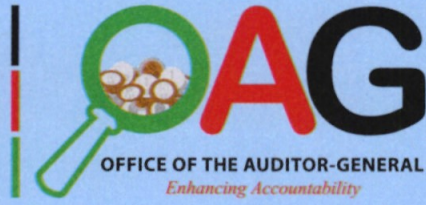


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL  
*Enhancing Accountability*



# REPORT

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## THE AUDITOR-GENERAL

ON

### KENYA HEALTH HUMAN RESOURCE ADVISORY COUNCIL

### FOR THE YEAR ENDED 30 JUNE, 2025

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 11 MAR 2026	
DAY: WEDNESDAY	
TABLED BY:	DEPUTY MAJORITY LEADER HON. OWEN BATA, MP
CLERK-AT-TABLE:	J. LEMEROLLE



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**KENYA HEALTH HUMAN RESOURCE ADVISORY COUNCIL  
(KHHRAC)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30<sup>TH</sup> JUNE 2025**

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

**Kenya Health Human Resource Advisory Council**  
**Annual Report and Financial Statements**  
**for the year ended June 30, 2025.**

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## **1. Acronyms and Definition of Key Terms**

### **A: Acronyms**

CS	Cabinet Secretary
PS	Principal Secretary
CBK	Central Bank of Kenya
HCP	Health Care Professional
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KHHRAC	Kenya Health Human Resource Advisory Council
KMPDC	Kenya Medical Practitioners and Dentists Council
KMTC	Kenya Medical Training college
MBChB	Bachelor of Medicine and Bachelor of Surgery
MOH	Ministry of Health
NHWA	National Health Workforce Accounts
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PhD	Doctor of Philosophy
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
SCAC	State Corporations Advisory Committee
SLDP	Strategic Leadership Development Program
TNT	The National Treasury
WHO	World Health Organization
WISN	Workload Indicators for Staffing Needs
WB	World Bank

**Kenya Health Human Resource Advisory Council (KHRAC)**  
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**B: Definition of Key Terms**

**Fiduciary Management-** Members of Management directly entrusted with the responsibility of financial resources of the organization.

**Comparative Year-** Means the prior period.

## **2. Key KHHRAC Information and Management**

### **(a) Background information**

The Kenya Health Human Resource Advisory Council (KHHRAC) is established as a body corporate, with perpetual succession and common seal, under the PART V, Section 30-44 of the Health Act, 2017. The *Council* is domiciled in Kenya and is currently housed at the Kenya Medical Practitioners and Dentists Council (KMPDC) Building, Woodlands road, Hurlingham.

### **(b) Mandate**

The Health Act 2017 mandates the Kenya Health Human Resource Advisory Council to review policy and establish uniform norms and standards for:

- a) posting of interns to National Government and County Government facilities;
- b) inter county transfer of healthcare professionals;
- c) transfer of healthcare professionals from one level of Government to another;
- d) the welfare and the scheme of service for health professionals;
- e) management and rotation of specialists; and
- f) the maintenance of a master register for all health practitioners in the country.

### **(c) Key Management**

The Council's day-to-day management is under the following Offices

- Chief Executive Officer/ Accounting Officer
- Directorates
- Departments

### **(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2025 and who had direct fiduciary responsibility were:

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**Key Management**

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

No	Designation	Name	Date of Appointment
1	Accounting Officer	<b>Dr. John Kihama</b>	<b>2022</b>
2	Senior Accountant	<b>Ms. Winnie W. Kibe</b>	<b>2024</b>
3	Deputy Director Medical Services	<b>Dr. Evelyn Muthoni</b>	<b>2024</b>

**(e) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Ag. CEO/Accounting Officer	<b>Dr John Kihama</b>
2.	Head of Corporate Services	<b>Ms. Jeniffer Kiema</b>
3.	Head of Finance	<b>CPA Winnie W. Kibe</b>
4.	Ag. Director, Technical Services	<b>Dr Muthoni Karanja</b>
5.	Head of Procurement	<b>Ms Everline Antonne</b>

**(f) Fiduciary Oversight Arrangements**

**The key fiduciary oversight arrangements and structures include**

- **The Board of Directors**  
The Board through various committees is responsible for giving strategic direction and risk and quality assurance of all key Council's operations
- **Auditor General**  
Has the overall responsibility of ensuring an independent assessment of the Council's financial and operational dealings issuing opinion to confirm the validity and compliance with laid down procedures and the law
- **Parliamentary Committees**  
The Council is answerable to various Parliamentary Committees depending on the matter at hand

**Kenya Health Human Resource Advisory Council (KHHRAC)  
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- **The Cabinet Secretary**

The Board of Directors is answerable to the Cabinet Secretary being the appointing authority.

**(g) KHHRAC Headquarters**

P.O. Box 30016 - 00100  
KMPDC Building  
Woodlands Road, Hurlingham  
Nairobi, KENYA

**(h) KHHRAC Contacts**

Telephone: (254) 020 - 2717077/78  
E-mail: [ceokhhrac@health.go.ke](mailto:ceokhhrac@health.go.ke)  
[ceokhhrac@gmail.com](mailto:ceokhhrac@gmail.com)  
Website: [khhrac.go.ke](http://khhrac.go.ke)

**(i) KHHRAC Bankers**

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
**NAIROBI, KENYA**
2. **Other Banks (state other bankers as appropriate)**  
Kenya Commercial Bank (KCB)  
Upper Hill Platinum Branch  
P. O. Box 48400 – 00100  
NAIROBI Kenya

**(j) Independent Auditor**

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

**(k) Principal Legal Adviser**

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

### 3. The Board of Directors/Council

#### PROF. FRANCIS P. N. WAFULA

##### Chairman



#### PROF. FRANCIS P. N. WAFULA

P.O. Box 2433-00202, Nairobi

Tel: +254 722 679467

Email: [frankfula@gmail.com](mailto:frankfula@gmail.com), [fwafula@strathmore.edu](mailto:fwafula@strathmore.edu)

Appointed under Health Act 2017 Section 30 (1) (a) Chairperson appointed by the Cabinet Secretary

Date of Birth: 12-07-1980

Ethnicity: Luhya

County of Birth: Bungoma

#### PROFILE SUMMARY

Experienced health policy and systems specialist with good knowledge of the health and pharma sectors as an associate professor of health systems; health systems advisory work as a consultant for over 15 years; experience in research, analyses and evidence synthesis as a health systems researcher; experience providing advisory services to governments through serving on various expert panels, taskforces and technical working groups; and experience in health services organization and management through independent consulting across areas, including regulation, quality and operations management, human resources for health, innovation and entrepreneurship in healthcare, and public private collaborations and partnerships in healthcare.

#### EDUCATION

- **PhD in Health Systems and Policy**, Open University/University of London (2009–2012) Area of research: Regulating Healthcare Markets for Quality, Safety and Equity Supervision: Prof Catherine Goodman, Prof Maureen Mackintosh and Prof Sassy Molyneux Examiners: Prof Anne Mills (Chair), Prof Christian Lengeler (Swiss TPH) and Prof Pauline Allen (LSHTM)
- **MSc Public Health, LSHTM** - University of London, UK, 2008 Health Services/Systems (GPA Score 4.21/5) Bachelor of pharmacy, University of Nairobi, Kenya 2004
- **BPharm Degree (Non-graded degree)** Awarded the Pfizer Prize given to the top BPharm graduates in Kenya (2003/2004)

#### WORK EXPERIENCE

- Strathmore University, Nairobi Kenya (Associate Professor), July 2015 to date - Associate Professor of Health Systems and Policy. Served as first Academic Director (PHD-HCM 2020-2022).
- IFC/World Bank Group (Health Systems Specialist) July 2013-December 2020
- University of Nairobi, (Adjunct Lecturer), April 2013-September 2015
- KEMRI- Wellcome Trust Programme, February 2006 – January 2012 (Health Systems Researcher)
- Ministry of Health, Kenya, January 2005 – January 2006 (Pharmacist)

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**DR. JOY KARAMANA MUGAMBI**  
**Vice- Chairperson**



Contact: +254721310018 | P.O. Box: 12024-20100 Nakuru, Kenya  
Email: dr.mugambijoy@gmail.com  
LinkedIn: Dr. Joy Mugambi

Appointed under the Health Act 2017 Section 30 (1) (g) nominated by the county directors of health;

Date of Birth: 09-09-1975

Ethnicity: Meru

County of Birth: Meru

**Profile Summary**

I am a transformational global health leader and seasoned Family Physician with over 27 years of progressive experience in health system strengthening, primary healthcare, policy development, and organizational leadership. I have demonstrated expertise in advocacy, strategic planning, governance, research, and stakeholder engagement at local, national, and international levels. With a proven ability to lead diverse teams, implement evidence-based interventions, and drive organizational growth, I am committed to advancing sustainable health outcomes and equity. My career is defined by my dedication to excellence, mentorship, and advocacy for health policy reforms.

**EDUCATION**

- Master of Medicine in Family Medicine Moi University, Eldoret | 2009 – 2015
- Bachelor of Medicine and Bachelor of Surgery (MBBS) International Medical and Technological University, Tanzania | 1999 – 2005
- Diploma in Clinical Medicine and Surgery School of Clinical Medicine, Port Reitz, Mombasa | 1994 – 1997

**WORK EXPERIENCE**

- County Director, Health Administration & Planning Nakuru County Headquarters, Nakuru County | Feb 2022 – Present
- Family Physician & COVID-19 Team Lead Eldama-Ravine Sub County Hospital, Baringo County | Dec 2015 – Jan 2022
- Non-Communicable Disease (NCD) Coordinator Baringo County | Dec 2019 – Jan 2022
- Medical Superintendent Eldama - Ravine Sub County Hospital, Baringo County | June 2018 – Sept 2019
- Senior House Officer – Ministry of Health Rift Valley Provincial Hospital, Nakuru | December 2005 – August 2009 Facility type: Public, 250-bed capacity
- Clinical Officer – Valley Hospital, Nakuru April 2003 – January 2005 (During 2-year sabbatical from university)
- Clinical Officer – Marie Stopes Kenya January 1998 – March 1999

**Kenya Health Human Resource Advisory Council (KHRAC)**  
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**PROF. ALICE KARIMI MUTUNGI**

Member



Prof. Alice Karimi Mutungi  
P.O. BOX 14181 - 00100, NAIROBI, KENYA  
TELEPHONE: mobile; 254-723119960 E-MAIL:  
mutungialice@yahoo.com

Appointed under Health Act 2017 Section 30 (1) (i)  
nominated private universities

Date of Birth: 17-08-1975

Ethnicity: Meru

County of Birth: Meru

**Profile Summary**

An Associate Professor of Obstetrics and Gynaecology, a Fellow of the East, Central, and Southern Africa College of Obstetrics and Gynecology (ECSACOG), and a Public Health Specialist.

