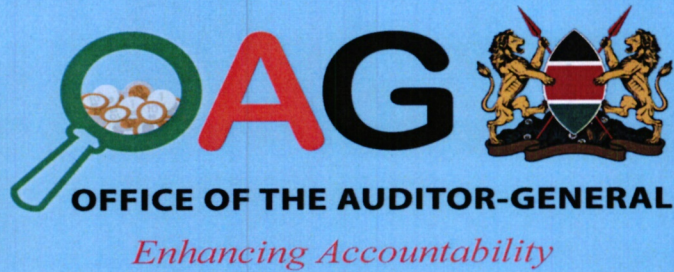


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ON

**KISII COUNTY HEALTH
FACILITIES IMPROVEMENT FUND**

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



KISII COUNTY HEALTH FACILITIES IMPROVEMENT FUND

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2022

**Prepared in accordance with the Accrual Basis of Accounting Method under the
International Public Sector Accounting**

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I. Key Fund Information and Management

(a) Background information

The Kisii County Health Facilities Improvement Fund was established by and derives its authority and accountability from the Kisii County Health Facilities Improvement Fund Act, 2020 on 18th September. The Fund is wholly owned by the County Government Kisii and is domiciled in Kenya.

The fund's objective is to provide for the additional funding for the management of health systems and public facilities improvement in the county, to enable sustainable operations of health facilities and for connected purposes.

(b) Principal Activities

- a) Sustainably operate, maintain, equip, rehabilitate health facilities and procure emergency medical supplies in funds and health facilities in the county
- b) Enhance participation of relevant stakeholders and host communities in the planning and management of health facilities and funds located in their jurisdiction
- c) Create incentives for funds and health facilities to sustainably generate resources.
- d) Provide funding for the day to day operations of funds and health facilities
- e) Provide for financing of preventive and promotional healthcare services
- f) Provide immediate funds for health related emergencies and disaster
- g) Ensure that the 70% of the funds is used for curative and 30% of the funds is used for preventive and promotive health care services respectively

(c) Key Management

The funds management is under the following key organs:

- County department of health
- Board of Management
- Fund Administrator
- Management

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

Ref	Position	Name
1	Chairman of the Board	Mrs. Sarah Omache
2	Member	Dr. Jackline Nyaanga
3	Chief officer medical services	Ms. Alice Abuki
4	Chief officer finance	Mr. Wilfred Auma
5	County Director for Public Health	Dr. Richard Onkware

*Kisii County Health Facilities' Improvement Fund
Annual Report and Financial Statements for The Year Ended 30th June 2022*

6	County nursing officer	Mr. Benson Osoro
7	County Pharmacist	Dr. Cheruyoit Kimutai
8	Fund Administrator	Dr. Geoffrey Otomu

a) Fiduciary Oversight Arrangements

- a) Audit and Public Finance Committee
- b) Internal Audit
- c) Parliamentary Oversight Committees
- d) Development Partners
- e) County Assembly

b) Registered Offices

P.O. Box 92'
Kisii Fund Road
Kisii, Kenya

c) Fund Contacts

Telephone: (254)721422400
E-mail: kisiicountyhealthcoordinator@gmail.com
Website: www.kisii.go.ke

d) Fund Bankers

Kenya Commercial Bank
P.O. Box 476040200
Kisii, Kenya

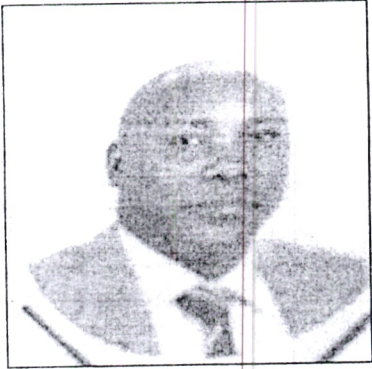
e) Independent Auditors

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

f) Principal Legal Adviser

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

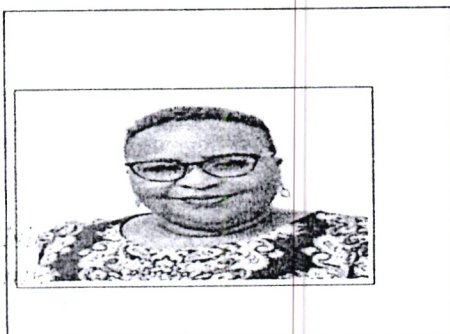
II. The Board of Management

Name	Details of Qualifications and Experience
Mrs. Sarah Omache 	Mrs Omache is the current CECM- Health Services, Kisii County Government. She has previously served as Director Bosongo Medical Centre; Director and Manager Pace Primary Boarding School; Dean of students and lecture Kisii Teachers Collage; Chair LREB Health Caucus among others. She Holds an M.A in education and B.A in Religion Home and Economics.
Ms. Alice Abuki 	Ms. Alice Abuki is the Chief Officer for Medical Services. Previously, she served as Chief Officer for Health Services. She has a Master's Degree in Community Health and Development from the Great Lakes University of Kisumu and a Bachelors of Commerce Degree (Management Science) from Kenyatta University. She also has a Higher Diploma in Community Development.
Mr. Wilfred Auma 	Mr. Wilfred Ochengo Auma is the Chief Officer for Finance and Accounting Services. Previously, he served as Chief Officer for Finance and Economic Planning in the Kisii County Government. He holds a Bachelors of Commerce Degree (Finance & Accounting) from the Devi Ahilya Vishwavidyalaya University, Indore (India). He also has a Higher National Diploma in Financial Analysis from the Indian Management Training and Research Institute and a Diploma in Management Skills from Kenya Institute of Management.

