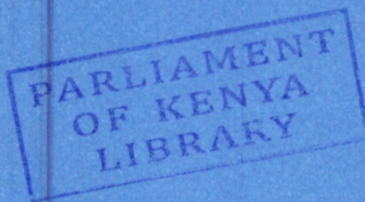


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability



REPORT

OF

24/09/24
M.L

Abdirahman

THE AUDITOR-GENERAL

ON

KABARTONJO LEVEL 4 HOSPITAL

**FOR THE YEAR ENDED
30 JUNE, 2022**

COUNTY GOVERNMENT OF BARINGO





Kabartonjo Level 4 HOSPITAL (Baringo County Government)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2022

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

Table of Contents

I. Key Kabartonjo level 4 Hospital Information and Management.....	ii
IV Chairman’s Statement.....	vii
VI. Statement of Performance against Predetermined Objectives	ix
VIII. Management Discussion and Analysis	xiii
IX. Environmental and Sustainability Reporting	xix
X. Report of the Board of Management.....	xx
XI. Statement of Board of Management’s Responsibilities	xxi
II. Report of the Auditor General	xxiii
3. Statement of Financial Performance for The Year Ended 30 June 2022	1
4. Statement of Financial Position as of 30 th June 2022.....	3
5. Statement of Changes in Net Asset for The Year Ended 30 June 2022.....	5
6. Statement of Cash Flows for The Year Ended 30 June 2022	6
7. Statement of Comparison of Budget and Actual Amounts for the Year Ended 30 June 2022	8
8. Notes To the Financial Statements	10
9. Appendices	51

I. Key Kabartonjo level 4 Hospital Information and Management

(a) Background information

Kabartonjo Hospital is a gazetted level (4) hospital established and is domiciled under the Health department in county government of Baringo. The hospital is governed by a Board of Management. Its Foundation was laid in 1964; it became a Dispensary in 1984 and was elevated to a Health centre in 1995. On 22nd July 2011 it was gazetted as a District Hospital then as a level 4 Hospital in 2017 gazette. The hospital is situated in the highlands of Katimok Forest in Bebyemit village, Tiriondonin sub location, Ossen location, Kabartonjo ward –Baringo North Sub County in Baringo County. The facility currently has a bed capacity of 32 and is accredited NHIF level 4 facility. The hospital sits on 11.5 acres which is demarcated.

(b) Principal Activities

- Maternity in patient services
- Referrals services
- VCT and Counselling
- Curative services
- Laboratory services
- TB clinics
- Diabetes and hypertension services
- Antenatal and postnatal services
- Comprehensive care clinics for patients living with HIV
- Baby well clinics
- Pharmacy
- X ray services
- Physiotherapy and orthopaedic trauma services

VISION

To be the most attractive and competitive referral hospital that affords progressively the highest health standards for all the residents of Baringo North Sub County, Baringo County and beyond.

MISSION

To transform the livelihoods of Baringo residents by offering quality affordable, accessible, acceptable health services to all citizens in a fair equitability and responsive manner.

The core objectives

- To provide quality health care services
- To advocate and mobilize adequate funding for the hospital
- To train different health workers.


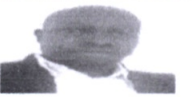


(c) Key Management

The hospital's management is under the following key organs:

- County department of health
- County department of finance
- Board of Management
- Medical Superintendent
- Health Management Team

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

S / N		PASSPORT	Designation	QUALIFICATION
1	Anderson Chelugo		Medical Superintendent	BSC. CLINICAL MEDICINE
2	Joel Congwo		Health administration office	BED.SCI
4	Emmy Kipngok		Head of Nursing	MSC. Nursing
5	Hellen Juma		Sub-County Administrator	- Administrator -Bes -Med

(e) Fiduciary Oversight Arrangements

The fiduciary oversight of the county is done by;

I. The County Assembly

The county assembly pursuant to the constitution of Kenya, 2010 and the County Government act, 2012 under article 8(1) has fiduciary oversight role over the execution of the functions of the County Government; it approves the budget and expenditure of the county government in accordance with article 207 of the constitution of Kenya.

II. The Controller of Budget

Under article 22(5) of the constitution of Kenya, 2010, the controller of budget has fiduciary role by approving withdrawal of public funds from exchequer

III. County Executive Committee

The CEC Member exercises executive authority in accordance with the constitution and county government act.

IV. Internal Audit Department

Internal audits department of the County Government of Baringo ensures that internal controls exists and are adhered to.

(f) Kabartonjo level 4 Hospital Headquarter

KABARTONJO HOSPITAL
P.O. Box 120-30401
KABARTONJO
KENYA

(g) Kabartonjo level 4 Hospital Contacts

Telephone: (+254) 722449799
E-mail: medsupkabartonjo@gmail.com

Website: -

(h) Kabartonjo level 4 Hospital Bankers

Kenya Commercial Bank
A/C no. 1149215593

(i) Independent Auditors

Auditor General
Office of Auditor General
Anniversary Towers, Institute 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

(k) County Attorney

P.O. Box.53-30400
Kabarnet, Kenya

II The Board of Management

Ref	Directors	Photos	Designation	Details / Qualification
1.	Mr.Charles Kiberut		Chair Person	-Business man -Diploma in Education
2.	Mr. Anderson Chelugo		Medical Superintendent	-Clinical Officer -BSC
3.	Esther Chemokwo		Member	-Teacher -Bed
4.	Zachary Kipsaina		Member	-Unionist -Bed
5.	Linda Bokong		Member	-ICT -Dip. ICT
6.	Joel Chongwo		HAO	-Administrator -Bed
7.	Peter Kiptoo		Member	-Pharmacist -BSC
8.	Hellen Juma		SCA	-Administrator -Bes -Med
9.	Irene Kemboi		Member	-Pastor -BA

III **Management Team**

Ref	Management	Details
1	Mr. Anderson Chelugo	Med Sup
2	Mr. Joel Chongwo	HAO
3	Emily Kipngok	Nursing Officer I/C
4	Alex Cheptinya	Laboratory I/C
5	Sam Tallam	Clinical I/C
6	Christopher Amdany	Biomed I/C
7	Maryline Yator	Accounts Clerk
8	Vibian Kilanya	Ophthalmology I/C
9	Irene Kimitei	Social Worker I/C
10	Noela Chelimo	Public Health I/C
11	Dr. Benjamin Chepkonga	Pharmacy I/C
12	Judy Kiptoon	Nutrition I/C
13	Nancy Chesire	Orth trauma I/C

IV Chairman's Statement

During the financial year in question the current chairperson was not in office.

V Report of the Chief Executive Officer

(a) Background information

Kabartonjo Sub County Referral Hospital foundation was laid in 1964, it became a Dispensary in 1984 and was Elevated to a Health centre in 1995 it was Gazetted as a District Hospital on 22nd July 2011 then as a level 4 hospital in the year 2017. The hospital is situated in the highlands of Katimok Forest, Bebyemit village, Tiriondonin sub location, Ossen location, Kabartonjo ward –Baringo North Sub County in Baringo county. The facility currently has a bed capacity of 32 and is accredited NHIF level 4 facility though level 3A under medical practitioners and dentists rules. The hospital sits on 11.5 acres which is demarcated. The facility is manned by the County Government of Baringo with hospital management board of 10 members and health Management team comprising of 13 members. It has 57 technical staff spread across various carders in reach and 4 support staff funded by the County Government and 13 casuals hired and paid by the hospital management.

b) Finance

i) Revenue

The hospital revenue is derived from FIF. During the financial period the hospital realized improvement on revenue collected compared to the last financial year 2020/2021 and this was attributed to Covid-19 effects of 2020. The key drivers of our revenue are Laboratory, MCH, Maternity, Pharmacy, Radiology and wards.

ii) Expenditure

The top drivers of the budget were medical drugs, casual staff remunerations, non-pharmaceuticals, food and ration, laboratory and maintenance of building and station.

iii) Pending bills

Total pending bills at the end of the financial year were Ksh.1,391,027.00

c) Strategy

Our strategy is to make Kabartonjo Sub County Hospital a fully-fledged level IV hospital which offers befitting wide range of quality and affordable services to its citizens.

d) Achievements

The hospital management of board and team managed to do the following Key activities during the year

- Construction, equipping and commissioning of the new maternity
- Drilling, equipping and piping of hospital borehole hence adequate water supply
- Completion of theatre wing
- Donation of new Ambulance
- Completion of Installation of EMR system
- Implementation of NHIF paperless e-Claim
- General hospital renovations

e) Challenges

Kabartonjo Sub County Hospital based on the population that it serves had the following challenges;

- Delay of disbursement of funds from County Government for hospital running,
- Shortage of staff,
- Delayed reimbursement of NHIF claims,
- Huge expenditure on casual wages,
- Poor hospital boundary/security challenges and
- Inadequate supply of pharmaceuticals and non-pharmaceuticals.

f) Way Forward/Future Outlook of Hospital

In the next financial year, the hospital will endeavour to have;

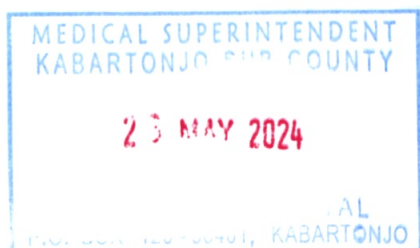
- Cashless and paperless system via EMR system,
- Operationalization of hospital theatre,
- Offering comprehensive 24 hour services,
- Expansion and renovation of existing laboratory,
- Fencing of the hospital, Construction of medical/surgical/paediatric wards
- Establishment of dental unit.

g) Appreciation

I take this opportunity to thank and appreciate the County Government of Baringo, Central rift valley water works agency, USAID, BOM, HMT and the entire hospital staff for their contributions in achieving the results

Looking forward to a better 2022/23 financial year

Signed..... *Anderson Chelugo*
Mr. Anderson Chelugo
Medical superintendent



VI. Statement of Performance against Predetermined Objectives

Kabartonjo sub county hospital has 7 pillars

1. clinical service product
2. Health care financing and sustainability
3. quality improvement
4. Human resource development
5. Infrastructure development
6. Leadership and governance
7. Health information

Kabartonjo Hospital has annual work plan based on the above pillars.

