

REPUBLIC OF KENYA



Enhancing Accountability

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REPORT

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ON

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

**FOR THE SIX MONTHS
PERIOD ENDED
30 JUNE, 2022**

Revised 30th June 2022



KIAMBU COUNTY FIF FUND

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2022**

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

Kiambu County FIF
Annual Report and Financial Statements for the year ended June 30, 2022

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1. 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.

The fund's objective is to

- Promote access to health services
- Facilitate progressive realisation of the right to health within the county to the highest attainable standard 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 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 DEPARTMENT

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

Kiambu County FIF

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2. Board of Trustees/Fund Administration Committee

Ref	Name	Position
1	Dr Patrick Njeru Nyaga	Fund administrator
2	Dr Hillary Kagwa Gichuki	Fund secretary
3	Stephen Musyoka Ngui	Member
4	Dr Calorine Wambui Mwangi	Member
5	Dr Robert Mionki Muchena	Member
6	Dr Keziah Waithiegeni Nginya	Member
7	Ann Njoki Wambugu	Member

b) Key Management

Ref	Name	Position
1	Dr Patrick .N.Nyaga	Fund Administrator
2	Alex Weru Nyamu	Fund Accountant
3	Hilary kagwa	Fund secretary
4	Dr Robert Muchena	Medical Superintendent Thika Level 5
5	Dr Antony Murage	Medical Superintendent Kiambu Level 5
6	Dr Kezia Nginya	Medical Superintendent Gatundu Level 5
7	Dr Bruce Semo	Medical Superintendent Wangige Level 4
8	Dr Tabitha Kimani	Medical Superintendent Ruiru Level 4
9	Dr Muthoni nyaga	Medical Superintendent Kihara Level 4
10	Dr Christine Nguantai	Medical Superintendent Karuri Level 4
11	Dr Mary Wambui	Medical Superintendent Nyathuna Level 4
12	Dr Jesse Ngugi	Medical Superintendent Igeganja Level 4
13	Dr Arthur Mugu	Medical Superintendent Lari Level 4
14	Dr James Muhuni	Medical Superintendent Lusigatte Level 4
15	Dr Derrick Munene	Medical Superintendent Kigumo Level 4
16	Dr Joshua Macharia	Medical Superintendent Karatu Level 4
17	Dr Caroline Mwangi	Medical Superintendent Tigoni Level 4

Kiambu County FIF

Annual Report and Financial Statements for the year ended June 30, 2022

c) Registered Offices

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

d) Fund Contacts

E-mail: cdhkiambu@gmail.com
Website: www.kiambu.go.ke

e) Fund Bankers

Family bank limited
P.O. Box 74145
00200- Muindi Mbingu Street
Nairobi, Kenya

f) Independent Auditors




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

g) Principal Legal Adviser

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

The Kiambu county attorney
State Law Office
P.O. Box 2344
00900
Kiambu, Kenya

3. The FIF Fund Committee

Name	Details of qualifications and experience
<p>Dr Patrick Njeru Nyaga</p> 	<p>Academic qualifications: MMed. Surgery (University of Nairobi). MBcHB (University of Nairobi). Strategic leadership programme (SLDP)- KSG over 21 years work experience majorly in management</p>
<p>Dr Hillary Kagwa Gichuki</p> 	<p>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 & 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 management</p>
<p>Stephen Musyoka Ngui</p> 	<p>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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Dr Caroline Wambui Mwangi



Academic qualifications: Bachelor of Medicine and Bachelor of Surge (MBChB),2005
Financial Management Course,Kenya School of Government,2016
Strategic Leadership Development Program(SLDP), Kenya School of Government,2022
7 years as a Medical Officer in various facilities
8 years in managerial position as Medical Superintendent and SCMOI
FIF committee member representing level 4 facilities

Dr Robert Mionki Muchena



Academic qualifications: MMed. Obstetrics and Gynecology (University of Nairobi).
MBChB (University of Nairobi).
Strategic leadership programme (SLDP)- KSG
Health systems management (HSM)- Kenya Medical Training College (KMTC)
Medical superintendent Thika Level 5.
Previous Medical superintendent Maralal District Hospital (2years).
Served in various HMT committees especially Infrastructure for over years.
Currently: Committee member FIF representing level 5 hospitals.

