
Acquisition of Assets	11	(1,943,005,000)	(2,000,223,435)
Net cash flows from Investing Activities		(1,943,005,000)	8,742,095,852
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings	3	2,686,871,222	5,158,136,069
Net cash flow from financing activities		2,686,871,222	5,158,136,069
NET INCREASE IN CASH AND CASH EQUIVALENT		57,570,399	100,517,150
Cash and cash equivalent at BEGINNING of the year		247,808,494	147,291,344
Cash and cash equivalent at END of the year		305,378,893	247,808,494

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 22/9/ 2023 and signed by:



.....
Name: Harry Kimtai CBS
Accounting Officer



.....
Name: Moses Gitari
Head of Accounting Unit
ICPAK M/No. 4204

14. Statement of Comparison of Budget and Actual Amounts combined for FY2022/2023

	Printed Estimate	Supplementary Estimates	Final Approved Estimate (Net)	Actual on comparable basis	Budget Utilization Differences	% of Utilization
	A	C	d=a+b+c	E	f=d-e	g=e/d%
RECEIPTS						
Proceeds from Domestic and Foreign Grants	3,878,479,500	-101,600,000	3,776,879,500	620,000,000	3,156,879,500	16.42%
Exchequer releases	88,594,700,600	-6,571,420,638	82,023,279,962	75,385,635,274	6,637,644,688	91.91%
Proceeds from Foreign Borrowings	10,381,074,552	-5,442,074,552	4,939,000,000	2,686,871,222	2,252,128,778	54.40%
Proceeds from Sales of Assets	13,287,400,000	1,629,625,000	14,917,025,000	0	14,917,025,000	0.00%
Other Receipts	6,377,600,000	-848,575,000	5,529,025,000	3,788,504	5,525,236,496	0.07%
Total	122,519,254,652	-11,334,045,190	111,185,209,462	78,696,295,000	32,488,914,462	
PAYMENTS						
Compensation of Employees	13,572,340,017	819,144,800	14,391,484,817	14,157,676,754	233,808,063	98.38%
Use of goods and Services	12,572,331,204	-1,944,472,257	10,627,858,947	7,339,616,756	3,288,242,191	69.06%
Transfers to Other Government Units	90,437,338,977	-10,918,359,351	79,518,979,626	53,435,376,444	26,083,603,182	67.20%
Other Grants and Transfers	1,305,222,774	1,487,730,908	2,792,953,682	1,816,774,703	976,178,979	65.05%
Social Security Benefits	100,000,000	0	100,000,000		100,000,000	0.00%
Acquisition of Assets	4,532,021,680	-778,089,290	3,753,932,390	1,943,005,000	1,810,927,390	51.76%
Total	122,519,254,652	-11,334,045,190	111,185,209,462	78,692,449,657	32,492,759,805	
				3,845,343.80		

- a) The underutilization of use of goods, transfer to other government entities, other grants and acquisition of assets is due to lack of exchequer, and lengthy process from procurement
- b) The reallocation during the year is due to budget cuts
- c) Proceeds from domestic and foreign grants , proceeds from foreign borrowings, other receipts is due to the supplementary cuts

The entity financial statements were approved on 22/9/ 2023 and signed by:



Name: Harry Kimtai, CBS

Accounting Officer



Name: Moses Gitari

Head of Accounting Unit

ICPAK M/No 4204

13 (a) Statement of Comparison of Budget and Actual Amounts: Recurrent for FY2022/23

	Printed Estimate	Supplementary Estimates	Final Approved Estimate (Net)	Actual on comparable basis	Budget Utilization Differences	% of Utilization
	A	c	d=a+b+c	E	f=d-e	g=e/d%
RECEIPTS						
Exchequer releases	48,838,000,000	(85,390,261)	48,752,609,739	48,070,747,148	681,862,591	98.6%
Proceeds from Sales of Assets	13,287,400,000	1,629,625,000	14,917,025,000	0	14,917,025,000	0.00%
Other Receipts	6,377,600,000	-848,575,000	5,529,025,000	3,788,504	5,525,236,496	0.07%
Total	68,503,000,000	695,659,739	69,198,659,739	48,074,535,652	21,124,124,087	
PAYMENTS						
Compensation of Employees	13,534,711,834	819,144,800	14,353,856,634	14,136,475,948	217,380,687	98%
Use of goods and Services	1,741,905,709	304,671,945	2,046,577,654	1,867,232,751	179,344,903	91%
Transfers to Other Government Units	52,634,133,983	-298,416,387	52,335,717,596	31,929,975,828	20,405,741,768	61%
Other Grants and Transfers	99,152,574	-7,288,144	91,864,430	35,417,585	56,446,845	39%
Social Security Benefits	100,000,000	0	100,000,000	0	100,000,000	0.00%
Acquisition of Assets	393,095,900	-122,452,475	270,643,425	129,732,344	140,911,081	48%
Total	68,503,000,000	695,659,739	69,198,659,739	48,098,834,456	21,099,825,284	69.51%
				-24,298,804		

Notes

(a) The underutilization of compensation to employees, use of goods, transfer to other government entities, other grants and acquisition of assets is due to lack of exchequer

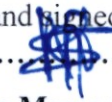
(b) Reallocations within the year during the year is due to budget cuts

The entity financial statements were approved on 22/9 2023 and signed by:

.....


Name Harry Kimtai CBS

Accounting Officer

.....


Name Moses Gitari

Head of Accounting Unit

ICPAK M/No 4204

13 (b) Statement of Comparison of Budget and Actual Amounts: Development for FY2022/23

	Printed Estimate	Supplementary Estimates	Final Approved Estimate (Net)	Actual on comparable basis	Budget Utilization Differences	% of Utilization
	a	C	d=a+b+c	E	f=d-e	g=e/d%
RECEIPTS						
Proceeds from Domestic and Foreign Grants	3,878,479,500	-101,600,000	3,776,879,500	620,000,000	3,156,879,500	16.42%
Exchequer releases	39,756,700,600	-6,387,530,377	33,369,170,223	27,314,888,126	6,054,282,097	82.10%
Proceeds from Foreign Borrowings	10,381,074,552	-5,442,074,552	4,939,000,000	2,686,871,222	2,252,128,778	54.40%
Total	54,016,254,652	-11,931,204,929	42,085,049,723	30,621,759,349	11,463,290,375	72.7%
PAYMENTS						
Compensation of Employees	37,628,183	0	37,628,183	21,200,806	16,427,377	56.34%
Use of goods and Services	10,830,425,495	-1,612,644,202	9,217,781,293	5,472,384,004	3,108,897,289	59.37%
Transfers to Other Government Units	37,803,204,994	-11,157,942,964	26,645,262,030	21,505,400,616	5,677,861,414	80.71%
Other Grants and Transfers	1,206,070,200	1,495,019,052	2,701,089,252	1,781,357,118	919,732,134	65.95%
Acquisition of Assets	4,138,925,780	-655,636,815	3,483,288,965	1,813,272,657	1,670,016,308	52.06%
Total	54,016,254,652	-11,931,204,929	42,085,049,723	30,593,615,201	11,392,934,522	72.87%
				28,144,147		

- a) The underutilization of compensation to employees, use of goods, transfer to other government entities, other grants and acquisition of assets is due to lack of exchequer
- b) The reallocation during the year is due to budget cuts
- c) Under collection of proceeds from foreign and domestic borrowings is due to the lengthy procurement procedure

The entity financial statements were approved on 22/9/ 2023 and signed by:



Name: Harry Kimtai CBS

Accounting Officer



Name: Moses Gitari

Head of Accounting Unit

ICPAK M/No 4204

13 (c) Budget Execution by Programmes and Sub-Programmes for FY2022/23

Program	Sub Program	Description	Approved Budget	Actual Payments	Variance
0		Default - Non Programmatic	0	0	0
	0	Default - Non Programmatic	0	0	0
401000000		Preventive & Promotive Health Services	20,248,489,681	12,620,817,561.95	7,627,672,119.05
	401010000	Communicable Disease Control	0	-600	600
	401020000	Health Promotion	750,449,414	539,446,553.50	211,002,860.50
	401030000	Non-communicable Disease Prevention & Control	7,153,686,370	3,837,504,170.15	3,316,182,199.85
	401040000	Government Chemist	191,250,000	108,749,997.00	82,500,003.00
	401050000	Radiation Protection	6,988,018,741	5,014,579,160.35	1,973,439,580.65
	401060000		0	0	0
	401080000		4,684,184,710	2,673,562,258.25	2,010,622,451.75
	401090000		480,900,446	446,976,022.70	33,924,423.30
402000000		Curative Health Services	51,119,070,225	32,307,080,622.60	18,811,989,602.40
	402010000	National Referral Services	41,768,359,725	26,095,339,820.50	15,673,019,904.50
	402020000	Mental Health	125,420,792	111,985,308.00	13,435,484.00
	402030000	Specialized services (Spinal Injury)	0	0	0
	402040000	Forensic and Diagnostics	2,092,042,100	1,403,470,796.65	688,571,303.35
	402050000	Free Primary Healthcare	0	0	0
	402060000		3,795,139,798	2,933,665,551.75	861,474,246.25
	402080000		129,101,678	124,722,329.10	4,379,348.90
	402090000		3,209,006,132	1,637,896,816.60	1,571,109,315.40
403000000		Health Research and Development	9,724,666,665	6,733,798,791.00	2,990,867,874.00
	403010000	Capacity Building & Training	6,674,666,665	3,893,666,664.00	2,781,000,001.00
	403020000	Research & Innovations	3,050,000,000	2,840,132,127.00	209,867,873.00

Ministry of Health**Annual Report and Financial Statements for the year ended 30th June 2023**

404000000		General Administration, Planning & Support Services	10,388,139,758	6,231,278,517.90	4,156,861,240
	404010000	Health Policy, Planning & Financing	2,193,132,262	-1,449,746,595.00	3,642,878,857
	404020000	Health Standards, Quality Assurance & Standards	1,115,873,234	644,727,580.90	471,145,653.10
	404030000	National Quality Control Laboratories	118,030,341.00	117,015,170.00	1,015,171.00
	404040000	Human Resource Management	6,961,103,921.00	6,919,282,362.00	41,821,559.00
405000000		Maternal and Child Health	19,704,843,133.00	20,799,474,163.20	-1,094,631,030.20
	405010000	Family planning services	-	-	-
	405020000	Maternity	-	-	-
	405030000	Immunization	-	-	-
	405040000		11,841,805,345.00	13,133,704,648.75	-1,291,899,303.75
	405050000		435,555,669.00	345,025,992.80	90,529,676.20
	405070000		7,427,482,119.00	7,320,743,521.65	106,738,597.35
		Grand Total	111,185,209,462.00	78,692,449,656.65	31,492,759,805

15. Notes to the Financial Statements

1. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions. The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

2. Reporting Entity

The financial statements are for the Ministry of Health. The financial statements encompass the reporting entity as specified under Section 81 of the PFM Act 2012

3. Reporting Currency

The financial statements are presented in Kenya Shillings (Kshs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by Ministry of Health for all the years presented.

a) Recognition of Receipts

The Ministry of Health recognises all receipts from the various sources when the event occurs, and the related cash has been received.

i. Transfers from the Exchequer

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving Ministry of Health.

ii. External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners. Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criterion is applied for loans received in the form of a direct payment. During the year ended 30th June 2023, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

iii. miscellaneous receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognised in the financial statements the time associated cash is received.

