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REPORT

OF

THE AUDITOR-GENERAL

ON

**KAKAMEGA COUNTY MATERNAL CHILD
HEALTH AND FAMILY PLANNING FUND**

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

PAPERS LAID	
DATE	12/03/2024
TABLED BY	MAJORITY LEADER
COMMITTEE	FINANCE
CLERK AT THE TABLE	CHEROP



COUNTY GOVERNMENT OF KAKAMEGA
(MATERNAL CHILD HEALTH AND FAMILY PLANNING FUND)

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

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

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**The Kakamega County Maternal Child Health and Family Planning Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

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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
CORA	Commission on Revenue Allocation
COB	Controller of Budget
Kshs	Kenya Shillings

b) Glossary of Terms

Fiduciary Management	The key management personnel who had financial responsibility
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**The Kakamega County Maternal Child Health and Family Planning Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

2. Key Entity Information and Management

a) Background information

The Kakamega County Maternal Child Health and Family Planning fund derives its authority and accountability from the Kakamega County Maternal Child Health and Family Planning Act, 2017. The Fund is wholly owned by the County Government of Kakamega and is domiciled in Kenya.

The key objective of the fund is to reduce maternal and under five mortalities through use of social cash transfers with a visible platform.

The Fund's principal activity is to Provide a framework for cash transfers of authorised payment to needy mothers registered in the Kakamega County Maternal Child Health and Family Planning Program;

b) Principal Activities

Provide a platform aimed at giving incentives to expectant and lactating mothers to access health services to: -

- i. increases the number of pregnant mothers attending antenatal clinic visits;
- ii. increase the number of skilled deliveries in the county health facilities;
- iii. increase the number of mothers attending postnatal clinic visits;
- iv. reduce mother and child morbidity and mortality;
- v. promote advocacy, communication and social mobilization towards elimination of mother to child transmission of HIV/AIDS improve nutrition status of mothers and children below the age of eighteen months;
- vi. increase the uptake of immunization services for children up to eighteen months;
- vii. Increase family planning uptake;
- viii. Create awareness on transmission, prevention and control of HIV/AIDS.

**The Kakamega County Maternal Child Health and Family Planning Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

c) Board of Trustees/Fund Administration Committee

Ref	Name	Position
1	Dr. June Jeophita Mwajuma	Member
2	Dr David Anekeya Alilah	Member
3	Ms. Irene Abucheri	Member
4	Ms. Ralpher okutoyi Mwenesi	Member
5	Sheila Mukanzi	Member
6	Genvieve Imbaya	Member
7	Mr Nehemiah Muhatia Musindi	Member

d) Key Management Team

Ref	Name	Position
1	Dr. June Jeophita Mwajuma	Chief Officer Finance
2	Dr. David Anekeya Alilah	Chief Officer Medical Services
3	Ms Muyuka Antoinette	Program Director
4	CPA Sheila Mukanzi	Fund Administrator

e) Fiduciary Oversight Arrangements

Ref	Position	Name
1	County Assembly	Assembly Committees
2	Auditor General	Office of Auditor general
3	National Treasury	Directorate of Accounting Services
4	Controller of budget	Office of COB
5	Commission on Revenue Allocation	Office of CORA

f) Registered Offices

P.O. Box 36 -50100
Sahajanand Building First
floor Mumias Road
Kakamega, Kenya

g) Fund Contacts

Telephone: 05631850/31852/31853
E-mail: oparanyacare@kakamegacounty.go.ke
Website: www.kakamega.go.ke

h) Fund Bankers

Kenya Commercial
Bank Kenyatta
Avenue Kakamega
P.O Box 152 – 50100
Kakamega-Kenya

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

County Attorney
County Head Office
Kakamega town
P.O. Box 36-50100
Kakamega, Kenya

3. Board of Trustees/ Fund Administration Committee (Or Any Other Corporate Governance Body for The Fund)

Name	Details of qualifications and experience
 <p data-bbox="220 846 576 884">Dr. June Jeophita Mwajuma</p>	<ul style="list-style-type: none"> • Chief Officer Finance • Doctorate in Environmental Microbiology • Master of Science degree in Microbiology • Bachelor of Science degree (Botany/Zoology) from Kenyatta University • Work experience-Laboratory Assistant at Mumias sugar company, Mombasa polytechnic university college as an assistant lecturer and Currently serves as the Chief officer Finance and Budget County Government of Kakamega.
 <p data-bbox="220 1352 549 1391">Dr David Anekeya Alilah</p>	<ul style="list-style-type: none"> • 18/07/1975 • B.Ed.(Science) • MSc (Statistics) • PhD (Statistics) • Data Mining and analytics • Chief officer Medical Services • Work experience-Lecturer at MMUST and Currently serves as the Chief officer Medical services County Government of Kakamega
 <p data-bbox="220 1865 472 1901">Ms. Irene Abucheri</p>	<ul style="list-style-type: none"> ● 12/06/1977 ● Chief Nurse ● Degree in Nursing ● Work experience-22 Years working experience as a Nurse in Public Health



Ms Ralpher okutoyi Mwenesi

- 19/01/1973
- County Immunization Coordinator
- BSc Nursing, MCH
- Work Experience-35 Years as nurse supervisor and program officer in different Government settings.