Dr Keziah Waithiegeni Nginya







Date of birth 7th January 1981, key academic and professional qualifications MChB, and work experience 8 YEARS IN MANAGERIAL LEVEL; current medical superintendent Gatundu level 5 hospital

Ann Njoki Wambugu







key academic and professional qualifications bachelors of science nursing, and work experience 38 YEARS IN MANAGERIAL LEVEL; current medical acting director nursing

Management Team

Name	Details of qualifications, work experience
<p>Dr Patrick Njeru Nyaga</p> 	<p>Academic qualifications: MMed. surgery (University of Nairobi). MBChB (University of Nairobi). Strategic leadership programme (SLDP)- KSG over 21 years work experience majorly at management levels</p>
<p>Mr Alex Weru Nyamu</p> 	<p>Academic qualification masters in Business administration, Bcom accounting, Cpa-K . Over 10 years' experience in finance department</p>
<p>Dr Robert Mionki Muchena</p> 	<p>Date of birth: 10th July, 1975. Academic qualifications: MMed. Obstetrics and Gynecology (University of Nairobi). MBChB (University of Nairobi). Strategic leadership programme (SLDP)- KSG Health systems management (HSM)- Kenya Medical Training College (KMTC) Medical superintendent Thika Level 5. Previous Medical superintendent Maralal District Hospital (2years). Served in various HMT committees especially Infrastructure for over 6 years.</p>
<p>Dr Keziah Waithiegeni Nginya</p> 	<p>key academic and professional qualifications MchB, and work experience 8 YEARS IN MANAGERIAL LEVEL; current medical superintendent Gatundu level 5 hospital</p>





Kiambu County FIF

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<p>Dr Antony Murage</p> 	<p>Academic qualifications: MMed. surgery (University of Nairobi). MBChB (University of Nairobi). Strategic leadership programme (SLDP)- KSG</p>
<p>Dr Caroline Wambui Mwangi</p> 	<p>Date of birth: 23rd January 1981 Academic qualifications: Bachelor of Medicine and Bachelor of Surgery (MBChB),2005 Financial Management Course,Kenya School of Government,2016 Strategic Leadership Development Program(SLDP), Kenya School of Government,2022 7 years as a Medical Officer in various facilities 8 years in managerial position as Medical Superintendent and SCMOH</p>
<p>Dr. Tabitha W. Kimani</p> 	<p>Dr Tabitha is Pharmacist with more than 15 years of extensive experience and exposure and currently the medical superintendent of Ruiru Level IV Hospital. She holds a MSc in Pharmacy. Dr Tabitha is also the National Vice President of Pharmaceutical Society of Kenya in charge of advocacy. Previously she worked at Juja and Ruiru sub counties as the subcounty Pharmacist and at Juja and Gatundu Sub counties as the sub county MOH.</p>
<p>Dr maina Macharia</p> 	<p>Academic qualifications: Bachelor of Medicine and Bachelor of Surgery</p>

Kiambu County FIF

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<p>Dr. Artur mugu Karanja</p> 	<p>Academic qualifications: Bachelor of Medicine and Bachelor of Surgery</p>
 <p>Dr. Bruce Semo</p>	<p>Academic qualifications: MMed. Obstetrics and Gynecology (University of Nairobi). MBChB (University of Nairobi).</p>
<p>Dr. Mary Wambui</p> 	<p>Academic qualifications: Bachelor of Medicine and Bachelor of Surgery</p>
<p>Dr. Muthoni Nyaga</p> 	<p>Master of science in Public health systems management and application (MPHSMA), Bachelor of Pharmacy (Bpharm).</p>

Dr Jesse Ngugi



Academic qualifications: Bachelor of Medicine and Bachelor of Surgery Family physician and medical

4. CECM DEPARTMENT OF HEALTH SERVICES REPORT
Introduction

The Kiambu county health services facility improvement fund, is established under the Kiambu county health services amendment bill of 2019 section 32 and in line with the public finance management act. The bill forth the source of funds to be used for the funds. The funds are to be utilised in the purchase of drugs commodities, to fund health facility's administrative function, aid in the purchase, acquisition 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 CECM Chief Officer Health, ensured the fund started its operations on the 10th February 2022 with the opening dedicated and ring fenced Kiambu county fund account.

Kiambu County FIF

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The fund management committee was appointed 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

The office of the CECM also saw the gazetting of hospital management boards across all level - 4 and 5 facilities.

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 its target of being a responsive, data driven, connected automated and efficient.

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.



Name: Dr Joseph. N. Murega

CECM- Health Services Kiambu County

5. 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 done 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.

From the month of February 2022, 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,

The fund committee has had three meetings to discuss on administration, budgets and reimbursement of FIF to contributing hospitals.

For the year ended 30th June 2022, the FIF has been able to collect and reimburse all collections from the hospitals up to mid May 2022 in accordance to the financial guidelines the balance to be appropriated in the financial year 2022/2023

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.