Kabartonjo Level 4 Hospital (Baringo County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2022

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Clinical services delivery and infrastructural development	-To establish and enhance good clinical governance	-Hospital drug formulary in place -No. of stock-out tracer drug -No prescription reviewed Updated SOPs	-Rational use of Medications -Provision of health products -Monthly clinical audits and mortality meetings -Lockable stores	-Hospital drug formulary in place %reduction in morbidity and mortality.
	-To ensure quality diagnostic services	-Client satisfaction report -EMR	-Complete installation of EMR system	-
	-To enhance effective internal/external referral systems	-Acquisition of a new ambulance	-Ambulance donated	-timely referrals
	-To enhance routine maintenance of infrastructure	-Painting of the hospital	-Renovation of ward windows -Renovation of maternity ward -Renovation of opd and clinics -Servicing of various medical equipment's- generator -Servicing of photocopier machines	-X-ray roof 100% complete -photocopier serviced and functioning -Generator serviced and in good condition
Health care financing and sustainability	-To increase revenue generation	-Revenue reports %increase in revenue	-diversify revenue streams -Increase customer base	-Revenue improved compared to previous years -More patients have been enrolled to NHIF
	-Facilitate prudent financial management	-Financial reports -%increase in resource allocation to departments	-Provide cashless payment -Strengthen use of financial and procurement policies and guidelines.	M-payment at the linkage stage -Financial and procurement policies and guidelines in place

Kabartonjo Level 4 Hospital (Baringo County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2022

Quality improvement	-Enhance continuous quality improvement -Enhance customer care services	-Training reports -customer care desk -Minutes of the change agents	-Training of staff on KQMH -Customer care desks -minutes of change agent	-Customer care introduced at outpatient -Monthly meetings for change agents achieved
Human resource development	-Improved performance management	-Human resource reports -Staff appraisal reports	-Conduct quarterly and annual staff appraisal	-staff appraisal done
	-Staff motivation	-Staff satisfaction -Client satisfaction	-staff recognition rewards and sanctions -Annual staff party -Staff involvement on decision making Remuneration	-All staff are involved in decision making through various committees, HMT, Departmental meeting
Leadership and governance	-Enhance policy formulation, dissemination and implementation	%increase in hospital performance -No of staff meetings -No of HMB meetings	-Monthly staff meetings -quarterly board meetings -Implementation of strategic plan	-Quarterly board meetings achieved with few special meetings -HMT meetings done
Health information and research and trainings	-Strengthen coordinate and manage health information	-System maintenance register	-Maintain ICT infrastructure to ensure full functionality of the system	-Quarterly servicing and maintenance of the system done
Medical products and technology	-strengthen coordinate and manage medical products supply chain -enhance ethical research activities	%reduction on stock outs -HMIS report Bin Cards Complete Registers Sops in place	-Annual forecasting -Prepare monthly and annual report -Prepare documentation of services provided	-forecasting done -annual and monthly reports done - stock out reduced by 50%
	-Timely provision of health products	-Client satisfaction -Availability of products % of reduction in stock out	-Strengthening of procurement process -Implementation of procurement plan -	-Procurement plan in place and functioning -reduction in stock out by approximately 30%

VII. Corporate Governance Statement

Kabartonjo Hospital Board of management is responsible for the governance of the Hospital and is accountable to County Department of health, Baringo County, ensuring that the hospital complies with the laws and the highest standards of corporate governance and business ethics. The Board members attach great importance to the need to conduct the business and operations of the Hospital with integrity and in accordance with generally accepted corporate practice and endorse the internationally developed principles of good corporate governance.

Board of Management

The board of management is composed of non-executive members appointed by the governor of Baringo County. The Appointed Board of Management to be held accountable and responsible for the efficient and effective governance of the hospital. Members of the Board have a range of skills and experience and each brings an independent judgement and considerable knowledge to the Board's discussions. The Board term is three (3) years renewable once subject to performance.

Role of the Hospital Management Boards and Committees in Management of Funds

In accordance to the Baringo County Health services improvement fund Act, 2021 Sections 15 & 16, the expenditure decisions of the hospital management boards or facility committees are bound by the provisions of the Public Finance Management Act, 2012 and the Public Procurement and Disposal of Assets Act, 2015 and that The hospital management committee shall;

- a) Review the proposed budgets to ensure they are linked to the priorities outlined in the Quarterly Implementation Plans and Annual Work Plan.
- b) Ensure the proposed budgets are based on the available resources
- c) Approve the proposed budgets after review.

In supervising and controlling the administration of all Funds, the Health Services Management Committee shall;

- a) Ascertain the available Funds and their sources
- b) Guide the hospital administration on user fees, unit costs, exemptions and waivers, as prescribed by the county HISF Board; ensure expenditures conform with the Fund regulations, the Public Finance Management Act and any other written law
- c) Ensure compliance with financial planning cycle
- d) Ensure mitigation against financial risk and
- e) Facilitate internal and external audit work as required under the Public Finance Management Act and the Public Audit Act.

Board Meetings

The board as per annual work plan meets quarterly or additionally when necessary to consider matters of overall control of the hospital. The board met five times in the year and were remunerated allowances as per Government of Kenya circulars guiding board allowances.

Committees of the Board

The Hospital Board had two standing committees;

- i. Finance and development committee
- ii. Service delivery and quality improvement committee

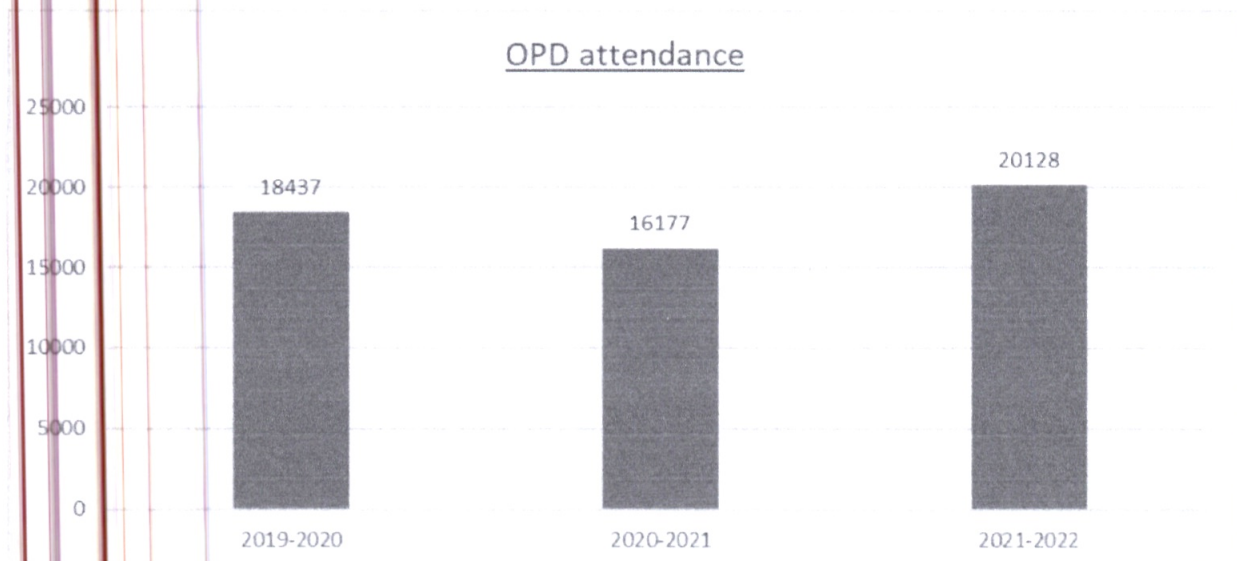
VIII. Management Discussion and Analysis

Clinical/operational performance

Bed capacity of the hospital:

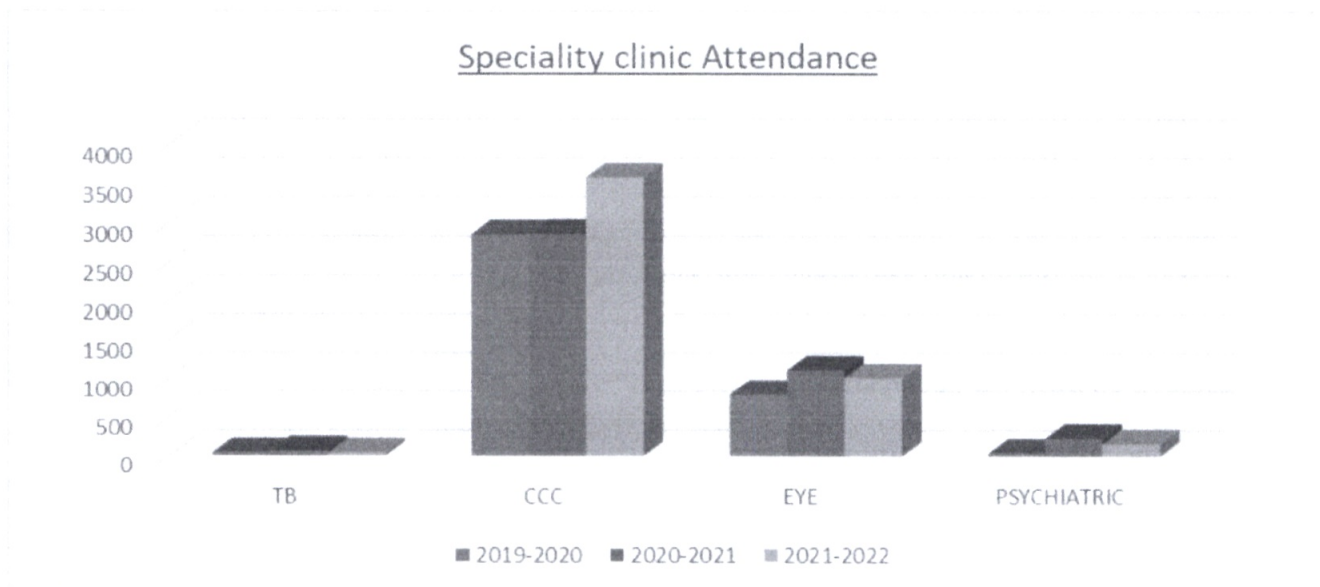
Male Medical Ward	12
Female Medical Ward	6
Pediatrics	6
Maternity	8
Cots	2
Total	32

Overall patient attendance during the year, for both inpatient and outpatient.