**Education:**

- 2013: Certificate in Leading High-Performing Healthcare Organisations (LeHHO), MSH and Strathmore University
- 2007 Master of Public Health Leadership, Uganda Christian University, Uganda
- 2004 Diploma in Virtual Leadership Development Program (Dip. VLDP) for African Health Organizations and Programs, Management Sciences for Health (MSH) 3 4
- 2001 Regional Expert (Master) Trainer in Maternal and Neonatal Health (MNH), JHPIEGO Corporation
- 1999 Master of Science in Reproductive Biology (MSc. Reprod. Biol.), University of Nairobi, Kenya.
- 1997 Certificate in Leadership in Gender and Reproductive Health, University of Witwatersrand, Johannesburg, South Africa.
- 1991 Master of Medicine in Obstetrics and Gynaecology (M.Med O/G), University of Nairobi, Kenya.
- 1981 Bachelor of Medicine, Bachelor of Surgery (M.B; Ch.B.), University of Nairobi, Kenya

**Work Experience**

- May 2017 to Date (2025): Dean, School of Medicine & Health Sciences, Kenya Methodist University, Meru, Kenya Mar.
- 2014 to Mar 2017: Deputy Vice Chancellor Finance and Administration, Kenya Methodist University, Meru, Kenya
- Jan 2010 to Date (2025): Associate Professor of Obstetrics & Gynaecology, Kenya Methodist University, Meru, Kenya
- May 2010 to Mar. 2013: Founding Dean, School of Medicine & Health Sciences, and MBCHB Program Coordinator, Kenya Methodist University, Meru, Kenya
- Dec 2006 to 2009: Senior Lecturer, Department of Obstetrics & Gynaecology, University of Nairobi, Kenya and Honorary Consultant, Kenyatta National Hospital (KNH)
- 2001 to Feb 2006: Reproductive/Maternal & Neonatal Health Advisor, and the Point Person for Gender Integration into Health Programs at the USAID-Funded Regional Centre for Quality of Health Care, Kampala, Uganda; and Honorary Lecturer, Makerere University Medical School
- 1998 to Nov 2006: Lecturer, Department of Obstetrics & Gynaecology, University of Nairobi, Kenya; Honorary Consultant, Kenyatta National Hospital
- 1991 to 1997: Medical specialist Kenyatta National Hospital, Nairobi; Honorary Lecturer, Department of Obstetrics and Gynaecology, University of Nairobi
- 1981 to 1991: Ministry of Health, Kenya; Medical Officer at Nyahururu District Hospital (1982 - 1985), Medical Officer of Health in Nyandarua District (1985-1987)
- Postgraduate Trainee at University of Nairobi/Kenyatta National Hospital (1987-1991).

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**PROF GABRIEL KIMUTAI KIGEN**

**Member**



Prof Gabriel Kimutai Kigen  
P.O. Box 6727 – 30100, Eldoret, Kenya  
Languages English, Kiswahili and Kalenjin  
Email: [gkigen@mu.ac.ke](mailto:gkigen@mu.ac.ke); [kigengfk@gmail.com](mailto:kigengfk@gmail.com)  
Tel: +254 715 845896

Appointed under Health Act 2017 Section 30 (1) (i) nominated by the public universities

Date of Birth: 03-05-1965

Ethnicity: Kalenjin

County of Birth: Elgeyo Marakwet

**Profile Summary**

An Associate Professor of Obstetrics and Gynaecology, a Fellow of the East, Central, and Southern Africa College of Obstetrics and Gynecology (ECSACOG), and a Public Health Specialist.

**Education:**

- 2006 - 2009 PhD (Pharmacology and Therapeutics); University of Liverpool, UK
- 2005 - 2006 MPhil; Pharmacology and Therapeutics (University of Liverpool, UK)
- 1983 - 1987 BPharm (University of Nairobi);

**Work Experience**

- Sept 2019 - to date July 2015 - 2019 Associate Professor of Pharmacology & Therapeutics - Department of Pharmacology and Toxicology, Moi University Senior Lecturer - Department of Pharmacology and Toxicology, Moi University 2015 - 2021 Head of Department - Department of Pharmacology and Toxicology, Moi University School of Medicine
- 2010 - 2015 Lecturer - Department of Pharmacology and Toxicology, Moi University 2002 - 2009 Assistant Lecturer - Department of Pharmacology and Toxicology

- 2000 - 2001 Hospital Pharmacist, Moi Teaching and Referral Hospital (MTRH)
- 1995 - 2000 Community Pharmacy Practice 1993 - 1995 Principal Pharmacist, Ministry of Health
- 1990 - 1992 District Pharmacist - Uasin Gishu District
- 1988 - 1990 District Pharmacist - Elgeyo Marakwet District
- 1987 - 1988 Internship - Kenyatta National hospital, Wellcome (K) Ltd; Community Pharmacy Practice

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JACQUELINE MBITHE MWINZI MUINDI	
Member	
 <p>P.O. Box 19997 -00100, NAIROBI +254 722284957.  +254 20 2227461 EMAIL: jacmbithe@yahoo.co.uk</p> <p>Appointed under Health Act 2017 Section 30 (1) (d)  representative designated by the Attorney General  Date of Birth: 07-01-1975  Ethnicity: Kamba  County of Birth: Machakos</p> <p><b>Profile Summary</b>  Highly accomplished Lawyer with solid background in International Trade, Investment, Public Finance, Public Procurement and Commercial Law, with over 23 years' experience. I also have expertise in executive management, governance and policy formulation and implementation.</p> <p>Enjoys working in challenging environments bringing to bear innovative legal solutions to societal challenges. Has a solid ability to negotiate and conclude complex transactions and multifaceted issues.</p> <p>Currently, serving in the Office of the Attorney General and Department of Justice in the position of Deputy Solicitor General and Head of the Government Transactions Division. The services provided include, negotiating, drafting, vetting and interpreting local and international documents, agreements and treaties for and on behalf of the Government and its agencies as well as advising Government Ministries, Departments, Constitutional Commissions and State Corporations on legislative and other legal matters.</p>	<p><b>Education:</b></p> <ul style="list-style-type: none"> <li>● Global Executive Masters in Business Administration, United States International University-Africa: May 2016 – April 2017</li> <li>● LL.M, International Trade and Investment Law, University of Nairobi: Sept. 2006 – Dec.2008</li> <li>● Postgraduate Diploma, Kenya School of Law:1999 – 2000</li> <li>● Bachelor of Laws (Hons) LL.B, University of Nairobi: Nov. 1995 – Dec.1999</li> <li>● Precious Blood Girls Sec. School, Kilungu: 1990-1993</li> <li>● Kangundo AIC Pri. School: 1982 to 1989</li> </ul> <p><b>Work Experience</b></p> <ul style="list-style-type: none"> <li>● Office of the Attorney General and Dept. of Justice – September 2001 to-date</li> <li>● Ag. Executive Director/Chief Executive Officer Privatization Commission – 11th September 2017 to 10th September, 2018</li> <li>● Chief Manager Legal Affairs &amp; Legal Affairs Manager, Privatization Commission -1st March, 2013-2nd December, 2018</li> <li>●</li> </ul>

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**JOAN ANDISI MACHAYO**

**Member**



Joan Andisi Machayo

Address: P. O. Box 2153-00202 Nairobi

Email: [jmachayo@publicservice.go.ke](mailto:jmachayo@publicservice.go.ke);

[jandisi@yahoo.ca](mailto:jandisi@yahoo.ca)

Appointed under the Health Act 2017 Section 30 (1) (f) representative nominated by the Public Service Commission

Date of Birth: 19-03-1966

Ethnicity: Luhya

County of Birth: Bungoma

**Profile Summary**

Over 25 years' experience in the public service in the area of human resource management and administration. Highly detailed, motivated, process driven and proactive person who embraces the opportunity to help grow an institution where innovation, creativity and inspiration meet.

**Education Qualifications:**

Master of Business Administration (Human Resource Management University of Nairobi (1989)

Bachelor of Arts second class honors (lower division) 1989

Moi Girls High School - Kenya Advanced Certificate of Education (3principles and 1 subsidiary)

Butere Girls High school- Kenya Certificate of Education (2nd Division)

**Professional Qualifications**

- Certified Public Secretary of Kenya CPS (K)
- Trustee certification
- Lead Auditor ISO 9001:2015

**Work Experience**

- 2017 December to 2024 December - Director Human Resource Management and development
- 2013-2017: Deputy Director, Human Resource Management and development
- 2011- 2013: Senior Assistant Director Human Resource Management, Public Service Commission.
- 2009 - 2011: Assistant Director Human Resource Management- Public Service Commission
- 2007- 2009: Principal Human Resource Officer- Kenya Medical Training College
- 1999-2007: Personnel and administration officer- Kenya Medical training College
- 1990-1999: Executive Officer Ministry of Health

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**THOMAS MWEU KASOA**

Member



P.O. Box 30075-00100 Nairobi, Kenya  
 Email: [Thomas.kasoa@gmail.com](mailto:Thomas.kasoa@gmail.com)  
 Tel: +254725808793

Appointed under the Health Act 2017 Section 30 (1) (h) nominated by the county public service boards  
 Date of Birth: 05-08-1972  
 Ethnicity: Kamba  
 County of Birth: Machakos

**Profile Summary**

Thomas Mweu Kasoa is a servant leader and experienced public servant with more than twenty years in public service. A member of the Chattered Management Institute London, Thomas has wide knowledge, training and experience in: leadership, human resource management and development, governance, legislation, management, policy enactment and analysis among others. He has served as board member in the Machakos county assembly service board, Chairperson Machakos Water and Sewerage company, Vice chairperson of the defunct Machakos County Council, an elected county assembly member and chairperson of the Nairobi City County Public Service Board. He was a pioneer board member of the Machakos County assembly service board where he was instrumental in guiding the service board in transitioning employees from the municipal administration to the County government dispensation.