Significant Accounting Policies (Continued)

b) Recognition of payments

The Entity recognises all payments when the event occurs, and the related cash has been paid out by the Ministry of Health.

i) Compensation of Employees

Salaries and wages, allowances, statutory contribution for employees are recognized in the period when the compensation is paid.

ii) Use of Goods and Services

Goods and services are recognized as payments in the period when the goods/services are paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

iii) Interest on Borrowing

Borrowing costs that include interest are recognized as payment in the period in which they are paid for.

iv) Principal on borrowing

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made.

v) Acquisition of Fixed Assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment. A fixed asset register is maintained and a summary provided for purposes of consolidation. This summary is disclosed as an annexure 1 to the financial statements.

Significant Accounting Policies (Continued)

vi) In-kind contributions

In-kind contributions are donations that are made to the Entity in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the *Entity* includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

vii) Third Party Payments

Included in the receipts and payments, are payments made on the entity's behalf to third parties in form of loans and grants. These payments do not constitute cash receipts and payments and are disclosed in the payment to third parties in the statement of receipts and payments as proceeds from foreign borrowings or grants.

c) 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. A bank account register is maintained, and a summary provided for purposes of consolidation.

Restriction on Cash

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits and retentions. As of 30th June 2023, this amounted to Kshs 301,533,549 compared to Kshs 243,197,236 in prior period as indicated on note 12. There were no other restrictions on cash during the year.

Significant Accounting Policies (Continued)

d) Imprests and advances

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or Authority to Incur Expenditure (AIE) holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

e) Third party deposits and retention

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted for National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

f) Pending Bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

g) Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits and retentions, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament in *June 2022 for the period 1st July 2022 to 30th June 2023* as required by Law and there were xx number of supplementary adjustments to the original budget during the year.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements. Government Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-entity transfers.

h) Comparative Figures

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

i) Subsequent Events

There have been no events after the financial year end with a significant impact on the financial statements for the year ended 30th June 2023.

j) Prior Period Adjustment

During the year, errors that have been corrected are disclosed under note 26 explaining the nature and amounts.

k) Related Party Transactions

Related party means parties are related if one party has the ability to:

- a) Control the other party or
- b) Exercise significant influence over the other party in making financial and operational decisions, or if the related party entity and another entity are subject to common control.

Related party transaction is a transfer of resources or obligations between related parties regardless of whether a price is charged.

Significant Accounting Policies (Continued)

l) Contingent Liabilities

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
 - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships, The Ministry of Health 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. Note 20 of this financial statement is a register of the contingent liabilities in the year.

Notes to the Financial Statements

1 Exchequer releases

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers From Exchequer	75,385,635,274	84,638,005,991
Total	75,385,635,274	84,638,005,991

Exchequer Releases refers to disbursement from National Treasury through the exchequer account

on behalf of the MOH budgeted expenditure. The ministry received Exchequer issues of Kshs.

75,385,635,274

2 Proceeds from Domestic and Foreign Grants

Name of Donor	Date received	Indicate whether it was a direct payment	Amount in foreign currency	2022-2023	2021-2022
				Kshs	Kshs
Grants received from Bilateral Donors (Foreign Governments)					
Government of Finland	-	-	-	620,000,000	-
Grants received from Multilateral Donors (International Organizations)					
Total	-	-	-	620,000,000	-

Notes to the Financial Statements (continued)

3 Proceeds from Foreign Borrowings

Description	2022-2023	2021-2022
	Kshs	Kshs
Foreign Borrowing - Direct payments	2,686,871,222	5,158,136,069

Total	2,686,871,222	5,158,136,069
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These refers to expenditure of Capital Nature received through donor Appropriation In Aid

4 Proceeds from Sale of Assets

Description	2022-2023	2021-2022
	Kshs	Kshs
Receipts from the Sale of Inventories, Stocks & Commodities	-	10,742,319,287
Total	-	10,742,319,287

5 Miscellaneous Receipts

Description	2022-2023	2021-2022
	Kshs	Kshs
Receipts from Administrative Fees and Charges	-	6,807,384,360
Receipts not classified anywhere	3,788,504	5,094,542
Total	3,788,504	6,812,478,902

Notes to the Financial Statements (Continued)

6 Compensation to Employees

Description	2022-2023	2021-2022
	Kshs	Kshs
Basic salaries of permanent employees	3,117,203,800	10,170,204,733
Basic wages of temporary employees	8,902,269,848	1,410,701,818
Personal allowances paid as part of salary	2,138,203,106	2,132,011,780
Total	14,157,676,754	13,712,918,331

7 Use of Goods and Services

Description	2022-2023	2021-2022
	Kshs	Kshs
Utilities, supplies and services	76,824,726	130,911,262
Communication, supplies and services	11,562,961	13,563,358
Domestic travel and subsistence	219,862,664	94,078,278
Foreign travel and subsistence	12,177,300	1,596,359
Printing, advertising and information supplies & services	10,573,143	14,427,056
Rentals of produced assets	2,939,233,336	7,213,175,342
Training expenses	493,954,203	493,894,394
Hospitality supplies and services	197,582,938	211,007,225
Specialized materials and services	1,156,737,261	1,733,665,386
Office and general supplies and services	34,862,326	42,620,203
Fuel Oil and Lubricants	61,869,449	60,409,598
Other operating expenses	1,493,377,665	2,070,212,450
Routine maintenance – vehicles and other transport equipment	20,075,946	21,264,469
Routine maintenance – other assets	610,922,838	82,834,891
Total	7,339,616,756	12,183,660,271

Notes to the Financial Statements (Continued)

8 Grants and Transfers to other Government Entities

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers to National Government entities		
Current grants to government agencies and other level of govt	31,922,622,382	49,519,739,794
Capital grants to government agencies and other level of govt	10,860,101,609	15,537,403,394
Current grants to development projects	7,353,446	9,214,800
Capital grants to development projects	10,645,299,007	12,088,717,350
Other Current transfers grants and subsidies	-	-
Other Capital transfers grants and subsidies	-	-
Transfers to other levels of Government – Counties		
	-	-
Total	53,435,376,444	77,155,075,338

Ministry of Health

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

Notes to the Financial Statements (Continued)

8 b: Transfers to self – reporting entities in the year

The above transfers were made to the following self-reporting entities in the year:

Description	Recurrent	Development	2022-2023	2021-2022
	Kshs	Kshs	Kshs	Kshs
Transfers to SAGAs and SCs				
Kenyatta National Hospital	10,441,000,008	800,000,000	11,241,000,008	15,538,300,982
Kenyatta Nat.Hospital-Othaya	795,000,000	-	795,000,000	800,000,000
Kenyatta Nat.Hosp.Mama Margret Uhuru Hospital	350,000,000	-	350,000,000	-
Kenyatta University Hospital	2,593,000,000	-	2,593,000,000	5,242,680,713
Kenyatta University Hospital-Gatundu	500,000,000	-	500,000,000	-
Moi Teaching & Referral	8,030,000,000	304,250,000	8,334,250,000	11,501,659,277
Kenya Medical Training Inst.	3,133,666,664		3,133,666,664	7,802,300,000
National Aids Control Council	657,750,000	69,000,000	726,750,000	1,122,500,000
Kenya Biovax Institute Ltd	33,333,332	100,000,000	133,333,332	495,831,300
Kenya Medical Practitioners	345,000,000		345,000,000	611,507,280
Kenya Radiation Authority	108,749,997	-	108,749,997	235,000,000
National Cancer Institute	121,666,667		121,666,667	163,610,000
Kenya Medical Research Inst.	2,757,000,002	257,000,000	3,014,000,000	2,814,050,000
National Hospital Ins.Fund	1,873,200,000	10,098,000,000	7,873,200,000	11,971,200,000
Kenya Medical Agency	120,000,000	2,589,569,056	2,709,569,056	6,838,954,256
Nursing Council Of Kenya	25,000,000		25,000,000	78,544,384
Geneva Attachee	29,422,381		29,422,381	37,845,650
Sub Total				
Transfers to County Governments				
County	-			898,100,742
County				
Transfers to Projects-GoK counterpart funding				

Description	Recurrent	Development	2022-2023	2021-2022
	Kshs	Kshs	Kshs	Kshs
PRIMARY HEALTH CARE-DANIDA		907,125,742	907,125,742	325,986,258
GLOBAL FUND – TUBERCULOSIS PROGRAMME				852,521,253
GLOBAL FUND –HIV AND AIDS PROGRAMME				116,730,000
GLOBAL FUND – MALARIA PROGRAMME				580,696,138
TRANSFORMATIVE HEALTH SYSTEMS-AIA				29,379,240
TRANSFORMATIVE HEALTH SYSTEMS-IDA		151,812,000	151,812,000	359,352,117
TRANSFORMATIVE HEALTH SYSTEMS-UC				1,445,456,880
EAST AFRI. CENTRE OF EXCELLENCE-GOK				557,426,148
ACQUISITION OF COVID-19 VACCINES-GAVI				362,694,528
VACCINES AND IMMUNISATION-GAVI				1,000,000,000
UNICEF-COVID-19 VACCINES PROGRAMME				2,362,290,208
SUPPLY OF MEDICAL EQUIPMENT- FSE SARL				1,703,692,144
Covid 19 Projects				
Kenya Covid 19 Project				
SUPPLY OF MEDICAL EQUIPMENT-CROWN AGENTS JAPAN UNDER COVID-19				
Totals				11,395,792,905

We have confirmed these amounts with the recipient entities and attached these confirmations as an Appendix to this financial statement. Include this list as an annex if it goes beyond one page.