Kisii County Health Facilities' Improvement Fund
Annual Report and Financial Statements for The Year Ended 30th June 2022

Mr. Zablon Ongori 	Mr Zablon Ongori is the Chief Officer for Planning and Economic Development. Prior to this role, he served as Chief Officer Water Services in the Ministry of Energy, Water, and Environment & Natural Resources and Chief Officer in the department of Lands, Housing and Urban Development. Prior, he served in various capacities in the Ministry of Agriculture rising to the Officer in Charge Oyani Livestock Improvement Centre. He holds a Bachelor's degree in Animal Production from Egerton University and Post Graduate Diploma in Training from Egerton University.
Mr. Benson Osoro 	Mr. Benson Osoro is the County Nursing Officer in the Kisii county government. He has previously served as a nurse in Lamu sub county fund among other sub county funds in Kisii county. He holds a masters and Bachelor's Degree in nursing from Kisii University
Dr. Richard Onkware 	Dr. Richard Onkware is the County Director Public Health, Kisii county Government. He has several working experience He holds MB.chB,MBA,MPH in public health.
Dr. Cheruyiot Kimutai 	Dr .Cheruiyot Kimutai is the County Pharmacist in Kisii County Government. He has over 10 years working experience in the public sector. He holds a Bachelor of Pharmacy from Rhodes University South Africa.

Dr. Jackline Nyaanga



Dr. Nyaanga is a medical officer at Kisii University. She has previously worked at Narok County Referral Fund; Transmara District Fund and Nakuru Provincial Fund. She holds a bachelor of medicine and surgery and currently pursuing a MSc. in Health System Management. She is a member of Kenya Medical Association.

Dr. Geoffrey Otomu



Born 1974, Dr. Geoffrey Otomu is the County Director of Health Services, Kisii County and a consultant Surgeon. He has previously served as Dean, Faculty of Health Science, Kisii University; Senior Assistant Director of Medical Services; Medical Superintendent Kisii Level 5 among other positions.

Dr. Otomu Holds an MBA in Health care Management; Master of Medicine in ENT Surgery and Bachelor of Medicine and Surgery.

III. Management Team

Name	Details of qualifications and experience
Dr. Geoffrey Otomu 	Born 1974, Dr. Geoffrey Otomu is the County Director of Health Services, Kisii County and a consultant Surgeon. He has previously served as Dean, Faculty of Health Science, Kisii University; Senior Assistant Director of Medical Services; Medical Superintendent Kisii Level 5 among other positions. Dr. Otomu Holds an MBA in Health care Management; Master of Medicine in ENT Surgery and Bachelor of Medicine and Surgery.
CPA Osborn Mbego 	Master of Business Administration –Finance Member of Institute of Certified Accountants of Kenya (ICPAK) Bachelors of Commerce in Finance Has several years of working experience Director Accounting Services

Chairman's Statement

It's my pleasure to present the funds reports and financial statements for the year ending 30 June 2022. The board of management is happy of the achievements realized by the Fund in this financial year under review towards providing quality healthcare services.

Management and operations of the fund is guided by the existing legal policies and institutional frameworks that govern the health sector to ensure efficient and effective delivery of services.

The funds operations are also influenced by various global, regional and national strategies aimed at promoting, restoring and maintaining the health care service delivery.

On behalf of the Board, I would like to thank all our stakeholders and development partners for the support they continue to accord the fund without which our achievements would not have been realized. I would like to express my gratitude to the fund management and staff for their continued hard work and dedication to exemplify our mission and values each day.

Finally, it's through our relentless focus on meeting our customers' needs which will help us to achieve our goals for the long term success of the fund and the benefit of all our stakeholders.

Signed: _____

Mrs. Sarah Omache

V. Report of The Fund Administrator

The Kisii County Health Facilities Improvement und is based on existing government financial management rules and regulations. The fund is used for financing fund operations including but not limited to the following:

- Purchase of pharmaceutical and non-pharmaceutical items
- Maintenance of proper sanitation
- Equipping of various departments
- Running of community outreach programs as well as free medical camps

In order for the funds to be able to sustain their operations, generate cash flow and improve profitability, prudent strategic and financial management policies have been put in place to ensure efficient utilization of the available resources.

We appreciate the support of the County Government of Kisii, the Fund Board members, fund management, staff management, staff members and all our partners for their support in making the financial year a successful one.

Signed: _____

Dr. Geoffrey Otomu

VI. Statement of Performance Against Predetermined Objectives

Section 164 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the County Government fund's performance against predetermined objectives.