His skills, experience and foresight have been instrumental in leading a harmonious board and amicable conflict resolution between the employees and the county government. He has been able to create synergy within the board and also forged a cordial working relationship between the board, the Nairobi City County Government executive and Nairobi City County Assembly and Employees. Guided by the principles of servant leadership, honesty,

fairness and justice, he has introduced an open-door policy in his office and that of the entire board members according all the stakeholders an opportunity to be heard. Thomas hopes to build a robust workforce that will help the Nairobi City County to be the county to live, work and invest in.


**Education:**

- Bachelor Degree (Honors) Global Business Management, Bournemouth University (UK) – 2018
- Level 6 diploma in Professional Management and Leadership Practice, Chattered Management Institute (UK) – 2019
- Diploma in Leadership and Management, Scott Christian University (Kenya) – 2016
- Certificate in County Governance, KCA University (Kenya) – 2012
- Principles of leadership and governance in the public service (Dubai, UAE)
- Certificate in Value Based Leadership (Kigali, Rwanda)
- Principles of leadership and governance in the public service (Dubai, UAE) KCA University Certificate in Value Based Leadership (Kigali, Rwanda)
- Certificate in Revenue Enhancing (Kenya)
- Certificate in Devolved Government

**Work Experience**

- Chairperson and Board Member-Nairobi City County Government Public Service Board (2018- present)
- Board Member –Machakos County Assembly Service Board March 2013-2017
- Chairperson-Machakos Water and Sewerage Company 2017-2018
- Masaku County Council, Vice-Chairperson-2007-2012

**Kenya Health Human Resource Advisory Council (KHHRAC)**  
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<b>HAJI ADE TARAZIA</b>	
<b>Member</b>	
 <p>Haji Ade Tarazia            Tel: 0722457314            Email: <a href="mailto:hajitarazia@yahoo.com">hajitarazia@yahoo.com</a></p> <p>Appointed under the Health Act 2017 Section 30 (1) (i) nominee for mid-level training institutions            Date of Birth: 03-05-1978            Ethnicity: Pokomo            County of Birth: Tana River</p> <p><b>Profile Summary</b>            Highly experienced Senior Vocational and Technical Trainer with over 10 years of experience in Medical Laboratory Science education. Proven leadership skills having held various positions including Medical Laboratory Training Coordinator, Deputy Head of Department and currently Head of Department at Kenya Coast National Polytechnic.</p> <p><b>Education</b></p> <ul style="list-style-type: none"> <li>● BSc in Medical Laboratory Sciences, Mount Kenya University - 2009-2012</li> <li>● Diploma in Medical Laboratory Science, Mombasa Polytechnic - 2000-2002</li> <li>● “O” Level Certificate, Tarasaa High School - 1992-1995</li> <li>● Primary Level Certificate, Lenda Primary School - 1984-1991</li> </ul> <p><b>Other Certificates</b></p> <ul style="list-style-type: none"> <li>● Phlebotomy Certificate</li> <li>● Computer Applications</li> <li>● HIV/AIDS Certificate</li> <li>● CBET Certificate</li> </ul>	<p><b>Work Experience</b></p> <ul style="list-style-type: none"> <li>● 2019 to Date: Kenya Coast National Polytechnic: Head of Department; Medical Laboratory Technology Training Coordinator; Trainer</li> <li>● 2012 - 2018 KMTC Port Reitz Campus Lecturer/Trainer</li> <li>● 2010 - DEC 2010: Mombasa Municipal Council Bamburi Clinic Laboratory Technologist</li> <li>● 2011-2012 Sayidna Fatma Hospital Mlaleo - Hospital Laboratory Technologist</li> </ul>

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**DR ANGELA NYAKUNDI**

Alternate Member



Tel: +254 721 269 163

Email: nyakundi.angela@gmail.com

Appointed under Health Act 2017 Section 30 (1) (e) representative designated by the Director General

Date of Birth: 25-02-1985

Ethnicity: Kisii

County of Birth: Nairobi

**Profile Summary**

A results-driven medical doctor and public health specialist with 15 years of experience. I am passionate about unifying stakeholders to drive health workforce development and empowering healthcare leaders and decision-makers to take opportunities, build partnerships and drive development. I am adept at leading teams and effectively communicating health priorities and have expertise in health systems strengthening and intersectoral policy development.

**Education**

- University of Nairobi 2021-2022: Master's in International Studies
- London School Of Hygiene and Tropical Medicine 2017-2020: MSc. Public Health
- University of Nairobi 2004- 2009: Bachelor of Medicine and Bachelor of Surgery

**Other Courses**

- World Health Organization/ Health Education England 2023(March)- 2023(February): Working for Health 2030: Building Health Workforce Leadership Programme

- National Defence College-Kenya 2021(July)-2022(June): National Security and Strategy Course
- Kenya School of Government 2020 (Jan-Feb): Strategic Leadership Development Program

**Work Experience**

- October 2024-Present Head, Human Resources for Health and Professional Standards, Ministry of Health
- October 2024-Present Board Member, Kenya Health Human Resource Advisory Council
- August 2022 – January 2024 Board Member, National Cancer Institute-Kenya
- April 2023-September 2024 Head, Health Sector Regulation and Legislation, Ministry of Health
- June 2022-March 2023 Officer, Division of Human Resources for Health, Ministry of Health
- June 2020 – May 2021 Head, Division of Human Resources for Health, Ministry of Health
- February 2020- June 2020 Officer, Division of Human Resources for Health, Ministry of Health
- June 2019-February 2020 Head, Division of National Referral Services and Ag. Head, Division of Human Resources for Health, Ministry of Health
- March 2011-May 2019 Medical Officer, Ministry of Health

**Kenya Health Human Resource Advisory Council (KHHHRAC)  
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**ROSEMARY NYAMBURA NJARAMBA**

Member



Rosemary Nyambura Njaramba  
Email: rosemary.njaramba@gmail.com  
Tel: 0722481736

Appointed under Health Act 2017 Section 30 (1) (c)  
nominated by the Council of Governors

Date of Birth: 10-03-1987

Ethnicity: Kikuyu

County of Birth: Nairobi

**Profile Summary**

A multifaceted leader with thirteen (13) years of experience in the field of public policy and governance and who is proficient at identifying organization's needs and formulating achievable long-term goals. Knowledgeable in designing and implementing strategic plans, which results in streamlining of institutional processes. Excellent at project management, planning and strategy, knowledge management and monitoring & evaluation.

Moreover, substantial legal expertise in government advisory and relations. Highly skilled in written and oral presentation techniques that facilitate effective negotiation with partners, donors and multilateral actors. Analytical, problem-solving, and creative with strong coordination, management, and decision-making abilities.

**Education:**

- Master of Arts, International Studies, University of Nairobi, September - 2017-2019
- Diploma in Law, Kenya School of Law – 2012
- Bachelor of Laws, University of Nairobi, 2007 - 2011

**Work Experience**

- Head of Planning and Strategy, Council of Governors (CoG), October 2020 – present
- Head of Legal Department/ Ag. Director Legal, CoG, July 2014- October, 2020
- Program Manager at The Institute for Social Accountability (TISA), December 2013- June 2014
- Litigation and Conveyancing Legal Officer, Muriu Mungai & Company Advocates, January 2013- November 2013
- Research Assistant, International Commission of Jurists, Kenya, January 2011- December 2011

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**DR JOHN MBUGUA KIHAMA**

Ag. CEO/Ex-officio Member



John Mbugua Kihama

Email: jmkihama@gmail.com

Tel: 0722360646

Appointed under Health Act 2017 Section 30 (1) (j)  
 Chief Executive Officer, ex officio member and  
 Secretary to the Council

Date of Birth: 20-06-1968

Ethnicity: Kikuyu

County of Birth: Muranga

**Profile Summary**

A self motivated, multifaceted leader with over fifteen (15) years of experience in health management at policy level. Experienced in developing health policies, guidelines, plans and leading teams

Excellent at development and review of various documents

Good analytical, problem-solving, and creative skills with strong coordination, management, and decision-making abilities.

**Education:**






- MSc. (Public Health), Jomo Kenyatta University of Agriculture and Technology, 2010 Bachelor of Dental Surgery, University of Nairobi, 1995 Kenya Advanced Certificate of Education, Thika High School
- Kenya Certificate of Education, Murang'a High School, 1987
- Certificate of Primary Education, Mukurwe Primary School, 1983

**Work Experience**

- Ag. Chief Executive Officer - Kenya Health Human Resource - May 2022 to-date
- Acting Head, Directorate of Health Workforce Administration - Kenya Health Human Resource Advisory Council - May 2020 to May 2022
- Deputy Head of Department - Department of Health Sector Coordination & Intergovernmental Affairs - December 2013 to April 2020
- Deputy Head of Department - Department of Gender Mainstreaming - July 2010 to December 2013
- Dental Officer In-charge, Thika Level 5 Hospital - December 2005 to October 2010
- Dental Officer In-charge, Kerugoya District Hospital – June 1997 to November 2005



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4	<b>Ms. Jeniffer Kalunda Kiema</b>		Ag. Director, Corporate Services	Bachelors of Business Administration (HRM), Diploma (HRM) Diploma in Leadership Program & Sustainability, Certificate in Senior Management Course, Human Information System(iHRIS), Data Analytics
5	<b>Mr. Julius Mulonzi Mutiso</b>		Ag. Director, Healthcare Professionals' Information and Research	MSc. Health Information Management, BSc. Health Records and Information Management, Diploma. Health Records and Information Management, Certificate. Health Records and Information Management, Monitoring and Evaluation in Global Health Course, Senior Management Course,
	<b>Ms Winnie W. Kibe</b>		Senior Accountant	Bachelor of Commerce (Finance); CPA(K)
	<b>Ms Julliet Abade</b>		Head KHHHRAC Supply Chain Management	Bachelor of Supply Chain Management
	<b>Ms. Margaret Muthoni Maina</b>		Office Administrator	Higher Diploma in Secretarial Management, Senior Management Course, Supervisory Course, Customer Care & Public Relations, Secretarial Management Course, Computer Applications, Communication Skills customer care and Interpersonal, Management Development Programme for Executive Assistants I, Effective Secretary Seminar, Management Development for Administrative Officers

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**5. Chairman's Statement**

The Kenya Health Human Resource Advisory Council (KHHRAC) is established under the Health Act 2017 and mandated to review policy and establish uniform norms and standards on management of interns and medical specialists, intergovernmental transfers (county to county and between the two levels of government), welfare and the scheme of service for health professionals and maintenance of a master register for all health practitioners in the country.

