REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

HEALTH RECORDS INFORMATION MANAGERS BOARD

FOR THE YEAR ENDED 30 JUNE, 2025

REPUBLIC OF KENYA

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

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

REPORT OF THE AUDITOR-GENERAL ON HEALTH RECORDS INFORMATION MANAGERS BOARD FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;

B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,

C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Health Records Information Managers Board set out on pages 1 to 25, which comprise of the statement of financial position as at 30 June, 2025 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 Health Records Information Managers Board as at 30 June, 2025 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 Health Records Information Managers Act, 2016 and the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects licenses and permits final budget and actual on comparable basis of Kshs.40,000,000 and Kshs.33,293,894 respectively resulting to under collection of Kshs.6,706,106 or 16%.

The under collection may have negatively impacted planned activities of the Board.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the prior years' audit report, several issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal

Controls, Risk Management and Governance, respectively. Review of the status during audit of the Board in 2024/2025 revealed that the following matters remained unresolved.

	Financial Year	Audit Issue
1	2023/2024	Budgetary Control and Performance
2		Failure to Measure Performance Targets
3		Late Submission of the Financial Statements
4		Lack of a Procurement Plan
5		Failure to Formulate Regulations
6		Lack of Strategic Plan and Organizational Structure
7		Lack of Audit Committee and Internal Audit Department
8		Lack of Risk Management and Information Communication Technology Policy
9		Lack of Imprest Register
10		Failure to Constitute Board Committees
11		Failure to Carry out Board Evaluation
12		Inadequate Staffing
13		Failure to Appoint Substantive Chief Executive Officer

Other Information

The Management is responsible for the Other Information set out on page iv to xix which comprise of Key Entity Information and Management, The Board of Directors, Management Team, Chairman's Statement, Report of the Chief Executive Officer, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors and Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Board's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. Based on the audit procedures performed, I confirm that Other Information is not materially inconsistent with the financial statements

Unsupported Performance Achievements

The statement of performance against predetermined objectives indicates under objective of "Develop guidelines and standards for professional practice," that the Board accredited two (2) training institutions fully and five (5) partially while the objective of "Enroll, renew, retain, and maintain members in the professional practices," indicated one thousand two hundred and sixty-three (1,263) registered HRIM professionals. However, accreditation reports, membership registers, or related evidence, were not provided to support these achievements.

Further, the annual workplan indicated activities of conducting inspection visits in all HRIM training institutions to ensure compliance with the Act and undertaking compliance visits on unregistered practitioners across counties. However, Management did not provide the training compliance reports and records of enforcement to confirm that the activities were undertaken.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Lack of a Procurement Plan

During the year under review, the Board did not have a procurement plan. This was contrary to Section 53(2) of the Public Procurement and Asset Disposal Act, 2015 which states that an Accounting Officer shall prepare an Annual Procurement Plan which is realistic in a format set out in the Regulations within the approved budget prior to commencement of each financial year as part of the annual budget preparation process.

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

2. Failure to Formulate Regulations

Section 19(2) of the Health Records Information Managers Act, 2016 provides that the Board shall make Regulations to prescribe the procedure for approving and accrediting training institutions for the purposes of this section. However, the Regulations required under Section 19(2) of the Act were not in place as at the time of audit in November 2025.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

Conclusion

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

Basis for Conclusion

1. Weaknesses in Internal Controls, Risk Management and Governance

Review of the Board's documents and internal control processes revealed the following weaknesses in internal controls, risk management and governance:

1.1 Lack of Strategic Plan and Organizational Structure

The Board did not have a strategic plan and organizational structure. Management did not provide satisfactory explanation for the failure to develop strategic plan and an organizational structure.

In the circumstances, it was not possible to confirm whether the Board's policies, practices and strategic plans were aligned with Government directives, national policies and national development goals.

1.2 Lack of Audit Committee and Internal Audit Department

During the year under review, the Board did not have and internal audit unit and internal audit committee. This was contrary to Section 73(1)(a) and 73(5) of the Public Finance Management Act, 2012 which requires every national government entity to make appropriate arrangements for conducting internal audit and that every National Government public entity shall establish an audit committee.

In the circumstances, the effectiveness of governance systems, checks and balances could not be confirmed.

1.3 Lack of Risk Management and Information Communication Technology Policy

The Board did not have risk management and information communication technology policy. This was contrary to Regulation 165 of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer shall ensure that the National Government entity develops (a) risk management strategies which include fraud prevention mechanism and (b) a system of risk management and internal controls that builds robust business operations.

In the circumstances, the effectiveness of risk management systems and information technology controls could not be confirmed.

1.4 Lack of Imprest register

The statement of financial performance and Note 7 to the financial statements reflect use of goods and services amount of Kshs.3,976,428. The amount includes Kshs.1,607,100 for conferences and delegation but management did not maintain an imprest register for the year under review.

In the circumstances, the effectiveness of internal controls on management of imprest could not be confirmed.

1.5 Failure to Carry out Board Evaluation

During the year under review, the Board of Directors did not carry out Board evaluation. This was contrary to Section 1.12.1(b) of Mwongozo Code of Governance for State Corporation, 2015 which states that the Board should undertake an annual evaluation of its performance.

In the circumstances, the effectiveness of governance structures could not be confirmed.

2. Irregular Issuance of Registration Certificates

Review of documents revealed that the term of the chairperson of the Board expired on August 2025. However, records and physical observation as at the time of audit in November 2025 indicated that the Management continue issuing licences and registration certificates for Health Records and Information managers bearing the signature of the former chairperson.

In the circumstances, the effectiveness of internal controls on issuance of registration certificates could not be confirmed.

3. Lack of Asset Register

Review of documents revealed that the Board owned several assets and purchased seven (7) tablets at a cost of Ksh.420,000 and laptops at a cost of Ksh.497,000 in the year under review but Management did not maintain an asset register.

In the circumstances, the effectiveness of internal controls on management of assets could not be confirmed.

4. Inadequate Staffing

The statement of financial performance and as disclosed on Note 8 of the financial statements reflects employee costs of Kshs.576,000. Review of personnel records indicated that the Board relied on two (2) casual staff, who were assigned to handle sensitive operational data, and one officer seconded from the State Department for Public

Health and Professional Standards. It was further observed that the Board's staffing arrangements were not supported by approved human resource instruments.

In the circumstances, the effectiveness of human resource management could not be confirmed.

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

Responsibilities of the Management and the Board of Directors

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

In preparing the financial statements, Management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

02 December, 2025