

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

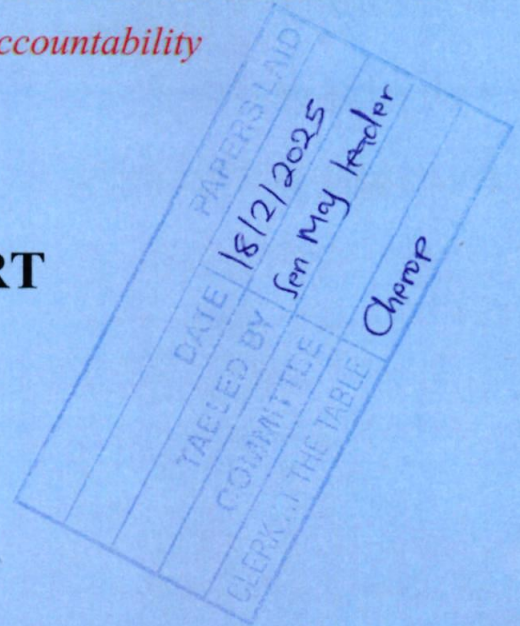
**OF**

**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED  
30 JUNE, 2024**





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**KIAMBU COUNTY HEALTH SERVICES FACILITY IMPROVEMENT FUND**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**JUNE 30, 2024**

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

*Kiambu County Health Services Facility Improvement Fund*  
**- Report and Financial Statements**  
**For the Year ended June 30, 2024**

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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
FIF-	facility improvement fund
KEPH-	Kenya Essential Package For Health
CECM-	County Executive Committee Member
CIDP-	County Integrated Development Plan
CHMT -	County Health Management team
MMed	masters in medicine
SLDP	senior leadership development program
KSG	Kenya school of government
UON	University of Nairobi
CPA	certified public accountant
NHIF	National health insurance
Fiduciary Management	The key management personnel who had financial responsibility

**2. Key Entity Information and Management**

**a) Background information**

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

**b) Principal Activities**

The fund's objective is to ....

Promote access to health services

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

**VISION**

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

**MISSION**

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

**MANDATE OF THE FUND**

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

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**c) Fund Administration Committee**

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

**d) Key Management**

<b>SN</b>	<b>Name</b>	<b>Position</b>
1	Dr Patrick .N.Nyaga	Fund Administrator
2	Alex Weru Nyamu	Fund Accountant
3	Dr Hillary Kagwa Gichuki	Fund secretary
4	Stephen Musyoka Ngui	Member
5	Dr Penina Waturi Kibuti	Member
6	Dr muthee kamiri	Member
7	Dr Esther kamau	Member

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**Key Entity and Management (Continued)**

**e) Fiduciary Oversight Arrangements**

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

SN	Position	Name
1	Directorate Internal Audit Kiambu county	CPA Joel Ngeru Director internal audit
2	County assembly of Kiambu	Mr john mutie clerk county assembly
3	Kiambu county finance department	M/s Nancy kirumba CECm -Finance

**f) Registered Offices**

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

**g) Fund Contacts**

E-mail: [cdhkiambu@gmail.com](mailto:cdhkiambu@gmail.com)  
Website: [www.kiambu.go.ke](http://www.kiambu.go.ke)

**h) Fund Bankers**

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

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**Key Entity and Management (Continued)**

**i) Independent Auditors**

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

**j) Principal Legal Adviser**



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

**k) County Attorney**

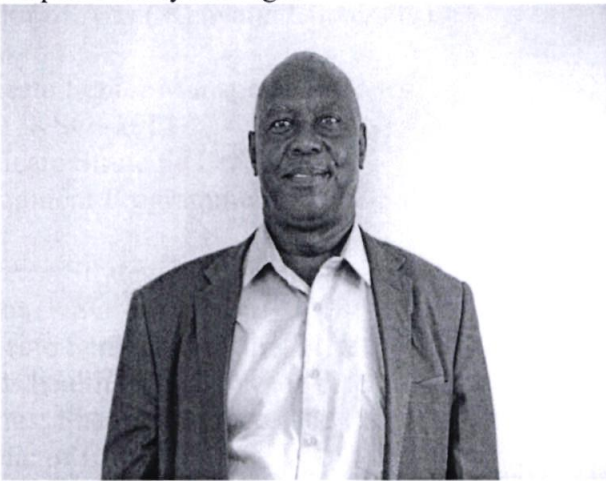

The Kiambu county attorney  
Kiambu county  
P.O. Box 2344  
00900  
**Kiambu, Kenya**

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**3. Fund Administration Committee**

Name	Details of qualifications and experience
<p>Dr Patrick Njeru Nyaga</p> 	<p>Date of birth – 21<sup>st</sup> march 1974            Academic qualifications: MMed. Surgery (University of Nairobi).            MBcHB (University of Nairobi).            Strategic leadership programme (SLDP)-KSG            over 22 years work experience majorly in management</p>
<p>Dr Hillary Kagwa Gichuki</p> 	<p>Date of birth 24th may 1983            Masters Degree of Pharmacy in Clinical Pharmacy from the University of Nairobi            Bachelor of Pharmacy from UON            Senior Management Course from the Kenya School of Government            Post Graduate Diploma in Purchasing &amp; Supply from CIPS UK            Preceptor Course in Renal Pharmacy Practice from the East African Kidney Institute            Postgraduate diploma in the management of Diabetes and its complications            13years work experience with 5 years in managemen</p>



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<p>Stephen Musyoka Ngui</p> 	<p>Date of Birth 29<sup>th</sup> April 1967          Bachelor of Arts ( Kenyatta University) - 1992          Certificate Senior Management Course (SMC) -KSG -2011          Certificate Strategic Leadership Development Programme (SLDP) -KSG-2014          Certificate Strategic Public Procurement Seminar (KSG -Mombasa)- 2008          Certificate Seminar on Rural Health care towards health officials from African countries: Shanxi Province, The People’s Republic of China -2009          Certificate on Senior Management for Health Systems strengthening ( KSG NAIROBI) - 2011          Certificate Financial Management course for Public Hospital Managers (KSG, Embu) - 2015          Certificate Financial Management course for County Directors of Health, Finance and Planning (KSG, Nairobi)-2015          Certificate on the foundations of managing healthcare business program – (Strathmore Business School, Nairobi)-2016          24 years as Health Administrative Officer at busy Level 5 and 4 hospitals. -7 years as Director Planning and Administration at the CHMT.</p>
<p>Dr. Kamiri Muthee</p> 	<p>Date of birth 24<sup>th</sup> December 1984          Dr. Kamiri Muthee a medical practioner with over 14 years of experience working in the health sector.          Qualified as a medical doctor in 2008 after graduating from the University of Nairobi. And as orthopaedic surgeon in 2020 from the University of Nairobi.          Dr. Kamiri currently serving in Ruiru and Nairobi and is the current medical superintendent for Ruiru Level IV Hospital.</p>

*Kiambu County Health Services Facility Improvement Fund*



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**For the Year ended June 30, 2024**

<p>Dr Penina waturi Kibuti</p> 	<p><b>Date of birth: 21<sup>st</sup> January 1984</b> <b>Key qualifications and work experience:</b> Medical Specialist bachelors in Medicine, and Surgery Masters in Medicine (Psychiatry)</p>
<p>Dr Esther. W. Kamau</p> 	<p><b>Date of birth: 12<sup>th</sup> february 1983</b> Academic qualifications; Post graduate diploma in global health procurement and supply chain management, Kent university-empower school of health, June 2023-ongoing; Masters of public health (MPH)-Health services management, Moi university 2011-2016 Bachelors of pharmacy-university of Nairobi 2002-2006, Management information systems diploma diploma-nakuru computer training college and services-jan-dec 2002</p>

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**4. Management Team**

Name	Details of qualifications and experience
<p>Dr Patrick Njeru Nyaga</p> 	<p>Date of birth – 21<sup>st</sup> march 1974            Academic qualifications: MMed. surgery (University of Nairobi).            MBChB (University of Nairobi).            Strategic leadership programme (SLDP)-KSG            Health systems management (HSM)-Kenya Medical Training College (KMTC) over 21 years work experience majorly in management</p>
<p>Mr Alex Weru Nyamu</p> 	<p>Date of birth -8<sup>th</sup> march 1986            Academic qualification masters in Business administration, Bcom accounting, Cpa-K .            Over 14 years' experience in finance department</p>
<p>Dr Hillary Kagwa Gichuki</p>	<p>Date of birth 24th may 1983            Masters Degree of Pharmacy in Clinical Pharmacy from the University of Nairobi            Bachelor of Pharmacy from UON            Senior Management Course from the Kenya School of Government            Post Graduate Diploma in Purchasing &amp; Supply from CIPS UK</p>