KHHRAC has realized gradual progression in its operationalization. The Board is fully operational, with four committees, Board instruments, and performance management processes in place. The Council now has all the members as provided for in the Health Act 2017. During the financial year 2024/2025 the Board has passed resolutions for submission of human resource instruments to Public Service Commission, acquisition of office space, opening of council bank account and development of the Strategic Plan.

The Council has opened a bank account with Kenya Commercial Bank, its budget has been converted into a current grant through the State department for public health and Professional Standards, HR instruments have been approved and the Council Strategic Plan 2025-2030 has been developed and is awaiting launch. The strategic plan will guide the development of various frameworks for the management of the health workforce in Kenya.

The Council management, with support from WHO, has been spearheading various processes for the last three financial years in an effort to make health workforce data available for decision-making and to provide a scientific basis for determining the staffing levels for health facilities.

The Council has faced a few challenges in its work during the year including: bureaucracy that may slowed down the execution of some KHHRAC mandate; funding uncertainties both domestic and global; technological gaps in access and infrastructure; overlaps of mandates with Departments at the Ministry of Health; challenges with operationalization of KHHRAC - Staff shortage, Inadequate infrastructure, office space and ICT challenges; Inadequate budgetary allocation; Council is awaiting categorization by the State Corporation Advisory Committee (SCAC). The Board has encouraged the management to finalize operationalization and execute priority high impact actions in its Annual Work Plan FY2025/2026. These will include but are not limited to the action points from the National Dialogue on Human Resources for Health (Kericho Declaration)



**Prof. Francis Wafula,  
Council Chairman**

## **6. Report of the Chief Executive Officer**

The Government of Kenya appreciated that performance of the health system is immensely dependent upon how best the workforce is developed, planned and utilised. The need to establish an intergovernmental body to advise on health workforce issues was informed by the government aim to address the observed persistent challenges related to the health workforce in Kenya and its work is expected to: make available competent and adequate number health workers as per health systems need; facilitate production development and sustenance quality health workforce at all levels of care; facilitate recruitment, equitable distribution and retention of health workforce; promote and maintain high standards in health workforce performance; and promote evidence-based health workforce decision making in improving health outcomes through the provision of quality health workforce data.

In the year under review KHHHRAC Board and management prioritized internal operationalization in preparation for the execution of the Council mandate. With technical support from Public Service Commission (PSC) the Council developed human resource instruments (Organizational structure, grading structure and staff establishment; Career progression guidelines; and human resource policies and procedures manual) which were approved by the Public Service Commission (PSC) in April 2025. The approved instruments were used to develop KHHHRAC Job Description Manual and Job Description Analysis Report which will be submitted to the Salaries and Remuneration Commission (SRC) for Job evaluation and development of KHHHRAC remuneration structure. During the FY 2024/2025 the management opened a council bank account; development of the first Strategic Plan 2025-2030; and purchased its first vehicle

The Council has been spearheading various processes in an effort to make health workforce data available for planning and policy development and decision-making as outlined below

- 1) Making health workforce data available for informed decision-making
  - Training of National and County HR officers on the Integrated Human Resource Information System (iHRIS) and the National Health Workforce Accounts (NHWA)
  - Compilation, verification and validation of health workforce data from the national and county levels.
- 2) Contributing to fair distribution of workload and better productivity of the health workforce
  - Carrying out of the Workload Indicator of Staffing Needs (WISN) to help determine more accurately the required health workers per facility.
  - Planning for revision of Human Resources for Health Norms and Standards by carrying out a national Workload Indicators for Staffing Needs (WISN)
- 3) Contributing to better planning and management of specialist healthcare workers
  - The already developed Draft Framework for Management of Specialist Healthcare Workers will be reviewed and taken through stakeholders' validation
- 4) Setting up of a one-stop center for up-to-date health workforce data
  - Draft guidelines for establishment, utilization and maintenance of a master register for all health practitioners in the country have been developed
  - Project concept note for the establishment of a master register has been developed
- 5) Protecting the Kenya health system by ensuring safe and orderly health workforce migration

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- Domestication of the WHO Code of Practice for International Recruitment of Health Personnel has been initiated
- Finalization of guidelines on Migration of Healthcare professionals in Kenya is awaiting finalization of workers' migration policy by the Ministry of Labour

The Council faced various challenges including: shortage of staff (the Council currently operates with very lean staff deployed from the Ministry of Health), Inadequate office space and equipment and ICT challenges; Inadequate budgetary allocation; delayed categorization by State Corporations Advisory Committee (SCAC). The Council in its Annual Work Plan FY2025/2026 has prioritized development of internal business processes to improve efficiency and minimize various risks.

The Council does not have an account but is provided with one from the State Department for Public Health and Professional Standards on a need basis. The Council also does not have an internal auditor and relies on the internal audit function at the State Department. The audit committee of the Board does not have a member with knowledge on financial and audit matters and is therefore unable to execute its mandate as required.



**Dr John Kihama**  
**Ag. Chief Executive Officer**

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**7. Statement of Performance against Predetermined Objectives for FY 2024/2025-1**

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer presents a statement of performance against predetermined objectives of the KHHHRAC.

The key strategic objectives as per the KHHHRAC strategic plan for FY 2025- FY 2030 are to:

- a) To strengthen leadership capacities for HRH
- b) To enhance the management of HCPS' mobility
- c) To strengthen the management of healthcare specialists
- d) To strengthen the management of healthcare professionals
- e) To strengthen the management of internship program
- f) To enhance financial sustainability for internship programs
- g) To strengthen the operations of KHHHRAC
- h) To increase KHHHRAC visibility
- i) To enhance prominence of HRH agenda
- j) To strengthen internship welfare program
- k) To standardize the nomenclature among healthcare professions
- l) To establish HRH staffing norms and standards
- m) To strengthen healthcare professionals' competence development
- n) To establish an integrated HWF data system for decision making
- o) To strengthen research and innovation for optimized management of the HWF

Expenditure in the FY should be geared toward the realization of the aforementioned strategic objectives as captured in the Strategic plan for FY 2025 to 2030. Linked to these objectives are specific programmes outcomes and outputs and performance indicators.

The Kenya Health Human Resource Advisory Council developed its annual work plan based on the strategic goals. The Council achieved its performance targets set for the FY 2024/ 2025 as indicated in the table below:

***Programme performance***

Program	Strategic Objective	Outcome	Output	Output indicator	Achievement for the FY 2024/25			Remarks
					Target	Actual	Variance	
Kenya Health Human Resource Advisory	To strengthen leadership and stewardship for the Council	Increased oversight and leadership	Hold quarterly Board and Board Committee Meetings	No of Board meetings held	6	7	0	

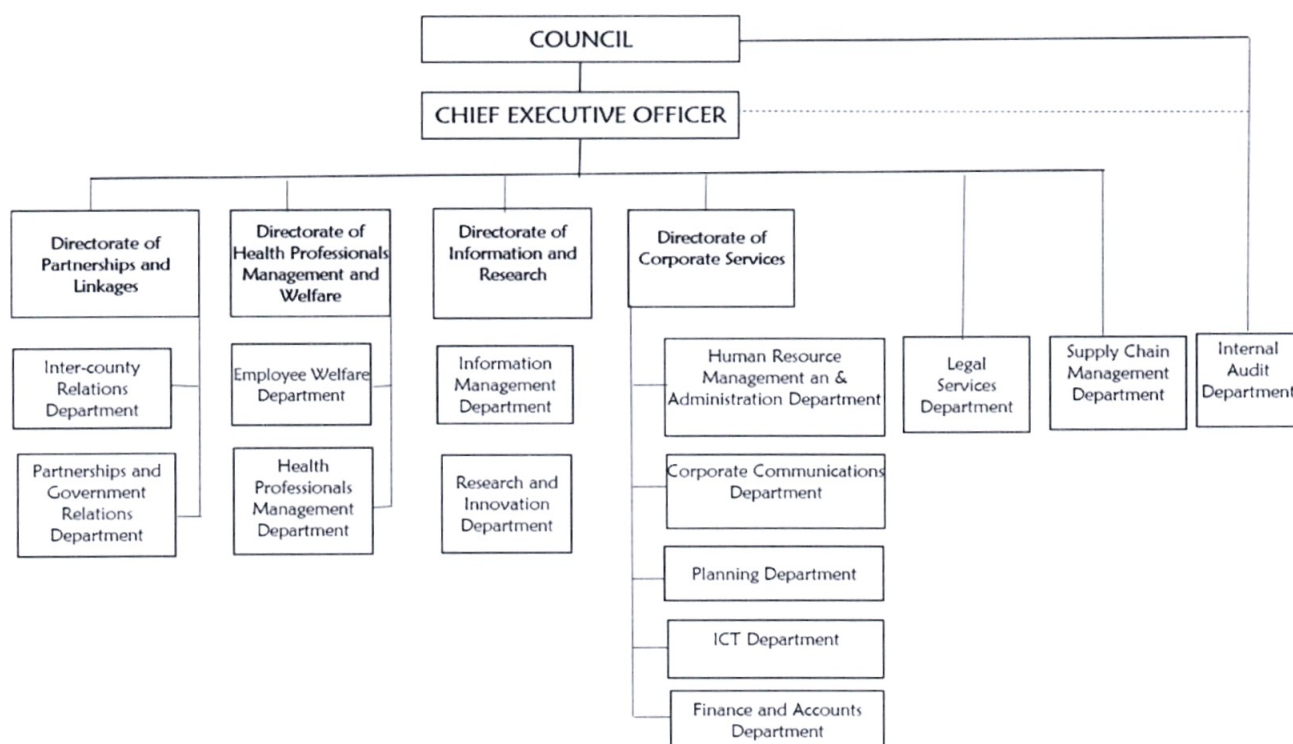
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ry Council I		Risk management and mitigation	Risk assessment carried out	Risk register Risk assessment report	100%	80%	20	Risk assessment to be carried out independently
	To strengthen policy making and strategic planning	KHRAC Strategic Plan Developed	Develop KHRAC Strategic Plan	Strategic Plan 2025-2030	1	1	0	
		KHRAC AWP developed	Prepare KHRAC AWP	KHRAC AWP	1	1	0	
		FY Sector MTEF preparation	Participate in sector MTEF preparation	Inclusion in sector report Inclusion in sub-sector report KHRAC budget proposal	1	1	0	
	To enhance the management of HCPs' mobility	Improved management of HCPs mobility	Guidelines for management of HCPs migration developed	Guidelines document	100%	80%	20	Draft framework had been prepared earlier but awaiting release HR migration policy by Ministry of Labour and Social Protection for alignment
	To strengthen the management of healthcare professionals	Review policies and guidelines for health care professionals	Reviewed policies	Compilation of policies Stake-holders' forums Reviewed policies and guidelines	30%	20%	10	Inadequate budget and delayed release of exchequer Shortage of staff

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**8. Corporate Governance Statement**

At the top of KHHRAC leadership and governance structure is the Board which provides oversight and strategic guidance to the management. The board is the ultimate decision-making body, responsible for setting the Council’s strategic direction and overseeing its management. The management, led by the CEO, executes the Council’s strategy and is responsible for day-to-day operations. The Council has many key stakeholders with whom it partners in executing its mandate. These include development partners, health workers’ professional associations, health workers’ regulatory bodies, health workers’ unions and training institutions. Below is a presentation of the Council organogram



The board of KHHRAC was gazetted via notice Vol. CXXV-No. 111 of 15<sup>th</sup> May, 2023 and inaugurated at State House Nairobi by H.E the President on 26<sup>th</sup> June 2023. The board then underwent induction in September 2023 at the Kenya School of Government Mombasa.

