

# REPUBLIC OF KENYA

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P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

NHMB/2007/2008/(15)

21 December 2018

M/S. Nancy Mutai,  
Clerk to the Nairobi City County Assembly,  
P. O. Box 45844-00100,  
NAIROBI.

DIC  
TNA.  
19/2/19.

Dear Madam

### REPORT OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS OF NAIROBI HEALTH MANAGEMENT BOARD FOR THE YEAR ENDED 30 JUNE 2008

I transmit the report of the Auditor-General on the examination of financial statements of Nairobi Health Management Board for the year ended 30 June 2008.

The report is submitted in accordance with the provisions of Article 229(7) of the Constitution for the necessary action as required by Article 229(8) of the Constitution.

Yours sincerely

William O. Agunda  
For: AUDITOR-GENERAL

CA Shadrack

Pls TNA.

as of date

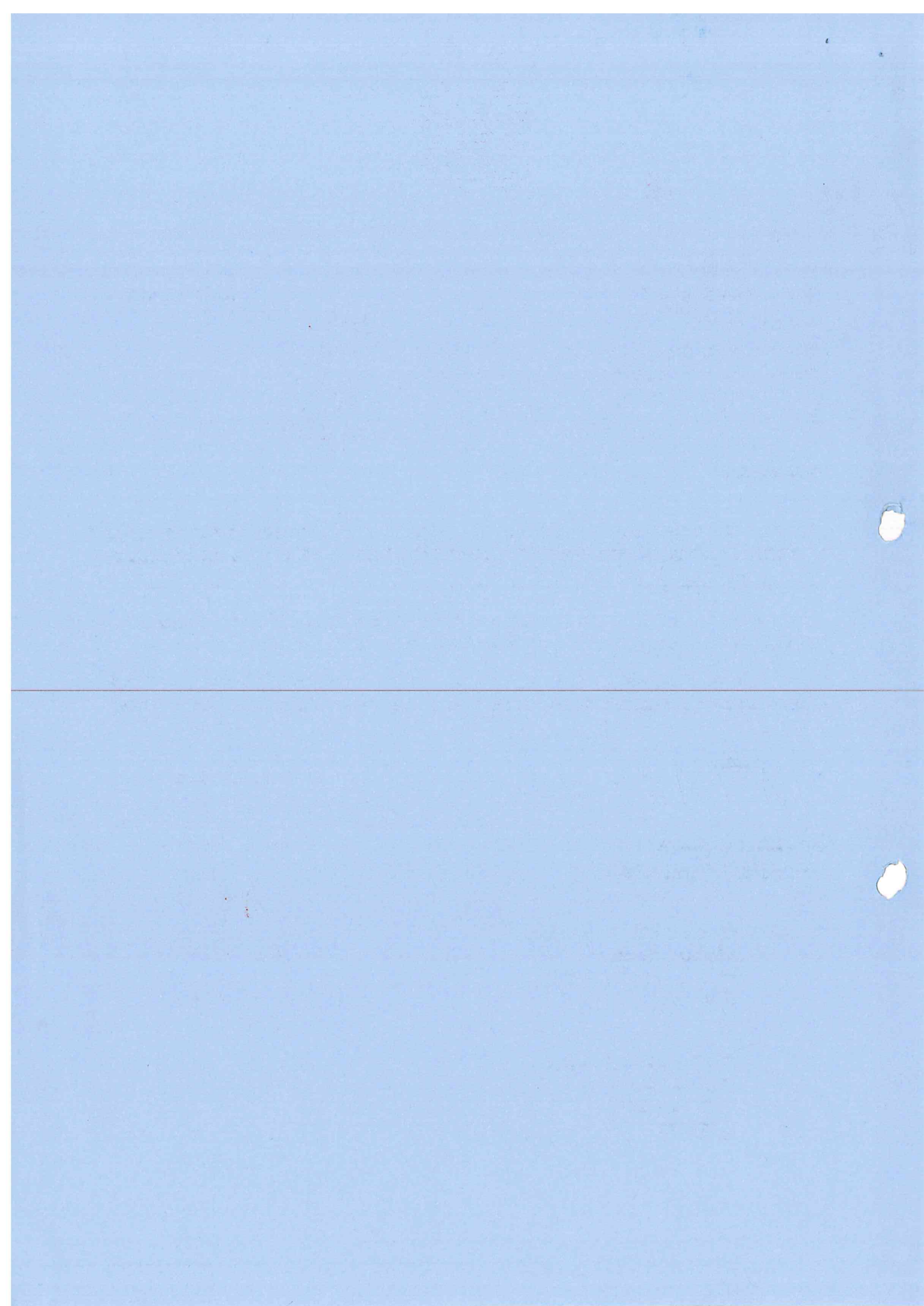
19/2/19

Copy to: Mr. Jeremiah Nyegenye  
Clerk to Senate  
P. O. Box 41842-00100  
NAIROBI

The Principal Secretary  
National Treasury  
P. O. Box 30007  
NAIROBI

Approved for tabling  
To  
Superintendent  
Musa  
19/2/2019.







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**NATIONAL GOVERNMENT ENTITY  
NAIROBI HEALTH MANAGEMENT BOARD**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30th, 2008**

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

Nairobi Health Management  
Board  
P.O. BOX 48551-00100, GPO,  
Tel: 2710260 / 1  
Lady Nordey Home  
State House Avenue  
Nairobi.

**NATIONAL GOVERNMENT ENTITY  
NAIROBI HEALTH MANAGEMENT BOARD  
Reports and Financial Statements  
For the year ended 30<sup>th</sup> June, 2008**

Table of Content	Page
I. KEY ENTITY INFORMATION AND MANAGEMENT .....	1
II. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES .....	3