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	<p>Preceptor Course in Renal Pharmacy Practice from the East African Kidney Institute                  Postgraduate diploma in the management of Diabetes and its complications                  13years work experience with 5 years in management</p>
<p>Stephen Musyoka Ngui</p> 	<p>Date of Birth 29<sup>th</sup> April 1967                  Bachelor of Arts ( Kenyatta University) - 1992                  Certificate Senior Management Course (SMC) -KSG -2011                  Certificate Strategic Leadership Development Programme (SLDP) -KSG-2014                  Certificate Strategic Public Procurement Seminar (KSG -Mombasa)- 2008                  Certificate Seminar on Rural Health care towards health officials from African countries: Shanxi Province, The People's Republic of China -2009                  Certificate on Senior Management for Health Systems strengthening ( KSG NAIROBI) - 2011                  Certificate Financial Management course for Public Hospital Managers (KSG, Embu) - 2015                  Certificate Financial Management course for County Directors of Health, Finance and Planning (KSG, Nairobi)-2015                  Certificate on the foundations of managing healthcare business program – (Strathmore Business School, Nairobi)-2016                  24 years as Health Administrative Officer at busy Level 5 and 4 hospitals. -7 years as Director Planning and Administration at the CHMT.</p>

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<p>Dr. Kamiri Muthee</p> <hr/> 	<p>Date of birth 24<sup>th</sup> December 1984 Dr. Kamiri Muthee a medical practitioner with over 14 years of experience working in the health sector.</p> <p>Qualified as a medical doctor in 2008 after graduating from the University of Nairobi. And as orthopaedic surgeon in 2020 from the University of Nairobi.</p> <p>Dr. Kamiri currently serving in Ruiru and Nairobi and is the current medical superintendent for Ruiru Level IV Hospital.</p>
<p>Dr Penina . w. Kibuti</p> 	<p><b>Date of birth: 21<sup>st</sup> January 1984</b> <b>Key qualifications and work experience:</b> Medical Specialist bachelors in Medicine, and Surgery Masters in Medicine (Psychiatry)</p>
<p>Dr Esther . W . Kamau</p>	<p><b>Date of birth: 12<sup>th</sup> february 1983</b> Academic qualifications; Post graduate diploma in global health procurement and supply chain management, Kent university-empower school of health, June 2023-ongoing; Masters of public health (MPH)-Health services management, Moi university 2011-2016 Bachelors of pharmacy-university of Nairobi 2002-2006,</p>

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	<p>Management information systems diploma diploma-Nakuru computer training college and services-Jan-Dec 2002 Over 16 years work experience in</p>
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**5. FIF FUND CHAIRPERSON REPORT**

**Introduction**

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

**Changes over last year**

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

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

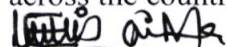
**Outlook of the Fund**

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

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

The fund in the concluded financial year was able to collect ksh 1,237,688,895 . ksh 1,173,927,944.40 was expended as cash and supplies of equipments and commodities from the fund

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



Dr Elias Mbutia Maina

**CECM- Health Services Kiambu County  
Chairperson of the Fund**

## **6. Report of the fund Administrator**

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

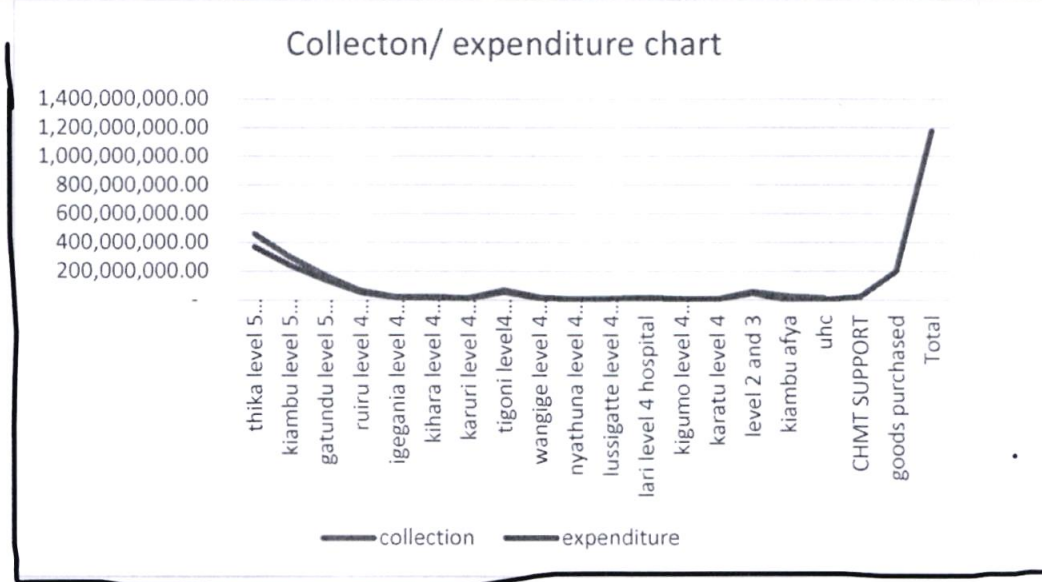
In the last financial year, the department of health services has ensured reduced delays in financing the Kiambu County funded health facilities increasing the supplier's confidence with the county hence ensuring a seamless system of supplies, hence an affordable quality health care system.

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

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

For the year ended 30<sup>th</sup> June 2024, the FIF has been able to collect and reimburse all collections from the hospitals up to 28<sup>th</sup> June 2024 in accordance to the financial guidelines the balance to be appropriated in the financial year 2024/2025 as per the table below

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For the financial year 2021/2022 the Kiambu county FIF fund through the fund committee resolved to equip all the level 4 and 5 hospitals with key equipment's in the laboratory to reduce referrals especially from the low volume level 4 hospitals and ensure that service delivery is close to residents. This has so far been achieved. The fund has also been making timely reimbursements to contributing hospitals therefore ensuring efficiency in supplies and reduced stock outs as previously experienced. In the financial year 2023/2024, the fund has continued in its investment in hospital by purchasing various equipments that have been distributed across the various government hospitals in the county

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

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

**Dr Patrick N Nyaga  
Fund Administrator  
FIF Fund**

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

**Introduction**

Section 164 (2) 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.

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

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

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

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

Below we provide the progress on attaining the stated objectives:

<b>Program</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
<b>Curative services</b>	To ensure sufficient supply of health products	Quality health care	%of available commodities	During the year the fund disbursed collections to hospitals. In addition, several commodities were procured centrally
	Provision of computers and other ICT equipment	Quality data output	% computers installed / networked	In the year under review several computers and ict equipments were purchased in readiness to ensure sufficient data is captured on patients

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				records and NHif claims
	Ensure availability/ expansion of services	Reduced referral/ increased quality of care	No of hospital equipment purchased	The fund purchased Equipment for facilities in an attempt to increase revenue and

In the FY 2023/2024, the sector executed the implementation of the strategic objectives across the six programme as follows.

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

The fund in the concluded financial year was able to collect ksh 1,237,688,895 . ksh 1,173,927,944.40 was expended as cash and supplies of equipments and commodities from the fund by either transferring cash to facilities, administration expenses or payment of various supplies. At the end of the period sh 19,440,024 was owed to facilities.

**8. Corporate Governance Statement**

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

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

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

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

## **9. Management Discussion and Analysis**

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

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

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

The Kiambu county government under the leadership of the executive member has ensured the development of County Integrated Development Plan (CIDP) 2023-2028, this is a guide on planning on investments, the plan sets out a standard and comprehensive approach to county planning and budgeting for effective and efficient service delivery in the period 2023-2028

This County Integrated Development Plan (2023-2028) is program based and paves the way for transparency in implementation of programs. It lays the foundation for developing a performance monitoring system with clear indicators, targets and time frame, which will create an environment for effective management and a high level of service delivery.

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

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

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

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

In the financial year 2023-2024, through request by individual health facilities, the fund committee recommended investment in all hospitals supplies and equipments . This will greatly reduce on referrals increase efficiency and build confidence in patients on the quality of healthcare being provided by the hospitals.

In the current year, the fund has invested in ICT by provision of computer and other related gadgets to increase revenue monitoring and patient care. This will go along way to ensure revenue enhancement especially Nhif claim process

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

### **1. Sustainability strategy and profile -**

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

### **2. Environmental performance**

The fund in its operation has highly recommended on key renovations of both buildings through the department of health services and equipments e.g incinerators to ensure safe environment for smooth operations.

### **3. Employee welfare**

The department of health services has successfully appointed hospital boards to ensure proper operations of the hospitals and community involvement. The boards are expected to be the link between the hospital management and the communities that hospitals exist in. With proper communication, the boards are expected to reduce conflict between the community and the staffs. Boards are also expected to contribute to hospital developments, political goodwill. The fund management through the executive has recommended for a provision of insurance cover to the venerable in the communities to reduce the burden of waivers borne by the hospitals. This in turn will increase on accountability and better clients satisfaction and effective policy adherence. through better financing of health products.

### **4. Market place practices-**

*The organisation* organization should outline its efforts to:

#### a) Responsible competition practice.

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

#### b) Responsible Supply chain and supplier relations-

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

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

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

### **5. Corporate Social Responsibility / Community Engagements**

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

***Kiambu County Health Services Facility Improvement Fund***

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**11. Report of The Trustees**

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2024 which show the state of the Fund affairs.

**Principal activities**

The principal activities of the Fund are

Promote access to health services

- Facilitate progressive realization of the right to health within the county to the highest attainable standards of health within the county including public health, reproductive health and right to access emergency medical care
- Promote public health

Establish a framework for cooperation with the health regulatory bodies established under any other written law for purpose of assuring standard health care services

**Results**

The results of the Fund for the year ended June 30, 2024 are set out on page 1-45 of the financial statements.