Genvieve Imbayi

- Sub county children's officer
- Degree in Nursing
- Work experience-23 Years Working experience



Mr Nehemiah Muhatia Musindi





- Clinical Instructor MMUST
- BSc. Physiotherapy
- Work experience-39 Years as a physiotherapist in government facilities



CPA Sheila Mukanzi

- 20/06/1981
- MBA (Finance Option),
- BBM (Finance and Banking Option)
- CPA (K)
- Work Experience-8 Years work experience

4. Management Team

Name	Details of qualifications and experience
 <p data-bbox="209 752 564 790">Dr. June Jeophita Mwajuma</p>	<ul style="list-style-type: none"> • Chief Officer Finance • Doctorate in Environmental Microbiology • Master of Science degree in Microbiology • Bachelor of Science degree (Botany/Zoology) from Kenyatta University • Work experience-Laboratory Assistant at Mumias sugar company, Mombasa polytechnic university college as an assistant lecturer and Currently serves as the Chief officer Finance and Budget County Government of Kakamega.
 <p data-bbox="217 1162 539 1193">Dr David Anekeya Alilah</p>	<ul style="list-style-type: none"> • 18/07/1975 • B.Ed.(Science) • MSc (Statistics) • PhD (Statistics) • Data Mining and analytics • Chief officer Medical Services • Lecturer at MMUST and Chief officer Medical services
 <p data-bbox="209 1581 507 1612">Ms. Antoinnete Muyuka</p>	<ul style="list-style-type: none"> • 13/07/1989 • MSC Development Studies • BSc. Communication and Public Relations • Fund Manager • 6 years work experience as Fund Manager
 <p data-bbox="225 1928 491 1960">CPA Sheila Mukanzi</p>	<ul style="list-style-type: none"> • 20/06/1981 • MBA (Finance Option) • BBM (Finance and Banking Option) • CPA (K) • Fund Administrator • 8 years work experience in public sector


**The Kakamega County Maternal Child Health and Family Planning Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

5. Board/Fund Chairperson's Report

The Imarisha Afya ya Mama na Mtoto program is a County Fund established under the Kakamega County Maternal Child Health and Family Planning Act 2017. Inception of this Fund was informed by the state of maternal child health in Kakamega County where there was a high mortality rate for pregnant mothers and their children. Kakamega County is the second most populous after Nairobi with a projected population of 2,073,926 and a yearly growth rate of 2.5%. More than half (52%) of the population is made up of women with 24.7% being women of childbearing age. Most maternal, child health and nutrition indicators are wanting and require efforts to address them. The prevalence of HIV among the population aged 15-64 years in Kenya is 5.6% (KAIS 2012) whereas the figure for the county is 4.7 %. The HIV/AIDS scourge has become the greatest contributor to child deprivation and high dependency ratio in Kakamega with many orphaned children deprived of their rights. Measures to address and reverse these trends informed the County Government's initiative to launch the Maternal Neonatal Child Health and Nutrition Program to address accessibility to service and knowledge gap which emerged as the main barriers to service.

Since the inception of this program, approximately 40,000 mothers have benefited from the program. UNICEF has been providing technical support to the Imarisha Afya ya Mama na Mtoto with an aim to achieve its objective of reducing maternal and child mortality through increased demand for impact interventions such as increased uptake of the 1st and 4th ANC visit, skilled birth attendance and full immunization of children by removing financial and social barriers for Women of Reproductive Age (WRA) to accessing quality services available. In providing the technical assistance to the development of the program MIS, UNICEF Kenya, contracted an Individual Consultant to support the County to construct a Proxy Means test and principal component analysis cut off points for the targeting module.

The program is striving to work with other key stakeholders and partners in the county to pool enough resources to increase program coverage and improve maternal child health in Kakamega County. Other future outlook of the Fund is to develop a business model to link the mothers for economic empowerment; integration of Family planning to the program service delivery; improving the program MIS by linking it to the National Single Registry and creation of a friendly environment for adolescent and young mothers. The program intends to look at ways of incorporating child protection in their service delivery and improve linkages to other social services such as National Health Insurance Fund and National Social Security Fund, Establish community administration units for county government decision making and participation, recruit beneficiary mothers to be Community Health Volunteers and improve coordination mechanisms through the social protection secretariat and linkages to other social services for sustainability.

Name **Dr David Anekeya Alilah** Signature  Date **27/09/2023**

Chairperson of the Board/Fund

6. Report of The Fund Administrator

The Kakamega County Maternal Child Health and Family Planning Act, 2017, An Act of the County Assembly of Kakamega to provide for a framework to support the Kakamega County Maternal Child Health and Family Planning.

Mandate

The Fund derives its powers from The Kakamega County Maternal Child Health and Family Planning Act 2017, besides the constitution of Kenya.

Its core functions are:

- a) promotion of the health of the mother and child from conception to the time the child achieves the age of eighteen months,
- b) promotion of family planning,
- c) Improving nutrition status of mothers and children below the age of eighteen months.

Management of funds

The Fund's main sources of revenue include disbursement from the county treasury. The funds are utilized on:

- a) Paying registered needy pregnant mothers at the scheduled points of care,
- b) Support operations and managements of the Fund,
- c) Support Family Planning activities,
- d) Support HIV/Aids prevention activities.

Operation of the Fund

The Kakamega County Maternal Child Health and Family Planning Account at Kenya Commercial Bank is the main operation account. The Fund received 30,000,000 from the County Treasury. Cash Transfer to Mothers amounted to Ksh 18,811,184 while the cash and cash equivalents as at 30th June 2023 was Ksh 12,043,602.