III. REPORT OF THE INDEPENDENT AUDITORS ON THE NHMB .....	4
IV. STATEMENT OF RECEIPTS AND PAYMENT .....	5
V. STATEMENT OF ASSETS AND LIABILITIES .....	6
VI. STATEMENT OF CASHFLOW .....	7
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED .....	8
VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT .....	9
IX. SIGNIFICANT ACCOUNTING POLICIES .....	10
X. NOTES TO THE FINANCIAL STATEMENTS .....	12



**NATIONAL GOVERNMENT ENTITY  
NAIROBI HEALTH MANAGEMENT BOARD  
Report and Financial Statements  
For the year ended 30<sup>th</sup> June, 2008**

**I. KEY ENTITY INFORMATION AND MANAGEMENT**

**(a) Background information**

The **NAIROBI HEALTH MANAGEMENT BOARD** was formed on 26<sup>th</sup> July, 2000 by merging the health functions of Ministry of Local government and the Ministry of Health (in Nairobi) at cabinet level, the Nairobi Health Management Board is represented by the Cabinet Secretary for **DEVOLUTION AND PLANNING** who is responsible for the general policy and strategic direction of the entity.

**(b) Principal Activities**

The principal activity/mission of the Nairobi Health Management Board as per the Nairobi Health Management board Order, 2000 is to “administer, manage and development of provincial and district hospitals, Public health centres, dispensaries and clinics in Nairobi”. Currently due to the devolution process the board is more of an advisory organ.

**(c) Key Management**

The Nairobi Health Management Board’s day-to-day management is under the following key organs:

- The Secretary to the Board/Nairobi County Chief Officer - Health
- The Ag. Chief Executive Officer/ Nairobi County Director of Medical Services: and
- The Administrator

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2008 and who had direct fiduciary responsibility were:

	<b>Name</b>	<b>Designation</b>	<b>Key qualifications</b>	<b>Responsibility</b>
1.	Dr. Stephen Ochiel	Chairman	MB, ChB, MMED Consultant Gynaecologist and Lecturer UoN	<ul style="list-style-type: none"> <li>• Chairs board meetings</li> <li>• Oversees smooth running of board meetings</li> <li>• Ensures effective implementation of board decisions</li> </ul>
2.	Dr. Robert Ayisi	Secretary/CCO-H	MB ChB, MMED, MPH.	<ul style="list-style-type: none"> <li>• Secretary to the board and Chief Officer Health Services, Nairobi City County</li> <li>• Ensures the board meets, procedures are properly minuted and records are properly maintained</li> </ul>
3.	Dr. Samuel Ochola	Ag. CEO/CDMS	MB ChB, MPH, Diploma in HSM	<ul style="list-style-type: none"> <li>• Helps create the vision by providing professional and technical support and advice</li> <li>• Monitor organizational performance closely, keeping the board appropriately informed.</li> <li>• Ensures operational/performance issues are quickly and effectively dealt with.</li> </ul>

**NATIONAL GOVERNMENT ENTITY  
NAIROBI HEALTH MANAGEMENT BOARD**

**Reports and Financial Statements**

**For the year ended 30<sup>th</sup> June, 2008**

				<ul style="list-style-type: none"><li>• Maintains an ability to innovate and question the status quo even when he/she created it him/herself.</li><li>• To implement governance arrangements and sound systems of internal control.</li></ul>
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**(e) Fiduciary Oversight Arrangements**

The Board provides the overall fiduciary oversight and receives regular reports from the Finance and General Purpose Committee and the Audit Committee. Internal controls are in place with Ag. CEO overseeing the day-to-day prudent management of finances supported by an Internal Auditor.

**(f) Entity Headquarters**

P.O. Box 48651 00100 GPO  
Lady Northey Home  
State House Avenue  
Nairobi, KENYA

**(g) Nairobi Health Management Board**

Telephone: (020) 2710260  
E-mail: ceo@nairobihmb.co.ke

**(h) Entity Bankers**

Co-operative Bank of Kenya Limited  
Co-op House Branch  
P. O. Box 67881  
City Square 00200  
Nairobi, Kenya

**(i) Independent Auditors**

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

**(j) Principal Legal Adviser**

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





NATIONAL GOVERNMENT ENTITY  
NAIROBI HEALTH MANAGEMENT BOARD  
Reports and Financial Statements  
For the year ended 30<sup>th</sup> June, 2008

II. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a national government entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Ag. Chief Executive Officer of Nairobi Health Management Board is responsible for the preparation and presentation of the Board's financial statements, which give a true and fair view of the state of affairs of the Board for and as at the end of the financial year 2007-2008 ended on June 30, 2008. 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 entity; (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 Board; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

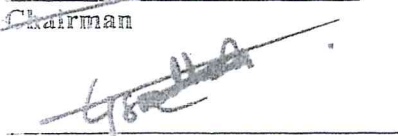
The Ag. Chief Executive Officer accepts responsibility for the Board's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS) and relevant legal framework of the Government of Kenya. The Ag. Chief Executive Officer is of the opinion that the Board's financial statements give a true and fair view of the state of Board's transactions during the financial year ended June 30, 2008, and of the Board's financial position as at that date. The Ag. Chief Executive Officer in charge of the Nairobi Health Management Board further confirms the completeness of the accounting records maintained for the Board, which have been relied upon in the preparation of the Board's financial statements as well as the adequacy of the systems of internal financial control.

The Ag. Chief Executive Officer in charge of the Nairobi Health Management Board confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further, the Ag. Chief Executive Officer confirms that the Board's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The Board's financial statements were approved and signed by the Chairman, Secretary and Ag. Chief Executive Officer on 3<sup>rd</sup> November 2016.

  
Chairman

  
Ag. Chief Executive Officer

Nairobi Health Management Secretary
P. O. BOX 48651-00100, GPO, Tel: 2710260 / 1 Lady Northey Home State House Avenue Nairobi.