Accident and Emergency attendance
 No accident and emergency service area

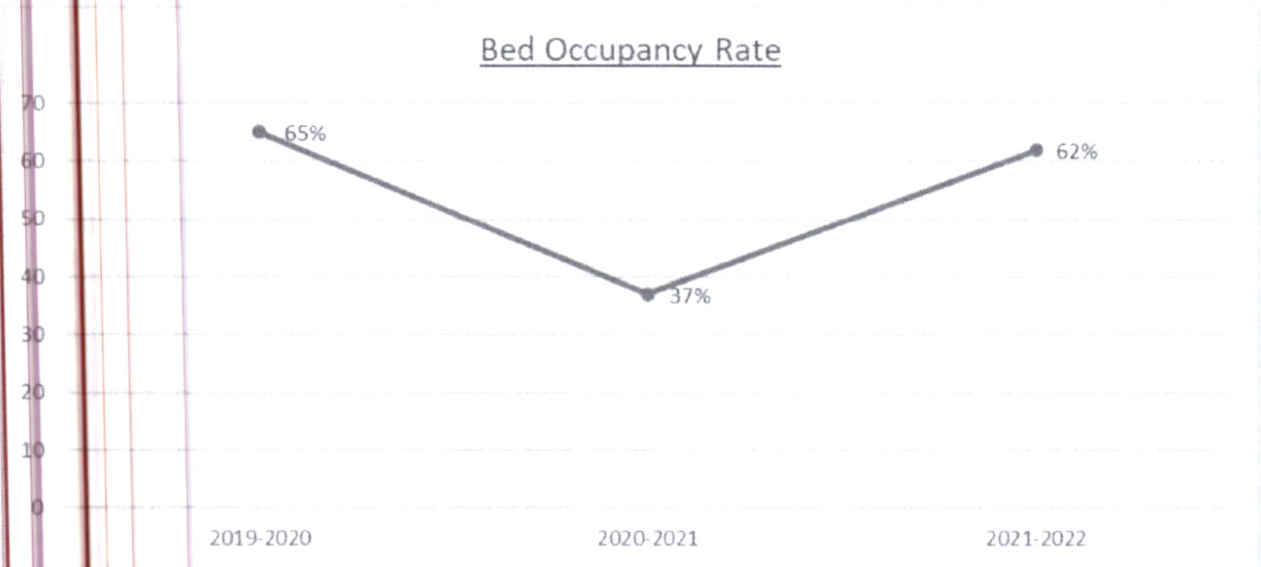
Specialised clinic attendance



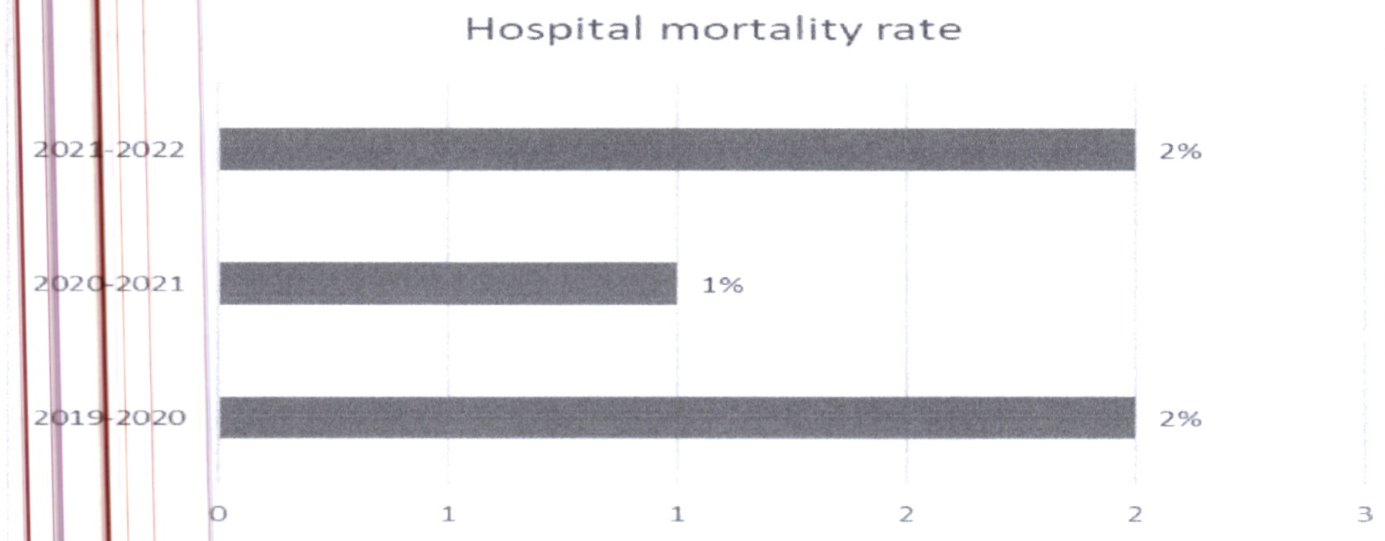
Average length of stay for in patient

Average length of stay for inpatient			
Period	2019-2020	2020-2021	2021-2022
Days	3	3	3

Bed occupancy rate

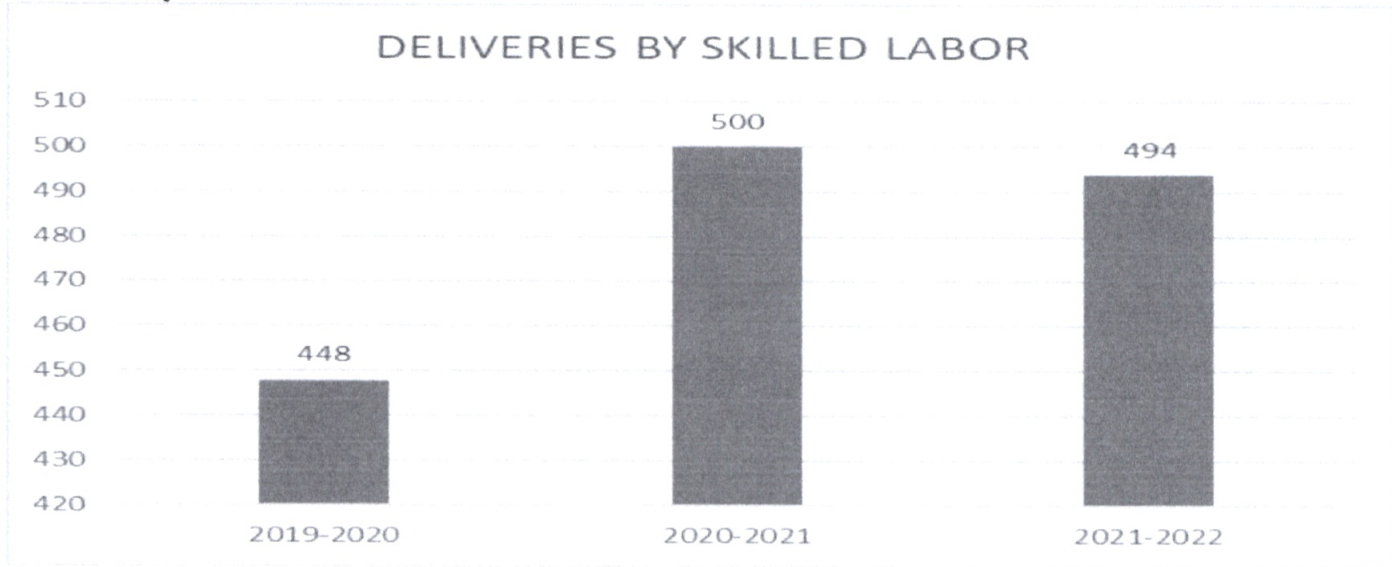


Mortality rate



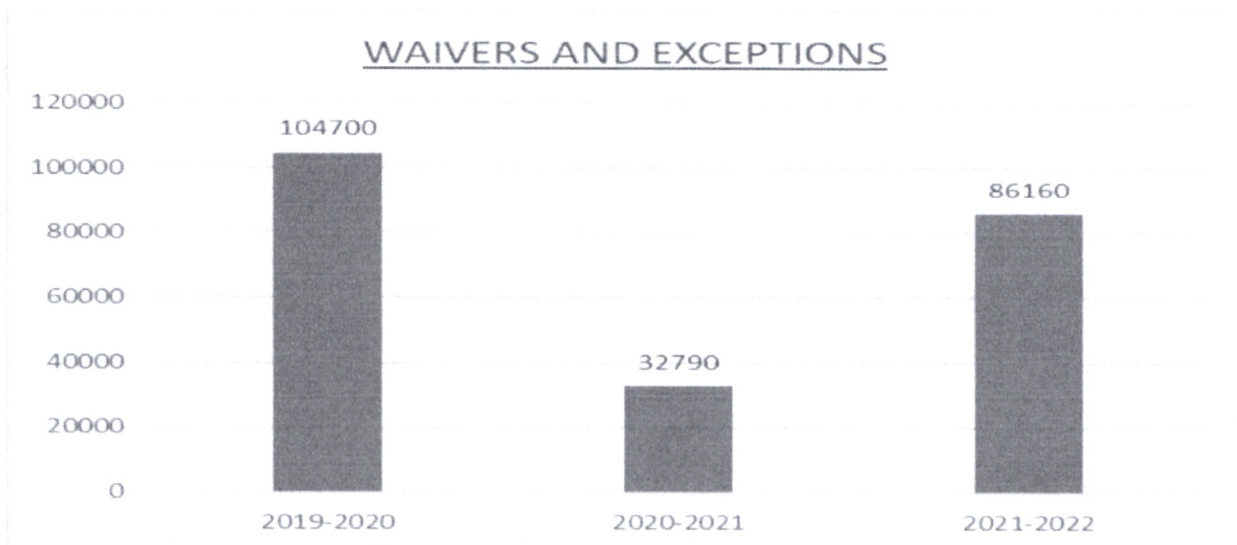
Surgical theatre utilisation (number of operations over a period of time)
 Not operational