As constituted, KHHRAC is an intergovernmental body consisting of membership from both National and County Governments as illustrated in the table below.

	<b>SECTORAL REPRESENTATION</b>	<b>MEMBER AS PER HEALTH ACT 2017</b>
1	Independent	Board Chairperson
2	National Government	The Principal Secretary Representative

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3		The Director-General for Health Rep
4		The Attorney General Rep
5		Public Service Commission Rep
6	County Governments	Council of Governors;
7		County directors of health;
8		County Public Service Boards;
9	Training Institutions	Public universities
10		Private universities
11		Mid-level institutions
12	Management	Chief Executive Officer – <i>Ex-officio</i>

During the year under review KHHRAC Board met as indicated in the table below

#	PERIOD	DATE OF MEETING	ATTENDANCE OUT OF 12
	1 <sup>st</sup> Quarter	4 <sup>th</sup> September 2024	11
	2 <sup>nd</sup> Quarter	17 <sup>th</sup> December 2024	9
	3 <sup>rd</sup> Quarter	23 <sup>rd</sup> January 2025	10
	4 <sup>th</sup> Quarter	5 <sup>th</sup> June 2025	10

The Board also attended a retreat in April 2025 to give inputs during the development of KHHRAC Strategic Plan 2025-2030.

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**Tenure of Office and succession management**

#	Director Name	Position	Gender	Nominating Organization	Ethnicity	Expiry Date	Terms Served
1	Prof. Francis P. N. Wafula	Chairman	M	Cabinet Secretary for Health	Luhya	14-06-26	1st Term
2	Dr. Joy Mugambi	Vice Chair	F	Council of Governors	Meru	14-06-26	1st Term
3	Mr. Thomas M Kasoa	Member	M	Council of Governors	Kamba	14-06-26	1st Term
4	Ms. Rosemary Njaramba	Member	F	Council of Governors	Kikuyu	14-06-26	1st Term
5	Ms. Jacqueline Muindi	Member	F	Attorney General	Kamba	14-06-26	1st Term
6	Ms. Joan Machayo	Member	F	Public Service Commission	Luhya	14-06-26	1st Term
7	Prof. Gabriel K. Kigen	Member	M	Public Universities	Kalenjin	14-06-26	1st Term
8	Prof. Alice Mutungi	Member	F	Private Universities	Meru	14-06-26	1st Term
9	Mr. Haji Ade	Member	M	Middle level Colleges	Pokomo	14-06-26	1st Term
10	Mr. Robert Tonui	Member	M	Principal Secretary, Public Health	Kalenjin	05-09-26	1st Term
11	Dr. Angela Nyakundi	Member	F	Director General for Health	Kisii	28-10-27	1st Term
12	Dr. John Kihama	Ag. CEO	M	<b>Deployment</b> from MOH	Kikuyu	N/A	N/A

This being the first Board of the organization, all the Board members were appointed on the same date and their terms will expire at the same time. The issue of succession management is expected to be addressed during the second term of the Board

**Ethics and Conduct and Conflict of Interest**

On appointment to the Board, members disclosed in writing to the appointing authority all interests in any ventures, contracts, commitments or arrangements which may conflict with the interests of the State Corporation or with the performance of their duties.

Board members have also signed an agreement not to disclose business matters of a confidential nature related to the corporation to anyone not authorized to receive them. In addition, Board members sign an Accountability Pledge. This pledge commits them to personal liability in the event of conflict with the tenets of the Leadership and Integrity Code and the Public Officers Ethics Act.

**KHHRAC Board Committees**

The Board of KHHRAC has constituted four (4) committees namely: Finance & Planning committee; Governance and Human Resource Committee; Intergovernmental relations & Partnerships Committee; and Audit & Risk Committee. Each Board Committee has its specific terms of reference which are attached to the letter of appointment to the committee.

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The Board Committee on Audit and risk management oversees issues of audit and risk. The committee is composed of four members. The committee lacks a member with knowledge of finance and audit and is seeking to co-opt a member from the National Treasury. The terms of reference of the Audit & Risk Management Committee include but are not limited to advising the Board and Accounting Officer on: The strategic processes for risk, control and governance; The accounting policies and key judgements, the accounts, and the annual report of the organization; Compliance with legal and regulatory and financial reporting requirements; Adequacy of management response to issues identified by audit activity, including external audit's management letter; Comprehensiveness, reliability and integrity of assurances relating to the management of risk and corporate governance requirements for the organization; Recommend to the Board for the procurement, appointment, reappointment, removal and remuneration of the external auditors; The quality of both internal and external audit and their approach and responsibilities; and Anti-fraud policies, whistle-blowing processes, and arrangements for special investigations.

The Audit and Risk Management Committee working with the management has identified risks to which KHHRAC is exposed to and recommended mitigation measures. The identification of risk and the recommended mitigation measures is expected to: protect KHHRAC's reputation; minimize possible losses; encourage use of innovative measures; and inform decision-making.

**Board Remuneration**

Members of KHHRAC Board receive various payments and allowances as in the table below

#	ALLOWANCE	BOARD RECEIVING MEMBERS	RATE
1	Honoraria (per month)	Chairman	KSh40,000
2	Sitting Allowance	Chairman	KSh25,000
3	Sitting Allowance	Members	KSh20,000
4	Daily Subsistence Allowance	Chairman & Members	KSh18,200
5	Mileage (AA Kenya rates)	Members from Nakuru, Meru	KSh58.67 per Km
6	Taxi expenses (round trip)	Members from Eldoret, Mombasa	KSh10,000

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**9. Management Discussion and Analysis**

Between FY2020/2021 and FY2023/24 budgetary allocation to KHHRAC was itemized under headquarters, initially under the Ministry of Health and later under the State Department for Public Health and Professional Standards. During this period, approval and accounting for funds was directly under the Principal Secretary State Department for Public Health and Professional Standards. From the FY2024/2025 KHHRAC budget was converted to a grant to semi-autonomous government agencies through the State Department for Public health and Professional Standards to KHHRAC bank account. The budgetary allocation to KHHRAC is under recurrent vote.

**Achievements**

S. No	Mandate/Activity	Achievements
1	Operationalization of KHHRAC.	<ul style="list-style-type: none"> <li>● Inauguration of the Board.</li> <li>● Composition of Board Committees.</li> <li>● Approval of HR instruments by PSC</li> <li>● Acquisition of office space.</li> </ul>
2	Posting of interns to National Government and County Government facilities.	<ul style="list-style-type: none"> <li>● KHHRAC is a member of the ministerial internship coordination committee.</li> <li>● Participation in the development of the internship policy.</li> </ul>
3	Development of norms and standards to inform Inter-government and Inter-County transfer of healthcare professionals, management and rotation of specialists.	<p>Workload planning and implementation Workload Indicators Staffing Needs (WISN).</p> <p>Established linkage with other Government, Private Sector and regulatory organizations Consulted, collaborated and integrated expectations of key stakeholders in the operations of the council</p>
4	The maintenance of a master register for all health practitioners in the counties.	National and county officers trained on Integrated Human Resource Information System (iHRIS) and data analytics resulting to Kenya reporting on the National Health Workforce Accounts (NHWA).

**The Council complies with various statutory requirements including:**

Human resource returns

Financial and non-financial reports to the Office of the Controller of Budget

The Council keeps proper books of accounts and records of all financial activities.

The Council accounts are open to be audited annually by the Auditor-General (Corporations).

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The Board of the Council Signs Performance contracts with the Cabinet Secretary Ministry of Health, witnessed by the Cabinet Secretary National Treasury.

The Council observes the provisions of State Corporations Act on composition of the Board and Board committees and the procedures for meetings including regulations regarding quorum, voting, and declaration of interest by Board members.

**The main risks facing KHHRAC include:**

1. Lack of clear understanding of the mandate and activities of the Council by stakeholders as a result of inadequate visibility of KHHRAC in print and electronic media
2. Inequitable workload and burnout among some workers due to limited number and competencies of KHHRAC staff
3. Possibility of human error and missing financial documents as a result of using manual/paper-based accounting system
4. Likelihood of failure of to achieve some financial, operational and internal controls compliance due to inadequate audit and risk management function
5. Risk of non-compliance to processes in the absence of a legal officer
6. Risk of failure to achieve some set targets and to fully operationalize due to inadequate budgetary allocation from the National Treasury
7. Risk of missed targets and deadlines and likelihood of penalties and litigation due cash flow issues
8. Some mandates may not be executed as per the Council plan and there may be wastage of resources due to overlap of mandates with departments at the Ministry of Health
9. Failure to achieve some set targets due to discontinuation of aid by main development partners
10. Loss of trust in KHHRAC by health workers, their unions and associations due to inadequate mechanisms for addressing health workforce welfare

The Council currently has no pending bills under its name and has not accumulated any arrears in statutory and other financial obligations.