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Website: [www.kenao.go.ke](http://www.kenao.go.ke)



P.O. Box 30084-00100  
NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON NAIROBI HEALTH MANAGEMENT BOARD FOR THE YEAR ENDED 30 JUNE 2008

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#### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Nairobi Health Management Board set out on pages 5 to 14, which comprise the statement of assets and liabilities as at 30 June 2008, and the statement of receipts and payments, summary statement of appropriation and statement of cash flows 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.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for such 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.

The 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.

#### Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report 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. The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of

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*Report of the Auditor-General on the Financial Statements of Nairobi Health Management Board for the year ended 30 June 2008*



the Board's internal control. An audit also includes evaluation of the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my adverse opinion.

### **Basis for Adverse Opinion**

#### **1. Late Submission of Financial Statements**

The financial statements for the year ended 30 June 2008 were submitted to the Auditor-General on 19 January 2017 which was more than eight years after the required submission date of 30 September 2008. This is contrary to Section 47 of the Public Audit Act, 2015 which requires submission of financial statements to the Auditor-General not later than three months after the end of each financial year to which the accounts relate. Consequently, the Board was in breach of the law.

#### **2. Presentation and Disclosures in the Financial Statements**

The statement of compliance and basis of preparation at Note 1 under significant accounting policies indicate that the figures in the financial statements have been presented in thousands. However, this has not been indicated clearly on pages 5, 6, 7, 8, 9, 12 and 13. Consequently, the financial statements have not been prepared in accordance with the reporting guidelines issued by the Public Sector Accounting Standards Board.

#### **3. Receipts**

The statement of receipts and payments for the year ended 30 June, 2008 reflects receipts totalling Kshs.16,945,000 comprising transfers from other government entities of Kshs.4,200,000 and other receipts of Kshs.12,745,000. However, the other receipts amounting to Kshs.12,745,000 were not analyzed. In the circumstances, the validity and accuracy of other receipts amount of Kshs.12,745,000 cannot be confirmed.

#### **4. Use of Goods and Services**

The statement of receipts and payments reflects total expenditure of Kshs.16,179,000 on use of goods and services which as disclosed in Note 3 to the financial statements include other operating expenses of Kshs.2,220,000. The supporting schedule for other operating expenses, however, reflects an amount of Kshs.2,357,000 hence resulting in unexplained difference of Kshs.137,000. Further, the expenditure on use of goods and services includes an amount of Kshs.48,000 described as surrender of imprest which was not analyzed into the respective expenditure item. Consequently, the validity and accuracy of use of goods and services expenditure of Kshs.16,179,000 for the year ended 30 June, 2008 can not be confirmed.



## 5. Bank Balance

Note 6A to the financial statements reflects a bank balance of Kshs.3,382,000 as at 30 June, 2008. However, the cash book reflects a balance of Kshs.4,431,879 resulting in unreconciled difference of Kshs.1,049,879. In addition, the bank reconciliation statement reflects unpresented cheques totalling Kshs.1,694,336 out of which cheques amounting to Kshs.887,621 were stale as at 30 June 2008. The unpresented cheques figure also differed with the list attached which reflected Kshs.2,990,874 resulting in unexplained difference of Kshs.1,296,538. In the circumstances, the accuracy of bank balance of Kshs.3,382,000 as at 30 June, 2008 cannot be confirmed.

### Adverse Opinion

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of Nairobi Health Management Board as at 30 June 2008, and (of) its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and do not comply with the Public Finance Management Act, 2012.