Deliveries by skilled labour



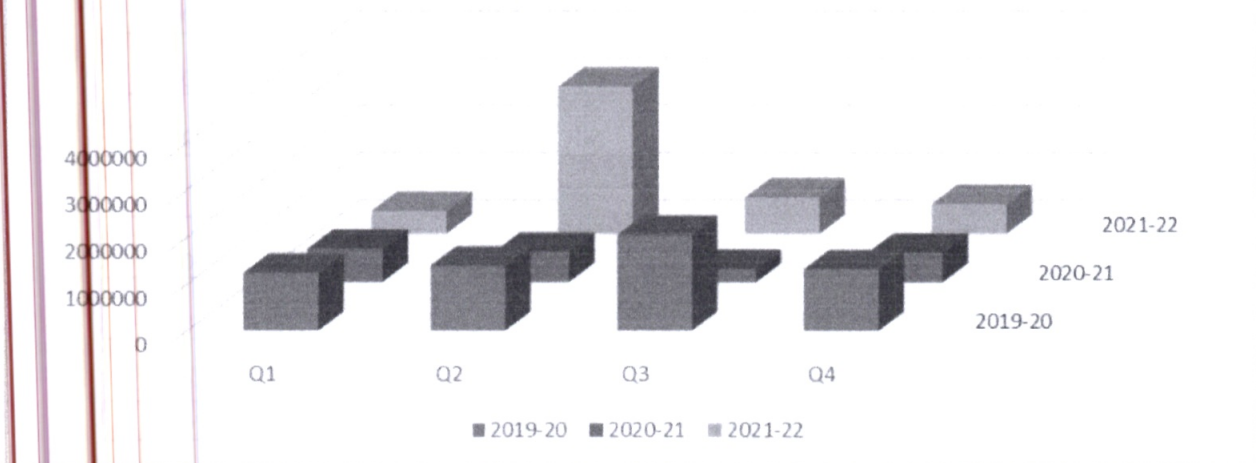
WAIVERS AND EXCEPTIONS

The hospital management granted waivers and exceptions amounting a total of ksh.86,160 in the year



REVENUE COLLECTION FROM 2019/2020-2021/2022					
PERIOD	Q1	Q2	Q3	Q4	TOTAL
2019-20	1231775	1390760	2047010	1315390	5,984,935
2020-21	713700	650750	288405	635505	2,288,360
2021-22	142,349	3114952	1026960	1611255	6,240,697

REVENUE COLLECTION FROM 2019/20-2021-2022 FY



Sources of Funds

- Inpatient sources
- Outpatient services
- NHIF reimbursements

Utilisation of Funds

Major consumers of the funds are

- Contracted Casual wages
- Medical drugs and non-pharmaceuticals
- Laboratory materials supplies and small equip
- Food and ration
- Maintenance of building and station

Signed.....
 Mr. Anderson Chelugo
Medical superintendent

MEDICAL SUPERINTENDENT
 KABARTONJO HOSPITAL
 BARINGO COUNTY
 23 MAY 2024
 REFERRAL HOSPITAL
 P.O. BOX 129-30401, KABARTONJO

PENDING BILLS AS AT 30TH JUNE, 2022

CODE	NAME	ITEM DESCRIPTION	ACCRUED
2110202	MEDSUPT KABARTONJO	CASUAL WAGES MARCH-JUNE	377,742
2210101	KENYA POWER	ELECTRICITY BILLS	196,500.00
2210102	KIRANDICH WATER CO.LTD	WATER BILLS	77,000.00
2210203	POSTAL CORPORATION	POSTAL RENEWAL	650.00
2211201	TOBIL FILLING STATION	REFINED FUEL DIESEL	70,000.00
2211015	RAGONY INVESTMENTS	PERISHABLE FOODS - MILK	20,800.00
2211015	TUIMARC ENTERPRISES	DRY FOOD	-
2211015	JULIAS GROCERY	FRESH FOODS - VEGETABLES	9,100.00
2211015	PAMOJA ENTERPRISES	BREAD	14,780
2211015	SIMOT POSHOMILL	GRINDING SERVICES	5,955.00
2211015	LETIO BUTCHERY	RED MEAT	21,700
2211008	SAMADAC DIAGNOSTIC	LAB REAGENTS	212,400.00
2211001	MERIC PRINTERS	MEDICAL STATIONARY	103,600.00
2211001	KETBONET BOOKSTORES	OFFICE STATIONARY	41,550.00
2211001	JEFSAN ENTERPRISES	CLEANING MATERIALS	28,000.00
2211103	KEZEM AGENCIES	HARDWARE MATERIALS	63550
2220205	KOIMET HARDWARE	MOTOR VEHICLE REPAIRS	9200
2211204	KIPTABUT SAWMILL	FIREWOOD	10,000.00
2211204	AFRICOM ENTERPRISES	IT EQUIPMENTS REPAIRS - CCTV	6,350.00
3111002	ONSET TECHNOLOGIES	PHOTOCOPIER REPAIR	57050
3111002	MERCY UNIFORMS	STAFF UNIFORMS	20,000.00
2211015	CEREALS	MILLET/MAIZE/BEANS	10,100.00
2110202	NSSF-CASUALS	2014-15 REMIITANCE	35,000.00
2211001	RIWO CHEMIST	NON PHARMACEUTICAL SUPPLIES	-
	TOTALS		1,391,027

IX. Environmental and Sustainability Reporting

Kabartonjo Sub County Hospital has mandate to transform and save lives, our priority is to deliver good services and emphasize on activities that promote sustainability to the citizens.

i) Sustainability strategy and profile

The hospital has assessed its current resources and highlighted the following areas as a way of increasing financial income.

- a. Offering specialized laboratory services e.g biochemistry
- b. Initiate dental unit
- c. Operationalize the skilled Xray
- d. Emphasizing on NHIF subscription and choosing our facility as a point of semi delivery Edu Afya and Linda mama
- e. Completion and operationalization of theatre

ii) Environmental performance

In order to ensure public health safety for both staff and our clients we have introduced the following measures

Successes

- a. Construction of patient ramps
- b. Segregation of waste using the colour coded bins
- c. Maintaining of drainage system
- d. Construction of more pit latrines
- e. Repair of waste pit
- f. enhance environmental hygiene

Challenges

- a. Financial constraints due to routine repairs
- b. High cost of electricity bill
- c. Shortage of Staff
- d. Delay of funds disbursement

Efforts to reduce environmental impact of waste products

1. Incinerator available for burning waste.
2. Waste disposal site fenced to keep off predators.

iii) Employee welfare

Employees are hired by the County Public Service Board and others are contracted by the hospital management board.

Staff gains their skills via on job training, seminars and workshops. The hospital checks regularly in the welfare of the staff intern of working environment and utilities required to leave then work optionally

iv) Market place practices-

a) Responsible competition practice.

Open tendering process and committee involvement

b) Responsible Supply chain and supplier relations

Good tracking of supplies from tendering to delivery

c) Responsible marketing and advertisement

This is done through barazas and public notice board

d) Corporate Social Responsibility / Community Engagements

Conducting outreach to the community as a way of increasing accessibility to health care

X. Report of the Board of Management

The Board members submit their report together with the Audited Financial Statements for the year ended June 30, 2022, which show the state of the hospital's affairs.

Principal activities

The principal activities of the hospital are;

- Maternity in patient services
- Referrals services
- VCT and Counselling
- Curative services
- Laboratory services
- TB clinics
- Diabetes and hypertension services
- Antenatal and postnatal services
- Comprehensive care clinics for patients living with HIV
- Baby well clinics
- Pharmacy
- X ray services
- Physiotherapy and orthopaedic trauma services

Results

The results of the Kabartonjo level 4 Hospital for the year ended June 30 are set out on page xiv to xix

Board of Management

The members of the Board who served during the year are shown on page vii.

Auditors

The Auditor General is responsible for the statutory audit of the Kabartonjo level 4 Hospital in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of the Kabartonjo level 4 Hospital for the year/period ended June 30, 2022 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

To be signed by the Secretary of the Board)

XI. Statement of Board of Management's Responsibilities

Section 164 of the Public Finance Management Act, 2012 requires the Board of Management to prepare financial statements in respect of that Kabartonjo Hospital, which give a true and fair view of the state of affairs of the Kabartonjo level 4 Hospital at the end of the financial year/period and the operating results of the Kabartonjo level 4 Hospital for that year/period. The Board of Management is also required to ensure that the Kabartonjo level 4 Hospital keeps proper accounting records which disclose with reasonable accuracy the financial position of the Kabartonjo Hospital. The council members are also responsible for safeguarding the assets of the Kabartonjo Hospital.

