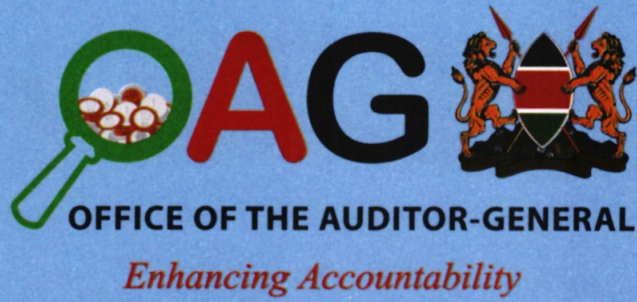
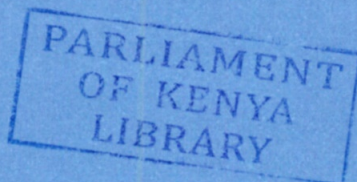


REPUBLIC OF KENYA



REPORT



OF

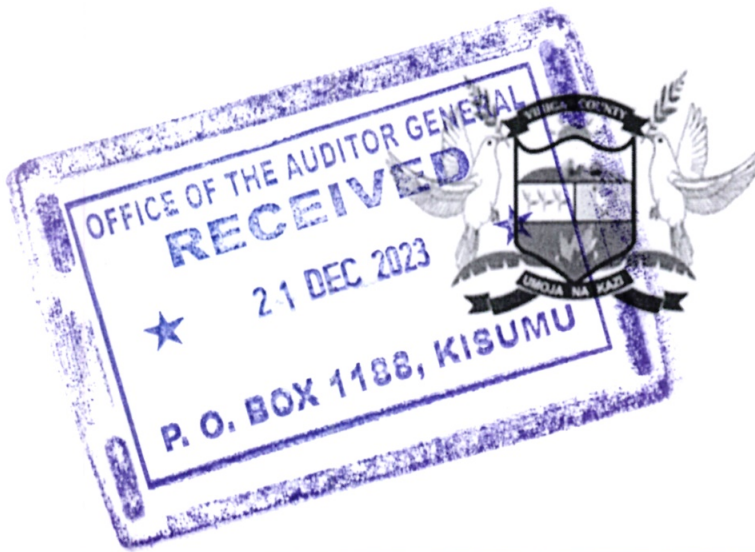
THE AUDITOR-GENERAL

ON

**VIHIGA COUNTY FACILITY
IMPROVEMENT FUND**

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

PAPERS LAID	
DATE	26.3.24
TABLED BY	Majr. Leader
COMMITTEE	C.P.C
CLERK AT THE TABLE	Kwena



**THE COUNTY GOVERNMENT OF VIHIGA.
THE VIHIGA COUNTY FACILITY IMPROVEMENT FUND**

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

(AMENDED)

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



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

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1. Key Entity Information and Management

a) Background information.

The Vihiga County Facilities Improvement Fund Act 2020 came into effect on 22nd July 2020. The main objective of the fund is to ring fence funds collected as user fees in Health Facilities and Public Health Services in the Department of Health across the County.

Before devolution, the same used to be referred to as cost sharing and the collections banked at the District Treasuries as Appropriation in Aid (AIA). On quarterly basis, the same would be reimbursed to the collecting facilities and district public health services in form of Authority to Incur Expenditure (AIE) in full in order to defray other expenditures not met by funds received from the National Treasury.

In Vihiga County, the facilities allowed to collect are:

1. The Vihiga County Referral Hospital (VCRH),
2. Sabatia Subcounty Hospital,
3. Emuhaya Subcounty Hospital,
4. Hamisi Subcounty Hospital, and
5. Public Health services in all the five sub counties.

The funds are banked at a collection account domiciled at the Co-operative Bank of Kenya, Mbale Branch.

As per the provisions of the fund, **70%** is refunded back to the collecting facility or subcounty for public health services, **25%** towards the County Health Management Team (CHMT) for promotive, preventive and support supervision, **2%** towards emergency services and **3%** to the secretariat of the fund for administrative expenses.

b) Principal Activities.

The principal activity/mission/ mandate of the fund is to plough back monies collected by facilities and from public health services to defray costs that may not met by funds received from County Treasury by the department.

Vision

“A healthy and nationally competent county.”



Mission

To build a progressive, responsive and sustainable technologically driven evidence based and client centred health system for accelerated achievement of the highest attainable standards of health to all residents of Vihiga County.

Core Values

The fund upholds the values of:

INTEGRITY: We strive to be honest, fair and ethical in all dealings with our partners, health workers and the communities in which the facilities operate.

ACCOUNTABILITY: We will individually and collectively take full responsibility for our actions and hold ourselves accountable to each other and to all stakeholders.



c) Board of Management

Ref	Name	Position
1	Dr Nicholas Mwandih	Chairman
2	Dr Mary Anyiendah	Fund Admin & CO Health
3	CPA James Atemba Khalayi	CO Finance
4	Dr Jerusa oluhano	County pharmacist-Member
5	Ms Rebecca Esolio	County nursing officer-Member
6	Mr Brian Mwangi	County head of laboratory services-Member
7	Dr Induswe	County director health-Member
8	Prof Bulimo	Representative of the public-Member
9	Dr Victor Zimbulu	VCRH MED SUP-Co-opted representing facilities- member
10	Mr Polycarp Opiyo	Co-opted member
11	Mr Richard Rapando	Fund accountant

d) Key Management

Ref	Name	Position
1	Dr Mary Anyiendah	Fund Admin & Chief Officer Health

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

2	Mr Richard Rapando	Fund accountant
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e) Registered Offices

P.O. Box 344-50300,
Maragoli.
4th floor, County commissioner 's block,
Vihiga County Headquarters,
Mbale

f) Fund Contacts

Telephone: (254) .
E-mail: VihigaCountyfif@gmail.com

g) Fund Bankers

Co-operative Bank of Kenya
Mbale Branch,
P. O. Box
Maragoli.

h) Independent Auditors

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



i) Principal Legal Adviser

The County Attorney.
Directorate of legal services,
County Government of Vihiga,
P.O. Box 344-50300,
Maragoli, Kenya.







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

2. The Board of Management.

Name	Details of qualifications and experience
1. Dr Nicholas Mwandih	The Ag, CECM Health and chair of the board
Prof Bulimo	Board member representing the public and with knowledge on health issues appointed by the CECM health.
2. Dr Mary Anyiendah 	The chief officer Health and fund administrator of the fund and the secretary to the board. 
3. CPA James Atemba Khalayi	The chief officer finance and member of the board.
4. Dr Jerusa Oluhano	The County pharmacist.

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

<p>5. Dr Benjamin Induswe</p>	<p>County director of health.</p>
<p>6. Mr Brian Mwangi.</p> 	<p>Head of County laboratory services.</p> 
<p>7. Ms Rebecca Esolio.</p> 	<p>The County nursing officer.</p>
<p>8. Dr Victor Zimbulu</p> 	<p>Co-opted member and Med superintendent Vihiga County Referral Hospital representing facilities on the board.</p>
<p>9. Mr Martin Osotsi</p>	<p>Representing public health services.</p>
<p>10. Mr Polycarp Opiyo.</p>	<p>Co-opted member representing other health partners and stakeholders.</p>
<p>11. Mr Richard Rapando</p>	<p>The fund accountant.</p>

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



3. Management Team

Name	Details of qualifications and experience
1. Dr Mary Anyiendah.	The Chief Officer Department of Health, the fund admin and accounting officer.
2. Mr Richard Rapando.	The Fund Accountant.



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

4. Board/Fund Chairperson's Report

It's my pleasure on behalf of the board of management of the Vihiga County Facility Improvement Fund to present the annual report and financial statements for the year ended 30th June 2023. The financial statements represent the financial performance of the fund over the past year.

This is my first financial year after being honoured by His Excellence The Governor Dr Wilbur Ottichilo to serve as the County Executive Committee Member (CECM) for health after the August 2022 general elections.

The fund derives its funding from user fees collected from the Vihiga County Referral Hospital (VCRH), Sabatia subcounty hospital, Emuhaya subcounty hospital, Hamisi subcounty hospital and public health services across all the five sub-counties. The board encourages facilities to automate their services in order to improve on revenue collection and management. This should be geared towards availing a system that will demonstrate a trail from the point when a patient visits a facility up to the exit and for public health services, a trail on how a member of public requests for provision of services and response levels.

During the year under review, the fund collected Ksh.,**145,320,140**. The Vihiga County referral hospital which is the biggest collector has automated its services thus we expect further growth in the next financial year.

These comprised of:

- I. Cash collections- Ksh. 51,939,215
- II. Public health services Ksh. 2,746,726.00
- III. NHIF Ksh. 65,129,270.00
- IV. Unpaid NHIF Claims at VCRH Ksh24,204,680

The balance as at 30th June 2023 is Ksh. 8,137,876.

The board looks forward to disburse funds to facilities on time and support dispensaries and health centres that are struggling in meeting their short-term obligations.

Signed: _____

Dr Nicholas Mwandishi,

CECM HEALTH



5. Report of The Fund Administrator.

It's my pleasure to present the Vihiga County Facility Improvement Fund Annual Report and Financial Statements for The Year Ended 30th June 2023. They represent the financial performance of the fund over the past year.

During the year under review, the fund collected Ksh. 145,320,140 The Vihiga County referral hospital is the biggest collector and we expect further growth in the next financial year. These comprised of:

Cash collections- Ksh. 51,939,215, Public health services Ksh. 2,746,726.00 and NHIF Ksh. 65,129,270.00 and further ksh 24204680 unpaid NHIF claims for VCRH.

The NHIF collections are retained by the facilities fully. However, they spend upon being given the Authority to Incur Expenditure (AIE) from my office.

The balance as at 30th June 2023 is Ksh. 8,137,876.

During the year under review, the fund expensed the funds as follows:

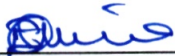
1. Use of goods- Ksh. 369,630.00
2. Disbursement to facilities – Ksh. 105,266,879.00.

Total expenditure Ksh. 118,826,564

The prescribed distribution percentages in the Act are:

- 1) Facilities (70%)
- 2) CHMT (25%)
- 3) Emergency (2%)
- 4) Secretariat (3%)

The fund looks forward to attaining greater heights this financial year.

Signed: 
Dr Mary Anyiendah,
Fund Administrator.



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

Introduction

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

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Facility improvement.	Provide for a framework to allow the health sector and health facilities retain monies received in accordance with provisions of section 109 (2)(b) read with section 116(1) of the Public Finance Management Act, 2012.	Receive and disburse monies collected as user fee at VCRH, subcounty hospitals and public health services.	Disbursements to facilities and support supervision activities by CHMT and subcounty MOHs	In FY 2021/22 the fund realized a 91% increase in collection thus disbursement also went up by similar margin.
Facilities management.	Provide for the appointment of hospitals and health facilities management boards	Functional hospital and health facilities management boards.	Approved budgets by the management boards whenever the facilities request for AIEs.	All facilities presented requests accompanied by minutes of the board approving the requests.
Capacity building.	Create incentives for hospitals and health facilities to sustainably generate resources	Support new dispensaries and health centres that have been built by the County to take	The number of members of public who are able to access health services.	Members of the public from the surrounding area are able to access medical and health services.