**FCPA Edward R. O. Ouko, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**23 October 2018**



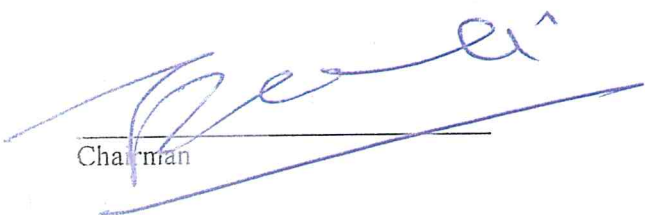


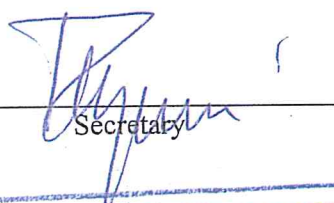
NATIONAL GOVERNMENT ENTITY  
 NAIROBI HEALTH MANAGEMENT BOARD  
 Report and Financial Statements  
 For the year ended 30<sup>th</sup> June, 2008 (Kshs'000')

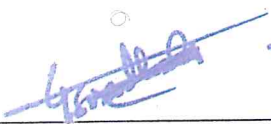
IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2007-2008 Kshs	2006-2007 Kshs
<b>RECEIPTS</b>			
Transfers from other government entities	1	4,200	2,500
Other Receipts	2	12,745	14,061
<b>TOTAL RECEIPTS</b>		<b>16,945</b>	<b>16,561</b>
<b>PAYMENTS</b>			
Use of goods and services	3	16,179	13,160
Acquisition of Assets	4	1,210	2,710
Other Payments	5	2,875	2,158
<b>TOTAL PAYMENTS</b>		<b>20,265</b>	<b>18,027</b>
<b>SURPLUS/DEFICIT</b>		<b>(3,320)</b>	<b>(1,466)</b>

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 3<sup>rd</sup> November 2016 and signed by:

  
 Chairman

  
 Secretary

  
 Ag. Chief Executive Officer

Nairobi Health Management  
 Board  
 P. O. BOX 48651-00100, GPO,  
 Tel: 2710260 / 1  
 Lady Northey Home  
 State House Avenue  
 Nairobi.

**NATIONAL GOVERNMENT ENTITY  
NAIROBI HEALTH MANAGEMENT BOARD**  
Report and Financial Statements  
For the year ended 30<sup>th</sup> June, 2008 (Kshs'000')

**V. STATEMENT OF ASSETS AND LIABILITIES**

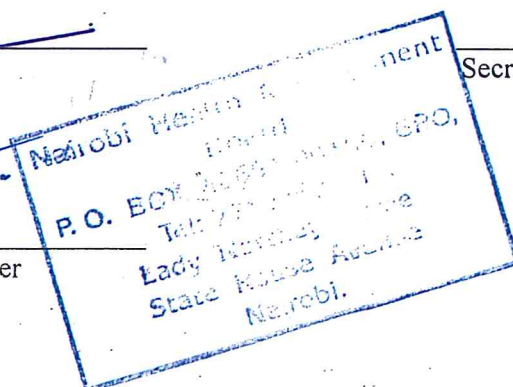
	Note	2007-2008 Kshs	2006-2007 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	6A	3,382	6,846
Outstanding Imprest	6B	192	48
<b>TOTAL FINANCIAL ASSETS</b>		<b>3,573</b>	<b>6,894</b>
<b>LESS: FINANCIAL LIABILITIES</b>			
<b>NET FINANCIAL ASSETS/(LIABILITIES)</b>			
<b>REPRESENTED BY</b>			
Fund balance b/fwd.		6,894	8,360
Surplus/Deficit for the year		(3,320)	(1,466)
<b>NET FINANCIAL POSITION</b>	<b>7</b>	<b>3,574</b>	<b>6,894</b>

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 3<sup>rd</sup> November 2016 and signed by:

Chairman

Secretary

Ag. Chief Executive Officer






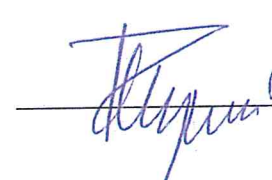
NATIONAL GOVERNMENT ENTITY  
 NAIROBI HEALTH MANAGEMENT BOARD  
 Report and Financial Statements  
 For the year ended 30<sup>th</sup> June, 2008 (Kshs'000')