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.

Kiambu County FIF

Annual Report and Financial Statements for the year ended June 30, 2022

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

KIAMBU COUNTY GOVERNMENT
[Signature]
24 SEP 2022
F.I.F FUNNYAGA
Name: Dr Patrick Nyaga
Fund Administrator

6. Statement of Performance against the County Fund's Predetermined Objectives

Introduction

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

The key development objectives of the Fund as per the strategic plan for (2019-2023) are to:

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 in Kiambu County.

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 Health Coverage

In the FY 2021/2022, the sector executed the implementation of the strategic objectives across the six programmes as follows and according to the table below:

- 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

7. 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 tge fund budget that is proposed by the fund committee.

The fund administrator committee 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.

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.

Kiambu County FIF
Annual Report and Financial Statements for the year ended June 30, 2022

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,

8. 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) 2018-2022, 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 2018-2022

This County Integrated Development Plan (2018-2022) 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 timeframe, which will create an environment for effective management and a high level of service delivery.

The county in its wish to achieve the CIDP 2018-2022 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.

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 2021-2022, through the recommendation of county and subcounty supervision teams, the fund committee recommended investment in all level 4 hospitals laboratory. This will greatly reduce on referrals increase efficiency and build confidence in patients on the quality of healthcare being provided by the hospitals.

The fund after operationalization was able to make two disbursement to the contributing hospitals in cash. The fund was also able to support various hospitals struggling financially to settle pressing needs that impacted negatively on management hence reduced internal conflicts and enabled management focus to core hospitals business.

Kiambu County FIF
Annual Report and Financial Statements for the year ended June 30, 2022

9. Report of The Trustees

The Trustees submit their report together with the audited financial statements for the year ended June 30, 2022 which show the state of the Fund affairs.

Principal activities

The principal activities of the Fund are *ensure efficient transfer of resources to contributing facilities.*

Results

The results of the Fund for the year ended June 30, 2022 are set out on page

Trustees

The members of the Board of Trustees who served during the year are shown on page (4) the changes in the Board during the financial year are as shown below:

Auditors

The Auditor General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015. OR [XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of the *entity* for the year/period ended June 30, 2022 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf].

By Order of the Board


.....

Fund Administration Committee

Date:

10. Statement of Management’s Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by requires that, at the end of each financial year, 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, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Fund; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

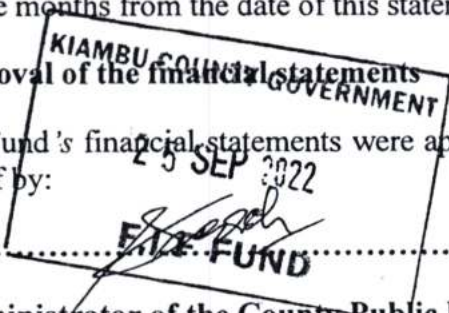
The Administrator of the County Public Fund accepts responsibility for the Fund’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (requires that, at the end of each financial year, the Administrator of a County Public Fund established by *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 financial year ended June 30, 2022, and of the Fund’s financial position as at that date. The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund’s financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The Fund’s financial statements were approved by the Board on 29th July 2022 and signed on its behalf by:

.....
Administrator of the County Public Fund

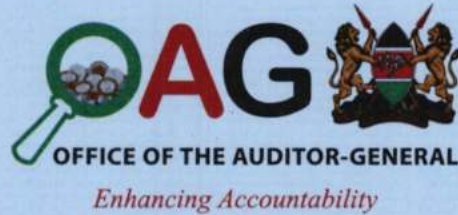


11. Report of The Independent Auditor

The fund has been operational for less than six months awaits first audit in the current financial year.

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON KIAMBU COUNTY HEALTH SERVICES FACILITY IMPROVEMENT FUND (HSFIF) FOR THE SIX MONTHS PERIOD ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kiambu County Health Services Facility Improvement Fund (HSFIF) set out on pages 1 to 36, which comprise the statement of financial position as at 30 June, 2022, 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 six months period, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kiambu County Health Services Facility Improvement Fund (HSFIF) as at 30 June, 2022, and of its financial performance and its cash flows for the six months period, 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. Unsupported Expenditure on Use of Goods and Services

The statement of financial performance and Note 4 to the financial statements reflects expenditure on use of goods and services amounting to Kshs.12,942,369. However, ledgers and other relevant supporting documents including payment vouchers were not provided to support the balances.

In the circumstances, the accuracy and completeness of the use of goods and services amount of Kshs.12,942,369 could not be confirmed.