The Geneva attachee though is not self reporting but its budget is under grants

9 Other Grants and Transfers

Explanation	2022-2023	2021-2022
	Kshs	Kshs
Scholarships and other educational benefits	2,076,287	4,152,574
Emergency relief and refugee assistance	1,814,698,416	2,164,269,767
Total	1,816,774,703	2,168,422,341

(Provide details of what other grants and transfers relate to and who the beneficiaries are. Explain significant changes from prior period)

10 Social Security Benefits

	2022-2023	2021-2022
	Kshs	Kshs
Government pension and retirement benefits	-	99,999,999
Total	-	99,999,999

11 Acquisition of Assets

Non -Financial Assets	2022-2023	2021-2022
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	377,455,655	1,088,277,999
Refurbishment of Buildings	32,660,094	41,044,534
Purchase of Vehicles and other Transport Equipment	45,072,563	29,381,154
Purchase of Office Furniture and General Equipment	11,788,120	22,471,854
Purchase of Specialized Plant, Equipment and Machinery	657,707,177	467,852,894
Purchase of Certified Seeds, Breeding Stock and Live Animals	586,296,131	200,000,000
Research, Studies, Project Preparation, Design & Supervision	232,025,260	151,195,000
Rehabilitation of Civil Works	-	-
Acquisition of Strategic Stocks and commodities	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Sub-total	1,943,005,000	2,000,223,435
Financial Assets		
Domestic Public Non-Financial Enterprises	-	-
Domestic Public Financial Institutions	-	-
Foreign financial Institutions operating Abroad	-	-
Other Foreign Enterprises	-	-

Ministry of Health

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

Non -Financial Assets	2022-2023	2021-2022
	Kshs	Kshs
Sub-total	-	-
Total	1,943,005,000	2,000,223,435

(Where Financial Assets are purchased, explanation should be given as to the nature of the assets purchased and the institutions where such investments are made. Explain significant changes from prior period)

12 Cash and Bank Accounts

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Accounts (Note 12 A)	304,951,441	245,754,940
Cash on hand (Note 12B)	427,452	2,053,554
Total	305,378,893	247,808,494

12A: Bank Accounts

Name of Bank, Account No. & currency	Amount in bank account currency	Indicate whether recurrent, Development, deposit etc.	Exc rate (if in foreign currency)	2022-2023	2021-2022
				Kshs	Kshs
Central Bank of Kenya, Account No.100181478& currency	Ksh	Recurrent	-	651,257	236,752
Central Bank of Kenya , Account No. 1000303417& currency	Ksh	Development	-	2,766,635	2,320,952
Central Bank of Kenya, Account No.1000& currency	Ksh	Deposits	-	301,533,549	243,197,236
Total				304,951,441	245,754,940

12B: Cash on hand

Description	2022-2023	2021-2022
	Kshs	Kshs
Cash in hand – Held in domestic currency	427,452	2,053,554
Cash in hand – Held in foreign currency	-	-
Total	427,452	2,053,554

Notes to the Financial Statements (Continued)

Detailed Cash is as follows:

Description	2022-2023	2021-2022
	Kshs	Kshs
Location 1	427,452	2,053,554
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
Total	427,452	2,053,554

*[Provide board of survey certificates for each as attachments to the financial statements]***13 : Imprests and Advances**

Description	2022-2023	2021-2022
	Kshs	Kshs
Government Imprests	44,172,046	106,671,192
Salary advances	54,266	-
District suspense	-	-
Clearance accounts	-	-
Total	44,226,312	106,671,192

The imprest of kshs 44,172,046 will be recovered from employees salaries

Imprests and advances Aging analysis.

	2022-2023	% of the total	2021-2022	% of the total
Under one year	44,172,046	100%	106,671,192	100%
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total	44,172,046	-	106,671,192	-

[List attached)

PF/NO	Particulars	Designation	Amount
1983034567	LLOYD KABURU METHA	N.A.	143,000.00
1986045046	DAVID WAMBATI MUIINDE	N.A.	29,500.00
1986069278	NANCY JEBUNGEI BOWEN	N.A.	94,000.00
1987118371	MARGARET MATILA MUTISO	N.A.	30,000.00
1988026975	DALMAS AYIEKO TIMONA	N.A.	219,000.00
1989008417	PHOEBE ADHIAMBO	N.A.	30,000.00
1989103039	CALLEN KWAMBOKA KEBABA	SDWS SH	734,900.00
1990088307	PAUL KIPTANUI BITOK	N.A.	25,200.00
1990099675	JOHN KIREMA NDUNGU	N.A.	83,400.00
1990109161	ERICK LANGAT KECHEI	N.A.	317,600.00
1990147509	MARTHA MASI BOCHERE	N.A.	338,800.00
1991076442	NATHANIEL NAKUTI MUTEKWA	N.A.	296,200.00
1991080881	MARGARET WANGUI GITAU	N.A.	67,200.00
1991080946	ALLISTAIRS MUTUA KIILU	MOH HAU OTHAYA UPGRADE	1,562,800.00
1991097325	JACKSON KIOKO KIMEU	MOH Oversight	375,778.00

Ministry of Health**Annual Report and Financial Statements for the year ended 30th June 2023**

1993020057	JULIUS OSANA THOMAS OGATO	N.A.	27,200.00
1993020170	PETER MURIUKI NDEGWA	N.A.	155,200.00
1994006323	MARGARET MUTHONI MAINA	N.A.	67,600.00
1994035055	ANTHONY MUNGAI WAINAINA	N.A.	238,200.00
1994061153	MOHAMED NOOR BADEL	N.A.	3,591,800.00
1995045061	PAUL KSANG RUMOSIA	N.A.	70,000.00
1996012281	STEPHEN KHAEMBA WAMBULWA	N.A.	31,500.00
1996026230	KEZIAH WANJIKU NJONJO	N.A.	105,000.00
1996056992	ESTHER WAITHIRA KANYUA	N.A.	20,000.00
1996109915	DAVID GICHERU KARIUKI	N.A.	73,000.00
1996112667	GAMALIEL ODHIAMBO OMONDI	N.A.	68,800.00
1997081534	JUDY LISPAH MBOO KABATHI	N.A.	123,600.00
1997087857	WYCLIFFE ODUOR WANYANG	N.A.	259,900.00
1998002185	HAJI NAMAYI MONDA	N.A.	20,000.00
1998043474	EDWARD KIMUTAI SEREM	N.A.	100,800.00
1999048605	EMANUEL WANDERA OKUNGA	N.A.	285,120.00
2000002387	SALIM ALI HUSSEIN	N.A.	1,548,900.00
2000006284	JOHANSEN ODUOR NYAYAL	MOH Head Forensic&Pathologist	84,000.00
2001060150	JOHN IRUNGU KAMAU	N.A.	386,565.50
2002028486	HALIMA RAHMAN ABDUL	N.A.	63,000.00
2002044288	NANCY MUCOGO NJERU	N.A.	355,080.00
2003037941	GERALD NDERITU MACHARIA	N.A.	84,000.00
2003057357	EUNICE WANJIRU MUNYIRI	N.A.	49,000.00
2003070012	GIDEON KIPCHUMBA	N.A.	44,800.00

Ministry of Health**Annual Report and Financial Statements for the year ended 30th June 2023**

2004000395	JUSTUS OKOKO ANDERE	N.A.	39,200.00
2004005450	AHMEDDIN HASSAN OMAR	N.A.	136,000.00
2004009022	JEFFREY KAMZIGO KALAMA	N.A.	1,003,800.00
2004013699	SOTI OOKO DAVID	N.A.	104,000.00
2005000665	MARY FLAVIAN NYANGASI	N.A.	70,000.00
2005002714	HADLEY MATENDECHERO SULTANI	N.A.	1,241,583.00
2005003728	JOHN NYAOKO MORTE MOSE	N.A.	161,200.00
2005021815	JOHNSTONE NYAMAI MUKUTA	N.A.	201,600.00
2006003640	LUCY WINKIE MECCA	N.A.	84,000.00
2006003925	PAULINE ATIENO DUYA	N.A.	84,000.00
2006041876	CYRIL KEAH	N.A.	2,763,900.00
2006861724	KEN KIMATHI MBORI	N.A.	106,400.00
2007013046	ELIZABETH NAUKUSI WANGIA	MOH ADMS	252,000.00
2007013177	GRACE WAMWITHA IKAHU	N.A.	104,000.00
2007013305	JOSEPH LENAI KAMARIO	N.A.	42,000.00
2007022524	PATROBA OMBASA ONCHARI	N.A.	29,500.00
2008000232	GEOFFREY KIBET KORIR	N.A.	25,200.00
2008099011	JANET NALOBO MBETERA	N.A.	20,000.00
2009002902	CHARLES MAINA MWANGI	N.A.	2,069,480.00
2009042863	ROSE EDDER A JALANG'O	N.A.	84,000.00
2009043364	ANDREW MUTAVA MULWA	MOH AIE	4,347,750.00
2009043801	EVELYNN NJERI CHEGE	N.A.	10,000.00
2009052088	EMMA ACHIENG OGUTU	N.A.	29,500.00