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

		services closer to the people.		
Service provision.	Provide funding for the day to day operations of hospitals and health facilities	Facilities and subcounty public services sustaining themselves in administrative and provision of medical drugs and equipment.	Drugs, equipment and stationary procured.	The facilities were able to procure medical and non-medical supplies for their needs. The subcounty PHOs procured licencing stationary for use.



7. Corporate Governance Statement

The Vihiga County Facilities Improvement Fund Act 2020 came into effect on 22nd July 2020. The main objective of the fund is to ring fence funds collected as user fees in health facilities and public health services in the department of health across the County. Before devolution, the same used to be referred to as cost sharing and the collections banked at the district treasuries as Appropriation in Aid (AIA). At the end of each financial year, the same would be reimbursed to the collecting facilities and district public health services in form of Authority to Incur Expenditure (AIE) in full in order to defray other expenditures not met by funds received from the national treasury.

The board membership as prescribed in the Act section 5 (1) is as follows:

1. CECM of health who's also the chair
2. Chief officer medical services
3. Chief officer public health services
4. Chief officer finance
5. County director of health
6. County nursing officer
7. County pharmacist
8. County clinical officer
9. County head of laboratory services
10. Member of the public with experience in matters health appointed by the CECM
11. Fund admin who's also the secretary.

The functions of this board are:

- a) Provide overall design and oversight of the fund
- b) Consider, verify and approve funding to hospitals and health facilities
- c) Approve disbursements
- d) Ensure equitable distribution of resources to the hospitals and health facilities
- e) Review and approve disbursement or utilization of the fund

Advise the CECM on the appropriate guidelines and procedures for better management of the fund

Consider and approve funding for preventive and promotive health services



- h) Receive reports on the performance of the fund from the management committees established under this Act
- i) Develop relevant guidelines and review them as the need arises; to guide the operations and implementation of the fund
- j) Develop and facilitate sectorial linkages on the fund
- k) Monitor and evaluate programs and activities under the fund
- l) Prepare an annual report on the operations and performance of the fund to the CECM
- m) Oversee the management and administration of the fund; and
- n) Put in place necessary mechanisms for sanctions and their enforcement in case of mismanagement of funds.

The board has two functional subcommittees:

1. Finance committee
2. The quality and standards committee.

The quorum at any meeting of the board shall be five members and the board shall meet not less than four times in each year.

During the year under review, the board had four quarterly meetings. These were on:

1. 2nd August 2022
2. 16th January 2023
3. 24th May 2023



8. Management Discussion and Analysis

Two- three pages

(Under this section, the management gives a report on the operational and financial performance of the Fund/Board during the period, entity's key projects or investments decision implemented or ongoing, Fund's compliance with statutory requirements, major risks facing the Fund, material arrears in statutory and other financial obligations, and any other information considered relevant to the users of the financial statements.)

The management should make use of tables, graphs, pie charts and other descriptive tools to make the information as understandable as possible.)

During the year under review, the fund expensed the funds as follows:

- 1) Disbursement to facilities – Ksh. 105,271,154 (72%)
- 2) CHMT -Ksh. (9%) 12,555,780

The balance as at 30th June 2023 is Ksh. 8,137,876.

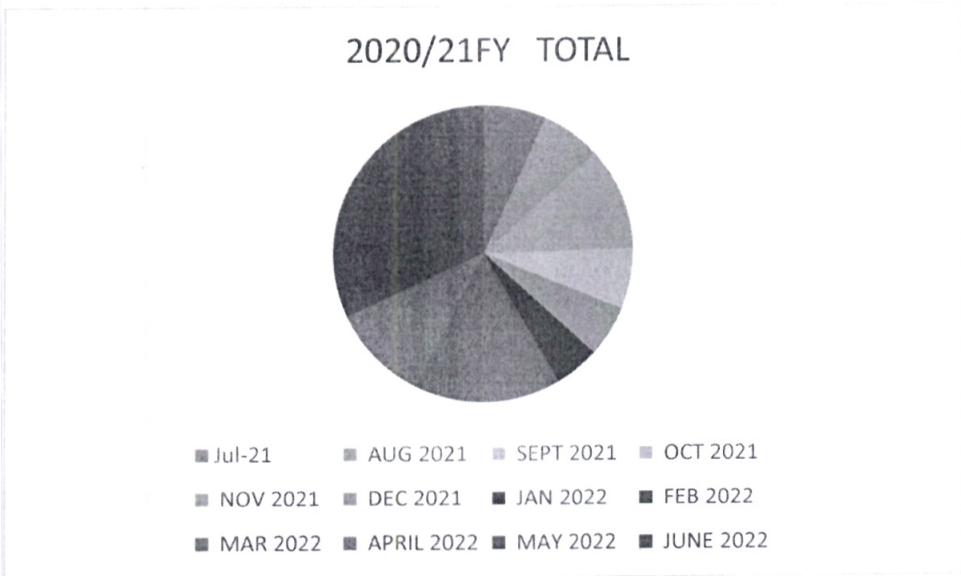
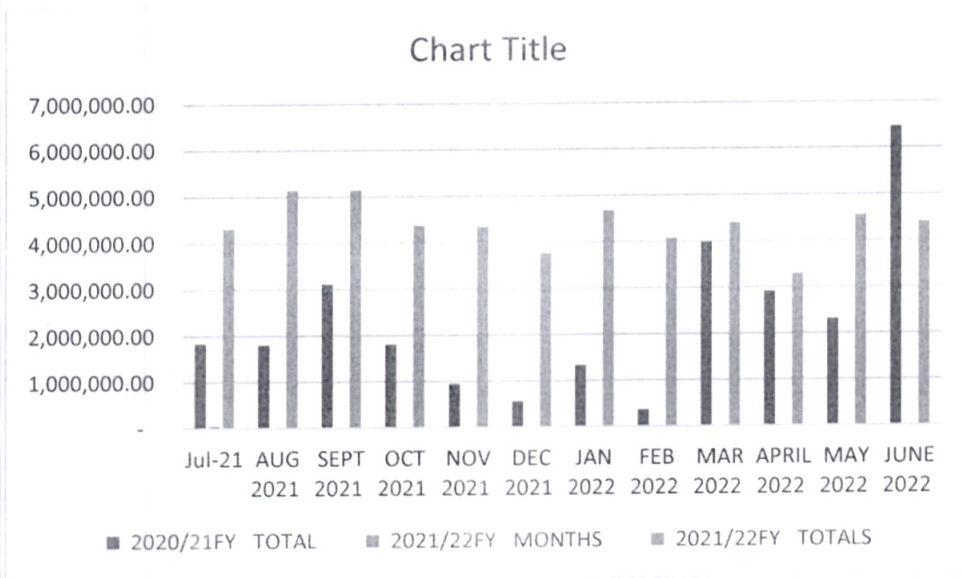
The prescribed distribution percentages in the Act are:

1. Facilities (70%)
2. CHMT (25%)
3. Emergency (2%)
4. Secretariat (3%)

From the distribution matrix above, the board therefore put emphasis on ploughing back more to the facilities by 3% more than prescribed in the Act.

During the year under review, the fund received Ksh. 145,320,140





9. Report of The Board of Management

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

Principal activities

The principal activities of the Fund are:

- a) Provide for a framework to allow the health sector and health facilities retain monies received in accordance with provisions of section 109 (2)(b) read with section 116(1) of the Public Finance Management Act, 2012.
- b) Establish a Vihiga County Facilities Improvement Fund
- c) Provide for the process of nomination and appointment of the Fund Board
- d) Provide for the appointment of hospitals and health facilities management boards
- e) Provide for a framework for performance-based financing of health services in the County in order to-
 - i) Sustainably operate, maintain, equip, rehabilitate health facilities and procure emergency medical supplies in hospitals and health facilities in the County
 - ii) Enhance participation of relevant stakeholders and host communities in the planning and management of the health facilities located in their jurisdictions
 - iii) Create incentives for hospitals and health facilities to sustainably generate resources
 - iv) Provide funding for the day to day operations of hospitals and health facilities
 - v) Provide for financing of preventive and promotional healthcare services, and
 - vi) Ensure 5% of the funds is used for preventive and promotional health care and 10% is used by the subcounty health management teams to support supervision, coaching and mentorship responsibilities for prudent management of funds and efficient quality service delivery.



Results

The results of the Fund for the year ended June 30, 2023 are set out on page XV

Board of managements

The members of the Board of Board of managements who served during the year are shown on page VI and VII. The changes in the Board during the financial year are as shown below:

Auditors

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

By Order of the Board



Dr Nicholas Mwandih,

CECM HEALTH

Date:



10. Statement of Management's Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by the provisions of section 109 (2)(b) read with section 116(1) of PFM Act 2012, shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and section 109 (2)(b) read with section 116(1) of PFM Act 2012. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2023, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Fund's financial statements were approved by the Board on 27th May 2023 and signed on its behalf by:



.....
Dr Mary Anyiendah,
Fund Administrator.
Administrator of the County Public Fund



REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON VIHIGA COUNTY FACILITY IMPROVEMENT FUND FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Vihiga County Facility Improvement Fund set out on pages 1 to 26, which comprise of the statement of financial

position as at 30 June, 2023, statement of financial performance statement of cash flows, statement of changes in net assets and statement of comparison budget and actual amounts, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Vihiga County Facility Improvement Fund as at 30 June, 2023, and of its financial performance for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the County Government Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Receivables from National Hospital Insurance Fund (NHIF)

The statement of financial performance and as disclosed in Note 1 to the financial statements reflects an amount of Kshs.140,228,154 relating to revenue from Vihiga County Referral Hospital (VCRH) and Sub-County Hospital fees. However, documents provided for audit indicate an amount of Kshs.117,068,485 was received during the year while an amount of Kshs.23,159,669 is still outstanding from NHIF. No record was provided to show how the amounts would be recovered from NHIF.

In the circumstances, the recoverability of the disclosed amount could not be confirmed.

2. Unsupported Donations

The statement of financial performance further reflects an amount of Kshs.1,300,250 from donations. However, no supporting details were provided for audit review in support of the donations.

In the circumstances, the accuracy, completeness and the source of the funds could not be confirmed.

3. Unsupported Use of Goods and Services

The statement of financial performance further reflects an amount of Kshs.369,630 relating to use of goods and services, which, as disclosed in Note 3 to the financial statements includes committee allowances of Kshs.252,500, bank charges of Kshs.12,130 and fuel and lubricants of Kshs.105,000. However, these expenditures were not supported with documentary evidence.

In the circumstances, the completeness and accuracy of use of goods and services could not be confirmed.