Kisii County Health Facilities Improvement fund does not have a strategic plan yet, however the fund develops its annual work plans based on the objectives and principles of the Fund. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The objectives of the fund include;

- a) Sustainably operate, maintain, equip, rehabilitate health facilities and procure emergency medical supplies in funds and health facilities in the county
- b) Enhance participation of relevant stakeholders and host communities in the planning and management of health facilities and funds located in their jurisdiction
- c) Create incentives for funds and health facilities to sustainably generate resources.
- d) Provide funding for the day to day operations of funds and health facilities
- e) Provide for financing of preventive and promotional healthcare services
- f) Provide immediate funds for health related emergencies and disaster
- g) Ensure that the 70% of the funds is used for curative and 30% of the funds is used for preventive and promotive health care services respectively

VII. Corporate Governance Statement

Commitment to good corporate governance is fundamental in ensuring sustainable stakeholder value and meeting their expectations. Our procedures and processes are anchored on accountability, transparency, responsibility, and fairness which are the tenets of good corporate governance. Through the board of management Kisii County Health Facilities Improvement fund is complying with statutory requirements.

Appointment and Induction of Board Members

Appointment of Board members is as prescribed under the County Governments Act, 2012 and section 6(1) (a) and (b) of the Kisii county Health Facilities Improvement fund Act, 2020. The Governor appoints the board members.

Role of the Board

The responsibility of driving good corporate governance and stewardship of the fund is vested in the board of management. The board through its committees provide strategic direction while the Chief Executive Officer assisted by the Executive Management Committee is accountable to the Board for implementing the strategy.

Conflict of interest

Declaration of conflict of interest is a standing agenda in all meetings of the Board and its committees. A register maintained by the institution to record all declarations made by board members.

Kisii County Health Facilities' Improvement Fund
Annual Report and Financial Statements for The Year Ended 30th June 2022

VIII. Management Discussion and Analysis

Syphilis Testing

	Pregnant women completing 4 ANC visits			4th ANC Coverage			ANC clients tested for syphilis	% Tested for Syphilis				
S C Fund	APR	MAY	JUNE	APR	MAY	JUNE	APR	MAY	JUNE	APR	MAY	JUNE
Etago	29	16	19	55.9	29.9	36.6			50			100
Gesusu	43	48	51	107.6	116.3	127.7	48	68	38	100	100	86.4
Gucha	74	73	91	80	76.4	98.4		158	121		100	100
Ibacho	13	12	17	51.2	45.7	66.9	18	19	22	100	100	100
Ibeno	15	20	13	54	69.7	46.8	48	39	30	100	100	62.5
Iranda	19	13	23	64.2	42.5	77.7	50			100		
Iyabe	62	48	48	88	65.9	68.1	49	79	69	100	100	100
Kenyenyia	57	33	45	78.4	43.9	61.9	77	81	85	100	100	100
Keumbu	35	30		39.2	32.5		71	79		100	100	

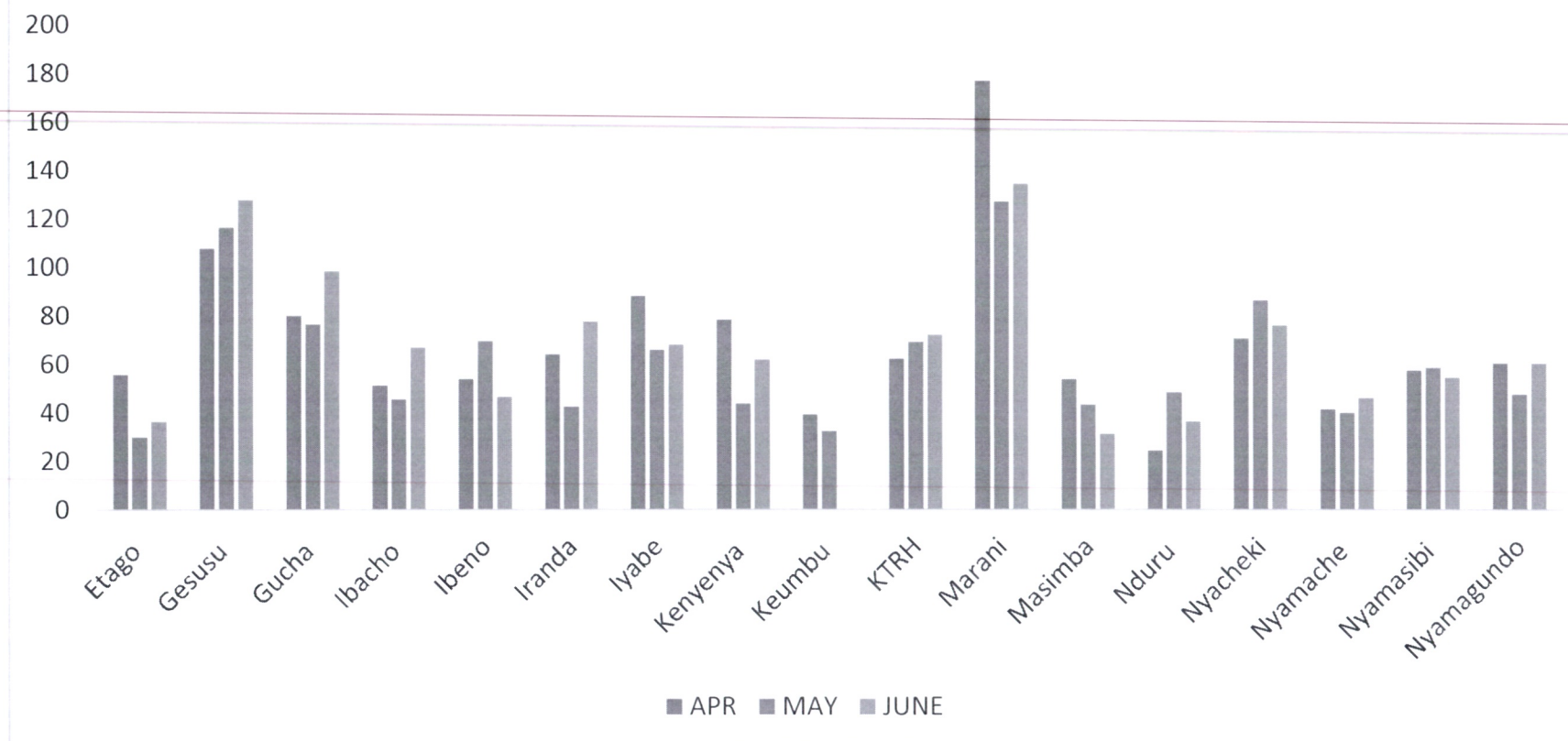
Kisii County Health Facilities` Improvement Fund
Annual Report and Financial Statements for The Year Ended 30th June 2022