**The Kakamega County Maternal Child Health and Family Planning Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

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

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 Kakamega Maternal Child Health and Family Planning Fund as per the strategic plan for financial year 2022-2023 are to:

- a) Providing a framework for cash transfers of authorized payment to needy mothers registered in The Kakamega County Maternal Child Health and Family Planning fund
- b) Providing a platform aimed at giving incentives to expectant and lactating mothers to access health services
- c) Increasing family planning uptake
- d) Creating awareness on transmission, prevention and control of HIV/AIDS

Progress on attainment of Strategic development objectives

Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Imarisha Afya ya Mama na Mtoto	a) To provide a framework for cash transfers of authorized payment to needy mothers registered in the Kakamega County Maternal Child Health and Family Planning fund	Ongoing registration of mothers to the program	Number of mothers registered	3319 mothers have been registered

	b)	Provide a platform aimed at giving incentives to expectant and lactating mothers to access health services	Using the Management Information System to increase access of the program to mothers	Improvement of the management information system	Registration of mothers on-going across the 39 health facilities.
	c)	Increase family planning uptake	Conducting sensitization meetings on family planning uptake	No of mothers sensitized	3319 mothers sensitized on family planning
	d)	Create awareness on transmission, prevention and control of HIV/AIDS	Conducting sensitization meetings on HIV/AIDS awareness	No of mothers sensitized	3319 mothers sensitized Facilities are doing sensitization on HIV/AIDS

8. Corporate Governance Statement

The Kakamega County Maternal Child Health and Family Planning fund remains committed to the highest standards of corporate governance and business ethics. Good corporate governance practices are essential to the delivery of long term and sustainable stakeholder and shareholder value. The fund continues to adhere to its obligations as a public entity in Kenya in compliance with The Kakamega County Maternal Child Health and Family Planning Bill, 2017 and Public Finance Management Act, 2012. We continued to achieve high levels of corporate governance by focusing on the following areas:

- e) Providing a framework for cash transfers of authorized payment to needy mothers registered in The Kakamega County Maternal Child Health and Family Planning fund
- f) Providing a platform aimed at giving incentives to expectant and lactating mothers to access health services
- g) Increasing family planning uptake
- h) Creating awareness on transmission, prevention and control of HIV/AIDS

Fund committee

The Fund committee is critical to the funds' governance framework and offers guidance on matters including but not limited to ones described in Kakamega County Maternal Child Health and Family Planning Act, 2017 section 11.

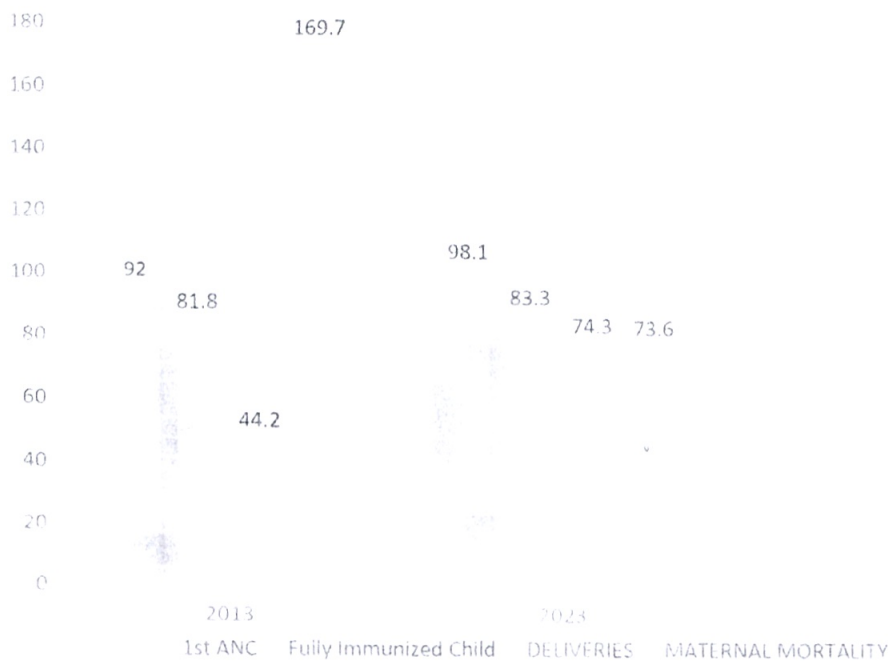
Fund committee Composition

- 1) Officer responsible for health services;
- 2) Chief officer responsible for finance;
- 3) One person who has at least a first degree in social sciences with experience in social protection;
- 4) One person who has at least a first degree in a health related with experience in maternal and child health;
- 5) One person who has at least a first degree in a health related field with experience in community health;
- 6) The Fund Administrator who shall be an ex-officio member and secretary to the committee;
- 7) One person who has at least a first degree in a health related field with experience in prevention and control of HIV and Sexually Transmitted Infections.

9. Management Discussion and Analysis

The Kakamega County Maternal Child Health and Family Planning fund contributes to the reduction of geographic, economic, social and cultural barriers to access to health and nutrition services. The program promotes behavior change for seeking skilled health service and attendance on sexual and reproductive health, family planning, HIV and AIDS prevention, nutrition, child care, and safe and responsible motherhood on pregnant women and mothers of children under 18 months. By the end of this quarter of the 2022-2023 Financial year, the fund has registered 1,626 mothers to the program. This low numbers can be attributed to the fact that the program MIS cloud hosting contract had not been renewed.

HEALTH INDICATORS FOR KAKAMEGA COUNTY



Creating awareness on family planning uptake, transmission, prevention and control of HIV/AIDS is another key objective of the Kakamega County Maternal Child Health and Family Planning fund. This is done through sensitization and corporate social responsibility activities at the facility level. The program has carried out this activity to the 39 health facilities across the County during registration of the mothers with key messages on increased importance of the 1st and 4th ANC clinic visit, skilled birth delivery and full immunization of children by removing financial and social barriers for Women of Reproductive Age to accessing quality services available, HIV/AIDS awareness and Family Planning uptake. In this quarter 1626 mothers were sensitized on family planning uptake and HIV/AIDS awareness.

**The Kakamega County Maternal Child Health and Family Planning Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

10. Environmental and Sustainability Reporting

The Kakamega County Maternal Child Health and Family Planning fund exists to promote health among all women and especially the well-being of pregnant and new-born through the provision of health services. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on 4 pillars: provide a framework for cash transfers to needy mothers by providing a platform aimed at giving incentives to expectant and lactating mothers to access health services; a) promotion of the health of the mother and child from conception to the time the child achieves the age of eighteen months; increase family planning uptake and Create awareness on transmission, prevention and control of HIV/AIDS

putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements in each pillar

1. Sustainability strategy and profile -

The program is striving to work with other key stakeholders and partners in the county to pool enough resources to increase program coverage and improve maternal child health in Kakamega County. Other future outlook of the Fund is to develop a business model to link the mothers for economic empowerment; integration of Family planning to the program service delivery; improving the program MIS by linking it to the National Single Registry and creation of a friendly environment for adolescent and young mothers.