4. Unsupported Disbursements

The statements of financial performance reflect an amount of Kshs.118,456,934 relating to disbursement to health facilities. However, no schedule was provided to show how the amounts were distributed to various facilities and programmes including the basis of distribution. In addition, an amount of Kshs.12,555,780 and Kshs.630,000, both disbursed to County Health Management Team (CHMT) and for research were not supported with any documentary evidence to support the basis of disbursements.

In the circumstances, the completeness and accuracy of the disbursements could not be confirmed.

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

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.50,602,719 and Kshs.145,320,141 respectively, resulting in receipts under-budgeting of Kshs.94,717,422 or 187% of the budget. Similarly, the fund spent an amount of Kshs.118,826,564 against an approved budget of Kshs.50,602,719 resulting in expenditure under-budgeting of Kshs.68,223,845 or 135% of the budget. The under-budgeting clearly explains the budget process may be weak.

2. Progress on Follow-Up of Prior Year Auditor Recommendations

Review of progress on follow-up of prior year auditor recommendation has no summary of issues raised by the external auditor and Management comment on how it has addressed the previous year's audit report recommendations and findings. The audit could not confirm the number of issues resolved, pending implementations and reasons for non-implementation on issues raised during the financial year 2021-2022. Possibility of non-implementation on previous years audit recommendations, County Assembly PAC and PIC recommendations.

My opinion is not modified in respect of these matters.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed. I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 4000. The Standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements 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 EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Failure to Leverage on ICT in Hospitals

The Fund indicated that enhanced revenue collection at the Vihiga Referral Hospital was occasioned by the fact that revenue collection processes are now computerized. However, revenue collection in other Sub-County and other hospitals remain manual, which may lead to use of the funds at source or leakages and defalcations.

In the circumstances, failure to leverage on ICT may lead to loss of revenue.

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 control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in

an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

07 March, 2024

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

12. Statement of Financial Performance for The Year Ended 30th June 2023.

	Note	2022-2023	2021-2022
		Kshs	Kshs
Revenue From AIA			
Other Income:			
VCRH and SubCounty Hospitals fees	1	140,228,154.00	48,930,200.00
Subcounty Public Health Services fees	2	2,746,726.00	3,559,395.00
DONATION		1,300,249.50	-
Total Revenue		144,275,129.50	52,489,595.00
Expenses			
Use of goods and services	3	369,630.00	969,250.00
Disbursements	4	118,456,934.00	50,929,528.00
Total Expenses		118,826,564.00	51,898,778
Surplus/(Deficit) For The Period		25,448,565.50	590,817

Mary Anyiendah

Name: Dr Mary Anyiendah
 Administrator of the Fund

Richard Rapando


Name: Richard Rapando
 Fund Accountant
 ICPAK Member Number:



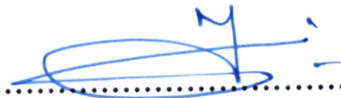
13. Statement of Financial Position As At 30 June 2023

	Note	2022-2023	2021-2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	5	8,137,876	5,848,979
Accounts Receivables	6	23,159,669	-
Total Assets		31,297,545	5,848,979
Liabilities		-	-
Net Assets		31,297,545	5,848,979
Fund balance B/F		5,848,979	5,258,162
Accumulated Surplus		25,448,566	590,817
Total Net Assets and Liabilities		31,297,545	5,848,979

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 24th May 2023 and signed by:



.....
Name: Dr Mary Anyiendah
Administrator of the Fund



.....
Name: Richard Rapando
Fund Accountant
ICPAK Member Number:



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



13.1. STATEMENT OF CHANGES IN NET ASSETS AS AT 30 JUNE 2023

	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2021			5,258,162	5,258,162
Funds Received During the Year		-	52,489,595	52,489,595
Transfers(disbursements,fund admin expenses &CHMT)			51,898,778	51,898,778
Balance As At 30 June 2022			5,848,979	5,848,979
				-
Balance As At 1 July 2022			5,848,979	5,848,979
Funds Received During the Year		-	144,275,130	144,275,130
Transfers(disbursements,fund admin expenses &CHMT)			118,826,564	118,826,564
Balance As At 30 June 2023			31,297,545	31,297,545

Dr Mary Anyiendah

.....
Name: Dr Mary Anyiendah,
Administrator of the Fund

Richard Rapando

.....
Name: Richard Rapando.
Fund Accountant
ICPAK Member Number:




The Vihiga County Facility Improvement Fund.
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14. Statement of Cash Flows for The Year Ended 30 June 2023.

	Note	2022-2023	2021-2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
VCRH and SubCounty Hospitals fees	1	117,068,485	48,930,200
Subcounty Public Health Services fees	2	2,746,726	3,559,395
DONATION		1,300,250	
Total receipts		121,115,461	52,489,595
Payments			
Use of goods and services	3	369,630	969,250
Disbursements	4	118,456,934	50,929,528
Total payments		118,826,564	51,898,778
Net cash flows from operating activities		2,288,897	590,817
Net increase/(decrease) in cash & cash Equivalents		2,288,897	590,817
Cash and cash equivalents at 1st July 2022		5,848,979	5,258,162
Cash and cash equivalents at 30th June 2023		8,137,876	5,848,979

.....

Name: Dr Mary Anyiendah
Administrator of the Fund

.....

Name: Richard Rapando
Fund Accountant
ICPAK Member Number:



15. Statement of Comparison of Budget and Actual Amounts for The Period

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilization
	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23
	KShs	KShs	KShs	KShs	KShs	
Revenue						
VCRH and subcounty hospitals Fee	46,715,973	-	46,715,973	141,273,165	94,557,192	302%
Subcounty Public health services fees	3,886,746	-	3,886,746	2,746,726	1,140,020	71%
DONATION	-	-	-	1,300,250	1,300,250	-
Total income	50,602,719	-	50,602,719	145,320,141	94,717,422	287%
Expenses						
Use of goods and services	2,530,136	-	2,530,136	369,630	2,160,506	15%
Disbursements	48,072,583	-	48,072,583	118,456,934	70,384,351	246%
Total expenditure	50,602,719	-	50,602,719	118,826,564	68,223,845	235%
Surplus for the period	-	-	-	26,493,577		



Budget notes.

- I. *The increase of over 100% in collections is because the revenue setting target did not take into consideration NHIF claims and capitation.*



The Vihiga County Facility Improvement Fund.
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16. Notes to the Financial Statements

1. General Information

The Vihiga County Facilities Improvement Fund Act 2020 came into effect on 1st July 2020. The main objective of the fund is to ring fence funds collected as user fees in health facilities and public health services in the department of health across the County. Before devolution, the same used to be referred to as cost sharing and the collections banked at the district treasuries as Appropriation In Aid (AIA). At the end of each financial year, the same would be reimbursed to the collecting facilities and district public health services in form of Authority to Incur Expenditure (AIE) in full in order to defray other expenditures not met by funds received from the national treasury.

2. Statement of compliance and basis of preparation

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

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

3. Adoption of new and revised standards

(i) Relevant new standards and amendments to published standards effective for the year ended 30 June 2023

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

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

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



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Standard	Effective date and impact:
	<p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p><i>(State the impact of the standard to the Entity if relevant)</i></p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity’s financial performance, financial position and cash flows. <p><i>(State the impact of the standard to the Entity if relevant)</i></p>



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Standard	Effective date and impact:
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p><i>(State the impact of the standard to the Entity if relevant)</i></p>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p> <p><i>State the impact of the standard to the Entity if relevant</i></p>
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that</p>



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Standard	Effective date and impact:
	<p>lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>State the impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1st January 2025</i></p> <p>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:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>State the impact of the standard to the Entity if relevant</i></p>

(iii) Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2023.



4. Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

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

b) Budget information

The original budget for FY 2021-2023 was approved by the County Assembly on 14th May 2020. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

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

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

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



Summary Of Significant Accounting Policies (Continued)

c) Property, plant and equipment

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

d) Intangible Assets

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

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

a) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.



The Vihiga County Facility Improvement Fund.
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Summary Of Significant Accounting Policies (Continued)

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or a entity of financial assets is impaired. A financial asset or a entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or a entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.



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Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.





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Summary Of Significant Accounting Policies (Continued)

b) Inventories

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

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

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

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

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

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

c) Provisions

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

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

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

Contingent liabilities

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



Summary Of Significant Accounting Policies (Continued)

Contingent assets

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

d) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. *Entity to state the reserves maintained and appropriate policies adopted.*

e) Changes in accounting policies and estimates

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

f) Employee benefits – Retirement benefit plans

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

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

g) Foreign currency transactions

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





The Vihiga County Facility Improvement Fund.
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Summary Of Significant Accounting Policies (Continued)

h) 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.

i) Related parties

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

j) Cash and cash equivalents

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

k) Comparative figures

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

l) Events after the reporting period

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

m) Ultimate and Holding Entity

The entity is a County Public Fund established by xxx Act (*state the legislation establishing the Fund*) under the Ministry of xxx. Its ultimate parent is the County Government of XXX.

n) Currency

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

Summary Of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

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

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

b) Useful lives and residual values

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

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

c) Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xxx.

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.

(Include provisions applicable for your organisation e.g provision for bad debts, provisions of obsolete stocks and how management estimates these provisions)



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



6. Notes to The Financial Statements



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

1. VCRH and subcounty hospitals fee

FACILITY	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	NHIF	TOTAL
VCRH	3,435,721.00	3,022,823.00	3,250,869.00	4,390,328.00	3,786,957.00	3,767,329.00	3,896,251.00	3,982,110.00	4,500,051.00	2,831,465.00	3,912,532.00	5,033,915.00	73,356,344.00	119,166,695.00
SABATIA	119,330.00	70,560.00	79,180.00	66,830.00	45,020.00	54,260.00	59,170.00	69,060.00	78,470.00	41,778.00	83,630.00	126,330.00	1,436,810.00	2,330,428.00
EMUHAYA	229,430.00	270,290.00	211,110.00	240,440.00	317,580.00	315,900.00	428,460.00	558,250.00	411,640.00	220,029.00	427,582.00	816,140.00	7,961,260.00	12,408,111.00
HAMISI	93,520.00	58,740.00	62,740.00	83,930.00	66,320.00	42,320.00	81,970.00	53,220.00	39,750.00	66,590.00	64,810.00	74,485.00	5,534,525.00	6,322,920.00
TOTAL	3,878,001.00	3,422,413.00	3,603,899.00	4,781,528.00	4,215,877.00	4,179,809.00	4,465,851.00	4,662,640.00	5,029,911.00	3,159,862.00	4,488,554.00	6,050,870.00	88,288,939.00	140,228,154.00

2. Subcounty public health services fees.

SUBCOUNTY	VIHIGA PHO	SABATIA PHO	EMUHAYA PHO	LUANDA PHO	HAMISI PHO	TOTAL
Jul-22	84,800.00	45,700.00	700.00	25,300.00	53,950.00	210,450.00
Aug-22	48,000.00	25,850.00	9,000.00	15,550.00	18,450.00	116,850.00
Sep-22	31,000.00	36,050.00	43,500.00	48,750.00	37,250.00	196,550.00
Oct-22	29,050.00	53,550.00	15,450.00	19,400.00	34,400.00	151,850.00
Nov-22	48,850.00	22,050.00	25,050.00	32,500.00	27,800.00	156,250.00