2. Unsupported Expenditure on Equipment and Medical Supplies

The statement of financial performance indicates that Kshs.246,800,771 was transferred to various health facilities to cater for operations including payment for supply and delivery of non-pharmaceuticals. Included in this amount is Kshs.36,970,084 in respect of procurement of equipment and medical supplies. The payments to various suppliers were allegedly based on framework contracts. However, framework contracts, requisitions and other stores records in support of expenditure for these equipment and medical supplies were not provided for audit review.

In the circumstances, the accuracy and validity of expenditure on equipment and medical supplies could not be confirmed.

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Presentation and Disclosure Errors in the Financial Statements

The financial statements provided for the six months period ending on 30 June, 2022 have the following anomalies;

- i. The financial statements are for Kiambu County (Facility Improvement Fund) FIF while Section 29 of the enabling legislation, Kiambu County Health Services Act, 2019 established a Fund known as the Kiambu County Health Services Facility Improvement Fund (HSFIF).
- ii. The format prescribed by PSASB has environmental and sustainability report. However, the financial statements do not include the environmental and sustainability report.
- iii. Report of the Trustees does not indicate the page numbers where results of the fund for the year ended 30 June, 2022 are placed.
- iv. Note 8 to the financial statements does not have the account name and number on the current account.

- v. The statement of financial performance reflects transfers from the County health facilities of Kshs.379,038,465. However, the amount reflected in the statement of financial performance has no corresponding note to the financial statements.

In the circumstances, Management failed to comply with the Public Sector Accounting Standard Board (PSASB) guidelines.

2. Incorrect Enforcement of the Transfers from County Health Facilities

The statement of financial performance indicates that transfers from the County health facilities amounted to Kshs.379,038,465. Section 36 (4) of Kiambu Health Act, 2019 states that not later than the fifth day after the close of the financial year, all monies held in an institution's bank account shall be transferred to the Funds account. Review of the bank statements for twenty-four (24) health facilities revealed that an amount totalling to Kshs.37,362,715 was held in the institutions' bank accounts.

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

3. Delayed Operationalization of the Kiambu County HSFIF

The Kiambu County Health Services Act, 2019 indicates that the date of commencement was 26 April, 2019. However, the HSFIF bank account was opened in January, 2022, thirty-three (33) months after the effective date of the enabling Act. No reason was provided for failure to operationalise the Fund soon after the enactment of the Act. In addition, the accountability of funds collected during the period was not accounted for.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high

level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


07 March, 2023


KIAMBU COUNTY FIF FUND

Annual Report and Financial Statements for the year ended June 30, 2022

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

	No	2021/2022	2020-2021
		Ksh	Ksh
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	1	0	0
Transfers From the County Government	2	0	0
Transfers From the County health facilities		379,038,464.60	0
Total Revenue		379,038,464.60	0
Expenses			
Employee Costs	3	0	0
Use of goods and services	4	12,942,369.00	0
Transfer to hospitals	5	246,800,770.68	
Finance Costs	6	0	0
Total Expenses		259,743,140	0
Other Gains/Losses			
Gain/Loss on Disposal of Assets	7	0	0
Surplus/(Deficit) For The Period		119,295,324.15	0

KIAMBU COUNTY GOVERNMENT

 Name: **Dr Patrick N Nyaga**
 Administrator of the Fund
FUND


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

13. Statement of Financial Position As At 30 June 2022

Statement of Financial Position As At 30 June 2022			
Assets			
Current Assets			
		119,295,324.15	
Cash and Cash Equivalents	8		0
Receivable from exchange transaction	9	0	0
Inventories	10	0	0
		119,295,324.15	0
Non-Current Assets			
Property, Plant and Equipment	11	0	0
Intangible Assets	12	0	0
		0	0
Total Assets		119,295,324.15	0
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	13	119,295,324.15	0
Provisions	14	0	0
		0	
Current Portion of Borrowings	15		0
Employee Benefit Obligations	16	0	0
		0	0
Non-Current Liabilities			
Non-Current Employee Benefit Obligation	20	0	00
Long Term Portion of Borrowings	19	0	0
Total Liabilities		119,295,324.15	0
		0	
Net Assets			0
Revolving Fund		0	0
Reserves		0	0
Accumulated Surplus		0	0
Total Net Assets and Liabilities		0	0

Kiambu County FIF

Annual Report and Financial Statements for the year ended June 30, 2022

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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 29th July 2022 and signed by:

[Signature]
KIAMBUI COUNTY GOVERNMENT
.....
Name: Dr Patrick N Nyaga
Administrator of the Fund?
25 SEP 2022
F.I.F FUND

[Signature]