Ministry of Health**Annual Report and Financial Statements for the year ended 30th June 2023**

2009059925	JACOB KYALO KITAVI	N.A.	164,800.00
2009063770	PETER ONDIEKI ONGUBO	N.A.	2,398,800.00
2010000751	NANCY NJOKI NDEGWA	MOH HSCM	100,800.00
2010005222	PETER JOSEPH NG'ENTU	SDM SENIOR ASSISTANT SECRETARY	68,800.00
2010033330	NICHOLUS TITUS NDONGI	N.A.	413,785.00
2010037025	JOSEPHINE NYAMBURA GITHAIGA	MOH Blood Transfusion	531,400.00
2010045060	EVALINE WAMBUI KAMAU	N.A.	4,857,500.00
2010055984	STEPHEN MBUGUA KABORO	N.A.	4,255,000.00
2010172744	LAMON OCHIENG OKUMU	N.A.	40,000.00
2011242536	PAUL WAMUGUA WANGUI	N.A.	19,600.00
2011243579	ELIZABETH OCHANDA OMBAMBO	N.A.	50,400.00
2012024438	WYCKLIFF PETER OMONDI	N.A.	171,200.00
2013024423	JAPHETH ATHANASIO ONG'OR OMONDI	N.A.	60,400.00
2013051646	EMMANUEL KEMBOI	N.A.	19,600.00
2014017717	IAN WERE CHESSA	N.A.	84,000.00
2015038185	ALLAN NJUGUNA KARIUKI	N.A.	1,237,983.00
2016007902	VICTOR MUGENDI NTHIGA	N.A.	110,800.00
2018123589	HEZRON OMOLLO	N.A.	110,000.00
20200099637	Timothy MburuguGikunda	N.A.	52,400.00
20220153299	PHILIP LWANDE OKIRO	N.A.	52,800.00
20220153304	JULIET MUTINDI WAITA	N.A.	29,500.00
2022015859	KARIUKI JOHN IRUNGU	N.A.	19,600.00

Ministry of Health
Annual Report and Financial Statements for the year ended 30th June 2023

96113744	ROSE. NAFULA MUDIBO	N.A.	237,800.00
DOD19312	FRANCIS NJOROGE KURIA	1083 AIE APPROVER	3,774,722.00
KNH531125	TOM BOSIRE MENGE	N.A.	100,800.00
Total			44,172,046.50

14 Third party deposits and retention

Description	2022-2023		2021-2022	
	Kshs		Kshs	
Retention	-		-	
Deposits	301,533,549		243,197,236	
Total	301,533,549		243,197,236	
Ageing analysis:	Current FY	% of the Total	Prior FY	% of the Total
Under one year	58,336,313	19%	243,197,236	81%
1-2 years		%		%
2-3 years		%		%
Over 3 years		%		%
Total				

15 Fund Balance Brought Forward

Description	2022-2023	2021-2022
	Kshs	Kshs
Bank Accounts	245,754,940	919,612,980
Cash in hand	2,053,554	2,762,900
Imprests and advances	106,671,192	75,263,726
Payables-Deposits	(243,197,236)	(141,913,154)
Total	111,282,450	855,726,452

16 Prior Year Adjustments

	Balance b/f from previous year as per audited financial statements	Adjustments during the year relating to prior periods	Adjusted ** Balance b/f Current Year
Description of the error	Kshs	Kshs	Kshs
Bank Account Balances	(775,084,536)	(67,056,136)	
Cash In Hand	-		
Imprests and advances			
Third party deposits and retention			
Others (<i>Specify</i>)			
Total	(775,084,536)	(67,056,136)	

17. (Increase)/ Decrease in Advances and Imprests

Description	2022-2023	2021-2022
	Kshs	Kshs
Receivables As At 1 st July (A)	106,671,192	75,263,726
Receivables As At 30 th June (B)	44,172,046	106,671,192
(Increase)/ Decrease in Receivables (C=(B-A))	62,499,146	(31,407,466)

(Receivable as at 1st July for Current FY should be the same as receivable as at 30th June for previous FY)

18. Increase/ (Decrease) in Retention and Third-Party Deposits

Description	2022-2023	2021-2022
		Kshs
Payables As At 1 st July	243,197,236	141,913,154
Payables As At 30 th June	301,533,549	243,197,236
Increase/ (Decrease) In Payables	(58,336,313)	(101,284,082)

18. Related Party Disclosures

The following comprise of related parties to the Ministry of Health

- i) Key management personnel that include the Cabinet Secretaries and Accounting Officers
- ii) Other Ministries Departments and Agencies and Development Projects;
- iii) County Governments; and
- iv) State Corporations and Semi-Autonomous Government Agencies.

Other Important Disclosures**19. Related party transactions:**

Description	2022-2023	2021-2022
	Kshs	Kshs
Key Management Compensation	341,971,945	
Transfers to Related Parties		
Transfers to other MDAs	41,998,224	
Transfers to SCs and SAGAs		
Transfers to Development Project		
Transfers to County Governments		898,100,742
Transfer to Non -Reporting Secondary /Primary Schools		
Transfer to other Non -Reporting Government Entities		
Total Transfers to Related Parties		
Purchase of Goods and Services		
Purchase of Electricity from KPLC		
Purchase of Water from Govt Service Providers		
Rent paid to Govt. Agencies		
Training Fees paid to Govt Agencies		
Conference Facilities hired from Govt. Agencies		
Others (Specify)		
Total Goods and Services paid to Govt. Agencies		
Transfers from Related Parties		
Transfers from the Exchequer	75,385,635,274	84,638,005,991
Transfers from other MDAs		
Total Transfers from Related Parties		

Other important disclosures (continued)

20. Pending Accounts Payable

	Balance b/f Previous FY	Additions for the period	Balance c/f Current FY
Description	Kshs	Kshs	Kshs
Bills verified and payable	512,819,347.53	846,138,074.95	1,358,957,422.48
Bills under verification	92,129,849.76	105,613,024.50	197,742,874.26
Contested/Court Awards	39,613,135,462.00	-	39,613,135,462.00
Total	40,218,084,659.29	951,751,099.45	41,169,835,758.74

This was pending due to insufficient exchequer

N/B The above sub-classification will be adopted based on the appropriate entity's operations

22. LEGAL PENDING BILLS (COURT AWARDS)

NO	Nature of Contingent Liability	Details of Court Awards	Date of Award	AMOUNT (SHS)
1.	Court Award	DR. SAMUEL KABERERE NJENGA – VS- AG& PS File No. 450/2011	2011	1,427,538.00
2.	Court Award	VULCAN LTD VS. AG File No.NRBI HCCC 1361/2000	2000	1,000,000,000
3.	Court Award	ABEDNEGO OCHOLA V AG File No.KSM H/C , MISC CIV APP NO' 86/2013	2013	612,032
4.	Court Award	FARAM E.A. LTD VS THE AG & 2 OTHERS File No.HCC AT NAIROBI NO. 245 OF 2013	2013	190,813,115
5.	Court Award	SIMON KAMAU NJOROGE VS. PRINCIPAL SECRETARY File No.411/2014	2014	169,999
6.	Court Award	ELDORET CHILDRENS CASE EUNIFER JEROTICH VS. DAVID KIBIWOTT File No.44/2004	2004	144,000
7.	Court Award	DR.LAWRENCE NJOGU CHEGE VS THE ATTORNEY GENERAL File No.372/2016	2016	219,748
8.	Court Award	SUSAN WAMAITHA KAMAU VS PRINCIPAL SECRETARY MINISTRY OF HEALTH File No.NRBI HC JR NO. 173 OF 2016	2016	637,02.40
9.	Court Award	CAROLINE WAMAITHA(SUING THROUGH NEXT OF FRIENDS) ESTHER NJOKI WANJIRU V MURIGI CHEGE, MOH MARAGWA DISTRICT HOSPITAL & AG File No.PMC AT KANDARA CIVIL CASE NO 188 OF 2015	2015	1,363,118

Ministry of Health

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

10.	Court Award	EQUIP AGENCIES LTD VS. AG File No.MILIMANI HCCC 55 /2017 FORMERLY (1459/1999)	1999	15,250,000,000
11.	Court Award	MAGGY AGULO CONSTRUCTION CO. LIMITED VS. MINISTRY OF PUBLIC HEALTH AND 4 OTHERS	2017	42,447,990
		File No.HIGH COURT KAKAMEGA CIVIL SUIT NO. 01 OF 2017		
12.	Court Award	IN THE MATTERS OF ARBITRATION BETWEEN MELLECH ENGINEERING & COOSTUCTION LTD AND HENRY M. JACKSON FOUNDATION & ANOTHER	2017	1,032,500.000
13.	Court Award	UNITED MEDICAL SUPPLIES VS THE AG File No.HIGH COURT SUIT AT NAIROBI NO. 2332 OF 1995	1995	17,839,728,834
14.	Court Award	PETER BUTALIU SABWAMI VS ARCHDIOCESE OF NAIROBI KENYA ,DR. LILIAN WANGU & DR MUCHAI GACHOGO File No.HCC NO 399 OF 2010	2010	5,045,879
15.	Court Award	UASIN GISHU MEMORIAL HOSPITAL VS MOI TEACHING & REFERAL HOSPITAL BOARD, MOH AND THE AG	2012	1,738,630,267
		File No.CIVIL APPEAL AT NRB NO 184 OF 2012		
16.	Court Award	ELIZABETH AWINO ONYANGO VS CABINET SECRETARY, MIN OF HEALTH & 2 OTHERS	2013	244,839
		File No.MISC CIV SUIT NO 391 OF 2013		
17.	Court Award	KEVIN MUZINDI WAMBUGU VS THE HON. ATTORNEY GENERAL	2004	244,730.00 As at 21st December 2012
		File No.NAIROBI CMCC NO. 11160 OF 2004		
18.	Court Award	ROCKEY AFRICAN LIMITED	2000	1,869,390,102
		File No.HCCC 1361 OF 2000		