**Trustees**

The members of the Board of Trustees who served during the year are shown on page vii. There were no changes in the Board during the financial year.

**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

  
.....

**Chair of the Fund Administration Committee**

Date: 21/11/24.....

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**12. Statement of Management’s Responsibilities**

Section 168 of the Public Finance Management Act, 2012 requires that, at the end of each quarter, the Administrator of a County Public Fund established by *The Kiambu Health Services act 2019* shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

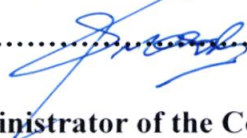
The Administrator of the County Public Fund is responsible for the preparation and presentation of the Fund’s financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Administrator of the County Public Fund accepts responsibility for the Fund’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and *The Kiambu Health Services act 2019*. The Administrator of the Fund is of the opinion that the Fund’s financial statements give a true and fair view of the state of Fund’s transactions during the Period ended 30<sup>th</sup> June 2024, 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.

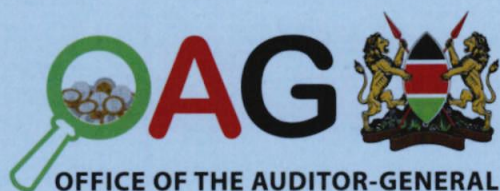
In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund’s ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements. Nothing has come to the attention 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 11/11/24 2024 and signed on its behalf by:

.....  
  
**Administrator of the County Public Fund**

# REPUBLIC OF KENYA



*Enhancing Accountability*

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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON KIAMBU COUNTY HEALTH SERVICES FACILITY IMPROVEMENT FUND (HSFIF) FOR THE YEAR ENDED 30 JUNE, 2024**

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### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Kiambu County Health Services Facility Improvement Fund (HSFIF) set out on pages 1 to 61 which comprise the statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the

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*Report of the Auditor-General on Kiambu County Health Services Facility Improvement Fund (HSFIF) for the year ended 30 June, 2024*

provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Kiambu County Health Services Facility Improvement Fund (HSFIF) as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Kiambu County Health Services Act, 2019.

## **Basis for Qualified Opinion**

### **1. Inaccuracies in the Financial Statements**

The statement of financial performance reflects receipts from hospitals and transfers to hospitals amounting to Kshs.1,237,688,895 and Kshs.1,173,927,944 while the statement of cash flows reflects receipts from and transfers to hospitals amounting to Kshs.1,213,403,335 and Kshs.1,140,710,289 respectively as disclosed in Note 3 and Note 9 to the financial statements respectively. The variances of Kshs.24,285,560 and Kshs.33,217,655 for receipts from and transfers to hospitals were not reconciled.

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

### **2. Unsupported Transactions**

#### **2.1 Transfers from Health Centers and Dispensaries**

The statement of financial performance and Note 3 to the financial statements reflects transfer from hospital amounting to Kshs.1,237,688,895 which includes transfers from health centers and dispensaries and Universal Health Care. Review of the receipts revealed that the amount was not supported by billing reports from the NHIF, NHIF returns, invoices and claims and hospitals bank statements. Further, Universal Health Care balance of Kshs.11,442,880 was not supported by requisitions and disbursements schedules to the facilities.

#### **2.2 Receivables from Exchange Transactions**

The statement of financial position and Note 13 to the financial statements reflects current portion of long – term receivables from exchange transactions balance of Kshs.46,270,890. However, the receivables balances were not supported by an ageing analysis, billing reports, and invoices.

In the circumstances, the accuracy and completeness of transfers from health centers and dispensaries and accounts receivables amounts of Kshs.1,237,688,895 and Kshs.46,270,890 respectively could not be confirmed.

### **3. Inaccurate Cash and Cash Equivalents**

The statement of financial position and Note 12 to the financial statements reflects cash and cash equivalents balance of Kshs.238,910,471. Review of bank reconciliation statement revealed receipts in the bank statements not yet recorded in the cashbook of

Kshs.49,162,865. However, review of the bank statements provided revealed that the said receipts totalling Kshs.49,162,865 could not be traced. Further, review of the bank reconciliation statement for the month of June, 2024 revealed unrepresented cheques totalling Kshs.247,927,639. Information was not provided to confirmed if and when the respective cheques were cleared.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.238,910,471 could not be confirmed.

#### **4. Unreconciled Variances between the Facility Improvement Fund (FIF) and Thika Level V Hospital Balances**

The statement of financial performance reflects transfer from hospitals amount of Kshs.1,237,688,895 which as disclosed in Note 3 to the financial statements includes transfers totalling Kshs.458,548,769 from Thika Level 5 Hospital. However, analysis of the Fund account revealed that Thika Level 5 Hospital swiped Kshs.458,183,607 to the FIF as at 30 June, 2024 resulting to an unreconciled variance of Kshs.365,162. Further, disclosed in Note 9 of the FIF financial statements is an amount of Kshs.366,839,015 in respect to transfers to Thika Level 5 Hospital. However, the hospital acknowledged receipts of an amount of Kshs.366,546,885 from FIF in the financial year under review resulting to a variance of Kshs.292,130.

In addition, Thika Level 5 Hospital's statement of financial position reflects receivables from exchange transactions of Kshs.708,269,278 which as analyzed in Note 28 to the financial statements includes an amount of Kshs.96,633,292 relating to receivables from FIF. However, the FIF financial statements under Note 20 to the financial statements reflects additional payable disclosure which include a total amount of Kshs.2,048,803 payables to Thika Level 5 Hospital resulting to an unreconciled variance of Kshs.94,584,489.

Further, reported in Note 13 of the FIF financial statements is receivables from exchange transactions totalling Kshs.46,270,890 which included receivables of Kshs.2,561,004 relating to Thika Level 5 Hospital. However, the corresponding financial statements for Thika Level 5 did not indicate any amount payables to the FIF fund resulting to an unreconciled variance of Kshs.2,561,004.

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

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

#### **Emphasis of Matter**

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

The statement of comparison of budget and actual amounts reflects budgeted expenditure of Kshs.2,200,000,000 against actual expenditure of Kshs.1,237,688,895

*Report of the Auditor-General on Kiambu County Health Services Facility Improvement Fund (HSFIF) for the year ended 30 June, 2024*

resulting to an under-funding of Kshs.962,311,105 or 44%. Similarly, the statement reflects final expenditure budget and actual on comparable basis totalling Kshs.2,200,000,000 and Kshs.1,206,392,547 respectively, resulting to under-utilization of Kshs.993,607,453 or 45% of the budget.

The under-funding and under-utilization of approved budget is an indication that all activities and projects in the annual work-plan were not implemented by the Fund which may have negatively impacted on the delivery of services to the public.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

### **Other Matter**

#### **Prior Year Audit Issues**

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

### **Other Information**

The Management is responsible for the other information set out on page iii to xxiv which comprise of Key Entity Information and Management, Fund Administration Committee, Management Team, FIF Chairman's Statement, Report of the Fund Administrator, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Trustees, Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Kiambu County Health Services Facility Improvement Fund (HSFIF) financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information and I am required to report that fact. Based on the audit procedures performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

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

## Conclusion

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

## Basis for Conclusion

### 1. Non-Compliance with Transfers to Facilities as per the 80% Threshold

The statement of financial performance and Note 9 to the financial statements reflects transfer to hospital amounting to Kshs.1,173,927,944 which is in respect to various Level 5 hospitals, Level 4 hospitals and health centers and dispensaries. Review of the schedule for the transfers to hospitals against the 80 percent threshold revealed that the funds disbursed to some the facilities did not amount to 80% of the approved budget as shown in the table below.

Hospital Name	Transfer from Hospitals (Kshs.)	80% Threshold (Kshs.)	Transfer to Hospitals (Kshs.)	Variance (Kshs.)
Kiambu Level 5 Hospital	299,963,634	239,970,907	239,970,192	715
Kihara Level 4 Hospital	20,782,549	16,626,039	12,420,789	4,205,250
Kiambu Afya	21,627,650	17,302,120	19,168,380	(1,866,260)
Level 2 and Level 3	37,688,549	30,150,839	195,270,837	(165,119,997)
<b>Total</b>	<b>380,062,383</b>	<b>304,049,906</b>	<b>466,830,199</b>	<b>(162,780,292)</b>

This resulted to under transfer to the facilities by Kshs.162,780,293 contrary to Paragraph 9 of Facility Improvement Fund Guidelines, 2022 which requires that all institutions or facilities shall allocate at least 20 percent of their annual budget estimates to County Health Management Team operations (CHMT) therefore expected to utilize 80 percent of the budget estimates.

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

### 2. Irregular Expenditure on Launch of Universal Health Care

The statement of financial performance and Note 7 to the financial statements reflects use of goods and services amounting to Kshs.32,464,603. Included in this amount is Kshs.10,571,276 paid to various media houses for the launch and media coverage of Universal Health Care. Further, Kshs.14,958,120 was used in the facilitation of the Universal Health Care launch as a token of compensation to the attendees. It was not possible to ascertain whether the funds were budgeted for, the approved rates used for

compensation, reason for the compensation and whether the recipients indicated actually received the money.