Name: Alex Weru
Fund Accountant
ICPAK Member Number:20970


KIAMBU COUNTY FIF FUND
Annual Report and Financial Statements for the year ended June 30, 2022

14. Statement of Changes in Net Assets for the year ended 30th June 2022

	Resolving Fund	Revaluation Reserve	Accumulated Surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2020	0	0	0	0
Surplus/(Deficit) For the Period	-	-	0	0
Funds Received During the Year	0	-		0
Transfers	0		(0)	
Revaluation Gain	-	0	-	0
Balance As At 30 June 2021	0	0	0	0
Balance As At 1 July 2021	0	0	0	0
Surplus/(Deficit) For the Period		-	0	0
Funds Received During the Year	0	-	-	0
Transfers	0		(0)	
Revaluation Gain	-	0	-	0
Balance As At 30 June 2022	0	0	0	0

KIAMBU COUNTY GOVERNMENT

 Name: Dr Patrick N Nyaga
 Administrator of the Fund
F.I.F FUND
 25 SEP 2022


 Name: Alex Weru
 Fund Accountant
 ICPAK Member Number: 20970

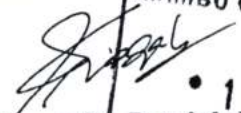
KIAMBU COUNTY FIF FUND**Annual Report and Financial Statements for the year ended June 30, 2022****15. Statement of Cash Flows for the Year Ended 30 June 2022**


	Notes	2021-2022 Kshs	2020-2021 Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations	1	0	0
Transfers from the county government	2	0	0
Interest received		0	0
Transfers from hospitals		379,038,464.60	0
Total receipts		379,038,464.60	0
Payments			
Fund administration expenses		4,598,252.00	0
General expenses		8,344,177.00	0
Finance cost		0	0
Transfers to hospital	5	246,800,770.68	
Net cash flows from operating activities	17	119,295,324.15	0
Cash flows from investing activities			
Purchase of property, plant, equipment and 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)
Net cash flows used in investing activities		(0)	(0)
Cash flows from financing activities			
Proceeds from revolving fund receipts		0	0
Additional borrowings		0	0
Repayment of borrowings		(0)	(0)
Net cash flows used in financing activities		(0)	(0)
Net increase/(decrease) in cash & cash Equivalents		0	(0)
Cash and cash equivalents at 1 July		0	0

Kiambu County FIF

Annual Report and Financial Statements for the year ended June 30, 2022

Cash and cash equivalents at 30 June	8	119,295,324.15	0


KIAMBU COUNTY GOVERNMENT
• 16 AUG 2022
Name: Dr Patrick N Nyaga
Administrator of the Fund
F.I.F FUND


Name: Alex Weru
Fund Accountant
ICPAK Member Number: 20970

KIAMBU COUNTY FIF FUND

Annual Report and Financial Statements for the year ended June 30, 2022

16. Statement of Comparison Of Budget And Actual Amounts For The Period

	2022	2022	2022	2022	2022	2022
	Budget	Actual	Final	Actual	Performance	Variance
				vs Budget	Difference	Ratio
				2022	2022	2022
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	
Public Contributions And Donations	0	(0)	0	0	(0)	0
Transfers From County Govt.						
Interest Income	0	-	0	0	(0)	0
Transfer from county health facilities	638,205,272		638,205,272	379,038,464.60	259,166,807.4	68.5%
Total Income	638,205,272		638,205,272	379,038,464.60	259,166,807.4	68.5%
Fund Administration Expenses	31910263	-	31,910,263	4,598,252	(27,312,011)	100%
General Expenses	95,730,791	(0)	95,730,791	8,344,177	8,344,177	
Transfer to hospitals	510,564,217	0	510,564,217	246,800,770.68	(246,800,770.68)	100%
Total Expenditure	638,205,272	(0)	638,205,272	259,743,140.00	(379,038,464.60)	68.5
Surplus For The Period	0	0	0	119,295,324.15	0	

Kiambu County FIF

Annual Report and Financial Statements for the year ended June 30, 2022

Budget notes

- 1. The FIF fund started its operations in February 2022. As at 30th June 2022 the fund had only operated for 5 months. A budget had been made for the whole year hence the difference in funds' performance. The fund is a revolving fund hence the un-transferred funds at the end of the year.*

17. Notes to the Financial Statements

1. General Information

Kiambu County FIF Fund is established and derives its authority and accountability from Kiambu health 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 years presented.

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

3. Adoption of new and revised standards

(i) Relevant new standards and amendments to published standards effective for the year ended 30 June 2022

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

(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022

<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p>
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Standards	Description of the Standard
	<ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.