2. Environmental performance

Outline clearly, environmental policy guiding the organisation, provide evidence of the policy. Outline successes, shortcomings, efforts to manage biodiversity, waste management policy and efforts to reduce environmental impact of the organisation's products.

3. Employee welfare

The Ministry of Health at the County level is responsible for the overall management and implementation of the Imarisha Afya ya Mama na Mtoto Program. It ensures the provision of standard quality MNCH services in the 39 Imarisha Health Centers (IHCs) and the implementation of the MNCH Communication Strategy at the health facilities and the Community Health Department levels. The Health Management Structure is headed by the County Executive Committee for Health (CEC Health) in the Minister of Health that guides the implementation of the Imarisha Afya ya Mama na Mtoto Program from the policy perspective. The Health Coordinating Structure is headed by the County Health Management Team (CHMT). The CHMT ensures quality and homogeneous MNCH and Imarisha Afya ya Mama na Mtoto Program services and processes. This body is in charge of the strategic and operational planning, supportive supervision, monitoring and review of health service delivery in the County. It ensures proper Coordination is between the Reproductive Health, Nutrition, HIV and AIDS Prevention, and community health structures the effective functioning of MNCH service- related provision at the IHC and the communities. The functions of the MCH/FP Fund Management Committee are to receive and consider applications from eligible beneficiaries of the Kakamega County Maternal Child Health and Family Planning and Imarisha Afya ya Mama na Mtoto Programs. They validate community health units

and community health volunteers and pay stipends to eligible volunteers, inform the community about the Fund and the Imarisha Afya ya Mama na Mtoto Program, maintain proper records of the committee affairs and accounting.

4. Market place practices-

The organization should outline its efforts to:

- a) Responsible competition practice
Priority is given to the poorest and most vulnerable: i) Under aged ii) Disability iii) HIV positive iv) Malnourished (MUAC)
- b) Responsible Supply chain and supplier relations
The program strictly follows the Public Procurement and Asset Disposal Act and all procurement are done at the County procurement offices
- c) The fund procures and distributes communication material to create complete program awareness to the general public.
- d) Product stewardship-
The program is a right for the poorest and most vulnerable women residents of the Kakamega County who are pregnant or with children under 18 months of age

5. Corporate Social Responsibility / Community Engagements

The organisation gives details of CSR activities carried out in the year and the impact to the society. Give evidence of community engagement including charitable giving (cash and material), Corporate Social Investment and other forms of community engagements.

**The Kakamega County Maternal Child Health and Family Planning Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

11. Report of The Trustees

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

Principal activities

Provide a framework for cash transfers of authorized payment to needy mothers registered in the Kakamega County Maternal Child Health and Family Planning Program;

Provide a platform aimed at giving incentives to expectant and lactating mothers to access health services to: -

- i. increases the number of pregnant mothers attending antenatal clinic visits;
 - ii. increase the number of skilled deliveries in the county health facilities;
 - iii. increase the number of mothers attending postnatal clinic visits;
 - iv. reduce mother and child morbidity and mortality;
 - v. promote advocacy, communication and social mobilization towards elimination of mother to child transmission of HIV/AIDS improve nutrition status of mothers and children below the age of eighteen months;
 - Vii. increase the uptake of immunization services for children up to eighteen months;
 - Viii. Increase family planning uptake;
- (b) Create awareness on transmission, prevention and control of HIV/AIDS.

Results

The results of the Fund for the year ended June 30, 2023 are set out on page 1-5


Trustees

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

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 Board/Fund Administration Committee

Date: 27/09/2023

**The Kakamega County Maternal Child Health and Family Planning Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

12. Statement of Management's Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Administrator of a County Public Fund established by the Kakamega County Maternal Child Health and Family Planning Act, 2017 shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

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

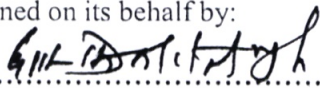
The Administrator of the County Public Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS),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

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

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 27/09/ 2023 and signed on its behalf by:


.....

Administrator of the County Public Fund

REPUBLIC OF KENYA

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



HEADQUARTERS
Anniversary Towers
Monrovia Street
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KAKAMEGA COUNTY MATERNAL CHILD HEALTH AND FAMILY PLANNING FUND FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kakamega County Maternal Child Health and Family Planning Fund set out on pages 1 to 30 which comprise of the

Report of the Auditor-General on Kakamega County Maternal Child Health and Family Planning Fund for the year ended 30 June, 2023

statement of financial position as at 30 June, 2023, 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 provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kakamega County Maternal Child Health and Family Planning Fund as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Kakamega County Maternal Child Health and Family Planning Act, 2017.

Basis for Opinion

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

Emphasis of Matter

Budgetary Performance and Control

The statement of comparison of budget and actual amounts reflects approved receipts budget and actual on comparable basis amounts of Kshs.64,244,845 and Kshs.30,000,000 respectively, resulting to under-funding of Kshs.34,244,845 or 53% of the budget. Similarly, the statement reflects actual expenditure of Kshs.35,218,448 against approved budget of Kshs.64,244,845 resulting to under-performance of Kshs.29,026,397 or 45% of the budget.

The under-funding and under-performance affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion however, is not modified on the effect of this matter.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

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.

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 overall 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 applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease its operations.