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

Dec-22	17,852.00	39,200.00	3,350.00	1,550.00	13,350.00	75,302.00
Jan-23	59,050.00	54,900.00	44,050.00	79,050.00	38,600.00	275,650.00
Feb-23	131,350.00	67,850.00	73,150.00	54,300.00	117,050.00	443,700.00
Mar-23	46,250.00	98,054.00	37,050.00	51,150.00	29,900.00	262,404.00
Apr-23	60,100.00	34,850.00	30,700.00	25,350.00	51,250.00	202,250.00
May-23	34,641.95	11,022.44	11,230.41	40,405.70	36,020.50	133,321.00
Jun-23	223,143.28	80,651.93	80,557.71	95,240.25	42,555.83	522,149.00
TOTAL	814,087.23	569,728.37	373,788.12	488,545.96	500,576.32	2,746,726.00
DESCRIPTION		Mar-23	Jun-23	TOTAL		
DONATION		631,999.50	668,250.00	1,300,249.50		

3. Use of goods and services

	FY 2022-2023	2021-2022
	KES	
Committee Allowances	252,500	
Bank Charges	12,130	
Fuel and Lubricants	105,000	
TOTAL	369,630	969,250



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

4. Disbursement.

	2022-2023	2021-2022
FACILITIES	105,271,154	37,341,128.00
CHMT	12,555,780	13,588,400.00
RESEARCH	630,000	
TOTAL	118,456,934	50,929,528.00



5. Cash and cash equivalent

Description	2022-20223	2021-2022
	Kshs	Kshs
FIF Account - 01141471202700	8,137,876	5,848,979.25
Total Cash and Cash Equivalents	8,137,876	5,848,979.25

6. Accounts Receivable

Description	2022-20223	2021-2022
	Kshs	Kshs
Unsettled NHIF claims	23,159,669	-
Totals	23,159,669	-

7. Progress on Follow Up Of Prior Year Auditor’s Recommendations


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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2	<p>1. Un-accounted for NHIF Receipts</p> <p>The statement of financial performance reflects a total revenue of Kshs.52,489,595 during the financial year 2021/2022. The amount excludes NHIF receipts amounting to Kshs.64,928,182 as disclosed in the Vihiga County Revenue Fund (CRF)statement of financial performance explanatory notes. Although expenditure of Kshs.51,898,778 reflected under facility improvement Fund is partly funded by NHIF receipts but the receipts from NHIF are not acknowledged as revenue in the statement of financial performance. In</p>	<p>The management acknowledges the Auditor’s observations on the above subject matter and wish to respond as follow; The NHIF collections/receipts are based on individual contractual obligations between the facility and the National Hospital Insurance Fund (NHIF) based on the services they offer and agreed on. However, being public funds and part of the user fee received, they are indeed subject to audit. The NHIF receipts during the year under review were as follows</p>	Not Resolved	Scheduled for tabling in county Assembly




The Vihiga County Facility Improvement Fund.

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


Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>addition, the financial statements the statement of financial performance reflects an amount of Kshs.48,930,200 as being the receipt from Vihiga County Referral Hospital and Sub-county Hospitals fees. However, the Vihiga CRF reflects an amount of Kshs.48,981,050 as having been received and transferred to the Fund, resulting to a variance of Kshs.50,850.</p> <p>Under the circumstances, the accuracy of the revenues disclosed in these financial statements is understated.</p>			
	<p>2. Unsupported Sub County Public Health Services Revenue</p> <p>The statement of financial performance and as disclosed in Note 2 to the financial statements reflects receipts of Kshs.3,559,395 in</p>	<p>The management acknowledges the Auditor's observations on the above subject matter and wish to respond as follow; The NHIF collections/receipts are based on individual contractual obligations</p>	<p>Not Resolved</p>	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>respect of sub county public health services. Further, included in the ledger balance of Kshs.3,559,395, is Kshs.672,645 in respect of miscellaneous revenue collection that was not supported and which could not be traced to any revenue collection point.</p> <p>In the circumstances, the correctness sub county public health services revenue of Kshs.3,559,395 could not be confirmed.</p>	<p>between the facility and the National Hospital Insurance Fund (NHIF) based on the services they offer and agreed on. However, being public funds and part of the user fee received, they are indeed subject to audit.</p>		
	<p>3. Unsupported Sub County Public Health Services Revenue</p> <p>The statement of financial performance and as disclosed in Note 2 to the financial statements reflects receipts of Kshs.3,559,395 in</p>	<p>The management acknowledges the Auditor's observations on the above subject matter and wish to respond as follow; The NHIF collections/receipts are based on individual contractual obligations between the facility and the</p>	Not Resolved	

The Vihiga County Facility Improvement Fund.

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>respect of sub county public health services. Further, included in the ledger balance of Kshs.3,559,395, is Kshs.672,645 in respect of miscellaneous revenue collection that was not supported and which could not be traced to any revenue collection point.</p> <p>In the circumstances, the correctness sub county public health services revenue of Kshs.3,559,395 could not be confirmed.</p>	<p>National Hospital Insurance Fund (NHIF) based on the services they offer and agreed on. However, being public funds and part of the user fee received, they are indeed subject to audit. The NHIF receipts during the year under review were as follows:</p>		
	<p>4. Unsupported County Health Management Team (CHMT) Expenses</p> <p>The statement of financial performance reflects disbursements amount of Kshs.50,929,528 which, as disclosed in Note 4 to the financial statements includes Kshs.13,588,400 in respect to</p>	<p>The management acknowledges the Auditor's observations on the above subject matter and wish to respond as follow; The schedule and breakdown for the CHMT expenses submitted in the management letter response is hereby attached for your review:</p>	Not Resolved	

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

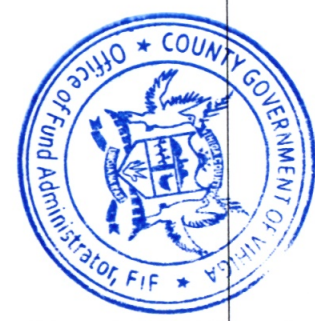
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>County Health Management Team (CHMT) expenses. However, the supporting schedule provided to support the amount reflected an amount of Kshs.11,195,400 leading to a variance of Kshs.2,393,000 which has not been explained or reconciled.</p> <p>In the circumstances, the accuracy of disbursements amounting to Kshs.50,929,528 could not be confirmed.</p>	<p>COUNTY HEALTH MANAGEMENT COMMITTEE TEAM</p>		
	<p>5. Unsupported Reserves</p> <p>The statement of financial position reflects Kshs.5,258,162 in respect to reserves. However, the origin of this amount has not been explained or supported by any documentation.</p>	<p>The management acknowledges the Auditor's observations on the above subject matter and wish to respond as follow;</p> <p>The fund commenced/came into effect on 1st July 2020. During 2020/2021FY, the fund was audited as part of own source revenue (OSR) of the</p>	<p>Not Resolved</p>	




The Vihiga County Facility Improvement Fund.

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	In the circumstances, the accuracy of reserves amounting to Kshs.5,258,162 could not be confirmed.	county. This is captured in the financial statements submitted by the county. Kshs. 5,258,162 represent the closing figure on June 2021 and opening balance on 1 st July 2021 in the fund bank account		
	<p>5.1 Non Inclusion of Statement of Changes in Net Assets</p> <p>The financial statements do not include Accounting Standards Board statement of changes in net assets which is contrary to the requirements of the reporting guidelines prescribed by the Public Sector Accounting Standards Board.</p> <p>In the circumstances, the financial statements are not fairly disclosed.</p>	<p>MANAGEMENT RESPONSE.</p> <p>The management acknowledges the Auditor's observations on the above subject matter and wish to respond as follow;</p> <p>We have since prepared a statement of change in net assets in the amended financial statements in the prescribed format.</p>	Resolved	The Management has now adopted the format prescribed by PSASB templates when reporting.



Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Other Matter</p> <p>Budgetary Control and Performance</p> <p>The statement of comparison budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.39,938,388 and Kshs.52,489,595 respectively resulting to an over-funding of Kshs.12,551,207 or 31% of the budget. Similarly, the Fund expended Kshs.51,898,778 against an approved budget of Kshs.39,938,388 resulting to an over-expenditure of Kshs.11,960,390 or 30 % of the budget. However, no proper explanations have been given as footnotes to the budget statement.</p> <p>The over funding and over expenditure may be an indication that the budgetary</p>	<p>The management acknowledges the Auditor's observations on the above subject matter and wish to respond as follow;</p> <p>The budgetary estimates were done based on previous years performances and trends. During the year under review, management did close supervision which was able to realize more than the budget estimates.</p>	<p>Not Resolved</p>	

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	process was not properly estimated.			



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

ANNEXURE

VIHIGA COUNTY FACILITY IMPROVEMENT
 FUND
 TRIAL BALANCE 2022/23FY

INCOME	DR	CR
	KES	KES
VCRH		96,007,026
SABATIA		2,330,428
EMUHAYA		12,408,111
HAMISI		6,322,920
VIHIGA PHO		814,087
SABATIA PHO		569,728
EMUHAYA PHO		373,788
LUANDA PHO		488,546
HAMISI PHO		500,576
DONATION		1,300,250
Fund balance brought forward		5,848,979
EXPENSES		
Use of goods and Services		
Committee Allowances	252,500	
Bank Charges	12,130	
Fuel and Lubricants	105,000	
Disbursements to: -		



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

Facilities	105,271,154	
CHMT	12,555,780	
RESEARCH	630,000	
Cash and cash equivalent		
FIF Account - 01141471202700	8,137,876	
	126,964,440	126,964,440



REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF



THE AUDITOR-GENERAL

ON

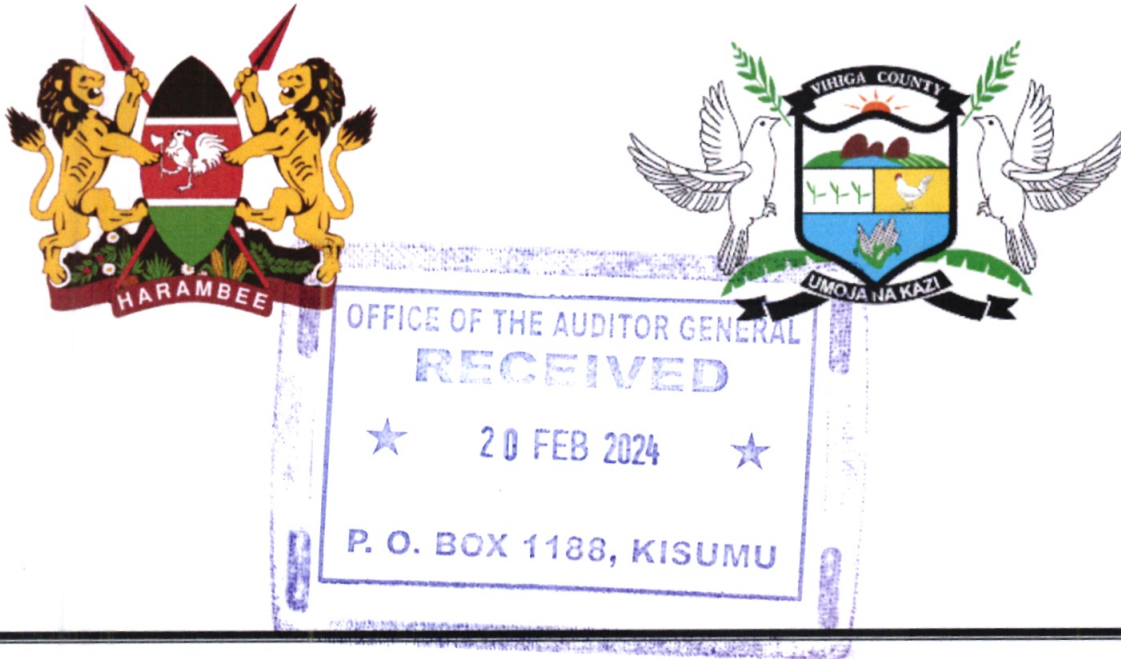
CLIMATE CHANGE FUND

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

COUNTY GOVERNMENT OF VIHIGA

PAPERS LAID	
DATE	26.3.24
TABLED BY	May Leader
COMMITTEE	C PIC
CLERK AT THE TABLE	Kawato

Revised 30th June 2023



**COUNTY GOVERNMENT OF VIHIGA
VIHIGA COUNTY CLIMATE CHANGE FUND**

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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Vihiga County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023

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Vihiga County Climate Change Fund
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1. Acronyms and Glossary of Terms

a) Acronyms

BOM	Board of Management
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings
FLLoCA	Financing Locally Lead Climate Action.

b) Glossary of Terms

Fiduciary Management The key management personnel who had financial responsibility
*Provide a list of Acronyms and Key terms used in the financial report as per above example.
The list to be exhaustive)*

Vihiga County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023

2. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

Vihiga County Climate Change Fund (CCCF) is established by Vihiga County Climate Change Fund Act, 2019 which came into force on 19th November 2019. The Vihiga County Climate Change Directorate is the implementing entity of the fund domiciled in the Department of Environment, Energy Water and Natural Resources.

The fund's broad objective is to facilitate and coordinate financing for community- initiated climate change adaptation and mitigation projects.

The principal mandate of the Fund is to finance climate change programs, projects and activities as provided for in the Climate Finance Framework.

b) Principal Activities

The principal mandate of the Fund is to finance climate change programs, projects and activities as provided for in the Climate Finance Framework.

The Fund exists to:

- i. Initiate and coordinate finance for climate change adaptation and mitigation activities at community level
- ii. Establish a climate finance mechanism (which includes the fund itself and its supporting structures)
- iii. Facilitate community-initiated Climate Change Adaptation and Mitigation
- iv. Facilitate planning of climate change adaptation and mitigation and budgetary framework
- v. Seek and receive grants from international sources, the national government and other organizations

c) Fund steering Committee

Ref	Name	Position
1	Dr. Wilbur Ottichilo	H.E. The Governor – Chairperson
2	Dr. Nicholas Kadaga Mwandishi	CECM in Charge of Health – Member
3	Anne Desma Chilande	CECM in Charge of Environment
4	Dr. Jairus Boston Amayi	CECM in Charge of Finance – Member
5	Dr. Richard Boiyo	C.O. in Charge of Environment – Secretary

Vihiga County Climate Change Fund

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

d) County Planning Committee

Ref	Name	Position
1	Dr. Ephraim Mukisira	Chairperson- of the Climate Change Planning Committee
2	Dr. Richard Boiyo	Member – C.O – Environment, Energy and Natural Resources
3	Kamadi Dominic Luvavo	Member – C.O – Agriculture, Livestock and Fisheries
4	James Atamba	Member - Chief Officer – Finance and Economic Planning,
5	Victor Kivaya Cheye	Member – C.O – Lands, Physical Planning and Urban Development
6.	Mary Susan Anyiendah	Member – C.O – Health
7.	Godfrey Omusonga	Member – County Director – Meteorology Services
8.	Hesbon Monda	Member – County Director Environment - NEMA
9.	Winstone Atamba	Secretary – County Director - Climate Change
10.	Evans Kisambo	Co-Secretary- Fund Administrator

Key Entity and Management (Continued)

e) Registered Offices

P.O. Box 344 50300
Maji House
Maragoli
Mbale KENYA

f) Fund Contacts

Website: www.vihiga.go.ke

g) Fund Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

2. Equity Bank
Mbale Branch
P.O. Box 545
Maragoli 50300

h) Independent Auditors

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

i) Principal Legal Adviser



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

j) County Attorney



The County Attorne

**Vihiga County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

3. County Steering Committee

	Name	Details of qualifications and experience
1.	 <p>H.E. Dr. Wilbur Ottichilo Governor Vihiga County, Chairperson</p>	<p>H.E. Dr. Wilber K. Ottichilo was born on September 23, 1952 he is the current governor of Vihiga County.</p> <p>He attended Makerere University from 1974 to 1977, the University of Nairobi from 1981 to 1983, as well as Colorado State University from 1984-1986.</p> <p>He is the current chairman of Council of Governors committee on Environment.</p> <p>Having served as the Member of Parliament for Emuhaya Constituency and worked as the Director General of Regional Centre for Mapping of Resources for Development (RCMRD), an agency of United Nations Economic Commission for Africa (UNECA). Dr. Ottichilo has a vast experience in Public Service and Administration.</p> <p>He Holds a Doctorate in Natural Resource Management and Space Science from the University of Wageningen and the International institute of Earth Observations.</p>
2.	 <p>Dr. Nicholas Kadaga Mwandih CECM – Health Services Member</p>	<p>Dr Nicholas Mwandih is the current CECM of Health Services, Vihiga County Government. Born 4th September 1976 in Banja Ward, Hamisi Sub- County,</p> <p>He attended Kenyatta University for Bachelor’s Degree, Education Science (Mathematics & Chemistry) in 2002. Later He enrolled for a Master’s Degree MSc Human Resource Management (HRM) in 2013. Later enrolled for a PhD in Human Resource Management in 2019.</p> <p>Dr Nicholas Mwandih was a long-time teacher of Mathematics and Chemistry at Goibei Girls school and also a member of the Board of Management of the Institution.</p> <p>Lecturer at the Faculty of Business at Jomo Kenyatta University of Agriculture and Technology.</p>


**Vihiga County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

<p>3.</p>	 <p>Joseph Karungani Lunani <i>Ag. CECM - Environment, Water, Energy, Natural Resources and Climate Change</i> Secretary</p>	<p>Mr. Lunani has over 15years experience in Technology, Governance, Management and Leadership. Having worked with clients from various industries from the Public Sector, Banking, Hospitality, Entertainment and Many others.</p> <p>Pursued Business Information Technology at Strathmore University, has a Bachelor’s of Science in Applied Business Computing from University of Sunderland and did several certifications at Computer Pride College. He is an alumni of Tallberg’s Pathfinder Strategy & Leadership Programme in Sweden.</p> <p>He is certified in various Information Technology professional courses. Cisco Certified Network Associate,(CCNA), A+, N+, Certified Information Systems Auditor (CISA) & PKI Review § His area of specialty is Project Management, Systems Analysis, Network Management and Call Centers § He currently advises key personalities on Technology & Governance. § Joseph has served as a board member of Chekalini Secondary School & Topmark Academy. Serves as a mentor at Nailab, KCB Foundation & Tony Elemelu Foundation. § He continues to speak to youth challenging and encouraging them to arrest business and career opportunities in Africa & beyond.</p>
<p>4.</p>	 <p>Dr. Jairus Boston Amayi <i>CECM - Finance and Economic Planning</i> Member</p>	<p>Hon. Dr Jairus B. Amayi is the current County Executive Committee Member responsible for the department of Finance and Economic Planning.</p> <p>CECM in Charge of Finance</p>

Vihiga County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023



		<p>Research Assistant at the International Union for Conservation of Nature (IUCN). Experienced educator with over 20 years at both secondary and university levels. Widely published on climate change issues. Mentored and supervised over 20 undergraduate and postgraduate students. Experienced consultant on climate change including projects in Karamoja Cluster—covering Kenya, Uganda, Ethiopia and Sudan. Developed training manuals for journalists on various aspects of climate change. Has a focus on issues that foster the interface between domestic and international climate finance.</p> <p>Honoured with a GEF fellowship for Master’s studies on the Conservation of Mount Marsabit in northern Kenya, and two fellowships by the Netherlands Fellowship Programme (NFP) to train on climate change adaptation and mitigation. Currently, a Senior Research Fellow of the African Impact Network Association.</p> <p>Email: cmulinya@kafu.ac.ke/ cmulinya@gmail.com</p>
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**Vihiga County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

5.	 <p>Nicolas Kitungulu <i>CECM - Agriculture, Livestock and Fisheries</i> Member</p>	<p>Hon -CECM Agriculture, Livestock and Fisheries</p> <p>Hon Nicolas is the current County Executive Committee Member responsible for the department of Agriculture, Livestock and Fisheries.</p>
6.	 <p>Dr. Richard Boiyo <i>Chief Officer - Environment, Energy Natural Resources and Climate Change</i> Member</p>	<p>Chief officer in Charge of Environment, Energy and Natural Resources and Secretary to the steering committee, he has a Phd.in, Absorptive aerosol Optical Properties</p>
7.	 <p>Dr. Caroline Mulinya <i>Director External Linkages KAFU</i> Member</p>	<p>Caroline Mulinya holds a Ph.D. in Geography (Climatology and Climate Change) from Jaramogi Oginga Odinga University of Science and Technology (2017), a Master of Arts in Geography (Climatology) from the University of Nairobi (2006), and a Bachelor of Arts in Education (Geography) from Moi University (1999). Currently, a Senior Lecturer of Geography (Climatology and Climate Change Science), Director of Academic Linkages and International Relations, and Coordinator of Climate Change Centre at Kaimosi Friends University. Previously, a Lecturer of Geography (Climatology and Climate Change Sciences) and Head of the Department of Geography and Environmental Sciences at Masinde Muliro University of Science and Technology. Also worked as a Research Scientist at the Kenya Industrial Research and Development Institute (KIRDI) and as a</p>