Further, the total Universal Health Care expenditure of Kshs.25,529,396 was seventy-nine (79%) of the total expenditure of the Fund contravening the objectives of the establishment of the Facility Improvement Fund.

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

### **3. Irregularities in Procurement Process**

The statement of financial performance and Note 9 to the financial statements reflects transfer to hospitals amounting to Kshs.1,173,927,944 which includes drugs and non-pharm and drugs expenditure. Review of the procurement documents provided for audit revealed the following anomalies:

#### **3.1 Supply and Delivery of Non-Pharmaceuticals Using an Expired Framework Agreement**

Examination of sampled payment vouchers revealed that the Fund administrator incurred expenditure worth Kshs.35,546,250 for the supply and delivery of non-pharmaceutical products. Included in the amount is Kshs.5,398,000 awarded to various suppliers using an expired framework for the supply via Tender Number CGK/CHS/FWA/006/2021/2023. In the circumstances, it was not possible to ascertain why the Fund administrator used a flawed procurement process.

#### **3.2 Supply and Delivery of Laboratory Reagents**

Examination of sampled payment vouchers revealed that the Fund administrator incurred an expenditure worth Kshs.9,229,608 paid to a supplier for the supply and delivery of laboratory reagents. Quotation number CGK/QTN/2023-2024/006 revealed that the opening committee had three (3) committee members however, the minutes were signed by only two (2) members. Further, the evaluation committee had four (4) committee members however minutes were signed by only two (2) members.

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

### **4. Unutilized Medical Equipment From FIF**

Reported in Note 9 of the Fund's financial statements is an amount of Kshs.1,173,927,944 in respect to transfers to hospitals. Included in the amount is Kshs.195,270,837 relating to equipment purchased by the Fund and delivered to various hospitals. However, audit and physical verification of equipment delivered to Thika Level 5 Hospital revealed that equipment of undetermined value was lying idle in the store and deteriorating in value an indication that goods delivered were not required.

In the circumstances, value for money was not derived from equipment purchase by the Kiambu residences.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern

them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and 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 the 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 as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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

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

**Nairobi**

**24 December, 2024**


**Kiambu County Health Services Facility Improvement Fund**


**Report and Financial Statements**

**For the Year ended June 30, 2024**

**14. Statement of Financial Performance For The Year Ended 30<sup>th</sup> June 2024**

Description	Note	Period ended June 2024	Period ended June 2023
		Kshs	Kshs
<b>Revenue From Non-Exchange Transactions</b>			
Public Contributions and Donations	1	0	0
Transfers From the County Government	2	0	0
Transfer from hospitals	3	1,237,688,895	1,182,161,856.00
<b>Total</b>		<b>1,237,688,895</b>	<b>1,182,161,856.00</b>
<b>Revenue From Exchange Transactions</b>			
Interest Income	4	0	0
Other Income	5	0	0
		<b>0</b>	<b>0</b>
<b>Total Revenue-</b>	<b>3</b>	<b>1,237,688,895</b>	<b>1,182,161,856.00</b>
<b>Expenses</b>			
Employee Costs	6	0	0
Use of goods and services	7	32,464,603	9,012,935
Depreciation and Amortization Expense	8	0	0
transfer to hospitals	9	1,173,927,944	1,197,715,923.80
<b>Total Expenses</b>		<b>1,206,392,547</b>	<b>1,206,728,858</b>
<b>Other Gains/Losses</b>			
Gain/Loss on Disposal of Assets	10	0	
Gain /Loss on fair value of investments	11	0	
<b>Surplus/(Deficit) for the Period</b>		<b>31,296,348</b>	<b>(24,567,002)</b>

  
**Dr Patrick N Nyaga**  
Administrator of the Fund

  
**Alex Weru**  
Fund Accountant  
ICPAK Member Number: 20970

*Kiambu County Health Services Facility Improvement Fund*

**Report and Financial Statements**

**For the Year ended June 30, 2024**

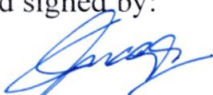
**15. Statement of Financial Position as at 30<sup>th</sup> June 2024**


Description	Note	Period ended June	Period ended
		2024	June 2023
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	12	238,910,470.90	132,986,359
Current Portion of Long- Term Receivables From Exchange Transactions	13	46,270,890	40,102,216
Prepayments	14	0	0
Inventories	15	0	0
Investments in Financial Assets	16	0	0
Total		<b>285,181,360</b>	<b>173,088,575</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	17	6,025,401.00	0
Intangible Assets	18	0	0
Long Term Receivables from Exchange Transactions	18	0	0
Investment Property	19	0	0
		<b>0</b>	<b>0</b>
<b>Total Assets</b>		<b>291,206,761</b>	<b>173,088,575</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables from Exchange Transactions	20	101,347,432	14,525,594
Provisions	21	0	0
Current Portion of Borrowings	22	0	0
Employee Benefit Obligations	23	0	0
Social Benefits	24	0	0
<b>Non-Current Liabilities</b>			
Non-Current Employee Benefit Obligation	23	0	0
Long Term Portion of Borrowings	22	0	0
Social Benefits	24	0	0

**Kiambu County Health Services Facility Improvement Fund**  
**Report and Financial Statements**  
**For the Year ended June 30, 2024**

Description	Note	Period ended June 2024	Period ended June 2023
		Kshs	Kshs
		0	0
<b>Total Liabilities</b>		<b>101,347,432</b>	14,525,594
<b>Net Assets</b>		<b>189,859,329</b>	<b>158,562,981</b>
Revolving Fund		0	0
Reserves		0	0
Accumulated Surplus		<b>189,859,329</b>	158,562,982
<b>Total Net Assets and Liabilities</b>		<b>189,859,329</b>	158,562,982

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 11/11/24 2024 and signed by:

  
**Dr Patrick N Nyaga**  
**Administrator of the Fund**

  
**Alex Weru**  
**Fund Accountant**  
**ICPAK Member Number: 20970**

*Kiambu County Health Services FIF Fund*

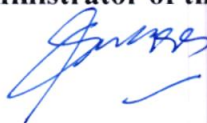
**Report and Financial Statements**

**For the Year ended June 30, 2024**

**16. Statement of Changes in Net Assets for the Year ended 30<sup>th</sup> June 2024**

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
	Kshs	Kshs	Kshs	Kshs
<b>Balance As At 1 July 2022</b>	0	0	119,295,324	119,295,324
Surplus/(Deficit) for the Period	0	0	(24,567,002)	(24,567,002)
Funds received during the Period/adjustments	0	0	63,834,660	63,834,660
Transfers	0	0	0	0
Revaluation Gain	0	0	0	0
<b>Balance as at 30th June 2023</b>	<b>0</b>	<b>0</b>	<b>158,562,982</b>	<b>158,562,982</b>
<b>Balance as at 1st July 2023</b>	0	0	158,562,982	158,562,982
Surplus/(Deficit) for the Period	0	0	31,296,348	97,255,230
Funds received during the period	0	0	0	0
Transfers	0	0	0	0
Revaluation Gain	0	0	0	0
<b>Balance as at 30<sup>th</sup> June 2024</b>	<b>0</b>	<b>0</b>	<b>189,859,329</b>	<b>255,818,212</b>

**Dr Patrick N Nyaga**  
**Administrator of the Fund**



**Alex Weru**  
**Fund Accountant**

**ICPAK Member Number: 20970**

**Kiambu County Health Services Facility Improvement Fund**  
**Report and Financial Statements**  
**For the Year ended June 30, 2024**

**17. Statement Of Cash Flows for the Year ended 30<sup>th</sup> June 2024**

Description	Note	Period ended June	Period ended
		2024	June 2023
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Public contributions and donations	1	0	0
Transfers from the county government	2	0	0
Transfer from hospitals	3	1,213,403,335.00	1,142,059,640
Receipts from other operating activities(end year balances)	12	71,721,070	
<b>Total receipts</b>		<b>1,285,124,405</b>	<b>1,142,059,640</b>
<b>Payments</b>			0
Fund administration expenses	7	19,126,905	3,167,000
General expenses	7	13,337,698	5,788,728
Transfer to hospitals	9	1,140,710,289.00	1,183,190,329
Bank Charges	7		57,208
Other payments			
<b>Total payments</b>		<b>1,173,174,892</b>	<b>1,192,203,265</b>
<b>Net cash flows from operating activities</b>	25	<b>111,949,513</b>	<b>(50,143,625)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and		(6,025,401)	0
Intangible assets		0	0
Proceeds from sale of property, plant & equipment		0	0
Proceeds from loan principal repayments		0	0
Loan disbursements paid out		0	0
<b>Net cash flows used in investing activities</b>		<b>(6,025,401)</b>	<b>0</b>
<b>Cash flows from financing activities</b>		0	0
Proceeds from revolving fund receipts		0	0
Additional borrowings		0	0
Repayment of borrowings		0	0
<b>Net cash flows used in financing activities</b>		<b>0</b>	<b>0</b>
<b>Net increase/(decrease) in cash &amp; cash</b>		<b>105,924,112</b>	<b>(50,143,625)</b>
<b>Equivalents</b>		0	<b>(50,143,625)</b>
Cash and cash equivalents at 30 <sup>th</sup> June 2023		132,986,359	183,129,984
<b>Cash and cash equivalents at 30<sup>th</sup> June 2024</b>		<b>238,910,470</b>	<b>132,986,359</b>