	Pregnant women completing 4 ANC visits			4th ANC Coverage			ANC clients tested for syphilis	% Tested for Syphilis				
S C Fund	APR	MAY	JUNE	APR	MAY	JUNE	APR	MAY	JUNE	APR	MAY	JUNE
KTRH	88	101	102	62.3	69.2	72.2	175	226	177	100	100	100
Marani	58	43	44	176.9	126.9	134.2	53	41	58	100	100	101.8
Masimba	24	20	14	53.9	43.4	31.4	27	50	43	100	100	104.9
Nduru	14	29	21	24.3	48.6	36.4	45	77	46	100	98.7	97.9
Nyachekei	27	34	29	70.8	86.3	76	44	39	26	100	100	100
Nyamache	27	27	30	41.5	40.1	46.1	41	54	40	100	100	100
Nyamasibi	19	20	18	57.6	58.7	54.6	25	26	22	100	100	100
Nyamagundo	16	13	16	60.6	47.7	60.6	23	33	22	100	94.3	81.5

ANC Coverage

During the period, the ANC Coverage in the various sub county funds is as shown below

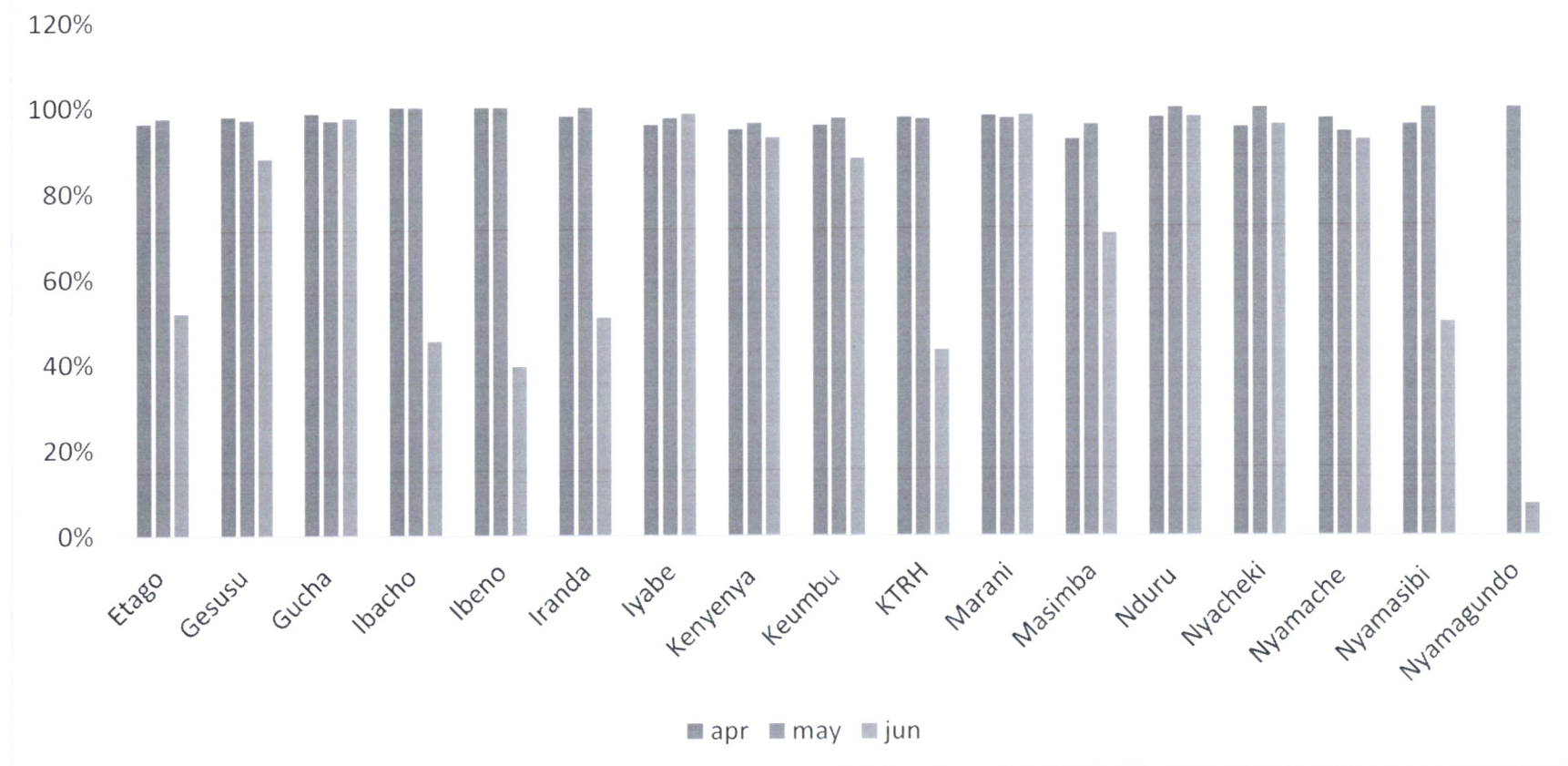
Kisii County Health Facilities' Improvement Fund
Annual Report and Financial Statements for The Year Ended 30th June 2022