19.	Court Award	EMMANUEL MUNENE –VS- THE ATTORNEY GENERAL & HYLINE MEMBA	2013	12,204,618
		File No.CMCC NO. 1558 OF 2013		
20.	Court Award	EUROTECH INTERNATIONAL – V- THE ATTORNEY GENERAL	1999	2,250,000,000
		File No.HCCC NO. 1460 of 1999		
21.	Court Award	ROSE MUMBI MUTURI VS. DIRECTOR NATIONAL YOUTH SERVICE, ATTORNEY GENERAL & ANOTHER	2012	615,788
		File No.THIKA CMCC NO. 820 OF 2012		
22.	Court Award	YUNITA AKUNGU VS TEDDY OKUKU OPIYO & HON. ATTORNEY GENERAL	2015	832,188
		File No.MBITA PMCC NO. 14 OF 2015		
23.	Court Award	ANTHONY SAA MWATEBWE VS FRANKLIN MWAMBENI & THE HON. ATTORNEY GENERAL	2018	5,178,924
		File No.KILIFI SPMCC 349 OF 2018		
24.	Court Award	EUGENE REEKSTING VS THE HON. ATTORNEY GENERAL	2013	3,893,309
		File No.NAIVASHA HCCC NO.8 OF 2019(FORMERLY NAKURU HCCC NO. 25 OF 2013)		
25.	Court Award	EMMANUEL ODUMO VS THE HON. ATTORNEY GENERAL	2018	427,314
		File No.BUSIA CMCC NO. 9 OF 2018		
26.	Court Award	KENYA NATIONAL UNION OF NURSES VS THE PERMANENT SECRETARY MINISTRY OF HEALTH & 2 OTHERS	2012	385,164.00
		File No.NAIROBI ELRC CAUSE NO. 1116 OF 2012		
27.	Court Award	REPUBLIC VS PRINCIPAL SECRETARY MINISTRY OF HEALTH & THE HONOURABLE ATTORNEY GENERAL Ex parte GEOFFREY GATWAI MWANGI	2017	127,995
		File No.NAIROBI HIGH COURT JUDICIAL REVIEW MISC. APPLICATION 202 OF 2017		

Ministry of Health
Annual Report and Financial Statements for the year ended 30th June 2023

28.	Court Award	EMMANUEL MUNENE(A minor suing through mother and next friend CHRISTINE NTHOKI MUANGE) VS THE HON. ATTORNEY GENERAL & 2 OTHERS File No.MOMBASA CMCC 1558 OF 2013	2013	17,046,364
29.	Court Award	FARAM E.A LIMITED VS HON. ATTORNEY GENERAL AND ANOTHER File No.NAIROBI HIGH COURT COMMERCIAL CASE NO. 103 OF 2018	2018	33,555,476
30.	Court Award	BENARD WASONGA VS AG File No.SRMCC No. 250/08	2008	153,072
31.	Court Award	MICHAEL N. SIMIYU V A.G File No.Nairobi 3/16	2016	462,500
32.	Court Award	ELIZABETH GATHONI MITEY File No.Nairobi 98/15	2015	727,750
33.	Court Award	JAPHET MURIUKI V AG File No.MERU CMCC No. 232A/011	2011	738,210
34.	Court Award	KIMEU MUSYOKI File No.13/16	2016	926,856
35.	Court Award	SIMON MUTHUMA NGANGA File No.421/18	2018	1,255,189
36.	Court Award	ELISHA OKINYO OGOLA VS AG File No.17/11	2011	1,976,770
37.	Court Award	SEKUNDU MURIIRA IBAYA VS DR. NGATIA & 3 OTHERS File No.MERU CMCC 190/2016	2016	7,158,000
38.	Court Award	ELRC CAUSE NO. 37(N) OF 2010. AGNES MUTHONI & 34 OTHERS VS KEMRI	18th October 2021	214,833,044
39.	Court Award	CIVIL SUIT NO 2473 OF 1998 BETWEEN GERRISHON KAMAU KIRIMA V/S ATTORNEY GENERAL OF THE REPUBLIC OF KENYA	25th September 2007	53,363,161
TOTAL LEGAL PENDING BILLS				40,547,440,085
LESS SETTLED CASES				934,304,623
TOTAL LEGAL PENDING BILLS AT 30TH JUNE 2023				39,613,135,462

*Notes to the Financial Statements (Continued)***23. Progress on follow up of Prior Years Auditor-General's recommendations.**

The following is the summary of issues raised by the Auditor-General during the prior year and management comments that were provided.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
422	Misclassification of Expenditure The financial statements presented for audit contained the following misclassifications	We have since reclassified in the amended financial statements (copy attached) appendix...422 (1)	Solved	31 st October 2023
423	Unsupported Other Operating Expenses The statement of receipts and payments reflects use of goods and services of Kshs.12,183,660,271 as disclosed in Note 7 to the financial statements. The amount includes other operating expenses balance of Kshs.2,070,212,450 out of which an	The bidders have since been availed for Audit Appendix..423	Not Yet resolved	31 st October 2023

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	amount of Kshs.24,200,000 was paid to a Company being 1st installment for consultancy services on public awareness campaigns to reduce Covid-19 vaccine hesitancy. However, Management did not provide for audit the bidders' documents for the eight (8) companies that tendered to offer the services			
424	Unsupported Specialized Materials and Services	The vouchers in question have since been provided to auditors for verification and are hereby attached as appendix 424 We attach payment vouchers and the Journal vouchers Appendix 424	Not yet resolved	31 st October 2023
425	Unreleased Deposit Amounts	The deposit outstanding for more than 6 months were for Equalization Fund		31 st October 2023

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>project which had stalled as a result of Litigation</p> <p>copies of the outstanding deposits amounting to Ksh 109,105,844 are hereby attached</p>		
426	<p>Unsupported Credit Entry</p> <p>The statement of receipts and payments reflects payment of other grants and transfers of Kshs.2,168,422,341 as disclosed in Note 9 to the financial statements. The amount includes Kshs.2,164,269,767 for emergency relief and refugee assistance whose ledger revealed a credit entry of Kshs.106,959,911 which was not supported by journal vouchers</p>	<p>The approved Journal Entry (JE NO. 34366588/33114161 of 29th June 2022 is hereby attached as Appendix 426</p>		
427	<p>Unsupported Disbursements</p> <p>The statement of receipts and payments reflects transfers to</p>	<p>payment voucher no. 0001840 disbursed Kshs. 2,848,630 to Labiofam in Cuba to settle outstanding amounts for a vector control project has been attached</p>		31 st October 2023

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>other Government units of Kshs.77,155,075,338 as disclosed in Note 8 to the financial statements. The amount includes current grants to Government Agencies and other level of government of Kshs.49,519,739,794 out of which Kshs.2,848,630 was disbursed to an International Company for settlement of outstanding amounts for a vector control project and a further Kshs.10,499,556 to the health attaches office in Geneva which were not supported. In addition, Kshs.37,845,650 was transferred to the same office without detailed explanations on purpose of the funds.</p>	<p>i) Kshs. 37,845,650 was transferred to International health office in Geneva .attached Appendix 426</p> <p>Amounts payable to International Health Office, Geneva are budgeted for under vote head 1081008302- classified as Health Education, the entity is not self- reporting but the payments are made through the Ministry of Foreign Affairs which is a self- reporting entity.</p>		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
430	<p>Unconfirmed Commitments of Goods, Works and Services</p> <p>The statement of comparison of budget and actual amounts reflects actual expenditure of Kshs.107,345,805,714. Review of the budget revealed negative commitments of Kshs.769,494,918. However, an analysis indicating the description of the goods, works and services and the respective dates of commitments was not provided for audit</p>	<p>Negative values in the commitments resulted from budget cuts in the supplementary budget which was approved after the commitments had already been done.</p> <p>Find attached supplementary budget Appendix 430</p>		31 st October 2023
431	<p>Unsupported Contingent Liabilities - Court Awards</p>	<p>We have attached an update list for your review Appendix 431</p>		
432	<p>Undisclosed Asset Disposals</p> <p>The summary of fixed asset register in Annex 3 reflects historical cost amount of Kshs.4,198,764,838 with no disposals during the year under</p>	<p>the summary of fixed asset register under annex 3 reflect nil disposals during the year; but Note 4 in the financial statements indicates proceeds from sale of assets of Kshs.10,742,319,287.00. This amount</p>		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>review. However, Note 4 to the financial statements indicates proceeds from sale of assets of Kshs.10,742,319,287. Further, the details of specific items disposed were not provided for audit</p>	<p>comprises of Appropriations in Aid (AIA) amounts from different Agencies within the Ministry for the respective Financial Year, denoted in the budget as 'Receipts from sales and other inventories, stocks and commodities', and itemized as 3520200.</p> <p>Annex 432....Summary of the AIA component amount of Kshs.10,742,319,287 as Captured - various budget extracts from the respective entities (i.e. KNH, MTRH, KUTRRH, KENRA and KPDMC)</p>		
433	<p>The statement of receipts and payments reflects acquisition of assets amount of Kshs.2,000,223,435 as disclosed in Note 11 to the financial statements. The amount includes construction of buildings of Kshs.1,088,277,999 out which Kshs.6,420,100 was a payment</p>	<p><i>We have attached the payment vouchers and necessary attachments for your review</i> <i>Appendix 433</i></p>		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	on behalf of the donor by the Ministry of Health but there was no evidence of its refund after renewal of the contract. In addition, a payment of Kshs.3,210,500 for consultancy services was not supported by payment voucher and other supporting documents. Further, the project duration was six (6) years from 10 August, 2016 to 10 August, 2022 but the construction had not commenced by 30 June, 2022.			
434	<p>Unaccounted for Expenditure on Construction of Paediatric Emergency Centre and Burns</p> <p>The statement of receipts and payments reflects acquisition of assets balance of Kshs.2,000,223,435 as disclosed in Note 11 to the financial statements. The amount includes</p>	That at the time of the audit some vouchers were not provided which have since been availed for audit review. Appendix 434		31 st October 2023