The Board of Management is responsible for the preparation and presentation of the Kabartonjo Hospital's financial statements, which give a true and fair view of the state of affairs of the Kabartonjo level 4 Hospital for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Kabartonjo Hospital, (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 Kabartonjo Hospital; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board of Management accepts responsibility for the Kabartonjo Hospital's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (- entities should quote applicable legislation as indicated under). The Board members are of the opinion that the Kabartonjo Hospital's financial statements give a true and fair view of the state of Kabartonjo Hospital's transactions during the financial year ended June 30, 2022 and of the Kabartonjo Hospital's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Kabartonjo Hospital, which have been relied upon in the preparation of the Kabartonjo Hospital's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Board of management to indicate that the Kabartonjo level 4 Hospital will not remain a going concern for at least the next twelve months from the date of this statement.

Functions of the Health Management Boards or Committees

The health management boards or committees shall; -

- a) Approve budgets, programmes and work plans of their respective hospitals and health facilities
- b) Prepare the Fund's annual budget and work plans to be adopted by the County Health Services Improvement Fund Board
- c) Formulate, recommend and implement resource mobilization strategies
- d) Identify implementation challenges and take corrective measures;
- e) Make recommendations for changes in user fee charges
- f) Determine such number of standing committees and composition of ad hoc committees
- g) Ensure periodic expenditure returns are prepared and submitted to the relevant supervisory offices
- h) Provide oversight over usage of financial resources by the respective hospitals' facilities' administration.

Role of the Hospital Management Boards and Committees in Management of Funds

The expenditure decisions of the hospital management boards or facility committees shall be bound by the provisions of the Public Finance Management Act, 2012 and the Public Procurement and Disposal of Assets Act, 2015.

The hospital management committee shall;

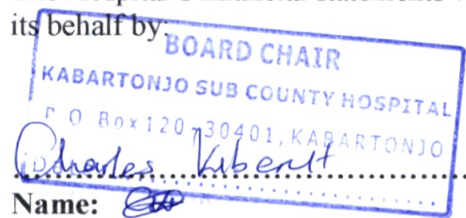
- d) Review the proposed budgets to ensure they are linked to the priorities outlined in the Quarterly Implementation Plans and Annual Work Plan.
- e) Ensure the proposed budgets are based on the available resources
- f) Approve the proposed budgets after review.

In supervising and controlling the administration of all Funds, the Health Services Management Committee shall;

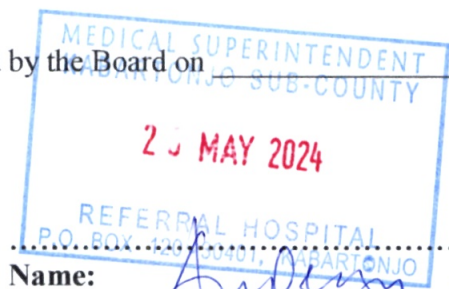
- f) Ascertain the available Funds and their sources
- g) Guide the hospital administration on user fees, unit costs, exemptions and waivers, as prescribed by the county HISF Board; ensure expenditures conform with the Fund regulations, the Public Finance Management Act and any other written law
- h) Ensure compliance with financial planning cycle
- i) Ensure mitigation against financial risk and
- j) Facilitate internal and external audit work as required under the Public Finance Management Act and the Public Audit Act.

Approval of the financial statements

The Hospital's financial statements were approved by the Board on _____ and signed on its behalf by _____


BOARD CHAIR
KABARTONJO SUB COUNTY HOSPITAL
P.O. Box 120-30401, KABARTONJO
Charles Kibent

Name: *Charles Kibent*
Chairperson
Board of Management


MEDICAL SUPERINTENDENT
KABARTONJO SUB-COUNTY
23 MAY 2024
REFERRAL HOSPITAL
P.O. BOX 120-30401, KABARTONJO

Name: *Anderson Cheyo*
Accounting Officer

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KABARTONJO LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2022 - COUNTY GOVERNMENT OF BARINGO

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 that the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, 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 control, 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

Qualified Opinion

I have audited the accompanying financial statements of Kabartonjo Level 4 Hospital – County Government of Baringo set out on pages 1 to 51, which comprise of the statement

of financial position as at 30 June, 2022, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the 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, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kabartonjo Level 4 Hospital – County Government of Baringo as at 30 June, 2022 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, the County Governments Act, 2012 and the Health Act, 2017.

Basis for Qualified Opinion

1. Variance in Transfers from the County Government

The statement of financial performance reflects an amount of Kshs.6,240,697 in respect to transfers from the county government as disclosed in Note 6 to the financial statements. However, analysis of schedules and bank statements provided for audit revealed an amount of Kshs.8,445,157 resulting to an unexplained variance of Kshs.2,204,460.

In the circumstances, the accuracy and completeness of transfers from the county government amount of Kshs.6,240,697 could not be confirmed.

2. Undisclosed Revenue from Non-exchange Transactions

The statement of financial performance reflects Nil revenue from in-kind contributions from the County Government and Grants from donors and development partners. However, analysis of records provided for audit revealed in-kind contributions from the County Government in form of medical drugs amounting to Kshs.2,215,394, donations and program commodities amounting to Kshs.2,969,950 and Universal Health Coverage (UHC) products amounting to Kshs.79,901 totalling Kshs.5,265,245 that were not disclosed in the financial statements.

In the circumstances, the accuracy and completeness of Nil amounts in respect of in-kind contribution from the county government and grants from donors and development partners could not be confirmed.

3. Inaccuracies in the Cash and Cash Equivalents Balance

The statement of financial position reflects a balance of Kshs.510,279 in respect to cash and cash equivalents as disclosed in Note 27 to the financial statements. However, review of the records revealed the Hospital bank account with a balance of Kshs.2,331,160

operated by the County treasury which was not disclosed in the financial statements and whose cash book and bank reconciliation statements were not provided for audit review.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.510,279 could not be confirmed.

4. Non-Disclosure of Receivables from Exchange Transactions Balance

The statement of financial position reflects Nil balance in respect to receivables from exchange transactions as disclosed in Note 28 of the financial statements. However, review of records provided for audit revealed outstanding claims balance of Kshs.1,707,600 from the National Health Insurance Fund (NHIF). Further, NHIF acknowledged only claims amounting to Kshs.717,360 resulting to unexplained variance of Kshs.990,240.

In the circumstances, the accuracy and completeness of Nil balance in respect to receivables from exchange transactions could not be confirmed.

5. Non-Disclosure of Property, Plant and Equipment Balance

The statement of financial position reflects nil balance in respect of property, plant and equipment as disclosed in Note 31 to the financial statements. However, review of the Hospital's records and physical inspection revealed various assets including land, buildings, motor vehicles, furniture, computers and equipment which were not disclosed in the financial statements. Further, ownership documents were not provided for audit review and the Hospital's land has not been valued and an assets register was not maintained.

In the circumstances, the accuracy, completeness and ownership of Nil balance in respect to property, plant and equipment could not be confirmed.

6. Non-Disclosure of Inventories Balance

The statement of financial position reflects Nil inventories balance as disclosed in Note 30 to the financial statements. However, review of the stock cards revealed drugs of undetermined value held in the Hospital's stores as at 30 June, 2022.

In the circumstances, the accuracy and completeness of Nil balance in respect of Inventories could not be confirmed.

7. Non-Disclosure of Trade and Other Payables Balance

The statement of financial position reflects Nil balance in respect to trade and other payables as disclosed in Note 34 to the financial statements. However, Appendix III and VII to the financial statements reflects pending bills balance of Kshs.1,391,027 some of them dating back to the year 2020.

In the circumstances, the accuracy and completeness of Nil balance in respect of trade and other payables could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Kabartonjo Level 4 Hospital 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 qualified opinion.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources and Qualified Opinion sections 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. Failure to Prepare Budget Estimates

The statement of financial performance reflects total revenue and expenditure amounts of Kshs.6,240,697 and Kshs.5,781,568 respectively. However, Management did not prepare budget estimates for both revenue and expenditure contrary to Regulation 29 (1) and (2) of the Public Finance Management (County Governments) Regulations, 2015 which requires the accounting officer to prepare draft estimates relating to her or his department and to ensure that all services are included in the estimates.

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

2. Irregular Engagement of Casuals Workers

The statement of financial performance reflects employee costs of Kshs.1,688,771 as disclosed in Note 16 to the financial statements which relate to payment of wages to sixteen (16) casual workers. However, the casual workers were engaged for more than five (5) years without contracts of service contrary to Section 37(1) (a) and (b) of the Employment Act, 2007 which states that notwithstanding any provisions of this Act, where a casual employee works for a period or a number of continuous working days which

amount in the aggregate to the equivalent of not less than one month and performs work which cannot reasonably be expected to be completed within a period, or a number of working days amounting in the aggregate to the equivalent of three months or more, the contract of service of the casual employee shall be deemed to be one where wages are paid monthly and section 35(1)(c) shall apply to that contract of service.

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

3. Failure to Remit Inaccurate Statutory Deductions and Remittance

The statement of financial performance reflects employee costs of Kshs.1,688,771 as disclosed in Note 16 to the financial statements. Included in this amount is the National Social Security Fund (NSSF) employee deductions amounting to Kshs.76,800. However, there was no evidence of the corresponding employer contribution. This was contrary to Section 20 (1) (a) and (b) of the National Social Security Fund Act, 2013 which states that, from the commencement date and subject to the provisions of sub-section (3) and Section 21, an employer shall pay to the Pension Fund in respect of each employee in his or her employment the employer's contribution at six per centum of the employee's monthly pensionable earnings and the employee's contribution at six per centum of the employee's pensionable earnings deducted from the employee's earnings.