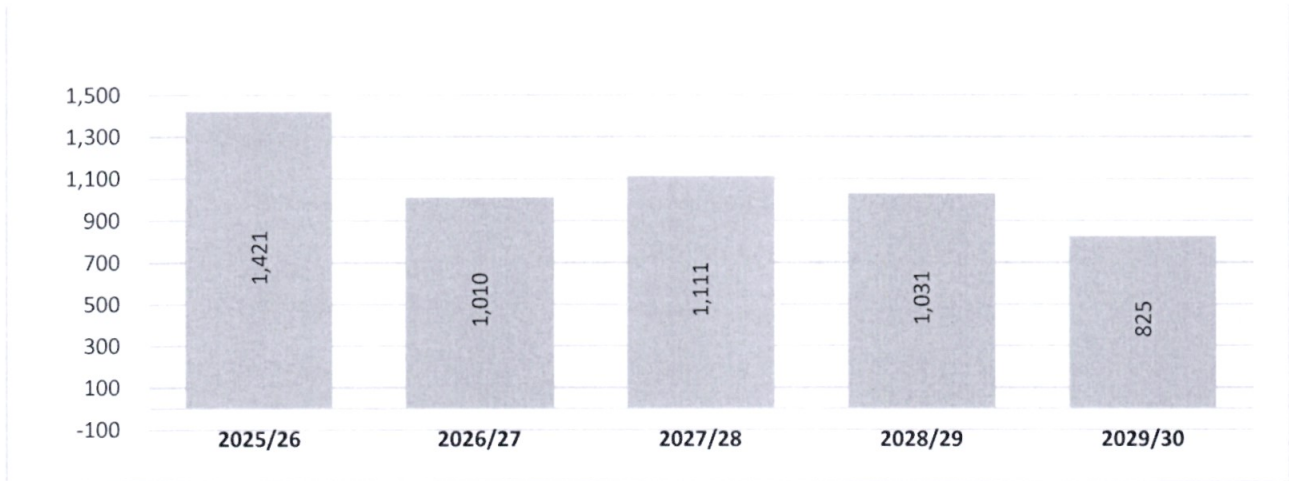
During the FY2024/2025 the council developed an ambitious five-year Strategic Plan (2025-2030) based on its mandate with a total estimated cost of KSh5.4B. The Council plans to carry out resource mobilization to supplement the budgetary allocation from the National Treasury. The Council will

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continuously explore innovative strategies in own revenue generation for sustainability of its programs

Summary of Estimated Resource Requirements in Implementation of KHHRAC Strategic Plan 2025-2030 (KShs. Millions)



## **10. Environmental and Sustainability Reporting**

### **i. Sustainability strategy and profile**

KHHRAC's environmental sustainability involves making decisions and taking actions that are in the interest of protecting the natural world, with emphasis on preserving the capability of the environment to support human life. KHHRAC recognizes that its operations may have impacts on the environmental, social and economic aspects and hence the need to mainstream environmental sustainability objectives in all its operations and activities. The Council in its Strategic Plan 2025-2030 has established, measurable objectives related to environmental impact reduction, social well-being, ethical governance, and economic viability.

### **ii. Environmental performance /climate change/ mitigation of natural disasters**

The Council makes all efforts to invest in energy saving and energy-efficient appliances and smart energy management systems. In addition, the Council emphasizes on reduce, reuse, recycle, refuse, rethink and repair to minimize waste generation and promote a circular economy. The use of soft copy documents is encouraged. Shredded waste paper is given out to firms that recycle.

### **iii. Employee welfare**

When an employee's well-being and welfare is compromised, this can lead to poor or underperformance; a change in attitude or behaviour; a failing of duties, or a loss in ability to interact and work well with others. The welfare of your employees can be affected by a range of different factors, both within and outside of the workplace. Physical, emotional and mental issues can all impact how a member of your team feels about their work and about themselves. When welfare isn't given priority, you may notice a decline in employee motivation and performance. Creating a physically safe and comfortable environment for our employees is paramount for promoting and maintaining their welfare and well-being.

KHHRAC will continually strive to identify employee concerns about their welfare through: regular one-to-one sessions with team members; a culture of openness and honesty; good relationship with our team; encouraging good relationship with HR department; social events and/or informal environment that encourages open conversation; and safeguarding confidentiality of shared information.

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Workers are taken through sensitization on safety in order to raise the level of awareness and subsequently the level of compliance with OSH. Standard documents on OSH have been shared with workers as part of the larger Ministry of Health community.

Work-related stress or even burnout could ultimately result in a talented leaving. At KHHRAC we recognize that your employees are entitled to a life outside of work and we shall strive towards a work/life balance.

**iv. Market place practices**

The Council aims to continue implementing policies and practices that prioritize the sourcing of materials and services from environmentally and socially responsible suppliers. Preference would be given to suppliers using recycled materials, opting for local resources, and minimizing waste. In order to maximize on the use of environmentally friendly and sustainable products and services, the Council will develop a framework for sustainable public procurement that will specifically promote collaboration with organizations promoting these values and practices.

In addition, the Council spares no efforts in fostering strong, collaborative relationships with suppliers based on trust, transparency, and mutual benefit. We value regular communication and prompt performance feedback

To ensure prompt settlement of payments to suppliers the Council plans to: automate the Accounts Payable Process; establish clearly define payment terms in contracts or agreements with suppliers, specifying due dates and acceptable payment methods; designate a contact person or team to address any supplier inquiries or concerns related to payments; and regularly review and reconcile accounts payable to identify and resolve any discrepancies or overdue payments.

**v. Corporate Social Responsibility / Community Engagements**

KHHRAC is working towards establishing a well-defined community engagement plan that will enable it to streamline decision-making, improve communication, elevate public relations efforts, and make a meaningful community impacts. The Council will work with health worker's professional associations and unions to develop policies for improvement of the work of various professions.

The Council is currently part of the government wide efforts in tree growing country-wide

## **11. Report of the Directors**

The directors submit their report together with the annual report and financial statements for the year ended 30th June 2025, which disclose the state of affairs of Kenya Health Human Resource Advisory Council.

### **Principal Activities**

The functions of the Council are to review policy and establish uniform norms and standards for—  
a) posting of interns to National Government and County Government facilities; b) inter county transfer of healthcare professionals; c) transfer of healthcare professionals from one level of Government to another; d) the welfare and the scheme of service for health professionals; f) management and rotation of specialists; and g) the maintenance of a master register for all health practitioners in the counties.

The Council focused on activities towards its operationalization including: a) development of human resource instruments that were approved by the Public Service Commission; b) development of Council Strategic plan; c) acquisition of office space; and submission of Job descriptions and job description analysis to SRC to aid in developing a salary structure.

### **Results**

The results of the Council for the year ended 30th June, 2025 are as set out on the financial statements

The directors who held office during the year were:

- 1) Prof. Francis P. N. Wafula - Chairman
- 2) Dr. Joy Mugambi – Vice Chairperson
- 3) Mr. Thomas Mweu Kasoa
- 4) Ms. Jacqueline Muindi
- 5) Ms. Joan Machayo
- 6) Prof. Gabriel Kimutai Kigen
- 7) Prof. Alice Mutungi
- 8) Mr. Haji Ade
- 9) Mr. Robert Tonui
- 10) Dr. Angela Nyakundi
- 11) Ms. Rosemary Njaramba
- 12) Dr. John Kihama – Ag. CEO/Secretary to the Council

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**Auditor**

The Office of the Auditor General is responsible for the statutory audit of the Council, in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act, 2015, the Auditor General will continue in Office.

**Staff**

The Directors have much pleasure in recording their appreciation for the untiring efforts of Management and all staff of the Council for ensuring sustained operationalization and functioning of the Council. The entire staff of the Council remained committed to their work and this helped to move forward the health workforce agenda.

## **12. Statement of Directors' Responsibilities**

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act Cap 486, require the Directors to prepare financial statements in respect of the Corporation and its subsidiary Lands Ltd, which give a true and fair view of the state of affairs of the Corporation and its subsidiary at the end of the financial year and the operating results of the Corporation and its subsidiary for that year. The Directors are also required to ensure that the Corporation keeps proper accounting records which disclose with reasonable accuracy the financial position of the Corporation and its subsidiary. The Directors are also responsible for safeguarding the assets of the Corporation and its subsidiary.

The Directors are responsible for the preparation and presentation of the Corporation's financial statements, which give a true and fair view of the state of affairs of the Corporation as at the end of the financial year ended on 30th June 2020. 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 Corporation; (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 Corporation; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Corporation's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act 2012 and the State Corporations Act Cap 446. The Directors are of the opinion that the Corporation's financial statements give a true and fair view of the state of Corporation's transactions during the financial year ended 30th June 2020, and of the Corporation's financial position as at that date. The Directors further confirm the completeness of the accounting records maintained for the Corporation, which have been relied upon in the preparation of the Corporation's financial statements as well as the adequacy of the systems of internal financial control. Nothing has come to the attention of the Directors to indicate that the Corporation will not remain a going concern for at least the next twelve months from the date of this statement

**Kenya Health Human Resource Advisory Council (KHRAC)**  
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**Dr John Kihama**

**Ag. CEO/ Secretary to the Council.**

### **13. Statement of Directors 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 KHHRAC shall prepare financial statements in respect of that KHHRAC. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the Kenya Health Human Resource Advisory Council is responsible for the preparation and presentation of the Council's financial statements, which give a true and fair view of the state of affairs of the KHHRAC for and as at the end of the financial year (period) ended on June 30, 2025. 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 KHHRAC, (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 KHHRAC; (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 KHHRAC accepts responsibility for the KHHRAC's financial statements, which have been prepared on the Accrual 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 KHHRAC's financial statements give a true and fair view of the state of KHHRAC's transactions during the financial year ended June 30, 2025, and of the KHHRAC's financial position as at that date. The Accounting Officer further confirms the completeness of the accounting records maintained for the KHHRAC, which have been relied upon in the preparation of the KHHRAC's financial statements as well as the adequacy of the system of internal controls.

The Accounting Officer in charge of the KHHRAC confirms that the KHHRAC has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the KHHRAC's funds received during the year under audit were used for the

**Kenya Health Human Resource Advisory Council (KHHHRAC)  
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eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the KHHHRAC'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.