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Kshs.1,088,277,999 for the construction of buildings out of which an amount of Kshs.40,655,752 was paid for construction of paediatric emergency centre and burns management centre. However, payment vouchers, procurement file detailing how the contractor was identified and to show the bills of quantities were not provided for audit. In addition, physical inspection carried out revealed that no works were ongoing at the centre.</p>			
435	<p>Budgetary Control and Performance</p> <p>The statement of comparison of budget and actual amounts reflects final receipts budget of Kshs.130,469,107,784 and</p>	<p>That the issue of under expenditures resulted from non-issuance of exchequer by The National Treasury on time. This affected planning ,procurement and execution of projects resulting to underperformance</p>		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>actual on comparable basis of Kshs.107,376,446,249, resulting to underfunding of Kshs.23,092,661,535 or 17% of the budget. Similarly, the Ministry spent an amount of Kshs.107,345,805,714 out of the approved expenditure budget of Kshs.130,469,107,784, resulting in an under expenditure of Kshs.22,123,302,070 or 17% of the budget.</p>			
436	<p>Variiances Between Financial Statements and Vote Book</p>	<p>We have reconciled the financial statements and have amended the financial statements accordingly. We attach copies of ledgers for your review. Appendix 436.....</p>		
437	<p>Undisclosed Pending Bills</p>	<p>The financial statement disclosed the current pending pending bill of 106,671,192 while the pending bill list contains the current and historical</p>		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>Note 19 to the financial statements reflects pending bills amount of Kshs.106,671,192. However, the Ministry's pending bills report for financial year 2021/2022 dated 26 July, 2022 reflects outstanding amounts of Kshs.45,899,794,836 resulting to an undisclosed pending bills of Kshs.45,793,123,644.</p>	<p>figures However the Financial statements for the year ended 30th June 2022 has been amended (Copy attached as Appendix 437)</p>		
438	<p>Unresolved Prior Year Audit Matters</p> <p>In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management</p>	<p>Its true some Audit issues have not been resolved. The remaining unresolved issues are being resolved progressively. We have attached a list of last year's audit issues for your review in the financial statements appendix 438</p>		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	and Governance. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates.			
439	Failure to Operationalise Institutions	<p>- Mathari Teaching and Referral Hospital The CEO had not been recruited to transition the institution, however a substantive CEO has since been recruited</p> <p>- Kenya Health Human Resource Advisory Council The board has since been appointed</p> <p>- Kenya Health Professions Oversight Authority</p>	-	
		<p>The SAGAs budget is yet to be captured as a grant, it is currently spending from the Ministry headquarters vote</p> <p>- Tobacco Control Fund</p>		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
		The fund is yet to be operationalized because the regulations to govern the fund have not been finalized		
440	<p>Unremitted National Social Security Fund (NSSF) Contributions</p> <p>Review of Ministry's Integrated Personnel and Payroll Data base records revealed that Management did not deduct and remit an amount of Kshs.93,359,823 to the National Social Security Fund. This was contrary to Section 19(1) and Section 20(1) (a)(b) of the National Social Security Fund Act, 2013.</p>	<p>The prevailing regulations provide for exemptions to contribute towards the NSSF Fund.</p> <p>The categories of employees that are exempt are eligible to retirement benefits under other schemes thus not deducted NSSF. These include officers eligible to service gratuity, officer contributing to any pension scheme and officers that will derive pension under the Pension Act Cap 189.</p> <p>It is also important to note that NSSF was not remitted since it was not deducted from the employees due to system failure.</p> <p>The system is configured to automatically effect statutory deductions on staff salaries. The issue</p>		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>of unremitted NSSF contribution arose out of failure of the IPPD system to make deductions on some categories of staff contrary to what is expected of the system during processing of the payroll.</p> <p>The Ministry has taken the necessary action towards correction of the anomaly in liaison with State Department of Public Service to effect the deductions and the issue has been fully addressed.</p>		
441	<p>Delayed Closure of Donor Funded Projects</p> <p>The following donor projects had not been closed despite them not having any transactions or activities during the year under review;</p> <p>i. Support of the Health Financing Strategy-Output</p>	<p>1. OBA-RH</p> <p><i>It is true that this project ended in January 2017 but the bank account is yet to be closed.</i></p> <p><i>Even though the project activities ended in 2017, the accounts remained open because of the pending litigations. KFW had agreed to send any contingency funds that would</i></p>		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Based Approach Programme (OBA);</p> <p>ii. Ministry of Health - United Nations Population Fund - (UNFPA);</p> <p>iii. East Africa Public Health Laboratory Networking Project (KEMSA);</p> <p>iv. Health Sector Services Fund (HSSF) Grant No.4771-Ke and TF-16027;</p> <p>v. Health Sector Support Project (KEMSA); and,</p> <p>vi. Support of the Health Financing Strategy - Output Based Approach - Reproductive Health (OBA-RH) No 20106-5853</p>	<p><i>be requested by PwC emanating from the proceedings and or determination by the courts. The email communication between KFW and PwC is annexed.</i></p> <p><i>The programme account will be closed as soon as the court cases are concluded.</i></p> <p>Annex 4.32.1 Communication from KFW Allowing Expenditure on ongoing Litigation</p> <p>2. EAPHLN-KEMSA</p> <p><i>It is true that the East Africa Public Health Laboratory Networking Project was closed on 30 September 2020. However, the project account is yet to be closed as the entity awaits National Treasury approval.</i></p> <p><i>The approval was sought in July 2022 and the National Treasury vide letter REF: EA/FA/78/7/028/D dated 22nd July 2022 asked the Ministry to provide</i></p>		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p><i>Concurrence/No Objection from the donor. This was sought from the donor and the Ministry wrote back to the National Treasury vide letter REF: MOH/ACCT/BA/55 VOL.111(85) of 7TH November, 2022. We await the response to enable closure of the account hence the project.</i></p> <p>Annex 4.32.2(a) National Treasury letter REF: EA/FA/78/7/028/D</p> <p>Annex 4.32.2(b) KEMSA letter to the World Bank REF: KEMSA/FIN/WB/22/23/09/07/001</p> <p>Annex 4.32.2(c) Email communication with the World Bank</p> <p>Annex 4.32.2(d) Ministry of Health letter MOH/ACCT/BA/55 VOL.111(85)</p>		
442	Unremitted Pension Contributions	The Ministry has been working on the issue and it was only fourteen officers		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Review of Integrated Personnel and Payroll Data base records revealed that Management did not deduct Kshs.2,245,580 pension contribution for employees below the age of 45 years who were engaged on permanent and pensionable terms.</p>	<p>(14) whose pension contribution had not been remitted and as at today, the problem has been fully addressed.</p> <p>The anomaly of non-deduction and remittance towards Defined Benefit scheme was due to the wrong capture of engagement terms on employment; for few officers' records were not updated at the time the scheme was established and for other officers that are members of other pension schemes.</p> <p>The appendix 442 provides a summary of the deductions effected in the month of November, 2022.</p>		
443	<p>Irregular Use of Low Value Procurement</p> <p>Note 7 to the financial statements reflects routine maintenance – vehicles and other transport equipment of Kshs.23,319,869 out of which</p>	<p>The Ministry incurred expenditure of Ksh 8,723,434 for minor repair of vehicles paid through standing imprest, this is mainly due to the large pool of motor vehicles that the ministry holds.</p>		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Kshs.8,723,434 relates to repair of vehicles paid through cash advances to employees. This is contrary to second schedule of the Public Procurement and Asset Disposal Regulations, 2020 which sets the maximum low value procurement at Kshs.50,000 per item per financial year. In the circumstances, Management was in breach of the regulation.</p>			
444	<p>Upgrading of Kigumo Sub-County Hospital</p> <p>The statement of receipts and payments reflects grants and transfers to other Government entities balance of Kshs.77,155,075,338 as disclosed in Note 8 to the financial statements. The amount includes capital grants</p>	<p>The documents are hereby provided for review as appendix 444</p>		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>to government agencies and other level of Government amount of Kshs.15,537,403,394 out of which Kshs.23,375,738 was paid on account of an interim payment certificate No. 2 from contract sum of Kshs.383,242,795. However, procurement records of tender advertisement, bid documents, tender opening, evaluation and comparison minutes, professional opinion, notification and acceptance of the award letters, schedules and summary of the other principal terms and conditions of the tender were not provided for audit. In addition, the Project had a start date of 23 June, 2021 and completion date 21 December, 2022, but the contractor has sought for extension by twenty-four (24) weeks which had not been granted</p>			
445	Weaknesses on Compensation of Employees	a) TAX PINS		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>The statement of receipts and payments and reflects compensation of employees amount of Kshs.13,712,918,331 as disclosed in Note 6 to the financial statements. However, one hundred and sixty-eight (168) had their net pay less than a third of their basic pay and eight (8) employees shared bank accounts. In addition, an amount of Kshs.54,253,428 was paid to interns and clinical officers outside the IPPD system as well as salary paid under AFD projects of Kshs.6,544,585. Further, two thousand two hundred and ninetysix (2,296) employees were paid Kshs.93,987,280 as basic pay and Kshs.58,880,866 as special salary which was not explained.</p>	<p>These officers did not submit the tax pins as required. However, currently the IPPD system has been configured not to load any officer without a Tax pin.</p> <p>Please note that we cannot update the records of affected officers since their salaries were stopped prior to them availing their respective tax pin certificate and the officers have not traceable.</p> <p>The appendix 34 A. details provide the details on un-captured tax pins.</p> <p>b) Below legal age</p> <p>Although the audit report shows that there are 3 employees that were employed at an age below the legal age, our analysis of records indicate that the cited officers had reached the legal age of 18 years old as outlined in the table below:</p>		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
		<p>The three (3) employees are under UHC and were engaged by their respective County Public Service Boards'. The Boards thereafter submitted to the ministry appointment documents for processing of salary. Indeed we can confirm by the time we were loading them into the payroll they had attained the legal age of 18 years.</p> <p>c)</p> <p>The following circumstance led to the officers' net salaries reducing below one third of their basic salary:</p> <ul style="list-style-type: none"> • Upward review of personal contribution to the Public Service Superannuation Scheme from 2% to 5%. • Expiry of tax exemption for officers living with disabilities. • Officers, whose contract ends before close of the month, did not earn a full salary. 		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
		<p>The Ministry has taken the necessary action towards correction of the anomaly except for officers placed on interdiction and officers that are being recovered overpayment. The appendix 34 C provides further details.</p> <p>d) Shared Bank Accounts</p> <p>The ministry has since corrected the shared bank accounts through updating of the payroll.</p> <p>The bank accounts were erroneously captured during the transition from manual loading into the IPPD of over 12,000 employees.</p> <p>Please note no fund were no funds were lost as a result of duplicate bank accounts. The appendix 34 d provides further details.</p> <p>e) Payments Outside the IPPD system</p>		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
		<p>These are interns and officers appointed to manage COVID 19 who had not been loaded into the payroll by the time their internship ended or contract was not renewed in good time. Consequently, they had to be paid by a separate voucher. The appendix 34 E provides further details.</p> <p>f) Special and Basic Salary Payment</p> <p>It is indeed true that the Ministry has officers' paid special salary as basic salary for reasons detailed herein:</p> <ul style="list-style-type: none"> ✓ Payment of special salary is for employees that are not within the civil service salary scale. This is in specific reference to categories of employees such as: <ul style="list-style-type: none"> • UHC contractual staff, interns and officers drawing consolidated pay • Officers with salary personal to self. 		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>✓ These categories of employees regular payment is depicted as special salary while their arrears are picked as basic salary.</p> <p>It is therefore confirmed that the payments were valid and there were no cases of double payment.</p>		
446	<p>Failure to Maintain Fixed Assets Register</p> <p>The Ministry did not maintain a fixed asset register to record the assets indicating their nature, date of purchase, amount, unique identifier, depreciation among other details.</p> <p>Further, details of assets acquired and those disposed were not recorded.</p>	Fixed asset register has been attached as appendix 446		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	In the circumstances, the effectiveness of controls on management of Ministry fixed assets could not be confirmed.			
	DONOR FUNDED PROJECTS			