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**18. Statement of Comparison of Budget and Actual Amounts for the period 30<sup>th</sup> June 2024**

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilisation
	Kshs	Kshs	Kshs	Kshs	Kshs	
	A	B	c=(a+b)	D	e=(c-d)	f=d/c*100
<b>Revenue</b>						
Public Contributions and Donations	0	0	0	0	0	0
Transfers From County Govt.	0	0	0	0	0	0
Transfers from hospitals	2,200,000,000	0	2,200,000,000	1,237,688,895	962,311,105	56.26%
Other Income	0	0	0	0	0	0
<b>Total Income</b>	<b>2,200,000,000</b>	<b>0</b>	<b>2,200,000,000</b>	<b>1,237,688,895</b>	<b>962,311,105</b>	<b>56.26%</b>
<b>Expenses</b>						
Fund Administration Expenses	66,000,000	0	66,000,000	19,126,905	46,873,095	33.09%
General Expenses	374,000,000	0	374,000,000	13,337,698	360,662,302	3.57%
Transfers to hospitals	1,760,000,000	0	1,760,000,000	1,173,927,944	586,072,056	66.70%
<b>Total Expenditure</b>	<b>2,200,000,000</b>	<b>0</b>	<b>2,200,000,000</b>	<b>1,206,392,547</b>	<b>993,607,453</b>	<b>54.96%</b>
<b>Surplus For the Period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>31,296,348</b>	<b>(31,296,348)</b>	
<b>Capital expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Budget notes**

1. In the financial year 2023/2024 industrial action by health workers affected collections

Revenues projected from the universal healthcare have not also been fully realized

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**19. Notes to the Financial Statements**

**1. General Information**

Kiambu county health facility improvement fund is established by and derives its authority and accountability from Kiambu county health services Act 2019. The entity is wholly owned by the Kiambu County Government and is domiciled in Kenya.

**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 periods presented.

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

**3 Adoption of new and revised standards**

**(i) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024**

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

**(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.**

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>This standard will not have any effect to the Kiambu Health services FIF .The fund has no applicable lease and doesn’t intend to lease in the coming year.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1<sup>st</sup> 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>

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	<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>This standard may not affect the fund . this is because all activities carried out by the fund focus on the betterment of health facilities which are separate reporting units.</p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>This standard may not affect the fund . this is because all activities carried out by the fund focus on the betterment of health facilities which are separate reporting units.</p>
IPSAS 46 Measurement	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>This standard is expected to actively quantify actual values of the fund investments.</i></p>
IPSAS 47- Revenue	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>

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IPSAS 48- Transfer Expenses	<i>Applicable 1<sup>st</sup> January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1<sup>st</sup> January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

**(i) Early adoption of standards**

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

**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.

**Dividends**

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

**Rental income**

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

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

**b) Budget information**

The original budget for FY 2023/2024 was approved by the County Assembly on ..... Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Fund has not recorded additional appropriations on the FY 2023/2024 budget following the governing body's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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 11 of these financial statements.

**c) Property, plant and equipment**

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

**d) Intangible Assets**

Intangible assets acquired deccarately 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.

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

**e) Investment Property**

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

**f) Financial instruments**

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

***Financial assets***

**Classification of financial assets**

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

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and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

**Subsequent measurement**

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

**Amortized cost**

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

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

**Fair value through net assets/ equity**

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

**Fair value through surplus or deficit**

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

**Trade and other receivables**

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

**Impairment**

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note 8*.

***Financial liabilities***

**Classification**

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

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

**g) Inventories**

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

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

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

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

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

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

**h) Provisions**

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

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a depreciable 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.

**i) Social Benefits**

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

**j) Nature and purpose of reserves**

The Entity creates and maintains reserves in terms of specific requirements. Currently no reserve have been created .

**k) 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.

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

**l) 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 period 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.

**m) 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.

**n) 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.

**o) 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.

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

**p) 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 period. 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 period.

**q) Comparative figures**

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

**r) Events after the reporting period**

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

**s) Ultimate and Holding Entity**

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

**t) Currency**

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

## **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.

**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 period, 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.

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**6. Notes To The Financial Statements**

**1. Public contributions and donations**

Description	Year ended June 2024	yearended June 2023
	Kshs	Kshs
Donation From Development Partners	0	0
Contributions From The Public	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**2. Transfers from County Government**

Description	Year ended June 2024	Year ended June 2023
	Kshs	Kshs
Transfers From County Govt. –Operations	0	0
Payments By County On Behalf Of The Entity	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**3. Transfer from hospitals**

Description	Year ended June 2024	Year ended June 2023
	Kshs	Kshs
Thika level 5 hospital	458,548,768.50	403,835,091.00
Kiamsbu level 5 hospital	299,963,634.50	375,450,894.00
Gatundu level 5 hospital	170,656,416.50	139,011,760.00
Ruiru level 4 hospital	63,041,193.50	44,138,609.00
Igeganina level 4 hospital	18,943,407.50	23,081,796.00
Kihara level 4 hospital	20,782,549.50	36,774,067.00
Karuri level 4 hospital	8,647,195.50	9,559,548.00
Tigoni level4 hospital	65,135,715.50	56,450,896.00
Wangige level 4 hospital	15,383,166.00	20,618,078.00

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Nyathuna level 4 hospital	1,978,269.50	2,504,430.00
Lussigatte level 4 hospital	7,472,555.50	7,302,691.00
Lari level 4 hospital	12,508,424.50	11,253,980.00
Kigumo level 4 hospital	5,022,652.50	6,577,772.00
Karatu level 4	2,002,307.00	1,592,878.00
Langata	1,729,860.00	2,528,640.00
Limuru h/center	842,852.00	1,392,215.00
Githunguri h/center	2,615,758.00	3,123,862.00
Ndeiya h/c	682,495.00	819,940.00
Ngewa health center	281,801.00	361,219.00
Ngenda health center	905,217.00	547,230.00
Kagwe dispensary	0	110,120.00
Kagaa dispensary	70,224.00	151,120.00
Gachororo health center	3,476,446.00	2,346,243.00
Munyu h/c	315,806.00	804,000.00
Githiga h/c	471,404.00	1,070,620.00
Ngoliba h/c	0	573,460.00
Kiandutu h/c	1,024,620.00	1,606,230.00
Juja farm h/c	677,991.00	1,007,920.00
Gichuru dispensary	614,731.00	856,158.00
Kinale dispensary	94,097.00	148,430.00
Ngecha	142,022.00	215,910.00
Ngorongo	27,560.00	0
Makongeni	364,373.00	577,670.00

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		370500
Magogoni disp	292,329.00	
Miguta disp	70,894.00	38,059.00
Hamundia	313,069.00	0
Rironi health center	96,480.00	0
Gathanga	142,360.00	152,350.00
Uthiru dispensary	289,145.00	0
Gitare health center	55,350.50	0
Karatina health center	90,980.00	40,500.00
Gakoe health center	106,086.00	0
Mbichi dispensary	84,984.00	0
Mataara dispensary	45,435.00	0
Gituamba dispensary	95,578.00	0
Ndururumo	98,804.00	0
Athi dispensary	46,354.00	0
Kanyoni	125,230.00	0
Gachege	26,000.00	0
Gatuanyaga	51,913.00	0
Mugutha	162,389.00	0
Makwa	64,980.00	0
Ndula	90,163.00	0
Kamunyaka	11,275.00	0
Muchatha	0	81,000.00
Gathangari	0	65,000.00
Karibaribi	120,834.00	0

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Gikambura	25,670.00	56,650.00
Kiambu afya	21,627,650.00	0
Uhc	11,442,880.00	24,964,320.00
Level 2&3	37,688,549.50	0
<b>TOTAL</b>	<b>1,237,688,895.00</b>	<b>1,182,161,856.00</b>

***Reconciliation on Transfer from hospitals on the statement of performance and statement of cashflows:***

<i>Transfer from hospital as reported in the statement of performance</i>	1,237,688,895.00
Less trade debtors (untransferred revenue from revenue schedule)	(24,285,558.50 )
Transfer from hospital as per cashflow statement	1,213,403,335

**Kiambu County Health Services Facility Improvement Fund**  
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Notes to the financial statements (continued)

**4. Interest income**

Description	Year ended June 2024	Year ended June 2023
	Kshs	Kshs
Interest Income from Mortgage Loans	0	0
Interest Income From Car Loans	0	0
Interest Income From Investments in financial assets	0	0
Interest Income On Bank Deposits	0	0
<b>Total Interest Income</b>	<b>0</b>	<b>0</b>

**5. Other income**

Description	Period ended June 2024	Period ended June 2023
	Kshs	Kshs
Insurance Recoveries	0	0
Income from Sale of Tender Documents	0	0
Miscellaneous Income	0	0
<b>Total Other Income</b>	<b>0</b>	<b>0</b>