VI. STATEMENT OF CASH FLOW	Note	2007-2008 Kshs	2006-2007 Kshs
	Note	2007-2008 Kshs	2006-2007 Kshs
Receipts for operating income			
Proceeds from Transfers from other Government Entities	1	4,200	2,500
Other Revenues	2	12,745	14,061
Payments for operating expenses			
Use of goods and services	3	(16,179)	(13,160)
Other Expenses	5	(2,875)	(2,158)
Net cash flow from operating activities		(2,110)	1,244
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	4	(1,210)	(2,710)
Net cash flows from Investing Activities		(3,320)	(1,466)
NET INCREASE IN CASH AND CASH EQUIVALENT		(3,320)	1,466
Cash and cash equivalent at BEGINNING of the year		6,894	8,360
Cash and cash equivalent at END of the year		3,573	6,894

The entity financial statements were approved on 3<sup>rd</sup> November 2016 and signed by:

  
 Chairman

  
 Ag. Chief Executive Officer

  
 Secretary  
 Nairobi Health Management Board  
 P. O. BOX 48651-00100, GPO,  
 Tel: 2710260 / 1  
 Lady Northey Home  
 State House Avenue  
 Nairobi.

**NATIONAL GOVERNMENT ENTITY  
NAIROBI HEALTH MANAGEMENT BOARD**  
Report and Financial Statements  
For the year ended 30<sup>th</sup> June, 2008 (Kshs'000')

**VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED**


Revenue/Expense Item	Notes	Original Budget	Adjustments **	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization Difference to Final Budget
		a	b	c=a+b	d	e=d-c	f=d/c %
Use of goods and services	3	17,363	-	17,363	16,179	1,184	93%
Acquisition of Assets	4	3,600	-	3,600	1,210	2,390	34%
Other Payments	5	3,140	-	3,140	2,875	265	92%
<b>TOTALS</b>		<b>24,103</b>	<b>-</b>	<b>24,103</b>	<b>20,265</b>	<b>3,838</b>	


\*\*Adjustments explained

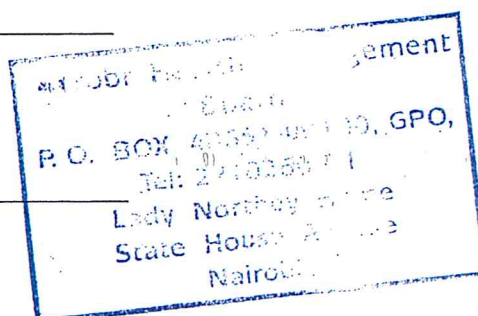
The adjustments were done and approved by the board on the 29<sup>th</sup> May, 2007.

The entity financial statements were approved on 3<sup>rd</sup> November 2016 and signed by:

  
Chairman

  
Secretary

  
Ag Chief Executive Officer

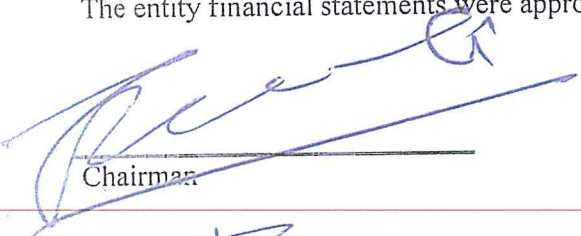


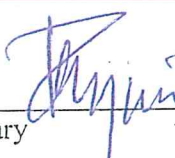
NATIONAL GOVERNMENT ENTITY  
 NAIROBI HEALTH MANAGEMENT BOARD  
 Report and Financial Statements  
 For the year ended 30<sup>th</sup> June, 2008 (Kshs'000')


VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

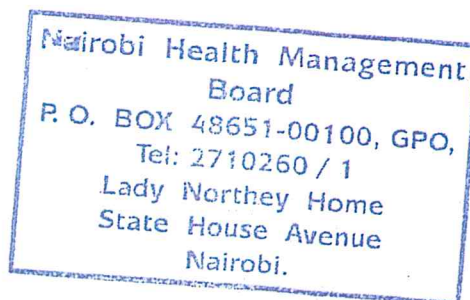
Revenue/ Expense Item	Notes	Original Budget	Adjustments **	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization Difference to Final Budget
		a	b	c=a+b	d	e=d-c	f=d/c %
Use of goods and services	3	17,363	-	17,363	16,179	1,184	93%
Acquisitio n of Assets	4	3,600	-	3,600	1,210	2,390	34%
Other Payments	5	3,140	-	3,140	2,875	265	92%
<b>TOTALS</b>		<b>24,103</b>	<b>-</b>	<b>24,103</b>	<b>20,265</b>	<b>3,838</b>	

The entity financial statements were approved on 3<sup>rd</sup> November 2016 and signed by:

  
 Chairman

  
 Secretary

  
 Ag. Chief Executive Officer





**NATIONAL GOVERNMENT ENTITY  
NAIROBI HEALTH MANAGEMENT BOARD**  
**Report and Financial Statements**  
**For the year ended 30<sup>th</sup> June, 2008**

**IX. SIGNIFICANT ACCOUNTING POLICIES**

The principle accounting policies adopted in the preparation of these financial statements are set out below:

**1. Statement of compliance and basis of preparation**

The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) with particular emphasis on Cash Basis Financial Reporting under the Cash Basis of Accounting and relevant legal framework of the Government of Kenya. The financial statements comply with and conform to the form of presentation prescribed by the Public Sector Accounting Standards Board of Kenya.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the NHMB and all values are rounded to the nearest thousand (Kshs'000). The accounting policies adopted have been consistently applied to all the years presented.

The financial statements have been prepared on the cash basis following the Government's standard chart of accounts. The cash basis of accounting recognises transactions and events only when cash is received or paid by the NHMB.

**2. Recognition of revenue and expenses**

The NHMB recognises all revenues from the various sources when the event occurs and the related cash has actually been received by the NHMB. In addition, the NHMB recognises all expenses when the event occurs and the related cash has actually been paid out by the entity.

**3. In-kind contributions**

In-kind contributions are donations that are made to the NHMB in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the entity includes such value in the statement of receipts and payments both as revenue and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

**4. 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.

**NATIONAL GOVERNMENT ENTITY  
NAIROBI HEALTH MANAGEMENT BOARD  
Reports and Financial Statements  
For the year ended 30<sup>th</sup> June, 2008**

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**5. Receivables and payables**

These relate to provisioning balances for the GAV and Exchequer accounts as required by the current Government Financial Regulations and Procedures. These provisioning balances do not have an impact on the receipts and payments and therefore do not contravene the principles on the cash based IPSAS.

**6. Budget**

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The Nairobi Health Management's budget was approved as required by Law and as detailed in the Government of Kenya Budget Printed Estimates. A high-level assessment of the Nairobi Health Management's actual performance against the comparable budget for the financial year under review has not been included in an annex to these financial statements but the board confirms that we have not exceeded the budget item.

**7. Comparative figures**

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

**8. Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2008.

**NATIONAL GOVERNMENT ENTITY  
NAIROBI HEALTH MANAGEMENT BOARD**  
Report and Financial Statements  
For the year ended 30<sup>th</sup> June, 2008 (Kshs'000')

**X. NOTES TO THE FINANCIAL STATEMENTS**

**1 TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description	2007-2008 Kshs	2006-2007 Kshs
Transfers from Central government entities		
Ministry of Local Government	4,200	2,500
<b>TOTAL</b>	<b>4,200</b>	<b>2,500</b>

**2 OTHER REVENUES**

	2007-2008 Kshs	2006-2007 Kshs
Receipts from Voluntary transfers other than grants- User fees from facilities-User fees	12,744	14,061
<b>Total</b>	<b>12,744</b>	<b>14,061</b>