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how 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 overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal 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

Report of the Auditor-General on Kakamega County Maternal Child Health and Family Planning Fund for the year ended 30 June, 2023

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's policies and procedures may deteriorate.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

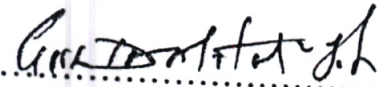
08 February, 2024

The Kakamega County Maternal Child Health and Family Planning Fund
Annual Report and Financial Statements for the year ended June 30, 2023

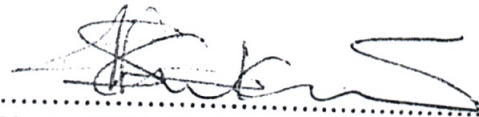
14. Statement of Financial Performance for the Year Ended 30 June 2023

Description	Note	FY 2022/2023	FY 2021/2022
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	1	-	1,450,060
Transfers From the County Government	2	30,000,000	70,000,000
Fines, Penalties and Other Levies	3	-	-
		30,000,000	71,450,060
Expenses			
Employee Costs	4	525,071	614,590
Use of goods and services	5	14,924,577	32,380,892
Depreciation and Amortization Expense	6	1,385,453	4,583,089
Cash Transfer to Mothers	7	18,383,347	40,909,430
Total Expenses		35,218,448	78,488,001
Other Gains/Losses			
Surplus/(Deficit) for the year		(5,218,448)	(7,037,941)

(The notes set out on pages 18 to 26 form an integral part of these Financial Statements)



Name: Dr David Anekeya Alilah
Administrator of the Fund



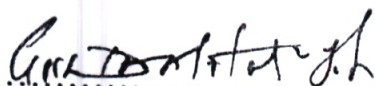
Name: CPA Charles Shikuku
Fund Accountant
ICPAK Member Number:13001

The Kakamega County Maternal Child Health and Family Planning Fund
Annual Report and Financial Statements for the year ended June 30, 2023

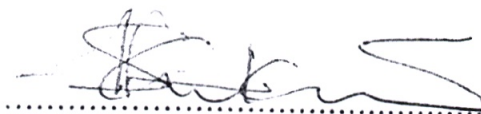
15. Statement of Financial Position As at 30 June 2023

Description	Note	FY 2022/2023	FY 2021/2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	8	12,043,602	16,284,597
Accounts Receivables	9	488,000	80,000
Total current assets		12,531,602	16,364,597
Non-Current Assets			
Property, Plant and Equipment	11	4,617,985	6,003,439
Total non- current assets		4,617,985	6,003,439
Total Assets		17,149,587	22,368,036
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions		-	-
Non-Current Liabilities			
Long Term Portion of Borrowings		-	-
Total Liabilities		-	-
Net Assets		17,149,587	
Revolving Fund		-	-
Accumulated Fund		31,012,934	31,012,934
Accumulated Surplus		(13,863,346)	(8,644,898)
Total Net Assets and Liabilities		17,149,587	22,368,036

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 27/09/2023 and signed by:



Name: Dr David Anekeya Alilah
Administrator of the Fund



Name: CPA Charles Shikuku
Fund Accountant
ICPAK Member Number:13001

The Kakamega County Maternal Child Health and Family Planning Fund
Annual Report and Financial Statements for the year ended June 30, 2023

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

Description	Accumulated Fund	Accumulated surplus	Total
		KShs	KShs
			-
Balance as at 1 July 2021	31,012,934	(1,646,709)	29,366,312
Surplus/(deficit) for the period	-	(7,037,941)	(7,037,941)
Prior Year Adjustment 2021/2022	-	39,752	39,752
Revaluation gain	-	-	-
Balance as at 30 June 2022	31,012,934	(8,644,898)	22,368,036
Balance as at 1 July 2022	31,012,934	(8,644,898)	22,368,036
Surplus/(deficit) for the period	-	(5,218,448)	(5,218,448)
Prior Year Adjustment 2022/2023	-	-	-
Revaluation gain	-	-	-
Balance as at 30 June 2023	31,012,934	(13,863,346)	17,149,588

The Kakamega County Maternal Child Health and Family Planning Fund
Annual Report and Financial Statements for the year ended June 30, 2023

17. Statement of Cash Flows for The Year Ended 30 June 2023

Description	Note	FY 2022/2023	FY 2021/2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations	1	-	1,450,060
Transfers from the county government	2	30,000,000	70,000,000
Interest received		-	-
Receipts from other operating activities		-	-
Total receipts		30,000,000	71,450,060.00
Payments			
Employee Costs	4	(525,071)	(614,590)
Use of Goods and services	5	(14,924,577)	(32,380,892)
Depreciation	6	-	4,583,089
Cash transfer to Mothers	7	(18,383,347)	(40,909,430)
		(33,832,995)	(73,904,912)
Net cash flows from operating activities		(3,832,995)	(2,454,852)
Changes in working Capital-Receivables	9	(408,000)	1,919,599
Changes in working Capital-Payables		-	39,752
		(4,240,995)	(495,501)
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible assets		-	(4,464,401)
Proceeds from sale of property, plant & equipment		-	-
Proceeds from loan principal repayments		-	-
Loan disbursements paid out		-	-
Net cash flows used in investing activities		-	(4,464,401)
Cash flows from financing activities			
Proceeds from revolving fund receipts		-	-
Additional borrowings		-	-
Repayment of borrowings		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash & cash Equivalents		(4,240,995)	(4,959,902)
Cash and cash equivalents at 1 July 2022	8	16,284,597	21,244,499
Cash and cash equivalents at 30 June 2023	8	12,043,602	16,284,597

(PSASB has prescribed the direct method of cash flow preparation/ presentation for all entities under the IPSAS accrual basis of accounting.)