**6. Employee Costs**

Description	Year ended June 2024	Year ended June 2023
	Kshs	Kshs
Salaries And Wages	0	0
Staff Gratuity	0	0
Staff Training Expenses	0	0
Social Security Contribution	0	0
Other ( <i>Specify</i> )	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**Kiambu County Health Services Facility Improvement Fund**  
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**Notes to the Financial Statements Continued**

**7. Use of Goods and Services**

Description	Year ended June 2024	Year ended June 2023
	Kshs.	Kshs.
General Office Expenses	11,051,473.00	0
Loan Processing Costs		0
Professional Services Costs		0
Administration Fees	19,126,905.00	3,167,000.00
Committee Allowances	2,286,225.00	2,222,995.00
Electricity And Water Expenses	0	270,000.00
Fuel And Oil Costs	0	
Insurance Costs	0	0
Postage And Courier	0	0
Printing And Stationery	0	1,462,980
Rental Costs	0	
Security Costs	0	0
Telephone And Communication Expenses	0	0
Bank Charges	0	57,208
Audit Fees	0	0
Provision For Doubtful Debts	0	0
Other ( <i>Specify</i> )		1,832,752.00
<b>Total</b>	<b>32,464,603.00</b>	<b>9,012,935</b>

**8. Depreciation and Amortization Expense**

Description	Period ended June 2024	Period ended June 2023
	Kshs.	Kshs.
Property Plant and Equipment	0	0
Intangible Assets	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**Kiambu County Health Services Facility Improvement Fund**  
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**Notes to the Financial Statements Continued**

**9. Transfer to hospitals**

Description	Period ended June 2024	Period ended June 2023
	Kshs	Kshs
thika level 5 hospital	366,839,014.80	389,273,821.60
kiambu level 5 hospital	239,970,907.60	350,297,784.00
gatundu level 5 hospital	136,525,133.20	116,473,154.60
ruiru level 4 hospital	50,432,954.80	40,125,506.40
igegania level 4 hospital	15,154,726.00	23,366,171.00
kihara level 4 hospital	16,626,039.60	30,966,844.80
karuri level 4 hospital	6,917,756.40	11,353,162.40
tigoni level4 hospital	52,108,572.40	49,436,660.00
wangige level 4 hospital	12,306,532.80	17,846,939.20
nyathuna level 4 hospital	1,582,615.60	2,518,198.40
lussigatte level 4 hospital	5,978,044.40	6,656,028.00
lari level 4 hospital	10,006,739.60	11,194,161.60
kigumo level 4 hospital	4,018,122.00	6,139,013.60
karatu level 4	1,601,845.60	1,602,973.60
Langata	1,383,888.00	2,763,286.40
limuru h/center	674,281.60	1,194,372.00
githunguri h/center	2,092,606.40	3,977,193.60
ndeiya h/c	545,996.00	830,912.00
Ngewa health center	225,440.80	350,975.20
ngenda health center	724,173.60	437,784.00

**Kiambu County Health Services Facility Improvement Fund  
Report and Financial Statements  
For the period ended June 30, 2024**

kagwe dispensary	0	88,096.00
kagaa dispensary	56,179.20	120,896.00
gachororo health center	2,781,156.80	1,993,594.40
munyu h/c	252,644.80	643,200.00
githiga h/c	377,123.20	264,792.00
ngoliba h/c	0	458,768.00
kiantutu h/c	819,696.00	1,284,984.00
juja farm h/c	542,392.80	806,336.00
gichuru dispensary	491,784.80	684,926.40
KINALE DISPENSARY	75,277.60	118,744.00
NGECHA	113,617.60	172,728.00
NGORONGO	22,048.00	
MAKONGENI	291,498.40	462,136.00
MAGOGONI DISP	233,863.20	296,400.00
miguta disp	56,715.20	30,447.20
Hamundia	250,455.20	
rironi health center	77,184.00	
Gathanga	113,888.00	121,880.00
UTHIRU DISPENSARY	231,316.00	
gitare health center	44,280.40	
karatina health center	72,784.00	32,400.00
gakoe health center	84,868.80	0
mbichi dispensary	67,987.20	0

**Kiambu County Health Services Facility Improvement Fund**  
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mataara dispensary	36,348.00	0
gituamba dispensary	76,462.40	0
Ndururumo	79,043.20	0
athi dispensary	37,083.20	0
Kanyoni	100,184.00	0
Gachege	20,800.00	0
Gatuanyaga	41,530.40	0
Mugutha	129,911.20	0
Makwa	51,984.00	0
Ndula	72,130.40	0
Kamunyaka	9,020.00	0
Karibaribi	96,667.20	0
Gikambura	20,536.00	0
CHMT SUPPORT	14,962,415.00	0
level 2&3	30,150,839.60	0
goods purchased	195,270,837.40	106,096,397.00
Un Transferred revenue		14,525,593.60
<b>Total</b>	<b>1,173,927,944.40</b>	<b>1,197,715,923</b>

**10. Gain/(loss) on disposal of assets**

Description	Period ended June 2024	Period ended June 2023
	Kshs	Kshs
Property, Plant and Equipment	0	0
Intangible Assets	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**Kiambu County Health Services Facility Improvement Fund**  
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**11. Gain/ (loss) on Fair Value Investments**

Description	<i>Insert Current FY</i>	<i>Insert Comparative FY</i>
	Kshs	Kshs
Investments at Fair Value- Equity investments	0	0
Fair value – Investment property	0	0
Fair value- other financial assets (specify)	0	0
<b>Total Gain</b>	0	0

**12. Cash and cash equivalents**

Description	Period ended June 2024	Period ended June 2023
	Kshs	Kshs
Kiambu fif fund account	238,910,470.90	132,986,359
Fixed Deposits Account	0	0
On – Call Deposits	0	0
Current Account	0	0
Others ( <i>Specify</i> )	0	0
<b>Total Cash And Cash Equivalents</b>	238,910,470.90	132,986,359

**Kiambu County Health Services Facility Improvement Fund**  
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**Notes to the Financial Statements Continued**

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

		Period ended June 2024	Period ended June 2023
Financial Institution	Account number	Kshs	Kshs
<b>a) Fixed Deposits Account</b>			
Kenya Commercial Bank		0	0
Equity Bank, Etc.		0	0
<b>Sub- Total</b>		<b>0</b>	<b>0</b>
<b>b) On - Call Deposits</b>			
Kenya Commercial Bank		0	0
Equity Bank - Etc.		0	0
<b>Sub- Total</b>		<b>0</b>	<b>0</b>
<b>c) Current Account</b>			
Family Bank	005000072712	238,910,470.90	<b>132,986,359</b>
<b>Sub- Total</b>		238,910,470.90	<b>132,986,359</b>
<b>d) Others (Specify)</b>			
Cash In Transit		0	0
Cash In Hand		0	0
<b>Sub- Total</b>		<b>0</b>	<b>0</b>
<b>Grand Total</b>		238,910,470.90	<b>132,986,359</b>

**Analysis of end of year balances**

Hospital name	Amount
kiambu level 5 hospital	22,127,459.00
gatundu level 5 hospital	2,882,112.00
ruiru level 4 hospital	4,771,285.00
Karuri	100,588.00
igegania level 4 hospital	2,141,242.00
Tigoni level 4 hospital	9,450,159.00
lari level 4 hospital	691,500.00
CHMT	26,558,224.00

**Kiambu County Health Services Facility Improvement Fund**  
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Langata	306,553.00
limuru h/center	444,396.00
gachororo health center	513,203.00
mumyu h/c	157,746.00
githiga h/c	123,930.00
ngoliba h/c	45,953.00
kiandutu h/c	227,858.00
juja farm h/c	583,426.00
gichuru dispensary	171,499.00
MAKONGENI	156,809.00
NGECHA	15,550.00
MAGOGONI DISP	251,578.00
Total	71,721,070

**Kiambu County Health Services Facility Improvement Fund**  
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**Notes to the Financial Statements Continued**

**13. Receivables from exchange transactions**

Description	Period ended June 2024	Period ended June 2023
	Kshs	Kshs
<b>Current Receivables</b>		
Interest Receivable	0	0
Current Loan Repayments Due	0	0
Other Exchange Debtors	46,270,890	40,102,216.00
Less: Impairment Allowance	0	0
<b>Total Current Receivables</b>	46,270,890	40,102,216.00
<b>Non-Current Receivables</b>		
Long Term Loan Repayments Due	0	0
<b>Total Non- Current Receivables</b>	<b>0</b>	<b>0</b>
<b>Total Receivables From Exchange Transactions</b>	46,270,890	40,102,216.00

**Additional disclosure on Receivables**

Description	FY 2023 – 2024	FY 2022 - 2023
		FY
thika level 5 hospital	2,561,004.00	2,195,824.00
kiambu level 5 hospital	1,438,596.00	1,440,391.00
gatundu level 5 hospital	5,277,970.00	448,604.00
ruiru level 4 hospital	1,325,624.00	3,869,398.00
igegania level 4 hospital	23,810.00	70,484.00
kihara level 4 hospital	2,706,274.00	126,336.00
karuri level 4 hospital	203,094.00	45,271.00
tigoni level4 hospital	15,485.00	199,371.00
wangige level 4 hospital	1,566,106.50	3,857,129.00
nyathuna level 4 hospital	7,926.00	254,152.00