Nothing has come to the attention of the Directors to indicate that the KHHHRAC 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 KHHHRAC's financial statements were approved by the Board on \_\_\_\_\_ 2025 and signed on its behalf by:



**Prof. Francis P. N. Wafula**

**Chairperson of the Council**

2/12/2025



**Dr. John Kihama**  
**Accounting Officer**

2/12/2025



**CPA Winnie Kibe**  
**Head Accounting**  
**ICPAK M/No 29998**

# REPUBLIC OF KENYA

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

## **REPORT OF THE AUDITOR-GENERAL ON KENYA HEALTH HUMAN RESOURCE ADVISORY COUNCIL FOR THE YEAR ENDED 30 JUNE, 2025**

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### **PREAMBLE**

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

- A. Report on 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 the 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 the Government achieves value for money and that such funds are applied for the intended purpose; and,
- 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

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**

#### **Opinion**

I have audited the accompanying financial statements of Kenya Health Human Resource Advisory Council set out on pages 1 to 31, which comprise of the statement of financial position as at 30 June, 2025, and the statement of statement of financial performance, statement of changes in net assets, statement of cash flows and statement

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kenya Health Human Resource Advisory Council as at 30 June, 2025 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 Part V, Section 30-44 of the Health Act, 2017 and the Public Finance Management Act, 2012.

### **Basis for Opinion**

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Kenya Health Human Resource Advisory Council Management in accordance with ISSAI 130 on the 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 opinion.

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final expenditure budget of Kshs.54,984,990 and actual payments on comparable basis of Kshs.27,258,615 resulting to under-absorption of Kshs.27,726,375 or 50%

The under-expenditure implies that some of the budgeted programs and activities may not have been executed.

### **Key Audit Matters**

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

### **Other Information**

The Management is responsible for the Other Information set out on page iii to xL which comprise of Key Entity Information and Management, The Board of Members, Management Team, Statement of Council Chairman, Report of the Chief Executive Officer, Statement of Performance Against Predetermined Objectives, Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Council's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance thereon.

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in the 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**

#### **Irregularities in the Procurement Plan**

Review of the procurement plan for the year under review was approved on 05 September 2024 which was after commencement of the financial year and was not supported by departmental procurement plans. This was contrary to Section 53(2) Public Procurement and Asset Disposal Act, 2015 (amended 2022) which requires that an annual procurement plan to be prepared prior to commencement of each financial year as part of the annual budget preparation process.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 comply 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on the 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 governance were not effective.

## **Basis for Conclusion**

### **1. Understaffing**

Review of the human resource instruments revealed that the Council had approved establishment of sixty-seven (67) positions while the actual staff in-post and those seconded stood at ten (10) resulting in a shortfall of fifty-seven (57) positions.

In the circumstances, the effectiveness of internal controls on human resource management could not be confirmed.

### **2. Lack of Asset Register**

The statement of financial position and as disclosed in Note 31 to the financial statements reflects property, plant and equipment balance of Kshs.6,989,000. However, Management did not maintain an asset register.

In the circumstances, the effectiveness of internal controls on management of assets could not be confirmed.

### **3. Failure to Perform Board Evaluation**

During the year under review, it was observed that the Board did not carry out the annual performance evaluation for the Board as a whole, its committees, individual members, the Chairperson and Chief Executive Officer required under Mwongozo code of governance for state Corporations.

In the circumstances, the effectiveness of overall governance could not be confirmed.

### **4. Weak Internal Controls**

During the year under review, it was observed that the Council used manual system in preparation of financial statements which manual system is prone to errors. Further, It was observed that the Council did not have an internal audit function contrary to Section 73 (1) (a) of the Public Finance Management Act, 2012 which requires every national government entity to make appropriate arrangements for conducting internal audit according to the guidelines of the Accounting Standards Board.

In the circumstances, the effectiveness of internal controls and risk management could not be confirmed.

### **5. Weaknesses in Risk Assessment**

During the year under review, Management did not conduct risk assessment and out of the four (4) members of the Audit and Risk Management Committee none had financial

and audit qualifications/experience contrary to Mwongozo Code of Governance for state corporations, 2015.

In the circumstances, the effectiveness of internal controls, risk management and governance on the Council 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 the Management and Board Members**

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

In preparing the financial statements, Management is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 comply with the authorities which govern them and that public resources are applied in an effective way.

The Board Members are responsible for overseeing the Council'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**


My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the

International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. 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 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**02 December, 2025**

**Kenya Health Human Resource Advisory Council**  
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**14. Statement of Financial Performance for the year ended 30 June 2025**

	Notes	2024/2025
		Kshs
<b>Revenue from non-exchange transactions</b>		
Transfers from other governments entities	5	54,781,990
		<b>54,781,990</b>
<b>Total revenue</b>		<b>54,781,990</b>
<b>Expenses</b>		
Use of goods and services	6	20,458,615
Board Expenses	7	6,000,000
Depreciation and amortization expense	8	873,625
<b>Total expenses</b>		<b>27,332,240</b>
<b>Surplus before tax</b>		<b>27,449,750</b>
Taxation		-
<b>Surplus for the period/year</b>		<b>27,449,750</b>
Remission to National Treasury		-
<b>Net Surplus for the year</b>		<b>27,449,750</b>
		<b>27,449,750</b>

The notes set out on pages 8 to 30 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 7 were signed on behalf of the Board of Directors by:

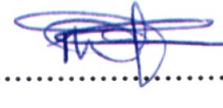


.....  
**Dr John Kihama**  
**Accounting Officer**

Date *2/12/2025*



.....  
**CPA Winnie Kibe**  
**Head of Accounting Unit**  
**ICPAK M/No:29998**



.....  
**Prof. Francis Wafula**  
**Chairman of the Board**  
*2/12/2025*

**Kenya Health Human Resource Advisory Council  
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**15 Statement of Financial Position as at 30 June 2025**

	Notes	2024/2025
		Kshs
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash equivalents	9	20,534,375
Prepayments	10	800,0000
<b>Total Current Assets</b>		<b>21,334,375</b>
<b>Non-Current Assets</b>		
Property, Plant and Equipment	11	6,115,375
<b>Total Non- Current Assets</b>		<b>6,115,375</b>
<b>Total Assets (A)</b>		<b>27,449,750</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade and Other Payables		-
<b>Total Current Liabilities</b>		<b>-</b>
<b>Non-Current Liabilities</b>		
Borrowings		-
<b>Total Non- Current Liabilities</b>		<b>-</b>
<b>Total Liabilities (B)</b>		<b>-</b>
<b>Net Assets (A-B)</b>		<b>27,449,750</b>
<b>Represented by:</b>		
Reserves		-
Accumulated Surplus		27,449,750
Capital Fund		-
<b>Net Assets</b>		<b>27,449,750</b>

**Kenya Health Human Resource Advisory Council  
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for the year ended June 30, 2025.**

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The financial statements set out on pages 1 to 7 were signed on behalf of the Board of Directors by:



.....  
**Dr John Kihama**  
Accounting Officer

2/12/2025




.....  
**CPA Winnie Kibe**  
Head of Accounting Unit

ICPAK M/No 29998



.....  
**Prof Francis Wafula**  
Chairman of the Board

2/12/2025

 <b>THE NATIONAL ASSEMBLY PAPERS LAID</b>	
DATE: 11 MAR 2026	
DAY: WEDNESDAY	
TABLED BY:	DEPUTY MAJORITY LEADER HON. OWEN BATA, MP
CLERK-AT-THE-TABLE:	J. LEMERELLE

**Kenya Health Human Resource Advisory Council  
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**16. Statement of Changes in Net Assets for the year ended 30 June 2025**

Description	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Proposed dividends	Capital / Development Grants / Fund	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>As at July 1, 2023</b>	-	-	-	-	-	-	-
Issued new capital	-	-	-	-	-	-	-
Revaluation gain	-	-	-	-	-	-	-
Surplus/ deficit for the year	-	-	-	-	-	-	-
<b>As at June 30, 2024</b>	-	-	-	-	-	-	-
<b>As at July 1, 2024</b>	-	-	-	-	-	-	-
Fair value adjustment on investments	-	-	-	-	-	-	-
Surplus for the year	-	-	-	27,449,750	-	-	27,449,750
Interim dividends paid	-	-	-	-	-	-	-
Proposed final dividends	-	-	-	-	-	-	-
<b>As at June 30, 2025</b>	-	-	-	<b>27,449,750</b>	-	-	<b>27,449,750</b>

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**17. Statement of Cash Flows for the year ended 30 June 2025**

	2024/2025	
	Notes	Kshs
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Transfers from other governments entities		54,781,990
<b>Total receipts</b>		<b>54,781,990</b>
<b>Payments</b>		
Use of goods and services		20,458,615
Board Expenses		6,000,000
<b>Total payments</b>		<b>26,458,615</b>
<b>Net cash flows from/(used in) operating activities</b>		<b>28,323,375</b>
<b>Cash flows from investing activities</b>		
Purchase of PPE and Intangible assets		(6,989,000)
Prepayment -Fuel		(800,000)
Purchase of investments		
Sale of investments		
<b>Net cash flows from/(used in) investing activities</b>		<b>(7,789,000)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings		-
<b>Net cash flows from financing Activities</b>		
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>20,535,375</b>
Cash and cash equivalents at 1 July	12	-
<b>Cash and cash equivalents at 30 June</b>	12	<b>20,534,375</b>

**18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Budget carryovers from the previous year*	-	-	-	-	-	-
<b>Receipts</b>						
Transfers from Other Governments entities	54,781,990	-	54,781,990	54,781,990	54,781,990	54,781,990
<b>Total Receipts</b>	<b>54,781,990</b>	<b>-</b>	<b>54,781,990</b>	<b>54,781,990</b>	<b>54,781,990</b>	<b>54,781,990</b>
<b>Payments</b>						
Use of Goods and Services	41,792,990	-	41,792,990	21,258,615	20,534,375	51%
Remuneration of Directors	6,000,000	-	6,000,000	6,000,000	-	100%
Repairs and Maintenance	-	-	-	-	-	-
Contracted Services	-	-	-	-	-	-
Grants and Subsidies	-	-	-	-	-	-
<b>Total Payments</b>	<b>47,792,990</b>	<b>-</b>	<b>47,792,990</b>	<b>27,285,615</b>	<b>20,507,375</b>	<b>57%</b>
<b>Capital Expenditure Payments</b>	<b>6,989,000</b>	<b>-</b>	<b>6,989,000</b>	<b>6,989,000</b>	<b>-</b>	<b>-</b>
<b>Surplus</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,534,375</b>	<b>(20,507,375)</b>	<b>-</b>

**BUDGET NOTE**

The significant underutilization in the budget which appears in the use of goods component of Kshs 20,534,375, was meant for Office Fit Out works which didn't commence as at year end due to lengthy procurement challenges. The money was committed for the above purpose and will be executed in the new financial year.