HIV Testing

The data below shows the % of HIV testing at PMCTC

***Kisii County Health Facilities` Improvement Fund
Annual Report and Financial Statements for The Year Ended 30th June 2022***




 DR. Geoffrey Otomú
 Fund Administrator

IX. Environmental and Sustainability Reporting

Kisii County Health Facilities Improvement Fund exists to transform lives. It's what guides us to deliver our strategy, putting the client/Citizen first, delivering health services, and improving operational excellence. Below is an outline of the organisation's policies and activities that promote sustainability.

i) Sustainability strategy and profile

As a fund we conduct our operations in a manner that considers the environmental. we are committed to being transparent and open with our operations.

We actively engage with government regulators, customers, suppliers and citizens to create an environment that is supportive of solutions.

ii) Environmental performance

As part of adopting energy efficient technology, hospitals incinerate their medical waste using bags for clinical waste, staff are also provided with personal protective equipment

iii) Employee welfare

Employees are encouraged and supported to continually build on their skills and knowledge in courses in leadership, management and technical competencies relevant to each employee.

iv) Community Engagements

As a way of creating awareness on health seeking behaviour and encourage early diagnosis and treatment, the fund conducts clinical outreaches in the communities within its catchment area.

X. Report of The Board of Management

The Board members submit their report together with the Audited Financial Statements for the year ended June 30, 2022, which show the state of the funds' affairs.

Principal activities

- a) Sustainably operate, maintain, equip, rehabilitate health facilities and procure emergency medical; supplies in funds and health facilities in the county
- b) Enhance participation of relevant stakeholders and host communities in the planning and management of health facilities and funds located in their jurisdiction
- c) Create incentives for funds and health facilities to sustainable generate resources.
- d) Provide funding for the day to day operations of funds and health facilities
- e) Provide for financing of preventive and promotional healthcare services
- f) Provide immediate funds for health related emergencies and disaster
- g) Ensure that the 70% of the funds is used for curative and 30% of the funds is used for preventive and promotive health care services respectively

Results

The results of the fund for the year ended June 30 are set out on page 1

Board of Management

The members of the Board who served during the year are shown on page VI. During the year no director retired/ resigned.

Auditors

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

By Order of the Board


.....
DR. Geoffrey Otom
Secretary to the Board

XI. Statement of Board of Management's Responsibilities

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

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

The Administrator of the Kisii County Health Facilities Improvement Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended 30 June 2022, and of the Fund's financial position as at that date.

The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Administrator of the Kisii County Health Facilities Improvement Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements.

Nothing has come to the attention of the Administrator to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

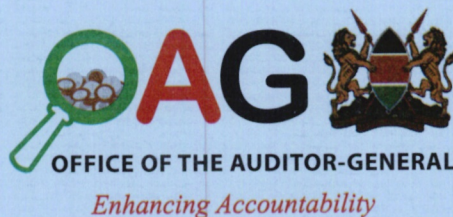
The Fund's financial statements were approved by the Board on 8/9/2022 and signed on its behalf by:

.....
Mrs. Sarah Omache
Chairperson
Board of Management

.....
DR. Geoffrey Otumu
Fund Administrator

REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON KISII COUNTY HEALTH FACILITIES IMPROVEMENT FUND FOR THE YEAR ENDED 30 JUNE, 2022

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 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 Kisii County Health Facilities Improvement Fund set out on pages 1 to 17, which comprise of the statement of financial position as at 30 June, 2022, and the statement of financial performance, statement of

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Kisii County Health Facilities Improvement Fund as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Kisii County Health Facilities Improvement Fund Act, 2020 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Long Outstanding Receivables from Exchange Transactions

The statement of financial position reflects receivables from exchange transactions balance of Kshs.45,941,894. However, analysis of the detailed supporting schedules provided for audit revealed that this balance includes receivables from National Hospital Insurance Fund (NHIF) amounting to Kshs.36,114,764 which had been outstanding for periods ranging from thirty-seven (37) days to eleven (11) months, contrary to Section 27(e) of the National Health Insurance Fund Act, 1998, which requires valid claims to be settled within a period of one month from the date of submission of the claims. In the circumstances, the recoverability of receivables amounting to Kshs.36,114,764 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kisii County Health Facilities Improvement Fund Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing 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.