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

4. Non-compliance with Kenya Quality Model for Health Policy Guidelines

Review of Hospital records and interviews on verification of services offered, equipment used and medical specialists in the Hospital at the time of audit revealed that the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits by ninety (90) staff requirements or 89% of the authorized establishment.

Staff Requirements	Level 4 Standard	Number in the in Hospital	Variance	Percentage %
Medical officers	16	2	14	88
Anesthesiologists	2	0	2	100
General surgeons	2	0	2	100
Gynecologists	2	0	2	100
Pediatrics	2	0	2	100
Radiologists	2	0	2	100
Kenya Registered Community Health nurses	75	9	66	88
Total	101	11	90	89

In addition, the hospital lacked the necessary equipment and machines outlined in the Health Policy Guidelines as detailed below:

Service	Level 4 Hospital Standard	Actuals in the Hospital	Variance	Percentage %
Beds	150	44	106	71
New Born Unit Incubators	5	1	4	80
New Born Unit Cots	5	1	4	80
Functional ICU Beds	6	0	6	100
High Dependency Unit (HDU) Beds	6	0	6	100
Renal Unit with at least 5 Dialysis Machines	5	0	5	100
Two Functional Operational Theatres-Maternity & General	2	0	2	100

These deficiencies contravene the First Schedule of Health Act, 2017 and imply that accessing the highest attainable standard of health, which includes the right to health care services, including reproductive health care as required by Article 43(1) of the Constitution of Kenya, 2010 may not be achieved.

In the circumstances, the understaffing and inadequate hospital equipment negatively have impacted on service delivery to the public.

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, except for the matters described in the Basis for Conclusion on 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 overall governance were not effective.

Basis for Conclusion

1. Expired Medical Commodities

Review of stock control cards indicated that eight (8) quantities of various medical commodities valued at Kshs.9,150 had expired as at 30 June, 2022 and had not been disposed-off by the time of audit in April 2024.

In the circumstances, the effectiveness of internal controls on management and destruction of expired drugs could not be confirmed.

2. Unfulfilled Orders for Medical Supplies

Review of requisitions indicated that the Hospital ordered 45,937 units of various medical commodities from the Kenya Medical Supplies Authority (KEMSA) out of which 27,927 units or 61% of the orders were delivered resulting to unfulfilled orders of 18,010 units or 39%. Further, there was no evidence to show that the unfulfilled orders were procured from other sources to ensure continuous availability of medical commodities.

In the circumstances, the highest standards of health services delivery as envisaged in the Constitution of Kenya may not be realized.

3. Poor Inventory Management

Review of delivery notes revealed that the Hospital received medical products valued at Kshs.26,484,210. However, the stock cards used to issue the medical products to various departments in the Hospital did not indicate the batch number and the expiry dates. It was therefore not possible to establish whether the issuance of the medical products followed the principle of First Expiry First Out (FEFO). This was contrary to the Ministry of Health Guidelines on Management of Health Products and Technologies, 2020 which require that medical products are issued from the store through the principle of First Expiry First Out (FEFO).

In the circumstances, the effectiveness of internal controls on issuance of medical products could not be confirmed.

4. Stock-Outs of Medical Commodities

Review of inventory records indicated that six (6) commodities were stocked out for between one (1) and three (3) months. Further, there were no policy guidelines on the required re-order levels to confirm whether commodities were procured within the required stock levels.

In the circumstances, the effectiveness of internal controls on management of stock reorder levels 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 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 the Board of Management

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 controls, risk management and overall governance.

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

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

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

The Board of Management is responsible for overseeing the Hospital'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 overall 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 review is planned and performed to express a conclusion with limited assurance as to 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 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. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

Further, in planning and performing the audit of the financial statements and review 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 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 controls may not prevent or detect misstatements and instances of noncompliance. 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 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 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 Hospital'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 Hospital 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 Hospital 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

8 July, 2024

Kabartonjo Level 4 Hospital (Baringo County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2022

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

Description	Notes	2021/22 Kshs
Revenue from non-exchange transactions		
Transfers from the County Government	6(b)	6,240,697
In-kind contributions from the County Government	7	-
Grants from donors and development partners	8	-
Transfers from other Government entities	9	-
Public contributions and donations	10	-
Total Revenue from non-exchange transactions		6,240,697
Revenue from exchange transactions		
Rendering of services- Medical Service Income	11	-
Revenue from rent of facilities	12	-
Finance /Interest Income	13	-
Other income (specify) – Sell of Water	14	-
Revenue from exchange transactions		-
Total revenue from exchange transactions		6,240,697
Expenses		
Medical/Clinical costs	15	2,561,010
Employee costs	16	1,688,771
Board of Management Expenses	17	111,000
Depreciation and amortization expense	18	-
Repairs and maintenance	19	826,424
Grants and subsidies	20	-
General expenses	21	594,363
Finance costs	22	-
Total expenses		5,781,568
Other gains / (losses)		
Gain on disposal of non-Current assets	23	-
Unrealized gain on fair value of investments	24	-

Kabartonjo Level 4 Hospital (Baringo County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2022

Medical services contracts Gains/Losses	25	-
Impairment loss	26	-
Gain on foreign exchange transactions		-
Total other gains/(losses)		-
Net Surplus for the year		459,129
Attributable to:		
Surplus/(deficit) attributable to minority interest		-
Surplus attributable to owners of the controlling Kabartonjo Hospital		-
		-

(The notes set out on pages 25 to 50 form an integral part of the Annual Financial Statements.)

The Hospital's financial statements were approved by the Board on 28/05/2024 and signed on its behalf by:

HOSPITAL FUND ACCOUNTANT
 KABARTONJO HOSPITAL
 Date 28/05/2024.....
 REFERRAL HOSPITAL
 P.O. BOX 120-30401 KABARTONJO

28/05/2024
 SUPERINTENDENT
 KABARTONJO SUB-COUNTY
 20 MAY 2024
 REFERRAL HOSPITAL
 P.O. BOX 120-30401, KABARTONJO

Charles Kibet
 Chairman
 Board of Management

Phyllis J. Cheboiwo
 Head of Finance
 ICPAK No: 21650

Andrew Cheboiwo
 Medical Superintendent

4. Statement of Financial Position as of 30th June 2022

Description	Notes	2021/22 Kshs
Assets		
Current assets		
Cash and cash equivalents	27	510,279
Receivables from exchange transactions	28	-
Receivables from non-exchange transactions	29	-
Inventories	30	-
Total Current Assets		-
Non-current assets		
Property, plant, and equipment	31	-
Intangible assets	32	-
Investment property	33	-
Total Non-current Assets		-
Total assets		510,279
Liabilities		
Current liabilities		
Trade and other payables	34	-
Refundable deposits from customers/Patients	35	-
Provisions	36	-
Finance lease obligation	37	-
Current portion of deferred income	38	-
Current portion of borrowings	39	-
Total Current Liabilities		-
Non-current liabilities		
Provisions	36	-
Non-Current Finance lease obligation	37	-
Non-Current portion of deferred income	38	-
Non - Current portion of borrowings	39	-
Service concession liability	40	-
Total Non-current liabilities		-
Total Liabilities		-

Kabartonjo Level 4 Hospital (Baringo County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2022

Description	Notes	2021/22 Kshs
Net assets		
Revaluation reserve		-
Accumulated surplus/Deficit	27	510,279
Capital Fund		-
		-
Total Net Assets and Liabilities		510,279

(The notes set out on pages 25 to 50 form an integral part of the Annual Financial Statements.)

The Hospital's financial statements were approved by the Board on 28/05/2024 and signed on its behalf by:

<p><i>Charles Kibet</i></p> <p>Chairman Board of Management</p>	<p>HOSPITAL FUND ACCOUNTANT KABARTONJO HOSPITAL Date: 28/05/2024..... REFERRAL HOSPITAL P.O. BOX 120-30401 KABARTONJO</p> <p><i>Phyllis J. Cheruwo</i></p> <p>Head of Finance ICPAK No: 21650</p>	<p>INDEPENDENT KABARTONJO SUB-COUNTY</p> <p>25 MAY 2024</p> <p>REFERRAL HOSPITAL P.O. BOX 120-30401, KABARTONJO</p> <p><i>Andrew Chego</i></p> <p><i>ngi</i></p> <p>Medical Superintendent</p>
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5. Statement of Changes in Net Asset for The Year Ended 30 June 2022

	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2021	-	-	-	-
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	51,150	-	-
Capital/Development grants	-	-	-	-
At July 1, 2022	-	-	-	-
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	459,129	-	-
Capital/Development grants	-	-	-	-
At June 30, 2022	-	510,279	-	-

(Note:

1. For items that are not common in the financial statements, the Kabartonjo Hospital should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
2. Prior year adjustments should have an elaborate note describing what the amounts relate to. In such instances, a restatement of the opening balances needs to be done.)

(The notes set out on pages 25 to 50 form an integral part of the Annual Financial Statements.)