**Vihiga County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023**



4. County Planning Committee

	Name	Details of qualifications and experience
1.	 <p>Dr. Ephraim Mukisira <i>Chairman</i></p>	<p>Dr. Ephraim Mukisira Chairman of the CCCF planning committee, he holds a PhD in Animal Science from McGill University in Canada, a MSc in Animal Science from Louisiana State University in Baton Rouge, USA. He has a long experience in Agricultural research and animal science. He previously worked as a Director/CEO, Kenya Agricultural Research Institute he also worked as the Assistant Director, KARI, in-charge of the Animal Production/Health Research Division in May 2000-July, 2001. He is serving as the Nominations and Governance Committee member within the Board.</p>
2.	 <p>Dr. Richard Boiyo <i>Chief Officer - Environment, Energy Natural Resources and Climate Change</i> Member</p>	<p>Member – Chief officer in Charge of Environment, Energy and Natural Resources and Secretary to the steering committee, he has a Phd.in, Absorptive aerosol Optical Properties</p>
3.	 <p>Dominic Luvavo</p>	<p>Born on 7th April 1980</p> <p>Key Academic and professional</p> <ul style="list-style-type: none"> - Master's in Business Administration (Finance) -University of Nairobi - Senior Management Course-Kenya School of Government (KSG) - CPA 11(KCA) <p>Work Experience</p> <p>a. National Government</p> <ul style="list-style-type: none"> - Ministry of Youth Affairs and Sports(2007-2011) - Ministry of Devolution and planning (2012-2014)


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	<p><i>Chief Officer - Agriculture, Livestock, Fisheries and Cooperative Development</i> Member</p>	<ul style="list-style-type: none"> - Ministry of Public Service, Youth and Gender Affairs (2015-2017) - Ministry of ICT, innovation and Youth Affairs (2017-2018) <p>b. County Government of Vihiga 2018 - to date</p> <ul style="list-style-type: none"> - Chief officer-Gender, Youth, Children and Social services <ul style="list-style-type: none"> • Water and Sanitation • Environment, Energy and Natural resources • Public Service, Administration & Coordination of County Affairs • Agriculture, Livestock & Fisheries
4.	 <p>James Atemba <i>Chief Officer – Finance and Economic Planning</i> Member</p>	<p>Born in the year 1985. Chief Officer – Finance and Economic Planning, has Masters in business administration in finance bachelor of business management and banking, CPA K</p>
5.	 <p>Dr. Mary Susan Anyianda <i>Chief Officer – Health Services</i> Member</p>	<p>Member – Chief Officer – Health Service Has Ph.D., Masters in education and Bachelor of education</p>

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6.	<p>Victor Kivaya Cheye <i>Chief Officer – Physical, planning, Lands and Housing</i> Member</p>	<p>Member – Chief Officer – Physical, planning, Lands and Housing has</p>
7.	 <p>Vincent Kutai <i>Chief Officer – Water and Sanitation</i> Member</p>	<p>Born in the year 1978. Holds a Master’s degree in Public Health with a 15-year work experience</p>
8.	<p>Godfrey Omusonga <i>Director Metrological Services – Vihiga</i> Member</p>	
9.	<p>Hesbon Monda <i>Director NEMA – Vihiga</i> Member</p>	<p>Born in the year 1985. Holds a bachelor’s degree in Worked in NEMA from 2009 to date</p>
10.	 <p>Winstone Atamba <i>County Director Climate Change</i> Secretary</p>	<p>Mr. Miima Winstone Atamba; Director Climate Change, County Government of Vihiga (Tel: 0716261898, Email: ambamiima@gmail.com).</p> <p>Born in 1990, Mr. MIIMA Winstone Atamba Currently serving as the Director in Charge of Climate Change in the County Government of Vihiga holds a Bachelor Environmental Planning and Management from the University of Eldoret Kenya and a licenced Environmental Impact Assessment and Audit Expert. He is a holder a post graduate qualification in project management and is a master’s degree candidate of Climate Change Adaptation and Mitigation at Masinde Muliro University of Science and Technology. With 8 years’ experience in Climate change and environmental conservation programming, Mr. Miima</p>

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		<p>has served as a project coordinator for a Climate Change Governance Project implemented as a partnership between Anglican Development Services Western (ADS Western), UKAID through which he spearheaded the County Governments of Kakamega, Vihiga and Nandi to establish a climate change governance framework.</p> <p>Through his leadership, the counties enacted climate change policies and acts, facilitated several seminars on climate change and led several sensitization meetings for citizens, members of county assemblies and other duty bearers in the counties. He was instrumental in designing and implementing capacity building programs on climate change at both county and ward level in the three counties.</p> <p>As the County Director in Charge of Climate Change, Winstone is the lead technical professional in the county government Vihiga who plans and implements climate change capacity building programs, awareness and sensitization and oversees implementing of climate change resilience projects.</p> <p>He has participated in several environmental conservation projects within the Lake Victoria North catchment areas particularly in Mt. Elgon area. In addition, he has participated in community mobilization for conservation projects in Western Region. Furthermore, he has participated in the preparation of catchment management and conservation plans, EIA and EA reports and general Environmental Management Plans.</p>
<p>11.</p>	 <p>Evans Kisambo <i>Fund administrator</i> Member/ Co-secretary</p>	<p>Co-Secretary- Fund Administrator was born in 1971, has a degree in economics and Business Studies from Kenyatta university</p>

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5. PLANNING COMMITTEE CHAIRPERSON'S REPORT

Vihiga Climate Change Fund Act 2019 established Vihiga Climate Change Fund, with three level structure namely, the steering committee, the county planning committee and the ward climate change planning committee. During 2022/2023 financial year there were some changes in terms of key management team brought about by the 2022 general elections and subsequent appointments in the steering and planning committees.

The activities of the Fund commenced by establishment the governance structures and policy/legal framework. They include; establishment of the secretariat, Fund administration and the office, establishment of the County Climate Change Planning Committee, County Climate Change Steering Committee and the Ward Climate Change Planning Committees in all the 25 wards. Sensitisation of the public on climate change matters was done and training and inaugurating the ward climate change committee members was also undertaken.

The Fund was allocated Kshs.80 million in the FY 2022-2023 and Kshs. 22 million from National Treasury FLLoCA (Financing Locally-Led Climate Action Program Funds). County funding was reduced during supplementary budget to Kshs.64 million. Disbursements were delayed from both funders who started funding in the fourth quarter.

The Vihiga County Climate Change Fund will continue with the ongoing projects to completion. In the next financial year 2023/24 the Fund has been allocated Kshs. 80 million out of which 70 percent will go toward ward climate change projects that will be prioritized by wards.

In conclusion, I highly appreciate the staff, the committee members and other stakeholders for cooperation, support and hard work that enabled the Fund to achieve the above milestones. My special appreciation goes to H.E. the Governor for his strategic guidance in the design of climate change programs, the CECM and the Chief Officer(s) for their leadership in implementation of fund programs and the Director Climate Change for his day to day coordination of the fund's activities.

The Vihiga County Climate Change Fund envisions to attain greater performance in the next fiscal year 2023/24 and beyond.

Name: Dr. Ephraim Mukisira Signature  Date 30/6/2023
Chair of the Climate Change Planning Committee

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6. REPORT OF THE FUND ADMINISTRATOR

Vihiga Climate Change Fund was established in the FY 2021/2022 as per the Vihiga Climate Change Fund Act 2019 (Amended 2021). During the year there was slight change in terms of key management team as a result of 2022 general elections which brought in a few new steering and planning committee members.

The activities implemented include:

- Capacity Building Program for Completion of the Vihiga County Climate Change Action Plan
- Capacity Building Program for Ward Climate change planning, steering and County Assembly Environment Committees secretariat, planning and steering Committees and Ward Climate change Committees on monitoring and evaluation.
- Community Prioritized Climate Change Investments proposals approved for implementation
- County Climate Change Planning and steering Committee to review and approve the project proposals from the Ward
- Completion of the Kimogoi-Shikomoli water project phase one and phase two
- Rehabilitation of Water Project Mwibona phase one and two
- Rehabilitation of Buhani village Agricultural. Water management usage & macro catchment sustainable land management project phase one
- Quarterly meetings of the County Climate Change planning committee and Steering Committee: Four meetings of the County Climate Change Planning Committee were held in the FY while the steering committee sat twice.

The allocation for the financial year 2022/2023 was Kshs. 80 million from County Government later reduced to KShs. 64 million during the first supplementary and 22 million from National Treasury FLoCA (Financing Locally-Led Climate Action Program Funds). Work plan was prepared by the planning committee and approved by the steering committee to cover the following areas, Administration costs 3%, countywide projects costs 20%, WCCPC projects costs 70%. Administration costs was further divided into planning committee 30%, Ward climate change planning committees 70%, countywide projects costs. Countywide projects costs was also further divided into; awareness activities 10%, research and development 20%, and countywide development 70% as provided for in the Climate change Fund Act 2019.

Disbursements were delayed from both the County government and the national treasury for FLoCA funds, until the fourth quarter which made it difficult to absorb all the funds within the financial year. From County government we received KShs, 10 million on 24th April 2023, another KShs. 10 million on 14th June 2023 then FLoCCA Kshs. 11 million on 17th April 2023

The main challenge the fund faced was the delay in disbursements of funds making it hard to implement its work plan fully and absorb all the funds allocated to it. Hope this will improve in future so that more activities can be rolled out during the first quarter.

Vihiga County Climate Change Fund

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The ongoing projects / investments include;

PROJECT/ INVESTMENT	AMOUNT IN KSHS.
Madungu-Wengondo Water Project Phase 1	3,883,964
Kaptech Community climate change water project	4,416,330
Completion of Kimogoi- Shikomoli water project	7,731,708.86
Evojo community climate change solarized water project	6,778,800
South maragoli ward apiculture livelihood	5,384,812.80
Solarization and Expansion of Ebukhaya community Water project Ebukhaya Community water project	12,481,066.80
Emabungo cluster resilience investment –Rehabilitation of Bidii 1&2 Mumboto gravity schemes	5,501,100
Purchase of motor vehicle	8,500,000

FLoCA Activities in progress

No.	Activity	Sub activity remaining	Budget in Kshs.
1	Preparation of the County Climate Action Plan	Publishing and Launching	1,784,600
2	Training and capacity development	Training officers at KSG	880,000
3	Equipment and office furniture (for CCU)	procured items to be delivered	2,772,600
4	Research and data	Strengthening Climate Information Services and Early Warning System	1,581,500



Picture 1: Kimogoi Project Phase 2

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Picture 2: Evojo Solarized Water Project



Picture 6: Water tap at a beneficiaries in Evojo and Tap at Kimogoi Project



An Apiary in South Maragoli Ward

Name: Evans Kisambo Signature [Signature] Date 30th June 2023
Fund Administrator

Vihiga County Climate Change Fund
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7. Statement of Performance Against The County Fund's Predetermined Objectives

Introduction

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

The key development objectives of the Fund are:

- a) To strengthen climate change institutional and planning framework
- b) Enhance inclusion in climate action and decision making
- c) To establish climate change governance structures, at the ward and county level
- d) To promote climate action initiatives focusing on climate change resilience
- e) To facilitate community-initiated climate change resilience investments in five wards