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on a comparable basis of Kshs.232,983,799 and Kshs.135,521,854 respectively resulting to underfunding of Kshs.97,461,945 or 42% of the budget. Similarly, the Fund spent an amount of Kshs.163,394,637 against an approved budget of Kshs.232,983,799 resulting to an under-expenditure of Kshs.69,589,162 or 30% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on delivery of health services to the residents of Kisii County.

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 procedures performed, I confirm that, nothing 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

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for such 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 control, risk management and governance.

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how 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 control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the 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.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the company's internal controls.
- 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 the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, SBS
AUDITOR-GENERAL

Nairobi

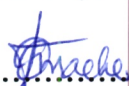
23 February, 2023

XIII. Statement of Financial Performance for The Year Ended 30 June 2022

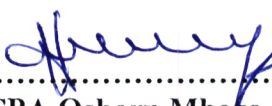
Description	Notes	2021/22	2020/21
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other Government entities	6	-	30,036,303
Revenue from exchange transactions			
Rendering of services- Medical Service Income	7	135,521,854	77,525,791
Total revenue		135,521,854	107,562,094
Expenses			
Medical/Clinical costs	8	53,877,337	38,651,656
Board of Management Expenses	9	4,316,380	909,900
Repairs and maintenance	10	14,521,240	4,704,200
General expenses	11	90,679,680	25,944,457
Total expenses		163,394,637	70,210,213
Net Surplus for the year		(27,872,783)	37,351,881

The notes set out on pages 13 to 16 form an integral part of the Annual Financial Statements.

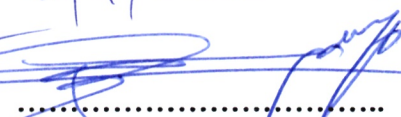
The Fund's financial statements were approved by the Board on 8/9/2022 and signed on its behalf by:


.....

Mrs. Sarah Omache
Chairman
Board of Management


.....

CPA Osborn Mbego
Head of Finance
ICPAK No:9663


.....

DR. Geoffrey Otomu
Fund Administrator

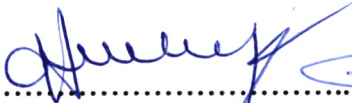
XIV. Statement of Financial Position as of 30th June 2022

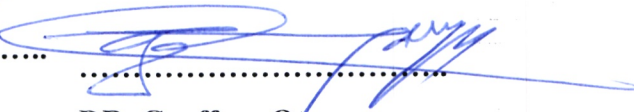
Description	Notes	2021/22	2020/21
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	12	6,924,207	22,859,500
Receivables from exchange transactions	13	45,941,894	53,511,158
Receivables from non-exchange transactions	14	3,994,364	3,014,630
Total Current Assets		56,860,465	79,385,288
Total Assets		56,860,465	79,385,288
Liabilities			
Current liabilities			
Trade and other payables	15	47,381,367	42,033,407
Total Current Liabilities		47,381,367	42,033,407
Total Liabilities		47,381,367	42,033,407
Net assets			
Accumulated surplus/Deficit		9,479,098	37,351,881
Total Net Assets and Liabilities		56,860,465	79,385,288

The notes set out on pages 13 to 16 form an integral part of the Annual Financial Statements.

The Fund's financial statements were approved by the Board on 8/9/22 and signed on its behalf by:


.....
Mrs. Sarah Omache
Chairman
Board of Management


.....
CPA Osborn Mbego
Head of Finance
ICPAK No:9663


.....
DR. Geoffrey Otomu
Fund Administrator

XV. Statement of Changes in Net Asset for The Year Ended 30 June 2022

	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2020				
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	37,351,881	-	37,351,881
Capital/Development grants	-	-	-	-
As at June 30, 2021	-	37,351,881		37,351,881
At July 1, 2021	-	37,351,881	-	37,351,881
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	(27,872,783)	-	(27,872,783)
Capital/Development grants	-	-	-	-
At June 30, 2022	-	9,479,098		9,479,098

The notes set out on pages 13 to 16 form an integral part of the Annual Financial Statements.

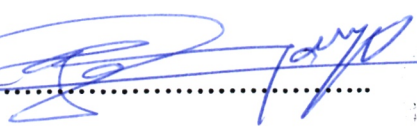
The Fund's financial statements were approved by the Board on 8/9/2022 and signed on its behalf by:



Mrs. Sarah Omache
Chairman
Board of Management



CPA Osborn Mbego
Head of Finance
ICPAK No:9663



DR. Geoffrey Otomu
Fund Administrator

*Kisii County Health Facilities Improvement Fund
Annual Report and Financial Statements for The Year Ended 30th June 2022*

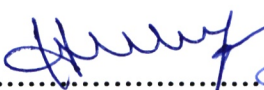
XVI. Statement of Cash Flows for The Year Ended 30 June 2022