**Budget Reconciliation**

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	20,534,375
1	Reason for differences	-
2	Reason for differences	-
3	Reason for differences	-
4	Reason for differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	<b>20,534,375</b>

## **19. Notes to the Financial Statements**

### **1. General Information**

The Kenya Health Human Resource Advisory Council (KHHRAC) is established as a body corporate, with perpetual succession and common seal, under the PART V, Section 30-44 of the Health Act, 2017. The Council is domiciled in Kenya and is currently housed at the Kenya Medical Practitioners and Dentists Council (KMPDC) Building.

### **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 KHHRAC's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the KHHRAC. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

For the purpose of these financial statements, the Agency has been categorized as a Schedule 1 national government KHHRAC in line with Section 4 of the Public Finance Management Act, 2012 read together with Regulation 211 (2) of the Public Finance Management (National Government) Regulations, 2015. Schedule 1 national government entities include Ministries, Departments, Agencies,

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constitutional institutions and independent offices. KHRACs are reporting entities whose primary objective is to provide policy and coordination of government services.

The use of public resources by KHRACs is primarily governed by Chapter 12 of the Constitution, the relevant Appropriation Act, the Public Finance Management Act, of 2012, and the Public Procurement and Disposal Act, of 2015.

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**Notes to the Financial Statements (Continued)**

**3. Adoption of New and Revised Standards**

*i. New and amended standards and interpretations in issue effective in the year ended 30 June 2025.*

There were no new and amended standards issued in the financial year.

*ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025*

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43: Leases	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> 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 cash flows of an KHRAC. 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	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> 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.
IPSAS 45: Property Plant and Equipment	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing

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	principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46: Measurement	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The objective of this standard was to improve measurement guidance across IPSAS by: <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> The standard also introduces a public sector specific measurement basis called the current operational value.
IPSAS 47: Revenue	<b><i>Applicable 1<sup>st</sup> January 2026</i></b> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that a KHRAC shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48: Transfer Expenses	<b><i>Applicable 1<sup>st</sup> January 2026</i></b> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49: Retirement Benefit Plans	<b><i>Applicable 1<sup>st</sup> January 2026</i></b> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
IPSAS 50:	<b><i>Applicable 1<sup>st</sup> January 2027</i></b> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:

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Exploration For & Evaluation of Mineral Resources	<ul style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the KHHRAC’s financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ul>
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*iii. Early adoption of standards*

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



**Notes to the financial statements (continued)**

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Taxes, Levies and fines**

The KHHRAC recognizes revenues from taxes, levies, and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the KHHRAC and the fair value of the asset can be measured reliably.

**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 KHHRAC and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**b) Budget information**

The original budget for the Current FY was approved by the National Assembly June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the KHRAC upon receiving the respective approvals in order to conclude the final budget.

The KHRAC'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 an 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 cash flows has been presented under section xxx of these financial statements.

**c) Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the KHRAC recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the

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recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

**d) Leases**

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the KHHRAC. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The KHHRAC also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the KHHRAC will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the KHHRAC. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**e) Changes in accounting policies and estimates**

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

**f) Borrowing costs**

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

**g) Related parties**

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

**h) 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.

**i) Comparative figures**

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

**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**j) 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, 2025.

**Significant Judgments and Sources of Estimation Uncertainty**

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

**Estimates and assumptions.**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The KHRAC 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 KHRAC. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

**Useful lives and residual value**

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

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- a) The condition of the asset based on the assessment of experts employed by the KHHRAC.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

**Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.



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**Notes to the Financial Statements (Continued)**

**5. Transfers from Ministries, Departments and Agencies (MDAs)**

State Department for Public Health and Professional Standards	Amount recognized to Statement of Financial performance Kshs	Total transfers 2024/2025 Kshs
State Department for Public Health and Professional Standards	54,781,990	54,781,990
<b>Total</b>	<b>54,781,990</b>	<b>54,781,990</b>

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Notes to the Financial Statements (Continued)

6. Use of Goods and Services

Description	2024/2025
	Kshs
Domestic Travel and Subsistence	12,369,148
Training Expenses	1,324,103
Hospitality supplies and services	3,403,338
Bank Charges	22,977
Office and General Expenses	370,717
Rent	2,968,334
<b>Total</b>	<b>20,458,617</b>

7. Board Expenses

Description	2024/2025
	Kshs
Board Expenses	6,000,000
<b>Total</b>	<b>6,000,000</b>

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**Notes to the Financial Statements (Continued)**

**8. Depreciation and Amortization Expense**

Description	2024/2025
	Kshs
Property, plant and equipment	873,625
<b>Total depreciation and amortization</b>	<b>873,625</b>

**9. Cash and Cash Equivalents**

Description	2024/2025
	Kshs
Current Account	20,534,375
<b>Total Cash and Cash Equivalents</b>	<b>20,534,375</b>

**Detailed Analysis of the Cash and Cash Equivalents**

Financial Institution	Account number	2024/2025
		Kshs
<b>a) Current Account</b>		
Kenya Commercial Bank	1332974899	20,534,375
<b>Sub- Total</b>		<b>20,534,375</b>
<b>Grand Total</b>		<b>20,534,375</b>

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**Notes to the Financial Statements (Continued)**

**10. Prepayments**

Description	2024/2025
	Kshs
Fuel	800,000
<b>Total</b>	<b>800,000</b>

**11. Property, Plant and Equipment**

	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Total
<b>Depreciation Rate</b>		2-10%	12.5%	2-20%	12.5%	33.3%	
<b>Cost</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>Opening Bal as 1<sup>st</sup> July 2024</b>	-	-	-	-	-	-	-
Additions	-	-	6,989,000	-	-	-	6,989,000
<b>As At Jun 2025</b>	-	-	-	-	-	-	-
<b>Depreciation And Impairment</b>	-	-	-	-	-	-	-
Depreciation	-	-	873,625	-	-	-	873,625
Transfer/Adjustment	-	-	-	-	-	-	-

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	Land	Buildings	Motor vehicles	Infrastructure assets	Furniture and fittings	Computers & ICT Equipment	Total
<b>Depreciation Rate</b>		2-10%	12.5%	2-20%	12.5%	33.3%	
<b>Cost</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>As At</b>	-	-	-	-	-	-	-
<b>Net Book Values</b>		-	6,115,375	-	-	-	6,115,375
<b>Opening Bal as at 1<sup>st</sup> July 2024</b>	-	-	-	-	-	-	-
<b>As At 30th June, 2025</b>	-	-	6,115,375	-	-	-	6,115,375

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**Notes to the Financial Statements (Continued)**

**35 Property, Plant and Equipment at Cost**

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	-	-	-
Buildings	-	-	-
Plant And Machinery	-	-	-
Motor Vehicles, Including Motorcycles	6,989,000	873,625	6,115,375
Computers And Related Equipment	-	-	-
Office Equipment, Furniture, And Fittings	-	-	-
<b>Total</b>	<b>6,989,000</b>	<b>873,625</b>	<b>6,115,375</b>

Property plant and Equipment includes the following assets that are fully depreciated:

Description	Cost or valuation	Normal annual depreciation charge
Plant and Machinery	-	-
Motor Vehicles including Motorcycles	6,989,000	873,625
Computers and Related Equipment	-	-
Office Equipment, Furniture and Fittings	-	-
<b>Total</b>	<b>6,989,000</b>	<b>6,115,375</b>

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**Notes to The Financial Statements (Continued)**

**12. Cash Generated from Operations**

<b>Description</b>	<b>2024/2025</b>
	<b>Kshs</b>
<b>Surplus for the year before tax</b>	<b>27,449,750</b>
<b>Adjusted for:</b>	
Depreciation	873,625
Non-cash grants received	-
Contributed assets	-
Gains and losses on disposal of assets	-
Increase in deferred income	-
Increase in payables	-
Increase in payments received in advance	-
<b>Net cash flow from operating activities</b>	<b>28,323,375</b>

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**Notes to The Financial Statements (Continued)**

**13. Financial Risk Management**

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

**Credit risk**

The KHHRAC has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the KHHRAC's management based on prior experience and their assessment of the current economic environment.

**Financial Risk Management**

The carrying amount of financial assets recorded in the financial statements representing the KHHRAC's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

**Notes to the Financial Statements (Continued)**

**Financial Risk Management**

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the KHRAC has recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The board of directors sets the KHRAC's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the KHRAC's directors, who have built an appropriate liquidity risk management framework for the management of the KHRAC's short, medium and long-term funding and liquidity management requirements. The KHRAC manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the KHRAC under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows.

**i) Market risk**

The KHRAC has put in place an internal audit function to assist it in assessing the risk faced by the KHRAC on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the KHRAC's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The KHRAC's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has

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been no change to the KHRAC's exposure to market risks or the way it manages and measures the risk.

**iv) Capital Risk Management**

The objective of the KHRAC's capital risk management is to safeguard the KHRAC's ability to continue as a going concern.

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**Notes to the Financial Statements (Continued)**

**14. Related Party Disclosures**

**Nature of related party relationships**

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

**Government of Kenya**

The Government of Kenya is the principal shareholder of the KHRAC, holding 100% of the KHRAC's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the KHRAC, both domestic and external.

**Other related parties include:**

- i) The Parent Ministry- Ministry of Health
- ii) County Governments
- iii) Other SCs and SAGAs
- iv) Key management.
- v) Board of directors.

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**Notes to the Financial Statements (Continued)**

**15. Program for Results (PforR) Disclosure**

This disclosure note is for entities implementing Programs for Results (PforR). Implementing entities are required to make disclosures in accordance with their respective financing agreements. The disclosure should capture the program's goal and expenditures designated in the expenditure framework.

Name of PforR:		Name of Financing Partners: <i>NONE</i>				
Expenditure Details*	Opening Cumulative for Previous FYs		Current FY		Total Cumulative	
	Budget	Actual	Budget	Actual	Budget	Actual
Program code						
Sub-program						
Sub-program						
<b>Sub-total</b>						
Program code						
Sub-program						
Sub-program						
<b>Sub-total</b>						
<b>Total</b>	-	-	-	-	-	-

**Notes to the Financial Statements (Continued)**

**16. Events after the Reporting Period**

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

**17. Ultimate and Holding Entity**

The KHHRAC is a State Corporation/ or a Semi-Autonomous Government Agency under the Ministry of Health. Its ultimate parent is the Government of Kenya.

**18. Currency**

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.