	<p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other improvements to IPSAS</p>	<p><i>Applicable 1st January 2023</i></p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p>
<p>IPSAS 43</p>	<p><i>Applicable 1st 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>

Kiambu County FIF Fund

Annual Report and Financial Statements for the year ended June 30, 2022

Standard	Significant Impacts
	The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

(iii) Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2022.

2. Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

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

b) Budget information

The original budget for FY 2021-2022 was approved by the County Assembly on xxxx. 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 didn't record additional appropriations on the FY 2021-2022

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

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

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

Summary Of Significant Accounting Policies (Continued)

c) Property, plant and equipment

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

d) Intangible Assets

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

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

a) Financial instruments

Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Summary Of Significant Accounting Policies (Continued)

Held-to-maturity

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

Impairment of financial assets

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

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

Financial liabilities

Initial recognition and measurement

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

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

Loans and borrowing

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

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

Kiambu County FIF Fund
Annual Report and Financial Statements for the year ended June 30, 2022

Summary of Significant Accounting Policies (Continued)

b) Inventories

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

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

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

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

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

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

c) Provisions

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

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

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

Contingent liabilities

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

Summary of Significant Accounting Policies (Continued)

Contingent assets

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

d) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. *So far the entity has not created any reserve*

e) Changes in accounting policies and estimates

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

f) Employee benefits – Retirement benefit plans

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

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

g) Foreign currency transactions

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

Summary Of Significant Accounting Policies (Continued)

h) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

i) Related parties

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

j) Cash and cash equivalents

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

k) Comparative figures

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

l) Events after the reporting period

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

m) Ultimate and Holding Entity

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

n) Currency

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

Summary Of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

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

b) Useful lives and residual values

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

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

c) Provisions

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

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

6. Notes to The Financial Statements

1. Public contributions and donations



Kiambu County FIF Fund

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Donation From Development Partners	0	0
Contributions From The Public	0	0
Total	0	0

2. Transfers from County Government

Description	2021/22	2022/23
	(Ksh)	(Ksh)
Transfers From County Govt. –Operations	0	0
Payments By County On Behalf Of The Entity	0	0
Total	0	0

3. Employee Costs

Description	2021/22	2022/23
Salaries And Wages	0	0
Staff Gratuity	0	0
Staff Training Expenses	0	0
Social Security Contribution	0	0
Other (Specify)	0	0
Total	0	0

4. Use of Goods and Services

Description	2021/22	2022/23
General Office Expenses	3,921,260.00	0
Loan Processing Costs	0	0
Professional Services Costs	0	0
Administration Fees	3,072,456.00	0
Committee Allowances	4,194,657.00	0
Electricity And Water Expenses	0	0
Fuel And Oil Costs	398,000.00	0
Insurance Costs	0	0
Postage And Courier	0	0
Printing And Stationery	1,322,400.00	0

Kiambu County FIF Fund

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	2021-2022	2020-2021
	KSh	KSh
Rental Costs	0	0
Security Costs	0	0
Telephone And Communication Expenses	0	0
Bank Charges	33,596.00	0
Audit Fees	0	0
Provision For Doubtful Debts	0	0
Other (<i>Specify</i>)	0	0
Total	12,942,369.00	0

5. Transfers to hospitals

	2021-2022	2020-2021
	KSh	KSh
Cash transfers	207,786,311.68	0
equipment's	23,976,716.00	
Medical supplies	12,993,368.00	
Utilities payments	2,044,375.00	0
Totals	246,800,770.68	0

6. Finance costs

	2021-2022	2020-2021
	KSh	KSh
Interest On Bank Overdrafts	0	0
Interest On Loans From Banks	0	0
Total	0	0

7. Gain/(loss) on disposal of assets

	2021-2022	2020-2021
	KSh	KSh
Property, Plant And Equipment	0	0

Kiambu County FIF Fund**Annual Report and Financial Statements for the year ended June 30, 2022**

Intangible Assets	0	0
Total	0	0

8. Cash and cash equivalents

DESCRIPTION		
Car Loan Account	0	0
County Mortgage Account	0	0
Fixed Deposits Account	0	0
On - Call Deposits	0	0
Current Account	119,295,324.15	0
Others	0	0
Total Cash And Cash Equivalents	119,295,324.15	0

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

a) Fixed Deposits Account			
Kenya Commercial Bank		00	0
Equity Bank, Etc.		0	0
Sub- Total		0	0
b) On - Call Deposits			
Kenya Commercial Bank		0	0
Equity Bank - Etc.		0	0
Sub- Total		0	0
c) Current Account			
Family Bank		119,295,324.15	0
Bank B		0	0
Sub- Total		0	0
d) Others(Specify)			
Cash In Transit		0	0
Cash In Hand		00	0
Sub- Total		0	0