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Climate Change Governance	To strengthen climate change institutional and planning	Climate change governance structures at county and ward level established	Number of governance structures established	Ward Climate Change Committees, Climate Change Planning Committee and Steering Committee established
Capacity Building	To build the capacity of committees to enable them execute climate action	Enhanced capacity to manage climate risks	Number of staff, committees trained	<ul style="list-style-type: none"> • 18 officers on Monitoring and Evaluations • Trained 25 ward climate change-planning committees were trained on project m&e and reporting • 5 Officers trained at Kenya School of Government • Implemented school greening program(89,000 seedlings grown in schools)

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Resilience planning and M&E	To increase capacity to plan and respond to climate risks	Increased capacity to plan and respond to climate risks	Number of planning documents developed	<ul style="list-style-type: none"> • Participatory climate risks assessment completed • Participatory climate change action plan • Early warning system established • Climate Action
Community Prioritized climate resilience investments	To enhance adaptive capacities to climate change impacts	Enhanced adaptation to climate change among communities	Number of projects implemented	Six community prioritized projects implemented
Partnerships and collaborations for climate action	To mobilize resources for climate action	Enhanced collaboration for climate action	Number of partnerships established	MoU signed with Kaimosi University on Climate Action Received funding from the FLLOCA Program

8. Corporate Governance Statement

Section 14 of the Vihiga County Climate Change Fund Act 2019 provides for establishment of the County Climate Change Fund Steering Committee whose membership include the Governor as the Chairperson, CECM finance, CECM environment who is the secretary, CECM Public Health and CECM Agriculture. The Steering committee also comprises of representatives of the Business Community, Professionals in the County and Non-Governmental Organisations. The Steering Committee serves as the Board of the Vihiga County Climate Change Fund.

In line with the Act, for one to be appointed on the Steering Committee is by virtue of the offices they bear. They term of service is a period of five years after which another steering committee is appointed, or mandate renewed. For appointment, one must be a person who is actively engaged in climate change activities in the County, recommended by an umbrella organization representing the interest the nominee is to represent on the committee and be seconded by an organization that is actively involved in climate change adaptation, mitigation of climate finance activities in the county. In addition, they should have rare skills, knowledge, talents or linkages that are likely to benefit the Vihiga County Climate Change Fund.

The Steering Committee provides overall guidance for the development of a Climate Finance Framework for the County; facilitates and monitors the implementation of the Climate Finance Framework. The committee also develops necessary linkages for the fund with the national government and other relevant stakeholders outside the county and ensures compliance of the fund administration to the public finance management principles under article 201 of the constitution of Kenya and the provisions in Public Finance Management Act, 2012.

The Steering Committee also ensures that projects approved for funding conform to the Climate Finance Framework and mobilizes funding for projects, programs and activities listed in the Climate Finance Framework. Lastly, the Steering Committee coordinates the Climate Finance projects and programs with other programs in the county and regularly reviews the Framework.

The committee held two meetings in the year, the first meeting was held on 10th October 2022 whose agenda was to review performance of the previous period and approve the work plan for the current financial year. The second meeting was held on 20th March 2023 where the committee reviewed and approved community-prioritized projects in six wards.

**Vihiga County Climate Change Fund
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9. Management Discussion and Analysis

The Vihiga County Climate Change Planning Committee met on 27th September 2023 at SOSA Cottages to review and adopt the work plan. The agenda was reading and confirmation of the minutes of the previous meeting, Matters arising from the minutes of the previous meeting, Update on the implementation of Quarter Four Activities and tabling of Climate Draft Change Work Plan for FY 2022-2023

The work plan was adopted with recommendation that a sub-committee reviews and effects recommendations made. The subcommittee sat on 7th October 2023 and incorporated the inputs of the committee into the work plan.

The second meeting was held in March 2023 to evaluate and approve proposals from the wards for community-prioritized projects.

The committee was taken through the project proposals from the wards. The CCCPC examined the details of the proposals particularly the projects identified, the beneficiary wards, the bills of quantities for each and the anticipated environmental and social impacts. Below is a list of projects evaluated by the committee:

Location/ County/ Ward	Date of Commu nity Consulta tion Forum	Prioritized projects	Components/ Main Activities	Mean Score and Verdict
Emuhaya Sub County				
Central Bunyore and N.E Bunyore	6/12/2022	REHABILITATION, EXPANSION AND SOLARISATION OF EBUKHAYA COMMUNITY WATER PROJECT Project to have an installed capacity of 500 households but to commence with 200 households.	The project components include: 1. Conservation of catchment with water friendly trees 2. General project administration 3. Installation of 18.5kw submersible pump 4. Pipe laying to increase pipe network by 4.1 kms 5. Storage Tank 6. Last mile connectivity to 100 households, Ehukhaya schools, Bunyore boys, Ebusiratsi primary, market centres, institutions at Imukunzi, Asebo primary among others	77.6% - Approved

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			<p>Source at Amare Spring and Existing infrastructure include:</p> <ul style="list-style-type: none"> • Pump house • 100m³ clear water sump • 100m³ clear water elevated steel tank • Four water kiosks, pipe network and a protected spring: climate 	
Sabatia Sub County				
1.Chavak ali	7/12/2022	<p>Evojo Community Climate Change Solarized Water Project: To Serve the Health Center, 3 schools and the Neighboring Community to benefit around 1000 people (around 100 households)</p>	<p>Components;</p> <ol style="list-style-type: none"> 1. Elevated storage tanks 2. Pipelines to extent supply 3. Last mile connectivity 4. Hand wash at school 5. Environmental conservation <p>Borehole available 8 cubic meter bore borehole already in place</p>	77.4%- Approved.
2.N.Mara goli	7th/12/2022	<p>Mulundu Solar Water Project: The project to benefit approximately 2230 people with aim to promote community access to clean and safe waste</p>	<p>Climate change interventions include:</p> <ol style="list-style-type: none"> 1. Protection of spring source at Mugogo Spring 2. Power house and intake sump 3. Solar Pumping systems 4. Pipelines to households, dispensary and other public institutions 5. Elevated Plastic storage tanks at Mulundu 	70.1% - Approved
Hamisi Sub county				

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Jepkoyai	8/12/2022	Givole Community Climate Resilience Water Project: to benefit about 2100 people	Components by Climate Change Include: <ol style="list-style-type: none"> 1. Intake Works 2. Conservation of water intake areas 3. Treatment works 4. Sump 5. Solar Pumping Unit 6. Office Power House 7. Distribution and last mile connectivity 8. Environmental conservation though protection of riparian zones, sensitization on eucalyptus 	78.6% - Approved
Muhudu		Kaptech Community Climate change Water Project: Project targets to benefit 2000 people upon completion	Components Include: <ol style="list-style-type: none"> 1. Solar pumping system 2. 30,000 cubic meter storage tank at Kaptech market 3. Rehabilitation of the distribution 4. 5000l tank at Kaptech Primary 5. Plant 500 tree seedlings and hold 3 community sensitization forum on climate change. <p>Existing infrastructure include A 6m³ Borehole at Kaptech primary and a 12m³ Steel tank at Kaptech Market. An electric pump and some piping are in place. Supply is intermittent due to power related challenges.</p>	80.25% - Approved
South Maragoli		South Maragoli Ward Apiculture and Livelihood Project To benefit approximately 1120, largely drawing membership from the Maragoli Hills CFA, the group to transform into a	Project Components Include: <ol style="list-style-type: none"> 1. Community mobilization 2. Group registration and training 3. Site selection 4. Apiary design and development 5. Purchase of materials and equipment's 6. Installation, training and operationalizing 	79.6% - Approved

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		cooperative and replicate the success across the entire sub county. The project to be located within the Maragoli Hills Forest Complex under reforestation by the Department		
Luanda Sub County				
Wemilabi		Wemilabi Environmental Conservation Project	Project Components include: <ol style="list-style-type: none"> 1. Establishment of tree nurseries 2. Awareness and capacity building 3. Protection and conservation of degraded areas 	62.6%-Not Approved for lack of clear livelihood resilience aspect

10. Environmental and Sustainability Reporting

The Vihiga County Climate Change Fund, whose programs are implemented by the Directorate of Climate Change exists to strengthen resilience of communities to climate change, enhance adaptation for in the context of sustainable development.

1. Sustainability strategy and profile -

The Climate Change Fund will be sustainable there have been efforts to put in the budget at least two per cent of the County's annual budget. The governor being the chair of the steering committee that is the highest decision-making organ and the involvement of the members of the county assembly ensure the right trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure. Putting communities at the centre of decision making about project identification, implementation and operations helps to ensure sustainability of climate change initiatives under the fund. Furthermore, water projects implemented by the fund are handed over to the County Water Utility Company for sustainability.

2. Environmental performance

The fund undertakes environmental safeguards before implementation of the programs. There is a dedicated environmental and social safeguards focal person for the projects. In addition, the projects have and environmental and social components, which budgets for conservation of natural resources, restoration of degraded areas and sensitization of communities on environmental conservation and climate change.

3. Community Engagements-

Community engagements for social inclusion is one of the key pillars of the climate change fund. Community engagements in the reporting period were:

- Training of the 25 Ward Climate Change Planning Committees on project monitoring, evaluation and reporting.
- Undertaking community consultation forums for projects selection in 9 wards
- Radio Programmes for increased Climate Change awareness
- Engagement of communities on climate change risks identification in 25 wards
- Public participation for the identified, approved projects
- Community participation in supervision of the climate change projects
- Completion of the Vihiga County Climate Change Action Plan engagements in 25 wards

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11. Report of the Trustees

The fund does not have board of trustees

Vihiga County Climate Change Fund

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12. Statement of Management's Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by Vihiga Climate Change Fund Act 2019 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2022. This responsibility includes:


- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund;
- (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) safeguarding the assets of the Fund;
- (v) selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Vihiga Climate Change Fund Act 2019. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2022, and of the Fund's financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

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

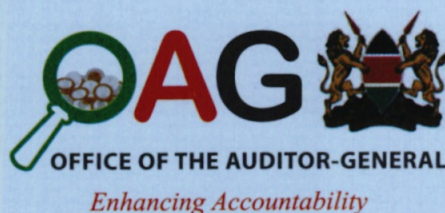
Approval of the financial statements

The Fund's financial statements were approved by the steering committee on July 27, 2023 and signed on its behalf by:


Evans Kisambo
Fund Administrator

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON CLIMATE CHANGE FUND FOR THE YEAR ENDED 30 JUNE, 2023 – COUNTY GOVERNMENT OF VIHIGA

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Climate Change Fund - County Government of Vihiga set out on pages 1 to 12, which comprise of the statement of financial position as at 30 June, 2023, and the statement of financial performance,

Report of the Auditor-General on Climate Change Fund for the year ended 30 June, 2023 – County Government of Vihiga

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Climate Change Fund as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with Vihiga County Climate Change Fund Act, 2019 and the Public Financial Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The statement of financial performance and as disclosed in Note 2 to the financial statements reflects an amount of Kshs.29,460,421 under use of goods and services, which further includes an amount of Kshs.19,157,076 on other projects – climate change fund. However, the ledger amount is Kshs.19,295,753 resulting to a variance of Kshs.138,677. The amount of Kshs.138,677 is attributed to VAT paid to the Kenya Revenue Authority. Although Management indicates that the ledger has been revised, no evidence was provided to show how it was revised.