The Kakamega County Maternal Child Health and Family Planning Fund
Annual Report and Financial Statements for the year ended June 30, 2023

18. Statement Of Comparison Of Budget And Actual Amounts For the year ended June 30, 2023.

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Revenue						
Transfers From County Govt.	64,244,845	-	64,244,845	30,000,000	34,244,845	47%
Total Income	64,244,845	-	64,244,845	30,000,000	34,244,845	47%
Expenses					0	
Employee Costs	540,000	-	540,000	525,071	14,929	97%
Use of goods and services	18,281,323	-	18,281,323	14,924,577	3,356,746	82%
Cash Transfer to Mothers	37,423,522		37,423,522	18,383,347	19,040,175	49%
Depreciation and Amortization Expense	8,000,000	-	8,000,000	1,385,453	6,614,547	17%
Total Expenditure	64,244,845	-	64,244,845	35,218,448	29,026,397	55%
Surplus For the Period				(5,218,448)		
Capital expenditure						

Budget notes

- The underperformance and Underabsorption was contributed greatly by delay and late disbursement in exchequer disbursements from the Treasury as it's the Main source of funding to the fund.*

**The Kakamega County Maternal Child Health and Family Planning Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

19. Notes to the Financial Statements

1. General Information

The Kakamega County Maternal Child Health and Family Planning Fund is established by and derives its authority and accountability from the Kakamega County Maternal Child Health and Family Planning Act 2017. The entity is wholly owned by the Kakamega County Government and is domiciled in Kenya. The entity's principal activity is reduction of geographic, economic, social and cultural barriers to access to health and nutrition services.

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

Standard	Effective date and impact
<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. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model

The Kakamega County Maternal Child Health and Family Planning Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Standard	Effective date and impact
	<p>that is applicable to all financial instruments subject to impairment testing; and</p> <ul style="list-style-type: none"> • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p><i>(State the impact of the standard to the Entity if relevant)</i></p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows. <p><i>(State the impact of the standard to the Entity if relevant)</i></p>
<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. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. <p>Amendments to IPSAS 33, to update the guidance on classifying</p>

**The Kakamega County Maternal Child Health and Family Planning Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Standard	Effective date and impact
	<p>financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p><i>(State the impact of the standard to the Entity if relevant)</i></p>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p> <p><i>State the impact of the standard to the Entity if relevant</i></p>

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

Standard	Effective date and impact:
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that 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><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 44: Non-Current Assets Held	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p>

The Kakamega County Maternal Child Health and Family Planning Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Standard	Effective date and impact:
for Sale and Discontinued Operations	<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> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

(iii) Early adoption of standards

The Kakamega County Maternal Child Health and Family Planning Fund did not early – adopt any new or amended standards in the financial year ended June 2023.

4. Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

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

ii. Revenue from exchange transactions

Interest income

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

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.

b) Budget information

The original budget for FY 2023 was approved by the County Assembly. 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 recorded additional appropriations of 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.

Summary of Significant Accounting Policies (Continued)

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 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 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.

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. *Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit.(entity to amend appropriately)* 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.

**The Kakamega County Maternal Child Health and Family Planning Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Summary of Significant Accounting Policies (Continued)

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. (amend as appropriate).* 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 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.

Summary of Significant Accounting Policies (Continued)

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.

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 xx*.

**The Kakamega County Maternal Child Health and Family Planning Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Significant Accounting Policies (Continued)

Financial liabilities

Classification

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

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 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.

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 recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises 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.

Summary of Significant Accounting Policies (Continued)

j) 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.

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.

k) Nature and purpose of reserves

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

l) 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.

m) 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.

**The Kakamega County Maternal Child Health and Family Planning Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Summary of Significant Accounting Policies (Continued)

n) 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.

o) 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.

p) 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.

q) 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.

r) Comparative figures

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

Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

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

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

a) Estimates and assumptions –

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

b) Useful lives and residual values

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

- I. The condition of the asset based on the assessment of experts employed by the Entity
- ii. The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- iii. The nature of the processes in which the asset is deployed
- iv. Availability of funding to replace the asset
- V. 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.

The Kakamega County Maternal Child Health and Family Planning Fund
Annual Report and Financial Statements for the year ended June 30, 2023

6. Notes To The Financial Statements

1. Public contributions and donations

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Donation From Development Partners	-	1,450,060
Contributions From The Public	-	-
Total	-	1,450,060

2. Transfers from County Government

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Transfers From County Govt. –Operations	30,000,000	70,000,000
Payments By County On Behalf Of The Entity	-	-
Unconditional Development grants	-	-
Total	30,000,000	70,000,000

3. Fines ,Penalties and other Income

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Income from Sale of Tender Documents	-	-
Bad debts recovered	-	-
Total Other Income	-	-

4. Employee Costs

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Salaries And Wages	-	-
Staff Gratuity	525,071	614,590
Staff Training Expenses	-	-
Total	525,071	614,590

The Kakamega County Maternal Child Health and Family Planning Fund
Annual Report and Financial Statements for the year ended June 30, 2023

5. Use of Goods and Services

Description	FY 2022/2023	FY 2021/2022
	Kshs.	Kshs.
General Office Expenses	1,424,196	1,812,502
Hospitality/Conferences, Boards and committees	1,883,950	2,578,307
Motor vehicle Insurance	7,534	7,534
Fuel	350,003	356,898
Maintenance of Motor vehicles	84,392	206,143
Bank Charges	41,205	71,805
Printing And Stationery	711,488	3,674,681
Telephone And Communication Expenses	3,532,500	5,768,725
Staff Training	350,620	
Subscription	-	33,400
Other Operating Expenses	-	823,862
Maintainance of other assets	-	109,750
System administration expenses	793,900	-
Domestic Travel, Accommodation and Dsa	5,744,789	16,937,285
Total	14,924,577	32,380,892

(These Components of Use of Goods and services have been reclassified according to the prescribed template of reporting)

6. Depreciation and Amortization Expense

Description	FY 2022/2023	FY 2021/2022
	Kshs.	Kshs.
Furniture and Fittings	115,406	187,566
Computer	1,270,047	3,911,076
Motor vehicle	-	484,447
Total	1,385,453	4,583,089