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from final external audit report that is signed by Management.
- (iii) Before approving the report, discuss the timeframe with the appointed focal persons within your entity responsible for implementation of each issue.
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.



Accounting Officer



Head of Accounting Unit

ANNEX 1 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) Previous Year	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) Current Year
Land	-				
Buildings and structures	1,645,938,832	410,115,750	-	-	2,056,054,582
Transport equipment	65,925,474	45,072,563	-	-	110,998,037
Office equipment, furniture and fittings	40,295,654	11,788,120	-	-	52,083,774
ICT Equipment	213,813,330	-	-	-	213,813,330
Machinery and Equipment	1,548,547,938	1,476,028,568	-	-	3,024,576,506
Biological assets	684,243,610	-	-	-	684,243,610
Work in Progress	-	-	-	-	
Total	4,198,764,838	1,943,005,001	-	-	6,141,769,839

(NB: The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the Ministry, Department or Agency. Additions during the year should tie to note 18 on acquisition of assets during the year. Ensure this section is complete and covers all the entity's assets. Ensure the complete fixed asset register is separately prepared as per circular number 5/2020 and follow up reminder of circular No.23/2020 of The National Treasury)

ANNEX 2 – LIST OF PROJECTS IMPLEMENTED BY THE MINISTRY OF HEALTH

Ref	Project Name	Principal Activity of the project	Accounting Officer	Project Consolidated in these Financial Statements
1	<i>Vote head 1081101600</i> Wajir District Hospital	To offer specialized healthcare services in Wajir	PS – MOH	YES
2	<i>Vote head 1081101700</i> Kenya National Hospital Burns and Pediatrics Centre	To reduce morbidity and mortality of burns patients and children in Kenya	CEO – KNH	YES
3	<i>Vote head 1081101800</i> National Commodities Warehousing Centre (KEMSA)	To improve access to essential medicines, by ensuring regular, shorter supply chains and continuous availability of medicines in the public health facilities	CEO - KEMSA	YES
4	<i>Vote head 1081102100</i> East Africa Public Laboratory Networking Project	To improve the delivery of diagnostic services around the country through a general modernization plan of clinical laboratories and provision of diagnostic radiological services.	PS – MOH	YES
5	<i>Vote head 1081102500</i> East Africa's Centre of Excellence for Skills & Tertiary Education	To provide high quality, competitive and skilled kidney care workforce in the EAC for social and economic development	PS – MOH	YES
6	<i>Vote head 1081102700</i> Rongai Hospital Project	To provide level 4 health services to victims of numerous road traffic accidents that occur in the Salgaa/Rongai area	PS – MOH	YES
7	<i>Vote head 1081103200</i> Dietics Services Improvement (Nutrition)	To accelerate and scale up efforts towards the elimination of malnutrition in Kenya	PS – MOH	YES

8	Vote head 1081103500 Health System Management	Strengthening the capacity of health systems for better immunization outcomes	PS – MOH	YES
9	1081103700 Clinical Waste Disposal System Project(Phase II)	To reduce exposures to health risks resulting from poor and inadequate treatment of health care wastes	PS – MOH	YES
10	Vote head 1081104000 Clinical Laboratory and Radiology Services Improvement	To equip 42 hospitals with laboratory equipment	PS – MOH	YES
11	Vote head 1081104100 Expansion of Ileho Health Centre (KIDDP).	Renovation and Improvement of facilities(Meant for payment of pending bills for the already improved facility)	PS – MOH	YES
12	Vote head 1081104400 Managed Equipment Service-Hire of Medical Equipment for 98 Hospital	To equip the level 4 and level 5 hospitals with specialized, modern and state of the art medical equipment	PS – MOH	YES
13	Vote head 1081104500 Free Maternity Program (Strategic Intervention)	To Reduce Maternal and Perinatal mortality	PS – MOH	YES
14	Vote head 1081104800 Modernize Wards & Staff house- Mathari Teaching & Referral Hospital	Improved access to and quality of health care services	PS – MOH	YES
15	Vote head 1081104900 Construct a Wall, renovation & Procure Equipment at National Spinal Injury Hospital	To expand and modernize the hospital to improve service delivery	PS – MOH	YES

16	Vote head 1081105100 Procurement of Equipment at the National Blood Transfusion Services	Provision of adequate supply of blood and blood products hence reducing burden of disease	PS – MOH	YES
17	Vote head 1081105200 Procurement of Anti TB Drugs Not covered under Global fund Tb programme	Prevention in the general population through free access to first line TB treatment across the country.	PS – MOH	YES
18	Vote head 1081105300 Procurement of Family Planning & Reproductive Health Commodities	Provision of quality and accessible family planning services in order to prevent unwanted pregnancies	PS – MOH	YES
19	Vote head 1081105500 (Vaccines and Immunizations)	To offer efficient and high-quality immunization services that are accessible, equitable, and affordable to every Kenyan.	PS – MOH	YES
20	Vote head 1081105502 Acquisition of Covid - 19 Vaccines	To procure COVID 19 vaccines to support the accelerate the vaccination programme	PS – MOH	YES
21	Vote head 1081105503 COVID - 19 Vaccine Acquisition & Development-KEPSA	To support against COVID 19 in the country.	PS – MOH	YES
22	Vote head 1081105700 Construction of buildings- Tuition blocks at KMTC	To expand training capacity through infrastructural development	CEO – KMTC	YES
23	Vote head 1081105800 Construction and equipping of laboratory and class rooms KMTC	To expand training capacity through acquisition of new and replacement of teaching/medical equipment	CEO – KMTC	YES

24	Vote head 1081106100 Establishing of Regional Cancer Centres	To promote access to quality and affordable diagnostic and treatment services for persons with cancer	PS – MOH	YES
25	Vote head 1081106400 Completion and Equipping Day-care Centre – KNH		CEO – KNH	YES
26	Vote head 1081107000 Cancer & Chronic Disease Management Centre – MTRH	To offer early diagnosis of cancer and hence effective treatment.	CEO – MTRH	YES
27	Vote head 1081107100 Construction and Equipping Children Hospital- MTRH	To offer comprehensive medical care to children	CEO – MTRH	YES
28	Vote head 1081107200 Equipping Maternity Unit(Mother & Baby Unit)	To equip the maternity unit with equipment for the delivery rooms, maternity theatre, Maternity ICU & HDU and Equipment for the neonatal unit	CEO – MTRH	YES
29	Vote head 1081107300 Expansion and Equipping of ICU-MTRH	Project to address the need for access of specialized care for ICU patients	CEO – MTRH	YES
30	Vote head 1081107500 Situation Room for Real Time Data & Information on HIV & AIDS – NACC	Promote utilization of Strategic Information for decision making at all levels through management of a robust M&E system that effectively monitors the Health and HIV Response.	CEO – NACC	YES
31	Vote head 1081107900 Construction and upgrading of KEMRI Laboratories (Nairobi, Kwale, Busia)	Improve quality of diagnosis of ill-health among Kenyans	CEO – KEMRI	YES

32	Vote head 1081109400 Rollout of Universal Health Coverage	To offer access to essential services they need for their health and wellbeing through an explicit essential benefit package without the risk of financial catastrophe.	PS – MOH	YES
33	Vote head 1081109500 Construction of a Cancer Centre at Kisii Level 5 Hospital	To provide high quality cancer care prevention, treatment and control services in the western region of Kenya.	PS - MOH	YES
34	Vote head 1081110200 Support to Universal Health Care in the Devolved system in Kenya	To improve utilization and quality of primary health care services with a focus on reproductive, maternal, newborn, child, and adolescent health services	PS – MOH	YES
35	Vote head 1081110300 Transforming Health Systems for Universal care Project	To improve utilization and quality of primary health care services with a focus on reproductive, maternal, newborn, child, and adolescent health services	PS – MOH	YES
36	Vote head 1081110700 Strengthening of Cancer Management at KNH	To improve clinical outcomes in the management and treatment of cancer	CEO – KNH	YES
37	Vote head 1081110800 Research and Development - KEMRI	To Improve Human Health and Quality of Life through Research, Capacity Building, Innovation and Service Delivery	CEO – KEMRI	YES
38	Vote head 1081111300 Special Global Fund HIV Grant KEN-H-TNT- (GLOBAL FUND)	Access to comprehensive HIV prevention, treatment and care for all.	PS – MOH	YES
39	Vote head 1081111400 Special Global Fund Malaria	Reducing the morbidity and mortality attributable to malaria in the various epidemiological zones	PS – MOH	YES