Description		2021/22	2020/21
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities	6	-	30,036,303
Rendering of services- Medical Service Income	7	135,521,854	77,525,791
Total Receipts		135,521,854	107,562,094
Payments			
Medical/Clinical costs	8	53,877,337	38,651,656
Board of Management Expenses	9	4,316,380	909,900
Repairs and maintenance	10	14,521,240	4,704,200
General expenses	11	90,679,680	25,944,457
Total Payments		163,394,637	70,210,213
Adjusted for:			
Change in Receivables		6,589,530	(56,525,788)
Change in Payables		5,347,960	42,033,407
Net cash flows from operating activities		(15,935,293)	22,859,500
Net increase/(decrease) in cash and cash equivalents		(15,935,293)	22,859,500
Cash and cash equivalents at 1 July		22,859,500	-
Cash and cash equivalents at 30 July	12	6,924,207	22,859,500

The statement of cash flow has been prepared using the indirect method and comparative figures have been adjusted in line with this presentation method.

The notes set out on pages 13 to 16 form an integral part of the Annual Financial Statements. The Fund's financial statements were approved by the Board on 8/9/2022 and signed on its behalf by:


.....
Mrs. Sarah Omache
Chairman
Board of Management


.....
CPA Osborn Mbego
Head of Finance
ICPAK No:9663


.....
DR. Geoffrey Otomu
Fund Administrator

XVII. Statement of Comparison of Budget and Actual Amounts for The Year Ended 30 June 2022

Description	Original budget a	Adjustments b	Final budget c=(a+b)	Actual on comparable basis d	Performance difference e=(c-d)	% of utilisation f=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	
Revenue						
Rendering of services- Medical Service Income	232,983,799	-	232,983,799	135,521,854	97,461,945	58.2%
Total income	232,983,799	-	232,983,799	135,521,854	97,461,945	58.2%
Expenses						
Medical/Clinical costs	81,203,901	-	81,203,901	53,877,337	27,326,564	66.3%
Board of Management Expenses	4,876,825	-	4,876,825	4,316,380	560,445	88.5%
Repairs and maintenance	23,872,027	-	23,872,027	14,521,240	9,350,787	60.8%
General expenses	123,031,046	-	123,031,046	90,679,680	32,351,366	73.7%
Total Expenditure	232,983,799	-	232,983,799	163,394,637	69,589,162	70.1%
Surplus for the period				(27,872,783)		

Budget notes

1. Under-collection of medical service income by 41.8% was due to lower than expected demand for medical services
2. Under-utilization of medical costs by 33.7% was due to lower than expected demand for medical services.
3. Under-utilization of board management expenses by 11.5% was due to fewer than projected board activities in the year
4. Under-utilization of repairs and maintenance by 39.2% was due to lower than expected demand for medical services
5. Under-utilization of general expenses by 26.3% is due to lower than expected demand for medical services.

The notes set out on pages 13 to 16 form an integral part of the Annual Financial Statements. The Fund's financial statements were approved by the Board on 8/9/2022 and signed on its behalf by:

CPA Osborn Mbego

Head of Finance

ICPAK No:9663

DR. Geoffrey Otomu

Fund Administrator

6

XVIII. Notes to the Financial Statements

1. General Information

Kisii County Health Facilities Improvement Fund entity is established by and derives its authority and accountability from the Kisii County Health Facilities Improvement Fund Act. The entity is wholly owned by the Kisii County Government and is domiciled in Kenya. The entity's principal activity is to provide for the additional funding for the management of health systems and public facilities improvement in the county, to enable sustainable operations of health facilities and for connected purposes.

2. Statement of Compliance And Basis Of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant, and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the fund's accounting policies.

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

*Kisii County Health Facilities Improvement Fund
Annual Report and Financial Statements for The Year Ended 30th June 2022*

Notes to the Financial Statements (Continued)

i. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.

Standard IPSAS 41: Financial Instruments	Effective date and impact: Applicable: 1st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Fund's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Fund's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	Applicable: 1st January 2023 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Fund provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:

	(a) The nature of such social benefits provided by the Fund; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Fund's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2023: a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.
Other improvements to IPSAS	Applicable 1st January 2023 • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.
IPSAS 43	Applicable 1st January 2025

***Kisii County Health Facilities Improvement Fund
Annual Report and Financial Statements for The Year Ended 30th June 2022***

	The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Fund. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.

ii. Early adoption of standards

The fund did not early – adopt any new or amended standards in the year 2021/2022

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other Government entities

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

Notes to the Financial Statements (Continued)

Revenue from exchange transactions

Rendering of services

The fund recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Notes to the Financial Statements (Continued)

b) Budget information

The original budget for FY 2021/2022 was approved by Board. No *Subsequent* revisions or additional appropriations were made to the approved budget. The fund's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under Budgetary notes to these financial statements.