Kiambu County FIF Fund

Annual Report and Financial Statements for the year ended June 30, 2022

Grand Total		119,295,324.15	0
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9. Receivables from exchange transactions

	2021-2022	2020-2021
	KSh	KSh
Current Receivables		
Interest Receivable	0	0
Current Loan Repayments Due	0	0
Other Exchange Debtors	0	0
Less: Impairment Allowance	(0)	(0)
Total Current Receivables		
Non-Current Receivables		
Long Term Loan Repayments Due	0	0
Total Non- Current Receivables	0	0
Total Receivables From Exchange Transactions	0	0

Additional disclosure on interest receivable

	2021-2022	2020-2021
	KSh	KSh
Interest Receivable		
Interest receivable from current portion of long-term loans of previous years	0	0
Accrued interest receivable from of long-term loans of previous years	0	0
Interest receivable from current portion of long-term loans issued in the current year	0	0
Current loan repayments due		
Current portion of long-term loans from previous years	0	0
Accrued principal from long-terms loans from previous periods	0	0
Current portion of long-term loans issued in the current year	0	0

10. Inventories

	2021-2022	2020-2021
	KSh	KSh
Consumable Stores	0	0
Spare Parts And Meters	0	0
Catering	0	0

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Other Inventories (Specify)	0	00
Total Inventories At The Lower Of Cost And Net Realizable Value	0	00

Kiambu County FIF Fund

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Notes To The Financial Statements (Continued)

11. Property, plant and equipment

	Buildings	Leasehold Improvements	Plant and Equipment	Computer and Office Equipment	Total
	Ksh	Ksh	Ksh	Ksh	Ksh
At 1st July 2020	0	0	0	0	0
Additions	0	0	0	-	00
Disposals	0	(0)	-	-	(0)
Transfers/Adjustments	0	(0)	0	(0)	(0)
At 30th June 2021	0	0	0	0	0
At 1st July 2021					
Additions	0	0	0	-	0
Disposals	(0)	-	-	-	(0)
Transfer/Adjustments	(0)	0	0	(0)	(0)
At 30th June 2022	0	0	0	0	0
Depreciation And Impairment					
At 1 st July 2020	(0)	(0)	(0)	(0)	(0)
Depreciation	(0)	(0)	(0)	(0)	(0)
Impairment	(0)	-	-	-	(0)
At 30th June 2021	0	0	0	0	0
At 1st July 2021					
Depreciation	(0)	(0)	(0)	-	(0)
Disposals	0	-	-	-	0
Impairment	(0)	(0)	-	-	(0)
Transfer/Adjustment	0	(0)	0	0	0
At 30th June 2022	0	0	0	0	0
Net Book Values					
At 30th June 2021	0	0	0	0	0
At 30th June 2022	0	0	0	0	0

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Notes To The Financial Statements (Continued)

12. Intangible assets

Description	2021	2022
Cost		
At Beginning Of The Year	0	0
Additions	0	0
At End Of The Year	0	0
Amortization And Impairment		
At Beginning Of The Year	0	0
Amortization	0	0
At End Of The Year	0	0
Impairment Loss	00	0
At End Of The Year	0	0
NBV	0	0

13. Trade and other payables from exchange transactions

Description	2021	2022
Trade Payables	119,295,324.15	0
Refundable Deposits	0	0
Accrued Expenses	0	00
Other Payables	0	0
Total Trade And Other Payables	119,295,324.15	0

14. Provisions

Description	2021	2022	2023	2024
Balance At The Beginning Of The Year (1.07.2021)	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)

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Transfers From Non -Current Provisions	0	0	0	0
Balance At The End Of The Year (30.06.2022)	0	0	0	0

Kiambu County FIF Fund

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Notes To The Financial Statements (Continued)

15. Borrowings

Description		
Balance At Beginning of The Period	0	0
External Borrowings During the Year	0	0
Domestic Borrowings During the Year	0	0
Repayments Of External Borrowings During the Period	(0)	(0)
Repayments Of Domestic Borrowings During the Period	(0)	(0)
Balance At End of The Period	0	0

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

Description		
External Borrowings		
Dollar Denominated Loan	0	0
Sterling Pound Denominated Loan From 'Y Organisation'	0	0
Euro Denominated Loan from Z Organisation'	0	0
Domestic Borrowings		
Kenya Shilling Loan From KCB	0	0
Kenya Shilling Loan from Barclays Bank	0	0
Kenya Shilling Loan from Consolidated Bank	0	0
Borrowings From Other Government Institutions	0	0
Total Balance at End Of The Year	0	0