	Grant KEN-M-TNT- (GLOBAL FUND)			
40	Vote head 1081111500 Special Global Fund TB Grant KEN-T-TNT- (GLOBAL FUND)	To accelerate the reduction of TB burden	PS – MOH	YES
41	Vote head 1081111900 PHG-Case Study on Integrated Delivery of Selected NCD-MTRH	To carry out research on 4 NCDs (diabetes, cervical cancer, breast cancer and hypertension) in two counties (Busia & Trans Nzoia	CEO – MRTH	YES
42	Vote head 1081117600 Beyond Zero Campaign- NACC	To ensure reduction of mother to child transmission through prevention, increased access and sustaining treatment	CEO – NACC	YES
43	Vote head 1081117800 Health Sector Support to Universal Health Coverage	To support roll-out and scale up of Universal Health Coverage	PS – MOH	YES
44	Vote head 1081117900 Reconstruction of drugs Rehabilitation centre at Coast General Hospital	Renovation and Improvement of facilities	PS – MOH	YES
45	Vote head 10811180000 Construction of a hospital in Kiyawara- Kieni East	Renovation and Improvement of facilities	PS – MOH	YES
46	Vote head 1081118100 Integrated Molecular Imaging Centre	To construct and equip the Integrated Molecular Imaging Centre to offer specialized diagnostic and treatment services to Cancer Patients	PS – MOH	YES

47	Vote head 1081118200 Kenya COVID-19 Emergency Response Project	To Prevent, detect and respond to COVID-19 and strengthen national systems for public health emergency preparedness	PS – MOH	YES
48	Vote head 1081118203 COVID 19 Vaccines Programme	To accelerate COVID - 19 vaccination programme under the World bank Project	PS – MOH	YES
49	Vote head 1081118600 Infrastructural Support to Kigumo Hospital	To upgrade Kigumo hospital to offer specialized treatment services and skilled healthcare services.	PS – MOH	YES
50	Vote head 1081118800 Renovation & Improvement for Gatundu Level 5 Hospital	Renovation and Improvement of facilities	CEO – KUTRRH	YES
51	Vote head 1081118900 Equipping of Bildad Kaggia Level 4 Hospital Muranga	The project is yet to start due to land disputes in the proposed site	PS – MOH	YES
52	Vote head 1081119000 Customized Ambulances For COVID - 19 Response	To procure ten Customized Ambulances for COVID-19 Response	PS – MOH	YES
53	Vote head 1081119100 Supply of Medical Equipment and Associated Services	Rehabilitation of the maternal and baby care units at MTRH and to support COVID-19 Emergency Response	PS – MOH	YES
54	Vote head 1081119200 GESDeK COVID 19 Response Project	To control and prevention of COVID-19- 19 in the country	PS – MOH	YES

55	Vote head 1081120100 Monitoring and Evaluation of KIDDP Projects		PS – MOH	YES
56	Vote head 108119301 Special Global Fund HIV Grant NFM3-NASCOP	The programme aims to increase access of ARVs and awareness creation to prevent spread of HIV/AIDS	PS – MOH	YES
57	Vote head 1081119400 Special Global Fund Malaria Grant NFM3 - DOMC	Programme seeks interventions towards control of Malaria scourge by enhancing availability of diagnosis and treatment services	PS – MOH	YES
58	Vote head 1081119500 Special Global Fund TB Grant NFM3	Programme for enhancing the quality of TB services in the country through capacity development, strengthening HRH in the counties	PS – MOH	YES
59	Vote head 1081119600 Procurement of Cyber knife Radiotherapy Equipment for KUTRRH	To procure a stereotactic radiosurgery treatment technology for patients with inoperable/tumours in the Kenya	CEO – KUTRRH	YES
60	Vote head 1081119800 9TH GoK/ UNFPA County Programmes	To support procurement of family planning commodities in the country	PS – MOH	YES
61	Vote head 1081119900 Primary Health Care in the Devolved Context	To cater for level II and III public hospitals	PS – MOH	YES
62	Vote head 10811200 Supply of Medical Equipment for Covid - 19	To support COVID 19 interventions that were transferred to Crown Agents	PS – MOH	YES

63	Vote head 1081120200 Infrastructure Support to Diff Hospital in Wajir	Support at Diff Hospital in Wajir	PS – MOH	YES
64	Vote head 1081120300 Human Vaccine Production (KBVI)	Refurbishment and operationalization of the BIOVAX warehouse in Embakasi	PS – MOH	YES
65	Vote head 1081120400 Nueropsychiatric National Teaching & Referral Hospital	To offer specialized psychiatry services and training for mental health	PS – MOH	YES
66	Vote head 1081205000 Construction of New Level III Hospitals	To construct 50 new level III hospitals in line with third financial stimulus programme targeting strategic interventions	PS – MOH	YES
67	Vote head 1081120600 Infrastructure Support to Narok Hospital	To improve infrastructural support at Narok Hospital	PS – MOH	YES
68	Vote head 1081120700 Refurbishment/Renovation of Infrastructure -KNH	Renovation and rehabilitation of Tower Block	CEO – KNH	YES
69	Vote head 1081120800 Expansion of Comprehensive Cancer Centre -KUTRRH	To offer oncology services in the hospital	CEO – KUTRRH	YES

ANNEX 3 – LIST OF SCS, SAGAS AND PUBLIC FUNDS UNDER THE MINISTRY OF HEALTH

Ref	SC, SAGA or Public Fund's name	Principal activity of entity	Accounting Officer	Amount transferred during the year	Inter- entity reconciliations done? (yes/no)
1	Kenyatta National Hospital (KNH)	To receive patients on referral	Chief Executive Officer	10,554,404,403.60	Yes
2	Moi Teaching and Referral Hospital (MTRH)	To receive patients on referral	Chief Executive Officer	8,097,339,989.70	Yes
3	Kenyatta University Teaching Referral and Research Hospital (KUTRRH)	To receive patients on referral	Chief Executive Officer	3,552,680,712.75	Yes
4	Mathari National, Teaching and Referral Hospital	Specialized psychiatry services	Chief Executive Officer	-	Funds are itemised in the Ministry's Budget
5	Kenya Medical Training College (KMTC)	College education for national health manpower requirements	Chief Executive Officer	4,180,817,000.00	Yes

6	Kenya Medical Supplies Authority (KEMSA)	Medical logistics provider	Chief Executive Officer	4,811,287,467.85	Yes
7	Kenya Medical Research Institute (KEMRI)	Conduct health, biomedical and public health research for human health	Chief Executive Officer	2,781,150,000.00	Yes
8	National Health Insurance Fund (NHIF)	Social Health insurance	Chief Executive Office	11,971,200,000.00	Yes
9	National AIDS Control Council	Manage Syndemic diseases, including HIV, sexually transmitted infections, malaria, leprosy, tuberculosis and lung disease.	Chief Executive Officer	1,358,500,000.00	Yes
10	National Cancer Institute of Kenya	Coordinate and centralize cancer prevention and control in Kenya	Chief Executive Officer	163,610,000.00	Yes
11	Kenya Nuclear Regulatory Authority (KENRA)	Ensure the safe, secure and peaceful use of nuclear science and technology	Chief Executive Officer	135,000,000.00	Yes
12	Kenya Medical Practitioners and Dentists Council (KPDMC)	Establish and maintain uniform norms and standards on the learning of medicine and dentistry in Kenya	Chief Executive Officer	527,027,280.00	Yes
13	Nursing Council of Kenya (NCK)	Provision for the training, registration, enrolment and	Chief Executive Officer	78,544,384.00	Yes

		licensing of nurses and midwives			
14	Kenya Biovax Institute (KBI)	To manufacture and commercialize specialized human health products and technologies (HPTs)	Director General	495,831,300.00	Yes
15	The Kenya Health Professions Oversight Authority (KHPOA)	Provide oversight roles of the regulatory boards and councils, with the mandate of providing oversight in training, registration and licensing of health professionals	Chief Executive Officer	-	Funds are itemised in the Ministry's Budget

ANNEX 4: REPORTING OF CLIMATE RELEVANT EXPENDITURES

Project Name	Project Description	Project Objectives	Project Activities	Q1	Q2	Q3	Q4	Source of Funds	Implementing Partners
1081103700 Clinical Waste Disposal System Project (Phase II)	The project aims to reduce exposure to health risks for 15 counties.	Reduce exposures to health risks resulting from poor and inadequate treatment of health care wastes	<ul style="list-style-type: none"> • Site identification • Approvals from relevant regulatory bodies • Site preparation • Housing construction and provision of amenities • Installation • Commissioning • Operation 	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	BELGIUM	-MOH - County Governments -Govt of Belgium

Annex 5: Disaster Expenditure Reporting Template

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

ANNEX 6- REPORTS GENERATED FROM IFMIS

IFMIS financial reports to be presented on request.

- i. GOK IFMIS Comparison Trial Balance
- ii. FO30 (Bank reconciliations) for all bank accounts
- iii. GOK IFMIS Receipts and Payments Statement
- iv. GOK IFMIS Statement of Financial Position
- v. GOK IFMIS Statement of Cash Flows
- vi. GOK IFMIS Notes to the Financial Statements
- vii. GOK IFMIS Statement of Budget Execution
- viii. GOK IFMIS Statement of Deposits
- ix. GOK IFMIS Budget Execution by Programme and Economic Classification
- x. GOK IFMIS Budget Execution by Heads and Programmes
- xi. GOK IFMIS Budget Execution by Programmes and Sub-programmes