***Kisii County Health Facilities Improvement Fund
Annual Report and Financial Statements for The Year Ended 30th June 2022***

Notes to the Financial Statements (Continued)

c) Related parties

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

Notes to the Financial Statements (Continued)

d) Cash and cash equivalents

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

e) Comparative figures

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

f) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2022.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying

Kisii County Health Facilities Improvement Fund
Annual Report and Financial Statements for The Year Ended 30th June 2022

amounts of assets and liabilities within the next financial year, are described below. The Fund based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur. (IPSAS 1.140)

6 Transfers from the County Government

Name of the Fund sending the grant	Amount recognized to Statement of financial performance Kshs	Amount deferred under deferred income Kshs	Amount recognised in capital fund. Kshs	Total grant income during the year Kshs	Total 2020/21 Kshs
Sub county Funds	-	-	-	-	30,036,303
Total	-	-	-	-	30,036,303

7. Rendering of Services-Medical Service Income

Description	2021/22 Kshs	2020/21 Kshs
User fee	86,910,614	24,014,633
NHIF	48,611,240	53,511,158
Total revenue from the rendering of services	135,521,854	77,525,791

8. Medical/ Clinical Costs

Description	2021/22 Kshs	2020/21 Kshs
Laboratory chemicals and reagents	9,143,224	4,186,836
Food and Ration	12,383,547	12,727,282
Dressing and Non-Pharmaceuticals	14,619,527	6,186,993
Pharmaceutical supplies	7,248,882	5,057,071
Health information stationery	2,966,017	4,325,305
Sanitary and cleansing Materials	4,459,768	2,917,931
Purchase of Medical gases	76,310	148,938
X-Ray/Radiology supplies	1,004,900	3,101,300
Medical and dental	1,975,162	-
Total medical/ clinical costs	53,877,337	38,651,656

9. Board of Management Expenses

Kisii County Health Facilities Improvement Fund
Annual Report and Financial Statements for The Year Ended 30th June 2022

Description	2021/22	2020/21
	Kshs	Kshs
Sitting allowance	4,316,380	909,900
Induction and training		
Travel and accommodation allowance		
Total	4,316,380	909,900

10. Repairs and Maintenance

Description	2021/22	2020/21
	Kshs	Kshs
Plant and Machinery	2,967,077	1,085,390
Medical equipment	2,138,673	2,843,340
Computers	4,624,437	153,000
Motor vehicle expenses	2,978,206	622,470
Buildings and Stations	1,812,847	-
Total repairs and maintenance	14,521,240	4,704,200

11. General Expenses

Description	2021/22	2020/21
	Kshs	Kshs
Catering expenses	680,200	-
Household Items	93,815	-
Bank charges	299,817	515,940
Computer Accessories	3,151,754	551,958
Contracted services	29,274,150	10,884,361
Electricity expenses	8,898,384	4,509,567
Travel and accommodation allowance	21,907,950	3,394,967
Printing	2,283,746	256,520
Stationery	6,404,570	891,720
Other gas fuel	2,379,390	795,000
Water and sewerage costs	1,167,745	333,305
Telephone and mobile phone services	4,081,041	1,270,560
Refined Fuel	7,329,953	2,125,559
Staff training and development	2,727,165	415,000
Total General Expenses	90,679,680	25,944,457

Kisii County Health Facilities Improvement Fund
Annual Report and Financial Statements for The Year Ended 30th June 2022

12. Cash and Cash Equivalents

Description	2021/22	2020/21
	Kshs	Kshs
Current accounts	6,924,207	22,859,500
Total cash and cash equivalents	6,924,207	22,859,500

12 (a). Detailed Analysis of Cash and Cash Equivalents

Description		2021/22	2020/21
Financial institution	Account number	Kshs	Kshs
a) Current account			
Kenya Commercial bank	1282543164	6,924,207	22,859,500
Total		6,924,207	22,859,500

13. Receivables from Exchange Transactions

Description	2021/22	2020/21
	Kshs	Kshs
Medical services receivables	45,941,894	53,511,158
Total receivables	45,941,894	53,511,158

14. Receivables from Non-Exchange Transactions

Description	2021/22	2020/21
	Kshs	Kshs
Bank Charges Refundable	3,994,364	3,014,630
Total	3,994,364	3,014,630

15. Trade and Other Payables

Description	2021/22	2020/21
	Kshs	Kshs
Trade payables	47,381,367	42,033,407
Total trade and other payables	47,381,367	42,033,407

16. Related Party Balances

Nature of related party relationships

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

Government of Kenya

The county Government of Kisii is the principal shareholder of the fund, holding 100% of the *fund's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the fund, both domestic and external. Other related parties include:

- i) The County Government of Kisii;
- ii) Ministry of Health Services, County Government of Kisii;
- iii) County Assembly of Kisii;
- iv) Key management of the Fund; and
- v) Board of directors;

17. Events After the Reporting Period

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

18. Ultimate and Holding Fund

The fund is County Public Fund under the Department of Health. Its ultimate parent is the County Executive of Kisii.

19. Currency

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

*Kisii County Health Facilities Improvement Fund
Annual Report and Financial Statements for The Year Ended 30th June 2022*

XIX. Appendices

Appendix 1: Progress on Follow Up of Auditor Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

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)
	The statement of comparison of budget and actual amounts reflects final expenses budget and actual on comparable basis of Kshs. 58,245,950 and Kshs. 28,176,806 respectively resulting in under expenditure of Kshs. 30,069,144 or 52% of the budgeted amount. The under-expenditure affected the planned activities and may have impacted negatively on service delivery to the public.	The budget utilization was adversely affected by delayed reimbursements from our debtors and industrial actions by medical personnel.	Not Resolved	30.6 2023


.....
Dr. Geoffrey Otumu
Fund Administrator