**3 USE OF GOODS AND SERVICES**

	2007-2008 Kshs	2006-2007 Kshs
Domestic Travel & Subsistence, and other Transportation Costs	551	454
Communication, supplies and services	1,400	1,176
Printing, advertising and information supplies & services	1,973	1,381
Training expenses	62	718
Hospitality supplies and services	1,595	902
Insurance costs	-	-
Specialized materials and services	4,783	2,419
Office and general supplies and services	1,070	2,104



**NATIONAL GOVERNMENT ENTITY  
NAIROBI HEALTH MANAGEMENT BOARD**  
**Reports and Financial Statements**  
**For the year ended 30<sup>th</sup> June, 2008**

Other operating expenses Fuel, Oil and Lubricants	2,220	1,357
Routine maintenance – vehicles and other transport equipment	1,341	1,080
Routine maintenance – other assets	1,137	1,564
Surrender of Imprest	<u>48</u>	<u>6</u>
<b>Total</b>	<b><u>16,179</u></b>	<b><u>13,160</u></b>

**4 ACQUISITION OF ASSETS**  
**Non-Financial Assets**

	<b>2007-2008</b>	<b>2006-2007</b>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Cash boxes		
Acquisition of office furniture		1,576
Acquisition of Medical Equipment	1,207	1,134
Acquisition of Small assets	<u>3</u>	<u>0</u>
<b>Total</b>	<b><u>1,210</u></b>	<b><u>2,710</u></b>

**5 OTHER EXPENSES**

	<b>2007-2008</b>	<b>2006-2007</b>
	<b>Kshs</b>	<b>Kshs</b>
Board allowances	1,681	1,202
Commissioner of Taxes	1,065	879
Casual labor	63	
Bank charges	65	77
Contracted professional services	<u>2</u>	<u>0</u>
	<b><u>2,875</u></b>	<b><u>2,158</u></b>

**6A Bank Accounts**

<b>Name of Bank, Account No. &amp; currency</b>	<b>2007-2008</b>	<b>2006-2007</b>
	<b>Kshs</b>	<b>Kshs</b>
<i>Cooperative Bank ,01141001102000,Kshs</i>	3,382	6,846
<b>Total</b>	<b>3,382</b>	<b>6,846</b>

**NATIONAL GOVERNMENT ENTITY  
NAIROBI HEALTH MANAGEMENT BOARD**  
Report and Financial Statements  
For the year ended 30<sup>th</sup> June, 2008 (Kshs'000')

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**6B OUTSTANDING IMPRESTS**

<i>Name of Officer or Institution</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
	<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Joseph K. Muthiaru chq no.746</i>	249,168	235,168	14,000
<i>Joseph K. Muthiaru chq no.790</i>	474,297	465,077	9,220
<i>Joseph K. Muthiaru chq no.935</i>	369,862	344,862	25,000
<i>Joseph K. Muthiaru chq no.979</i>	444,985	355,185	89,500
<i>Joseph K. Muthiaru chq no.986</i>	330,228	276,261	53,967
<i>Total</i>			<b>191,687=192</b>

\*The figures in the above table were not rounded off to the nearest thousand, but the final figure (191,687) is rounded off to 192.

**7 FUND BALANCE BROUGHT FORWARD**

	<b>2007-2008</b>	<b>2006-2007</b>
	<b>Kshs</b>	<b>Kshs</b>
Fund balance b/fwd.	6,894	8,360
Surplus/Deficit for the year	(3,320)	(1,466)
<b>NET FINANCIAL POSITION</b>	<b>3,574</b>	<b>3,574</b>

**8 CONTINGENT LIABILITIES**

There was no contingent liability as at 30 June 2008.

**9 EVENTS AFTER THE REPORTING PERIOD**

There are no material events after the reporting date.

**NATIONAL GOVERNMENT ENTITY  
NAIROBI HEALTH MANAGEMENT BOARD**  
Report and Financial Statements  
For the year ended 30<sup>th</sup> June, 2008

**10 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

**Guidance Notes:**

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.



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