**Kiambu County Health Services Facility Improvement Fund**  
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lussigatte level 4 hospital	32,364.00	27,622.00
lari level 4 hospital	314,300.00	702,629.00
kigumo level 4 hospital	62,694.00	293,044.00
karatu level 4	265,768.00	13,737.00
Langata	1,063,328.00	0
limuru h/center	3,845,289.50	0
githunguri h/center	644,686.50	0
ndeiya h/c	108,330.00	0
Ngewa health center	64,930.00	0
ngenda health center	152,467.00	0
kagwe dispensary	13,680.00	0
kagaa dispensary	95,520.00	0
gachororo health center	857,722.00	0
mumyu h/c	307,224.00	0
githiga h/c	159,810.00	0
ngoliba h/c	644,689.00	0
kiandutu h/c	1,301,340.00	0
juja farm h/c	422,924.00	0
gichuru dispensary	0	0
KINALE DISPENSARY	14,940.00	0
NGECHA	37,140.00	0
NGORONGO	241,163.00	0
MAKONGENI	86,480.00	0
MAGOGONI DISP	0	0

**Kiambu County Health Services Facility Improvement Fund**  
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Miguta	68,251.00	0
hamundia disp	8,340.00	0
rironi health center	16,080.00	0
Gathanga	53,670.00	0
UTHIRU DISPENSARY	130,388.00	0
gitare health center	56,390.00	0
karatina health center	77,240.00	0
GATHANGARI DISP	28,140.00	0
KAHUHO DISP	36,490.00	0
MUCHATHA DISP	38,220.00	0
MUTHAARA DISP	54,548.00	0
NDULA DISP	50,490.00	0
Mpesa	2,712,095	
Chmt	17,077,869.00	26,558,224
Total	46,270,890	40,102,216.00

**Notes to the Financial Statements Continued**

**14. Prepayments**

Description	Period ended June 2024	Period ended June 2023
	Kshs	Kshs
Prepaid Rent	0	0
Prepaid Insurance	0	0
Prepaid Electricity Costs	0	0
Other Prepayments ( <i>Specify</i> )	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**Kiambu County Health Services Facility Improvement Fund**  
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**For the period ended June 30, 2024**

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**15. Inventories**

Description	Period ended June 2024	Period ended June 2023
	Kshs	Kshs
Consumable Stores	0	0
Spare Parts And Meters	0	0
Catering	0	0
Other Inventories (Specify)	0	0
<b>Total Inventories at The Lower of Cost and Net Realizable Value</b>	<b>0</b>	<b>0</b>

*Kiambu County Health Services Facility Improvement Fund*  
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Notes To The Financial Statements (Continued)

16. Investments in financial assets

Description	Period ended June 2024	Period ended June 2023
	Kshs	Kshs
<b>a. Investment in Treasury bills and bonds</b>		
Financial institution		
CBK	0	0
CBK	0	0
<b>Sub- total</b>	<b>0</b>	<b>0</b>
<b>b. Investment with Financial Institutions/ Banks</b>		
Bank	0	0
Bank	0	0
<b>Sub- total</b>	<b>0</b>	<b>0</b>
<b>c. Equity investments (specify)</b>		
Equity/ shares in Entity	0	0
<b>Sub- total</b>	<b>0</b>	<b>0</b>
<b>Grand total</b>	<b>0</b>	<b>0</b>

d. Movement of Equity Investments

Impairment allowance/ provision	Period ended June 2024	Period ended June 2023
	Kshs	Kshs
At the beginning of the period	0	0
Purchase of investments in the period	0	0
Sale of investments during the period	0	0
Gain/(loss) in fair value of investments through surplus or deficit	0	0
<b>At the end of the period</b>	<b>0</b>	<b>0</b>

**Kiambu County Health Services Facility Improvement Fund**  
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**Notes To The Financial Statements (Continued)**

**e. Shareholding in other entities**

*For investments in equity share listed above, list down the equity investments under the following categories:*

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding		Period ended june. 2024	June 2023
	%	%	%	Kshs	Kshs	Kshs
Entity A	0	0	0	0	0	0
Entity B	0	0	0	0	0	0
Entity C	0	0	0	0	0	0
	0	0	0	0	0	0

*Kiambu County Health Services Facility Improvement Fund*  
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Notes To The Financial Statements (Continued)

17. Property, plant and equipment

Cost	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>As at the beginning of the Previous Period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Additions	0	0	0	0	0
Disposals	(0)	(0)	-	0	(0)
Transfers/Adjustments	0	(0)	0	(0)	(0)
<b>As at the end of the Previous Period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>At the beginning of the Current Period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Additions		6,025,401	0	0	6,025,401
Disposals	(0)	0	0	0	(0)
Transfer/Adjustments	(0)	0	0	(0)	(0)
<b>As at the end of the Current Period)</b>	<b>0</b>	<b>6,025,401</b>	<b>0</b>	<b>0</b>	<b>6,025,401</b>
<b>Depreciation And Impairment</b>					
<b>As at the beginning of the Previous Period</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>
Depreciation	(0)	(0)	(0)	(0)	(0)
Impairment	(0)	0	0	0	(0)

*Kiambu County Health Services Facility Improvement Fund*  
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Cost	Land and Buildings	Motor vehicles	Furniture and fittings	Computers and office equipment	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Net Book Values</b>		6,025,401	0	0	6,025,401
<b>As at the end of the Previous Period</b>	0	0	0	0	0
<b>As at the end of the Current Period</b>	0	6,025,401	0	0	6,025,401

*Kiambu County Health Services Facility Improvement Fund*  
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Notes To the Financial Statements (Continued)

18. Intangible assets

Description	Period ended june.	June 2023
	2024	
	Kshs	Kshs
<b>Cost</b>		
<b>At Beginning of the Period</b>	0	0
Additions	0	0
<b>At end of the Period</b>	0	0
<b>Amortization And Impairment</b>		
<b>At Beginning of the Period</b>	0	0
Amortization	0	0
<b>At end of the Period</b>	0	0
Impairment Loss	0	0
<b>At end of the Period</b>	0	0
<b>NBV</b>	0	0

19. Investment Property

Description	Period ended june.	June 2023
	2024	
	Kshs	Kshs
<b>At beginning of the year</b>	0	0

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Additions	0	0
Disposal during the year	(0)	(0)
Depreciation	(0)	(0)
Impairment	(0)	(0)
Gain/(loss) in fair value (if fair value is elected)	0	0
<b>At end of the year</b>	0	0

*Kiambu County Health Services Facility Improvement Fund*  
**Report and Financial Statements**  
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**Notes To The Financial Statements (Continued)**

**20. Trade and other payables from exchange transactions**

Description	Period ended June 2024	Period ended June 2023
	Kshs	Kshs
Trade Payables	101,347,432	<b>14,525,594</b>
Refundable Deposits	0	0
Accrued Expenses	0	0
Other Payables	0	0
<b>Total Trade And Other Payables</b>	<b>101,347,432</b>	<b>14,525,594</b>
<b>Ageing analysis (Trade and other payables)</b>	Current FY	% of the Total
Under one year	<b>101,347,432</b>	100%
1-2 years	0	%
2-3 years	0	%
Over 3 years	0	%
<b>Total</b>	<b>101,347,432</b>	

<b>Additional payables disclosure</b>	
thika level 5 hospital	2,048,803.20
kiambu level 5 hospital	1,150,876.80
gatundu level 5 hospital	4,222,376.00
ruiru level 4 hospital	1,060,499.20

**Kiambu County Health Services Facility Improvement Fund**  
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igegania level 4 hospital	33,756.00
kihara level 4 hospital	913,653.60
karuri level 4 hospital	154,919.20
tigoni level4 hospital	18,552.00
wangige level 4 hospital	1,252,885.20
nyathuna level 4 hospital	5,996.80
lussigatte level 4 hospital	12,571.20
lari level 4 hospital	251,444.00
kigumo level 4 hospital	47,369.60
karatu level 4	215,744.00
Level 2 and 3 hospitals	8,050,577.60
LAVAROCK INVESTMENT	2,654,700.00
BRIGHTON PHARMACY	2,455,800.00
BARKPHARM LTD	1,435,600.00
SPETARIAN SUNSTONE	2,445,840.00
SPETARIAN SUNSTONE	2,652,000.00
CROWN HEALTH	2,571,750.00
BRIGHTON PHARMACY	31,390,400.00
CROWN HEALTH	36,301,318.00
TOTAL	101,347,432.40

*Kiambu County Health Services Facility Improvement Fund*  
**Report and Financial Statements**  
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**21. Provisions**

Description	Leave provision	Bonus provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance At the Beginning of The Period	0	0	0	0
Additional Provisions	0	0	0	0
Provision Utilised	(0)	(0)	(0)	(0)
Change Due To Discount And Time Value For Money	(0)	(0)	(0)	(0)
Transfers From Non -Current Provisions	0	0	0	0
<b>Balance At the end of the period</b>	0	0	0	0