(These Components of Depreciation and Amortization expense have been reclassified according to the prescribed template of reporting)

7. Cash Transfer to Mothers

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Cash Transfer to Mothers	18,383,347	40,909,430
Total	18,383,347	40,909,430

(This Component of Cash Transfer to Mothers has been separated from use of goods and services to a separate line item according to the prescribed template of reporting)

The Kakamega County Maternal Child Health and Family Planning Fund
Annual Report and Financial Statements for the year ended June 30, 2023

8. Cash and cash equivalents

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
On – Call Deposits	-	-
Current Account	11,576,013	16,244,845
Others (<i>Specify</i>)-Mpesa	467,589	39,752
Total Cash And Cash Equivalents	12,043,602	16,284,597

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

		FY 2022/2023
Financial institution	Account number	KShs
c) Current account		
Kenya Commercial bank	1148241272	11,576,013
Sub- total		11,576,013
Short term cash imprest		
M-Pesa	823510	467,589
Sub- total		467,589
Grand total		12,043,602

9. Accounts Receivables

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Opening Accounts Receivables As At 1 st July A	80,000	-
Closing Accounts Receivables As At 30 th June B (Disclosed in statement of Financial position)	488,000	80,000
Changes In Accounts Receivables (Disclosed in the Cashflow statement)	408,000	80,000

The Kakamega County Maternal Child Health and Family Planning Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

10. Property, plant and equipment

	Land and Buildings	Motor Vehicle	Furniture	Computer	Total
Cost	KShs	KShs	KShs	KShs	KShs
At 1 st July 2021		1,937,788	1,300,525	11,379,905	14,618,218
Additions	-	-	200,001	4,264,400	4,464,401
Disposals	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-
At 30 th June 2022	-	1,937,788	1,500,526	15,644,305	19,082,619
At 1 st July 2022		1,937,788	1,500,526	15,644,305	19,082,619
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer/Adjustments	-	-	-	-	-
At 30 th June 2023	-	1,937,788	1,500,526	15,644,305	19,082,619
Depreciation And Impairment					-
At 1st July 2021	-	1,453,341	389,709	6,653,042	8,496,092
Depreciation	-	484,447	187,566	3,911,076	4,583,089
Impairment	-	-	-	-	-
At 30 th June 2022	-	1,937,788	577,275	10,564,118	13,079,181

The Kakamega County Maternal Child Health and Family Planning Fund
Annual Report and Financial Statements for the year ended June 30, 2023

At 1st July 2022		1,937,788	577,275	10,564,118	13,079,181
Depreciation		-	115,406	1,270,047	1,385,453
Disposals		-	-	-	-
Impairment	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-
At 30th June 2023	-		692,681	11,834,165	12,526,846
Net Book Values					-
At 30th June 2022	-	-	923,251	5,080,187	6,003,438
At 30th June 2023	-	-	807,845	3,810,140	4,617,985

The Depreciation rates adopted by Kakamega County Maternal Child Health and Family Planning Fund are 25% Annually on Motorvehicle, 12.5% Annually on Furniture and fittings, 25% Annually on Computer and office equipments. The Fund depreciates the assets on a reducing Balance Method.

The Kakamega County Maternal Child Health and Family Planning Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Notes To The Financial Statements (Continued)

11. 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;
- b) The Parent County Government Ministry;
- c) Key management;
- d) Board of Trustees; etc.

b) Related party transactions

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Transfers From Related Parties'	-	-
Transfers To Related Parties	-	-

c) Key management remuneration

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Board Of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

d) Due from related parties

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From County Government	-	-
Total	-	-

**The Kakamega County Maternal Child Health and Family Planning Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Notes To The Financial Statements (Continued)

13. 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
At 30 June 2022				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-

**The Kakamega County Maternal Child Health and Family Planning Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Notes To The Financial Statements (Continued)

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 xxxx

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
At 30 June (Current FY)				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-

**The Kakamega County Maternal Child Health and Family Planning Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Notes To The Financial Statements (Continued)

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 carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Description		Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June (Current FY)			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ Receivables	-	-	-
Liabilities	-	-	-

The Kakamega County Maternal Child Health and Family Planning Fund
Annual Report and Financial Statements for the year ended June 30, 2023

20. Annexes

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Basis for Qualified opinion			
1.	Unsupported Mpesa Balance The statement of financial position reflects a cash and cash equivalents balance of Kshs.16,284,597 which, as disclosed in Note 8 to the financial statements, includes an amount of Kshs.39,752 held in Mpesa account. However, the balance was not supported by an Mpesa statement as at 30 June, 2022. In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.16,284,597 as at 30 June, 2022 could not be confirmed.	The Mpesa statement has since been provided.	Resolved by senate	N/A
2.1	Accuracy of the Financial Statements- General Expenses The statement of financial performance reflects an amount of Kshs.36,963,981 in respect of general expenses. However, Note 5 to the financial statements reflects corresponding amounts totaling Kshs.32,380,892. The variance of Kshs.4,583,089 has not been explained or reconciled.	The Management has since prepared an amended Financial report and Statements	Resolved by senate	N/A
2.2	Comparative Balances The statement of financial performance reflects comparative figures of Kshs.32,945,834 and Kshs.(34,482,971) in respect of general expenses and deficit for the prior year respectively, while the audited financial statements for the year ended 30 June, 2021 reflect closing balances of Kshs.32,945,921 and Kshs.(34,483,058), resulting in variances of Kshs.87 and Kshs.87 respectively. The variances have not been explained or reconciled. Similarly, the statement of financial position reflects a comparative balance of Kshs.21,244,586 in respect of cash and cash equivalents while the audited financial statements for the year ended 30 June, 2021 reflect a closing balance of Kshs.21,244,499. The variance of Kshs.87 has also not been explained or reconciled.	The Management has since prepared an amended Financial report and Statements	Resolved by senate	N/A
2.3	Prior Year Adjustment The statement of financial position for the year	The Management has since prepared an	Resolved	N/A