The Hospital's financial statements were approved by the Board on 28/05/2024 and signed on its behalf by:

BOARD CHAIR
 KABARTONJO SUB COUNTY HOSPITAL
 P.O. BOX 120-30401, KABARTONJO
 Date: 28/05/2024

Chairman
Board of Management

HOSPITAL FUND ACCOUNTANT
KABARTONJO HOSPITAL
 Date: 28/05/2024
REFERRAL HOSPITAL
 P.O. BOX 120-30401 KABARTONJO
 Phyllis J. Chebet

Head of Finance
 ICPAK No: 21650

MEDICAL SUPERINTENDENT
KABARTONJO SUB-COUNTY
20 MAY 2024
REFERRAL HOSPITAL
 P.O. BOX 120-30401, KABARTONJO

Medical Superintendent

(Handwritten signature of the Medical Superintendent)

6. Statement of Cash Flows for The Year Ended 30 June 2022

Description	Note	2021/22 Kshs
Cash flows from operating activities		
Receipts		
Transfers from the County Government	6(b)	6,240,697
Grants from donors and development partners		-
Transfers from other Government entities		-
Public contributions and donations		-
Rendering of services- Medical Service Income		-
Revenue from rent of facilities		-
Finance / interest income		-
Other receipts(specify)		-
Total Receipts		6,240,697
Payments		
Medical/Clinical costs	15	2,561,010
Employee costs	16	1,688,771
Board of Management Expenses	17	111,000
Repairs and maintenance	19	826,424
Grants and subsidies		-
General expenses	21	594,363
Total Payments		5,781,568
Net cash flows from operating activities		459,129
Cash flows from investing activities		
Purchase of property, plant, equipment, & intangible assets		-
Proceeds from the sale of property, plant, and equipment		-
Acquisition of investments		-
Net cash flows used in investing activities		-
Cash flows from financing activities		
Capital grants received		-
Net cash flows used in financing activities		-
Net increase/(decrease) in cash and cash equivalents		459,129
Cash and cash equivalents at 1 July 2021		51,150
Cash and cash equivalents at 30 July 2022	27	510,279

(IPSAS 2 allows Kabartonjo Hospital to present the cash flow statement using the direct or

Kabartonjo Level 4 Hospital (Baringo County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2022

indirect method but encourages the direct method. PSASB also recommends the use of direct method of cash flow preparation).

The notes set out on pages 25 to 50 form an integral part of the Annual Financial Statements. The Hospital's financial statements were approved by the Board on ~~28/05/2022~~ and signed on its behalf by:

BOARD CHAIR
KABARTONJO SUB-COUNTY HOSPITAL
P.O. BOX 120-30401, KABARTONJO
Charles Kibet

Chairman
Board of Management

HOSPITAL FINANCIAL ACCOUNTANT
KABARTONJO HOSPITAL
Date 28/05/2022
REFERRAL HOSPITAL
P.O. BOX 120-30401, KABARTONJO
Phyllis J. Chesire

Head of Finance *Phyllis J. Chesire*
ICPAK No: 21650

REFERRAL HOSPITAL
KABARTONJO SUB-COUNTY
MEDICAL SUPERINTENDENT
P.O. BOX 120-30401, KABARTONJO
28 MAY 2022

Medical Superintendent

Andrew Chego

7. Statement of Comparison of Budget and Actual Amounts for the Year Ended 30 June 2022

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	a	b	c=(a+b)	d	e=(c-d)	f=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	
Revenue						
Transfers from the County Government	6,240,697	-	6,240,697	6,240,697	-	%
Grants from donors and development partners	-	-	-	-	-	%
Transfers from other Government entities	-	-	-	-	-	%
Public contributions and donations	-	-	-	-	-	%
Rendering of services- Medical Service Income	-	-	-	-	-	%
Revenue from rent of facilities	-	-	-	-	-	%
Finance / interest income	-	-	-	-	-	%
Other receipts (specify)	-	-	-	-	-	%
Total income	6,240,697	-	6,240,697	6,240,697	-	%
Expenses						
Medical/Clinical costs	2,561,010	-	2,561,010	2,561,010	-	%
Employee costs	1,688,771	-	1,688,771	1,688,771	-	%
Remuneration of directors (Board)	111,000	-	111,000	111,000	-	%
Repairs and maintenance	826,424	-	826,424	826,424	-	%
Grants and subsidies	-	-	-	-	-	%
General expenses	594,363	-	594,363	594,363	-	%
Finance costs	-	-	-	-	-	%
Total Expenses	5,781,568	-	5,781,568	5,781,568	-	%
Surplus for the period	459,129	-	459,129	459,129	-	%
Capital expenditure	-	-	-	-	-	%

(Budget notes

1. Provide an explanation of differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14
2. Provide an explanation of changes between the original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)
3. Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis, statement of financial performance is accrual) provide a reconciliation.)

The notes set out on pages 25 to 50 form an integral part of the Annual Financial Statements. The Hospital's financial statements were approved by the Board on 28/05/2024 and signed on its behalf by:

BOARD CHAIR
KABARTONJO SUB COUNTY HOSPITAL
P.O. Box 120-30401, KABARTONJO
Date: 28/05/2024
Charles Kibeni

Chairman
Board of Management

HOSPITALS ACCOUNTANT
KABARTONJO HOSPITAL
Date 28/05/2024
REFERRAL HOSPITAL
P.O. BOX 120-30401 KABARTONJO
Phyllis J. Cheboiwo

Head of Finance
ICPAK No: 21650

MEDICAL SUPERINTENDENT
KABARTONJO SUB-COUNTY
23 MAY 2024
REFERRAL HOSPITAL
P.O. BOX 120-30401, KABARTONJO

Medical Superintendent

Anderson chego

8. Notes To the Financial Statements

1. General Information

Kabartonjo Hospital is established by and derives its authority and accountability from county government act. The Kabartonjo Hospital is wholly owned by the Government of Kenya and is domiciled in Kenya. The Kabartonjo Hospital's principal activity is to offer level IV services.

2. Statement of Compliance and Basis Of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant, and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Kabartonjo Hospital's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Kabartonjo Hospital.

The financial statements have been prepared in accordance with the PFM Act, and (include any other applicable legislation), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

IPSASB deferred the application date of standards from 1st January 2022 owing to Covid19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

Notes to the Financial Statements (Continued)

i. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.

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 Kabartonjo Hospital’s future cash flows.</p> <p>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 that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between Kabartonjo Hospital’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Kabartonjo Hospital 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 Kabartonjo Hospital; (b) The key features of the operation of those social benefit schemes; and

	<p>(c) The impact of such social benefits provided on the Kabartonjo Hospital's financial performance, financial position and cash flows.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other improvements to IPSAS</p>	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • IPSAS 22 Disclosure of Financial Information about the General Government Sector. <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • IPSAS 39: Employee Benefits <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p>
<p>IPSAS 43</p>	<p>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</p>

	<p>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 Kabartonjo Hospital.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
<p>IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations</p>	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation on 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>

ii. Early adoption of standards

The Kabartonjo Hospital did not early – adopt any new or amended standards in the year 2021/2022

4. Summary of 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 Kabartonjo Hospital and can be measured reliably.

Notes to the Financial Statements (Continued)

Revenue from exchange transactions

Rendering of services

The Kabartonjo Hospital recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Kabartonjo Hospital.

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 for each period.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Kabartonjo Hospital'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.

Notes to the Financial Statements (Continued)

b) Budget information

The original budget for FY 2021/2022 was approved by Board on 28/6/2021 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 Kabartonjo Hospital upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Kabartonjo Hospital did not record additional appropriations on the FY 2021/2022 budget. The Kabartonjo Hospital's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under page 7 to 8 of these financial statements.

Notes to the Financial Statements (Continued)

c) Taxes

Sales tax/ Value Added Tax

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of sales tax included. The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) 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 a period of **xxx** years. 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. Transfers are made to or from investment property only when there is a change in use.

e) 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 Kabartonjo Hospital 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.

Notes to the Financial Statements (Continued)

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Kabartonjo Hospital. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Kabartonjo Hospital also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Kabartonjo Hospital will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Kabartonjo Hospital. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) 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

Notes to the Financial Statements (Continued)

h) Research and development costs

The Kabartonjo Hospital expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Kabartonjo Hospital can demonstrate:

- The technical feasibility of completing the asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- The asset will generate future economic benefits or service potential
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

i) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments

or available-for-sale financial assets, as appropriate. The Kabartonjo Hospital determines the classification of its financial assets at initial recognition.

Loans and receivables

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

Notes to the Financial Statements (Continued)

Held-to-maturity

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

Impairment of financial assets

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

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

Financial liabilities

Initial recognition and measurement

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

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

Notes to the Financial Statements (Continued)

Loans and borrowing

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

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

i) 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 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 cost and the 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 Kabartonjo Hospital.

j) Provisions

Provisions are recognized when the Kabartonjo Hospital 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 Kabartonjo Hospital 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.

Notes to the Financial Statements (Continued)

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

Contingent liabilities

The Kabartonjo Hospital 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 Kabartonjo Hospital 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 Kabartonjo Hospital 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 Kabartonjo Hospital creates and maintains reserves in terms of specific requirements.
(Kabartonjo Hospital to state the reserves maintained and appropriate policies adopted.)

l) Changes in accounting policies and estimates

The Kabartonjo Hospital 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 Kabartonjo Hospital provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Kabartonjo Hospital pays fixed contributions into a separate Kabartonjo Hospital (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 a proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

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

q) Service concession arrangements

The Kabartonjo Hospital analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Kabartonjo Hospital recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Kabartonjo Hospital also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

Notes to the Financial Statements (Continued)

r) 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.

s) Comparative figures

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

t) 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, 2022.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Kabartonjo Hospital'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.

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 Kabartonjo Hospital 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 Kabartonjo Hospital. Such changes are reflected in the assumptions when they occur.(IPSAS 1.140)

Notes to the Financial Statements (Continued)

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available.