**Kiambu County Health Services Facility Improvement Fund**  
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**Notes To The Financial Statements (Continued)**

**22. Borrowings**

Description	June.	June 2023
	2024	
	Kshs	Kshs
<b>Balance as at Beginning of the Period</b>	0	<b>0</b>
External Borrowings During the period	0	0
Domestic Borrowings During the period	0	0
Repayments Of External Borrowings During the Period	0	(0)
Repayments Of Domestic Borrowings During the Period	0	(0)
<b>Balance At End of The Period</b>	<b>0</b>	<b>0</b>

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

Description	Period ended june	June 2023
	2024	
	Kshs	Kshs
<b>External Borrowings</b>		
Dollar Denominated Loan From 'Organisation'	0	0
Sterling Pound Denominated Loan From 'Organisation'	0	0
Euro Denominated Loan from Organisation'	0	0
<b>Domestic Borrowings</b>	0	0
Kenya Shilling Loan From KCB	0	0
Kenya Shilling Loan from Barclays Bank	0	0
Kenya Shilling Loan from Consolidated Bank	0	0

*Kiambu County Health Services Facility Improvement Fund*  
**Report and Financial Statements**  
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Borrowings From Other Government Institutions	0	0
<b>Total Balance at End of the period</b>	0	0

**Kiambu County Health Services Facility Improvement Fund**  
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**Notes To The Financial Statements (Continued)**

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

Description	Period ended June.	
	2024	June 2023
	Kshs	Kshs
Short Term Borrowings (Current Portion)	0	0
Long Term Borrowings	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**23. Employee benefit obligations**

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	Period ended June 2024	June 2023
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	0	0	0	0	0
Non-Current Benefit Obligation	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**24. Social Benefit Obligations**

Description	Period ended June 2024	Period ended June 2023
	Kshs	Kshs
Health social benefit scheme	0	0

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Unemployment social benefit scheme	0	0
Orphaned and vulnerable benefit scheme	0	0
Elderly social benefit scheme	0	0
Bursary social benefits	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
Current social benefits	0	0
Non- current social benefits	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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**25. Cash generated from operations.**

Description	Period ended June 2024	Period ended June 2023
	Kshs	Kshs
<b>Surplus/ (Deficit) For the period Before Tax</b>	<b>31,296,347.60</b>	<b>(24,567,002)</b>
<b>Adjusted For:</b>		
Depreciation		0
Amortisation		0
Gains/ Losses On Disposal Of Assets		0
Interest Income		
Finance Cost		0
<b>Working Capital Adjustments</b>		
Increase In Inventory		0
Increase In Receivables	(6,168,673.50)	(40,102,216)
Increase In Payables	86,821,838.80	14,525,594
<b>Net Cash Flow From Operating Activities</b>	<b>111,949,512.90</b>	<b>(50,143,624)</b>

**26. Related party balances**

**a) Nature of related party relationships**

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

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- a) The County Government;
- b) The Department of health services;
- c) Key management;
- d) Kiambu county health facilities
- e) Fund administration committee; etc.

**b) Related party transactions**

Description	2024	2023
	Kshs	Kshs
Transfers From Related Parties'	1,237,688,895	1,182,161,856
Transfers To Related Parties	1,173,927,944	1,197,715,923

**c) Key management remuneration**

Description	2024	2023
	Kshs	Kshs
Board Of Trustees	0	0
Key Management Compensation	0	0
<b>Total</b>	0	0

**d) Due from related parties**

Description	2024	2023
	Kshs	Kshs
Due From facilities	46,270,890	40,102,216.00
Due From County Government	0	0
<b>Total</b>	46,270,890	40,102,216.00

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**Other Disclosures Continued**

**e) Due to related parties**

Description	2024	2023
	Kshs	Kshs
Due To Hospitals	19,440,024	14,525,593.60,
Due To County Government	0	0
Due To Key Management Personnel	0	0
<b>Total</b>	<b>19,440,024</b>	<b>14,525,593.60</b>

**27. Contingent assets and contingent liabilities**

Contingent Liabilities	2024	2023
	Kshs	Kshs
Court Case Against the Fund	0	0
Bank Guarantees	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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**28. Financial risk management**

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

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

**a) Credit risk**

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

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
<b>At 30 June 2024</b>				
Receivables From Exchange Transactions	46,270,890	46,270,890	0	0
Receivables From Non-Exchange Transactions	0	0	0	0
Bank Balances	238,910,470.90	238,910,470.90	0	0
<b>Total</b>	<b>285,181,360</b>	<b>285,181,360</b>	<b>0</b>	<b>0</b>

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<b>At 30 June 2023</b>				
Receivables From Exchange Transactions	40,102,216.00	40,102,216.00	0	0
Receivables From Non-Exchange Transactions	0	0	0	0
Bank Balances	132,986,358.60	132,986,358.60	0	0
<b>Total</b>	<b>173,088,574.60</b>	<b>173,088,574.60</b>	<b>0</b>	<b>0</b>

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

The entity has significant concentration of credit risk on amounts due from facilities

The board of trustees sets the Fund’s credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**b) Liquidity risk management**

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2024</b>				
Trade Payables	101,347,432	0	0	101,347,432
Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	0	0
Employee Benefit Obligation	0	0	0	0

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<b>Total</b>	101,347,432	0	0	101,347,432
<b>At 30 June 2023</b>				
Trade Payables	14,525,593.60	0	0	14,525,593.60
Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	0	0
Employee Benefit Obligation	0	0	0	0
<b>Total</b>	14,525,593.60	0	0	14,525,593.60

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**c) Market risk**

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

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

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

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

**i. Foreign currency risk**

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

The fund didn't carry amount in foreign currency-denominated monetary assets and monetary liabilities at the end of the reporting period as illustrated:

Description		Other currencies	Total
	Kshs	Kshs	Kshs
<b>At 30 June 2024</b>			
Financial Assets	0	0	0

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Investments	0	0	0
Cash	0	0	0
Debtors/ Receivables			
<b>Liabilities</b>			
Trade And Other Payables	0	0	0
Borrowings	0	0	0
<b>Net Foreign Currency Asset/(Liability)</b>	0	0	0

*The Fund manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.*

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

**Foreign currency sensitivity analysis**

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

Description	Change in currency rate	Effect on surplus/ deficit	Effect on Equity
	Kshs	Kshs	Kshs
<b>(Current FY)</b>			
Euro	10%	0	0
USD	10%	0	0
<b>(Comparative FY)</b>		0	0
Euro	10%	0	0
USD	10%	0	0

**ii. Interest rate risk**

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

***Management of interest rate risk***

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

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**Sensitivity analysis**

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs 0 (2024: Kshs 0). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs 0 (2023 – Kshs 0).

**d) Capital risk management.**

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

Description	2024	2023
	Kshs	Kshs
Revaluation reserve	0	0
Revolving fund	0	0
Accumulated surplus	189,859,330	158,562,982
<b>Total funds</b>	<b>189,859,330</b>	<b>158,562,982</b>
Total borrowings	101,347,432.40	<b>14,525,594</b>
Less: cash and bank balances	(238,910,470.90 )	(132,986,359 )
Net debt/(excess cash and cash equivalents)	(137,563,038.50)	(118,460,765.00)
<b>Gearing</b>	72%	75%

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**29. Events after the reporting period**

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

**30. Ultimate and Holding Entity**

The entity is a County Public Fund established by Kiambu health act 2019 under the department oh health services. Its ultimate parent is the County Government of Kiambu.

**31. Currency**

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

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**20 Annexes.**

**Annex 1: 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.

<b>Reference No. OAG/NRO/KCE/FIF/2022/2023(18)</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
1	In accurate financial statements	The management revised the financial statement	Resolved	Immediate
2	Misstatement of transfer to hospitals	Limuru health center and Tigoni level 4 both in Limuru are separate entities bith transferring to the fund and re treated differently in the reporting. They however had the name Limuru level 4 share in the executive	Resolved	Immediate
3	Unsupported transfer from health centers	All health facilities transfer to the fund as a policy as per the Kiambu healt act. The fund does not bill the facilities	Resolved	Immediate

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Reference No. OAG/NRO/K CE/FIF/2022/ 2023(18)	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4	Non compliance to budget	The fund transfers 80% of its receipts to the facilities contributing. And not *0% of a facility budget	Resolved	Immediate
5	Irregularity in procurements	Documents availed for audit	Resolved	Immediate

**Annex ii : Inter-Fund Confirmation Letter**

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

The *Kiambu health FiF Fund* wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> June 2024 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

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Confirmation of amounts received by Kiambu Health services FIF fund as at 30 <sup>th</sup> June 2024							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30 <sup>th</sup> June 2024				Amount Received by [beneficiary Fund] (KShs) as at 30 <sup>th</sup> June 20xx (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
		0	0	0	0	0	
<b>Total</b>		0	0	0	0	0	

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

**Head of Accountants department of beneficiary Fund:**

Name ..... *A. Wani* ..... Sign ..... *[Signature]* ..... Date ..... *11/11/24* .....

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**Annex III: Reporting of Climate Relevant Expenditures**

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		



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**Annex IV: Reporting on Disaster Management Expenditure**

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments
				0	0	