In the circumstances, the completeness and accuracy of the expenditure on use of goods and services could not be confirmed.

2. Irregular Allowances to Members of Vihiga County Assembly Environment Committee

The statement of financial performance and as disclosed in Note 2 to the financial statements reflects use of goods and services amount of Kshs.29,460,421 which includes administration expenses amounting to Kshs.7,006,630, which further includes an amount of Kshs.266,000 paid for sensitization of the Members of the County Assembly Environment Committee. Management did not provide any authority and documentation for the payments to the Members of the County Assembly (MCA).

In the circumstances, the completeness, accuracy and the validity of the amount paid to the MCA's could not be confirmed.

3. Lack of Imprest Register

The statement of financial position reflects an amount of Kshs.74,181,087 in total assets, which includes both cash and cash equivalents and property, plant and equipment. However, this amount did not include an amount of Kshs.1,749,700, relating to un surrendered imprest at the end of the year. In addition, the Fund did not maintain an imprest register, which is irregular.

In the circumstances, the completeness and accuracy of the disclosed assets in the statement of financial position could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.87,000,000 and Kshs.82,000,000 respectively, resulting in an underfunding of Kshs.5,000,000 or 6% of the budget. Similarly, the fund spent an amount of Kshs.29,460,421 against an approved budget of Kshs.87,000,000, resulting in an under-expenditure of Kshs.57,539,579 or 66% of the budget. Management has not provided satisfactory explanation on the low absorption of funds.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Value for Money on Completion of Kimogoi Shikomoli Water Project

The statement of financial performance and as disclosed in Note 2 to the financial statements reflects an amount of Kshs.29,460,421 on use of goods and services.

Included in this amount is an expenditure of Kshs.19,157,076 relating to other project expenses which further includes Kshs.7,742,285 spent on payment for Kimogoi Shikomoli water project.

The water project was completed in the financial year under review. The purpose of the project was to enable the Kimogoi and Shikomoli communities to get clean water. However, site visits on 17 November, 2023 revealed that the project which was expected to benefit about one hundred households was completed, but a section of the community members indicated that water was not reaching their homes even though they were part of the project. Management attributed the non-serving of the community to lack of funds to purchase water treatment chemicals which could not be confirmed.

In the circumstances, the community may not have gotten value for the money spent on the project.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal control that

might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal controls components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


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

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


07 March, 2024


Vihiga County Climate Change Fund

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

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

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Transfers From the County Government	1	82,000,000	37,000,000
TOTAL REVENUE		82,000,000	37,000,000
Expenses			
Use of goods and services	2	29,460,421	15,633,492
Total Expenses		29,460,421	15,633,492
Surplus/(Deficit) for the Period		52,539,579	21,366,508


.....
Name:
Administrator of the Fund


.....
Name: *Duke Aglonka*
Fund Accountant
ICPAK Member Number:
30023

Vihiga County Climate Change Fund


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


15. Statement of Financial Position As at 30 June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	3	73,906,087	21,366,508
Total current assets		73,906,087	21,366,508
Non-Current Assets			
Property, Plant and Equipment	4	275,000	275,000
Total Assets		74,181,087	21,641,508
Liabilities			
Current Liabilities		-	
Total current liabilities		-	-
Non-Current Liabilities		-	-
Total Liabilities		-	-
Net Assets		74,181,087	21,641,508
Surplus		52,539,579	21,366,508
Accumulated Surplus		21,641,508	275,000
Total Net Assets and Liabilities		74,181,087	21,641,508

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30/06 2023 and signed by:

Vihiga County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023


.....
Name:
Administrator of the Fund


.....
Name: *Duke Agumba*
Fund Accountant
ICPAK Member Number:
30023

Vihiga County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023

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

Description	Revolving Fund	Revaluati on Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July (2021)	-	-	-	-
Surplus For the Period	-	-	21,641,508	21,641,508
Balance As At 30 June (2022)	-	-	21,641,508	21,641,508
Balance As At 1 July (2022)	-	-	21,641,508	21,641,508
Surplus For the Period		-	52,539,579	52,539,579
Balance As At 30 June (2023)			74,181,087	74,181,087

*Vihiga County Climate Change Fund***Annual Report and Financial Statements for the year ended June 30, 2023****17. Statement of Cash Flows for The Year Ended 30 June 2023**

Description	Note	FY 2022-2023	FY 2021-2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the county government	1	82,000,000	37,000,000
Total receipts		82,000,000	37,000,000
Payments			
Use of Goods and Services	2	29,460,421	15,633,492
Net cash flows from operating activities		52,539,579	21,641,508
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets	4	-	275,000
Net cash flows used in investing activities		-	275,000
Cash flows from financing activities			
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash & cash Equivalents		52,539,579	21,366,508
Cash and cash equivalents at 1 July		21,366,508	-
Cash and cash equivalents at 30 June	3	73,906,087	21,366,508

Vihiga County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023

18. Statement Of Comparison of Budget and Actual Amounts for The Period ended June 30,2023

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilization
	2022/2023	2022/2023	2022/2023	2022/2023	2022/2023	2022/2023
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers from County Govt.	80,000,000.00	-15,000,000.00	65,000,000.00	60,000,000	5,000,000.00	0.92
FloCA	22,000,000.00		22,000,000.00	22,000,000	0.00	1.00
Total income	102,000,000.00	-15,000,000.00	87,000,000.00	82,000,000	5,000,000.00	0.94
Expenses						
Administration expenses	46,000,000.00	-4,500,000.00	41,500,000.00	10,303,345	31,196,655.00	0.25
Other P expenses	56,000,000.00	-10,500,000.00	45,500,000.00	19,157,076	26,342,924.30	0.42
Total expenditure	102,000,000.00	-15,000,000.00	87,000,000.00	29,460,421	57,539,579.30	0.34
Surplus for the period	-	-		52,539,579		

Vihiga County Climate Change Fund

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

19. Notes to the Financial Statements

1. General Information

Vihiga Climate Change Fund Act 2019 established Vihiga Climate Change Fund, with three level structure namely, the steering committee, the county planning committee and the ward climate change planning committee. The entity is wholly owned by the County Government of Vihiga and is domiciled in Vihiga County, Kenya.

During 2022/2023 financial year there were some changes in terms of key management team brought about by the 2022 general elections and subsequent appointments in the steering and planning committees.

The activities of the Fund commenced by establishment the governance structures and policy/legal framework. They include; establishment of the secretariat, Fund administration and the office, establishment of the County Climate Change Planning Committee, County Climate Change Steering Committee and the Ward Climate Change Planning Committees in all the 25 wards. Sensitisation of the public on climate change matters was done and training and inaugurating the ward climate change committee members was also undertaken.

2. Statement of compliance and basis of preparation

The Fund's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented. The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

Vihiga County Climate Change Fund

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

6. Notes To The Financial Statements

1. Transfers from County Government

Description	2022/2023	2021/2022
	KShs	KShs
Transfers from County Govt. – operations		37,000,000.00
Exchequer Release 17/04/2023 (FLLoCA)	11,000,000.00	-
Exchequer Release 24/04/2023	10,000,000.00	-
Exchequer Release 14/06/2023	10,000,000.00	-
Exchequer Release 03/07/2023	40,000,000.00	-
Exchequer Release 07/07/2023 (FLLoCA)	11,000,000.00	-
Total	82,000,000.00	37,000,000.00

2. Use of Goods and Services

Description	Insert Current FY2023-2022	Insert Previous FY2021-2022
	Kshs.	Kshs.
Administration	7,066,630	9,090,900
Bank Charges	235,480	11,203
Fuel and Oil Cost	294,885	250,000
Printing and Stationery	14,850	99,725
Furnitures and Fittings	-	135,000
Computers and Office equipment	-	140,000
Floca Expenses	2,691,500	-
Total Administration expenses	10,303,345	9,726,828
Other Projects-Climate Change Fund	19,157,076	5,906,664
TOTAL	29,460,421	15,633,492

Vihiga County Climate Change Fund

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

3. Cash and cash equivalents

Description	Period ended June30,2023	Prior Period Audited 2021-2022
	KShs	KShs
Current account	73,906,087.00	21,366,508.00
Total cash and cash equivalents	73,906,087.00	21,366,508.00

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

Financial institution	Account number	Period ended June 30, 2023	Prior Period Audited
		KShs	KShs
a) Current Account			
Special Purpose Account CBK		73,906,087.00	21,366,508.00
Equity Bank		-	
Sub- total		73,906,087.00	21,366,508.00

Fund Manager/Accounting Officer (enter title of head of Fund)

Date.....30/06/2023.....

Vihiga County Climate Change Fund

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

4. Property, plant and equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July (2021)	0	0	-	-	-
Additions	0	0	135,000	140,000	275,000
Disposals	0	0	-	-	-
Transfers/Adjustments	0	0	-	-	-
At 30th June (2022)	0	0	135,000	140,000	275,000
At 1st July (2022)					
Bal b/f	0	0	135,000	140,000	275,000
Additions	0	0	-	-	-
Disposals	0	0	-	-	-
At 30th June (2023)	0	0	135,000	140,000	275,000
Depreciation And Impairment					
At 1st July (2021)	0	0	0	0	0
Depreciation	0	0	0	0	0
Impairment	0	0	0	0	0
At 30th June (2022)	0	0	0	0	0
At 1st July (2022)					
Depreciation	0	0	0	0	0
At 30th June (2023)	0	0	0	0	0
Net Book Values					
At 30th June (2022)	0	0	135,000	140,000	275,000
At 30th June (2023)	0	0	135,000	140,000	275,000

Note: Non-Current Assets were not depreciated because the County Government of Vihiga does not have an approved depreciation policy.

**Vihiga County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Annexes

I: Progress on Follow Up of Prior Year Auditor's Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
FY 2021/2022	Failure to disclose Property, Plant and Equipment	The Management noted the Auditors observation and its now reflected in the financial statement of financial year 2022/2023	Resolved	Fy 2022/2023
	Failure to prepare the Statement of changes in Net Assets	The Management noted the Auditors observation and its now reflected in the financial statement of financial year 2022/2023	Resolved	Fy 2022/2023
	Improper preparation of statement of cashflow	The Management noted the Auditors observation and its now reflected in the financial statement of financial year 2022/2023	Resolved	Fy 2022/2023
	Budgetary Control and Performance	The Management noted the Auditors observation and its now reflected in	Resolved	Fy 2022/2023

Vihiga County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
		the financial statement of financial year 2022/2023		