The Kakamega County Maternal Child Health and Family Planning Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Basis for Qualified opinion			
	ended 30 June,2021 reflected a prior year adjustment balance of Kshs.13,272,231 under net assets while the statement of financial position for the year ended 30 June ,2022 reflects a nil prior year adjustment balance. No explanation or supporting documents were provided on how the balance was cleared during the year under review	ammended Financial report and Statements		
2.4	Statement of Cash Flows The statement of cash flows for the year ended 30 June, 2022 reflects a depreciation amount of Kshs.4,583,089, which is a non-cash item. The statement of cash flows is supposed to reflect only items that involve actual flow of cash or cash equivalents. In the circumstances, the accuracy of the statement of financial performance, statement of financial position and statement of cash flows could not be confirmed.	The Management has since prepared an ammended Financial report and Statements	Resolved	N/A
	Other Matter			
	Budgetary Control and Performance The statement of comparison of budget and actual amounts reflects an approved receipts budget of Kshs.92,000,000 and actual receipts of Kshs.71,450,060 or 78o/o. However, no explanation was provided for the shortfall of Kshs.20,549,940, or 22o/o of the budget. This may have impacted negatively on achieving the objective for which the Fund was established. In addition, the statement reflects actual receipts of Kshs.71,450,060 and actual expenditure of Kshs.78,488,001 resulting to over-expenditure of Kshs.7,037,941. No evidence was provided to confirm that the excess expenditure was approved by the County Assembly, as required by Regulation 112 of the Public Finance Management (County Governments) Regulations, 2015, which requires an accounting officer to obtain approval of the County Assembly when he finds he has spent more than the total vote.	The Management has since prepared an ammended Financial report and Statements	Resolved	N/A
	Basis for conclusion			
1	Outstanding Imprests As reported in the previous year, the statement of financial position reflects a balance of Kshs.80,000 in respect to accounts receivable which, as disclosed in Note 7 to the financial statements, relates to outstanding imprests as at	The Outstanding imprests is carried forward from 2018/2019 FY .This amounts was	Resolved	N/A

**The Kakamega County Maternal Child Health and Family Planning Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Basis for Qualified opinion			
	30 June, 2022. However, records maintained by the Fund indicate that the imprest had been outstanding for three (3) years. No explanation was provided on why the Fund had not recovered the imprests from the defaulting officers. This is contrary to Regulation 93(6) of the Public Finance Management (County Governments) Regulations, 2015. In the circumstances, Management was in breach of the law.	requested for an activity to support Community Health Volunteers. The officer has since left the service. Management under the county Treasury is in the process of recovering the monies owed.		
2	Failure of Management Committee to Hold Quarterly Meetings A review of the Fund's records revealed that during the year under review, the Fund Management did not hold any meeting. This is contrary to Section 25(1) of the Kakamega County Maternal Child Health and Family Planning Act, 2017, which requires Management of the Fund to hold one meeting every three months to review the progress and performance of the Fund. In the circumstances, Management was in breach of the law.	The issue has been taken up by the Chief Officer Medical Service and the Board is Scheduled to sit in the FY 2023/2024	Partly Resolved	N/A
3.	A review of the financial statements revealed the following matters where the financial statements were not prepared in accordance with the requirements of the reporting template issued by the Public Sector Accounting Standards Board. The statement of financial performance is not reflected in the table of contents, while the face of the financial statements indicates the name of the Fund as County Government of Kakamega Maternal Child Health and Family Planning Fund although the enabling Act indicates the name as Kakamega County Maternal Child Health and Family Planning Fund. Further, depreciation of Kshs.4,583,089 is not disclosed in the statement of financial performance as a separate item. Instead, it is included under general expenses. The report of trustees on page XIX is also not signed by the Chair of the Board. In addition, the columns in the statement of comparison of budget and actual amounts indicate the period under review as 2020 2021 instead of 2021 2022. It was also observed that Note 9 to the financial statements on property, plant and equipment indicates the date of the closing balance of Kshs.6,003,439 as at 30 June, 2021	The Management has since prepared an amended Financial report and Statements	Resolved	N/A

The Kakamega County Maternal Child Health and Family Planning Fund
Annual Report and Financial Statements for the year ended June 30, 2023

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Basis for Qualified opinion			
	instead of 30 June, 2022. In the circumstances, the financial statements do not conform to the requirements of the reporting template issued by the International Public Sector Accounting Standards Board.			

Fund Manager/Accounting Officer

914 [Signature]

Date..... 27/09/2023

**The Kakamega County Maternal Child Health and Family Planning Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Annex II: Inter-Fund Confirmation Letter


The Kakamega County Maternal Child Health and Family Planning Fund

The The Kakamega County Maternal Child Health and Family Planning Fund wishes to confirm the amounts disbursed to you as at 30th June 2023 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.

Confirmation of amounts received by The Kakamega County Maternal Child Health and Family Planning Fund as at 30 th June 2023							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (Kshs) as at 30 th June 20xx				Amount Received by [beneficiary Fund] (KShs) as at 30 th June 2023 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
6780101	5/9/2023	30,000,000	-	-	30,000,000	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Total		30,000,000			30,000,000		

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

Head of Accountants department of beneficiary Fund:

Name Charles Shikuku Sign  Date 27/09/2023

**The Kakamega County Maternal Child Health and Family Planning Fund
Annual Report and Financial Statements for the year ended June 30, 2023**

Annex III: Reporting of Climate Relevant Expenditures

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

**The Kakamega County Maternal Child Health and Family Planning Fund
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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
-	-	-	-	-	-	-
-	-	-	-	-	-	-
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