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

Description		
Short Term Borrowings(Current Portion)	0	0
Long Term Borrowings	0	0
Total	0	0

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Notes To The Financial Statements (Continued)

16. Employee benefit obligations

Description	2021-2022	2020-2021	2021-2022		
	Kshs	Kshs	Other	2021-2022	2020-2021
Current Benefit Obligation	0	0	0	0	0
Non-Current Benefit Obligation	0	0	0	0	0
Total	0	0	0	0	0

17. Cash generated from operations

	2021-2022	2020-2021
Surplus/ (Deficit) For the Year Before Tax	119,295,324.15	0
Adjusted For:		
Depreciation	0	0
Amortisation	0	0
Gains/ Losses On Disposal Of Assets	(0)	(0)
Interest Income	(0)	(0)
Finance Cost	0	0
Working Capital Adjustments		
Increase In Inventory	(0)	(0)
Increase In Receivables	(0)	(0)
Increase In Payables	119,295,324.15	0
Net Cash Flow From Operating Activities	0	0

Other Disclosures

18. 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/scheme is related to the following entities:

- a) The County Government of Kiambu

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- b) County assembly of Kiambu
- c) Department of Health services
- d) Key management;
- e) Department of internal audit
- f) Kiambu county hospitals, health centers, dispensaries and community units
- g) Board of Trustees; etc

b) Related party transactions

	2021-2022	2020-2021
Transfers From Related Parties'	379,038,464.6	0
Transfers To Related Parties	246,800,770.68	0

c) Key management remuneration

	2021-2022	2020-2021
Board Of Trustees	0	0
Key Management Compensation	0	0
Total	0	0

d) Due from related parties

	2021-2022	2020-2021
Due From Parent Ministry	0	0
Due From County Government	0	0
Total	0	0

Other Disclosures Continued

e) Due to related parties

	2021-2022	2020-2021
Due To Parent Ministry	0	0
Due To County Government	0	0
Due to hospitals	119,295,324.15	0

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Due To Key Management Personnel	0	0
Total	0	0

Other Disclosures Continued

19. 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:

At 30 June 2022				
Receivables From Exchange Transactions	0	0	0	0
Receivables From Non-Exchange Transactions	0	0	0	0
Bank Balances	119,295,324.15	119,295,324.15	0	0
Total	119,295,324.15	119,295,324.15	0	0
At 30 June 2021				

Kiambu County FIF Fund

Annual Report and Financial Statements for the year ended June 30, 2022

Receivables From Exchange Transactions	0	0	0	0
Receivables From Non Exchange Transactions	0	0	0	0
Bank Balances	0	0	0	0
Total	0	0	0	0

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 no significant concentration of credit risk .

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.

At 30 June 2022				
Trade Payables	119,295,324.15	0	0	119,295,324.15
Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	0	0
Employee Benefit Obligation	0	0	0	0
Total	119,295,324.15	0	0	119,295,324.15
At 30 June 2021				
Trade Payables	0	0	0	0

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Current Portion Of Borrowings	0	0	0	0
Provisions	0	0	0	0
Employee Benefit Obligation	0	0	0	0
Total	0	0	0	0

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.

For the period ended 30th June 2022, the funds transactions were all in Kenya shillings

At 30 June 2021			
Financial Assets	0	0	0
Investments	0	0	0
Cash	0	0	0

Kiambu County FIF Fund

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Debtors/ Receivables			
Liabilities			
Trade And Other Payables	0	0	0
Borrowings	0	0	0
Net Foreign Currency Asset/(Liability)	0	0	0

Foreign currency sensitivity analysis

During the period of operation, the fund has only collected in cash hence there was no significant change or effect on foreign currency fluctuations.

2022			
Euro	10%	0	0
USD	10%	0	0
2021			
Euro	10%		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.

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.

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During the year ended the fund did not invest in any interest earning investment.

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:

	2021-2022	2020-2021
Revaluation reserve	0	0
Revolving fund	0	0
Accumulated surplus	0	0
Total funds	0	0
Total borrowings	119,295,324.15	
Less: cash and bank balances	119,295,324.15	0
Net debt/(excess cash and cash equivalents)	0	0
Gearing	100%	0%

Kiambu County FIF Fund

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18. Progress on Follow up of Prior Year Auditor's Recommendations

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

Reference	Issue	Management Comments	Responsible Person	Time Frame

The fund has so far not been audited in its five months of operations