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

6. Transfers From The County Government

Description	2021/22 KShs
Unconditional grants	
Operational grant	-
Level 5 grants	-
Other grants	-
	-
Conditional grants	
User fee forgone	-
Transforming health services for Universal care project (THUCP)	-
DANIDA	-
Wards Development grant	-
Paediatric block grant	-
Administration block grant	-
Laboratory grant	-
Total government grants and subsidies	-

Notes to the Financial Statements (Continued)

6(b) Transfers from the County Government

Name of the Kabartonjo Hospital sending the grant	Amount recognized to Statement of financial performance KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year 2021/22
			KShs	KShs
Baringo County Government	6,240,697	-	-	6,240,697
Total	6,240,697	-	-	6,240,697

(Ensure that the amount recorded above as having been received from the County fully reconciles to the amount recorded by the amount recorded as transferred by the County. An acknowledgement note/receipt should be raised in favour of the sending County Government. The details of the reconciliation have been included under Appendix V).

7. In Kind Contributions from The County Government

Description	2021/22 KShs
Salaries and wages	-
Pharmaceutical and Non-Pharmaceutical Supplies	-
Medical supplies-Drawings Rights (KEMSA)	-
Utility bills	-
Total grants in kind	-

(These include payments made directly by the County Governments for staff salaries and medical drugs. These should be recorded both as income and expense for completeness of financial statements)

8. Grants From Donors and Development Partners

Description	2021/22 KShs
Cancer Centre grant- DANIDA	-
World Bank grants	-
Paediatric ward grant- JICA	-
Research grants	-
Other grants (specify)	-
Total grants from development partners	-

Notes to the Financial Statements (Continued)

8 (a) Grants from donors and development partners (Classification)

Name of the Kabartonjo Hospital sending the grant	Amount recognized to Statement of financial performance	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year
	KShs	KShs	KShs	KShs
Donor e.g., DANIDA	-	-	-	-
JICA	-	-	-	-
World Bank	-	-	-	-
Total	-	-	-	-

9. Transfers From Other Government Entities

Description	2021/22
	KShs
Transfer from National Government (Ministry of Health)	-
Transfer from xxx National Hospital	-
Transfer from xxx Institute	-
Total Transfers	-

10. Public Contributions and Donations

Description	2021/22
	KShs
Public donations	-
Donations from local leadership	-
Donations from religious institutions	-
Donations from other international organisations and individuals	-
Other donations(specify)	-
Donations in kind-amortised	-
Total donations and sponsorships	-

Notes to the Financial Statements (Continued)

10 (a) Reconciliations of amortised grants

Description	2021/22
	KShs
Balance unspent at beginning of year	-
Current year receipts	-
Amortised and transferred to revenue	-
Conditions to be met – remain liabilities	-

11. Rendering of Services-Medical Service Income

Description	2021/22
	KShs
Pharmaceuticals	-
Non-Pharmaceuticals	-
Laboratory	-
Radiology	-
Orthopedic and Trauma Technology	-
Theatre	-
Accident and Emergency Service	-
Anesthesia Service	-
Ear Nose and Throat service	-
Nutrition service	-
Cancer centre service	-
Dental services	-
Reproductive health	-
Paediatrics services	-
Farewell home services	-
Other medical services income	-
Total revenue from the rendering of services	-

Notes to the Financial Statements (Continued)

12. Revenue From Rent of Facilities

Description	2021/22
	KShs
Residential property	-
Commercial property	-
Total Revenue from rent of facilities	-

13. Finance /Interest Income

Description	2021/22
	KShs
Cash investments and fixed deposits	-
Interest income from short- term/ current deposits	-
Interest income from Treasury Bills	-
Interest income from Treasury Bonds	-
Interest from outstanding debtors	-
Total finance income	-

14. Other Income

Description	2021/22
	KShs
Insurance recoveries	-
Income from sale of tender	-
Services concession income	-
Sale of goods (water, publications, containers etc)	-
Total other income	-

Notes to the Financial Statements (Continued)

15. Medical/ Clinical Costs

Description	2021/22 KShs
Dental costs/ materials	-
Laboratory chemicals and reagents	219,300
Repatriation and referrals	578,000
Food and Ration	1,006,455
Uniform, clothing, and linen	363,375
Dressing and Non-Pharmaceuticals	155,000
Pharmaceutical supplies –Medical Stations	-
Health information stationery	142,500
Reproductive health materials	-
Sanitary and cleansing Materials	96,380
Purchase of Medical gases	-
X-Ray/Radiology supplies	-
Other medical related clinical costs (Medical Drugs)	-
Total medical/ clinical costs	2,561,010

16. Employee Costs

Description	2021/22 KShs
Salaries, wages, and allowances	1,688,771
Contributions to pension schemes	-
Service gratuity	-
Performance and other bonuses	-
Staff medical expenses and Insurance cover	-
Group personal accident insurance and WIBA	-
Social contribution	-
Other employee costs (specify)	-
Employee costs	1,688,771

Notes to the Financial Statements (Continued)

17. Board of Management Expenses

Description	2021/22
	KShs
Chairman's Honoraria	-
Sitting allowance	111,000
Mileage	-
Insurance expenses	-
Induction and training	-
Travel and accommodation allowance	-
Airtime allowances	-
Total	111,000

18. Depreciation And Amortization Expense

Description	2021/22
	KShs
Property, plant and equipment	-
Intangible assets	-
Investment property carried at cost	-
Total depreciation and amortization	-

19. Repairs and Maintenance

Description	2021/22
	KShs
Property- Buildings	147,150
Generator Battery	12,000
Office equipment	-
Furniture and fittings	-
Computers and accessories (Installation of CCTV)	357,274
Motor vehicle expenses (Refined Fuel)	290,000
Maintenance of civil works (Repair of Washing Machine)	20,000
Total repairs and maintenance	826,424

Notes to the Financial Statements (Continued)

20. Grants And Subsidies

Description	2021/22 KShs
Community development and social work	-
Education initiatives and programs	-
Free/ subsidised medical camp	-
Disability programs	-
Free cancer screening	-
Other grants and subsidies(specify)	-
Total grants and subsidies	-

21. General Expenses

Description	2021/22 KShs
Advertising and publicity expenses	-
Catering expenses	146,000
Waste management expenses	-
Insecticides and rodenticides	-
Audit fees	-
Bank charges	2,893
Conferences and delegations	-
Consultancy fees	-
Contracted services	-
Electricity expenses	55,000
Insurance	-
Research and development expenses	-
Travel and accommodation allowance	259,000
Legal expenses	-
Licenses and permits	-
Courier and postal services	9,450
Printing and stationery	48,520
Hire charges (Tents & Chairs)	10,000
Skills development levies	-
Telephone and mobile phone services	10,000
Supply of Firewood	53,500
Total General Expenses	594,363

22. Finance Costs

Description	2021/22
	KShs
Borrowings (amortized cost) *	-
Finance leases (amortized cost)	-
Interest on Bank overdrafts/Guarantees	-
Interest on loans from commercial banks	-
Total finance costs	-

(Borrowing costs that relate to interest expense on acquisition of non- current assets and do not qualify for Capitalisation as per IPSAS 5: on borrowing costs should be included under this note.)

23. Gain/Loss on Disposal of Non-Current Assets

Description	2021/22
	KShs
Property, plant, and equipment	-
Intangible assets	-
Other assets not capitalised (specify)	-
Total gain on sale of assets	-

24. Unrealized Gain on Fair Value Investments

Description	2021/22
	KShs
Investments at fair value	-
Total gain	-

Notes to the Financial Statements (Continued)

25. Medical Services Contracts Gains /Losses

Description	2021/22 KShs
Comprehensive care contracts with NHIF	-
Non- Comprehensive contracts care with NHIF	-
Linda Mama Program	-
Waivers and Exemptions	-
Total Gain/Loss	-

26. Impairment Loss

Description	2021/22 KShs
Property, plant, and equipment	-
Intangible assets	-
Total impairment loss	-

27. Cash and Cash Equivalents

Description	2021/22 KShs
Current accounts (KCB A/C 1149215593)	510,279
On - call deposits	-
Fixed deposits accounts	-
Cash in hand	-
Others(specify)- Mobile money	-
Total cash and cash equivalents	510,279

Notes to the Financial Statements (Continued)

27 (a). Detailed Analysis of Cash and Cash Equivalents

Description		2021/22
Financial institution	Account number	KShs
a) Current account		
Kenya Commercial bank	A/C 1149215593	510,279
Equity Bank, etc		-
Sub- total		-
b) On - call deposits		
Kenya Commercial bank		-
Equity Bank – etc		-
Sub- total		-
c) Fixed deposits account		
Bank Name		-
Sub- total		-
d) Others(specify)		-
cash in hand		-
Mobile money- Mpesa, Airtel money		-
Sub- total		-
Grand total		510,279

28. Receivables From Exchange Transactions

Description	2021/22
	KShs
Medical services receivables	-
Rent receivables	-
Other exchange debtors	-
Less: impairment allowance	-
Total receivables	-

Notes to the Financial Statements (Continued)

29. Receivables From Non-Exchange Transactions

Description	2021/22 KShs
Transfers from the County Government	-
Undisbursed donor funds	-
Other debtors (non-exchange transactions)	-
Less: impairment allowance	-
Total	-

(Undisbursed donor funds refer to funds expected where conditions for disbursements have been met by the recipient as at the reporting date)

30. Inventories

Description	2021/22 KShs
Pharmaceutical supplies	-
Maintenance supplies	-
Food supplies	-
Linen and clothing supplies	-
Cleaning materials supplies	-
General supplies	-
Less: provision for impairment of stocks	-
Total	-

Notes to the Financial Statements (Continued)

31. Property, Plant and Equipment

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Capital Work in progress	Total
	Shs		Shs	Shs	Shs	Shs	Shs	Shs
Cost								
At 1 July 2020	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-	-
At 30th June 2021	-	-	-	-	-	-	-	-
At 1 st July 2021	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-
At 30th June 2022	-	-	-	-	-	-	-	-
Depreciation and impairment								
At 1 July 2020	-	-	-	-	-	-	-	-
Depreciation for the year	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-

Kabartonjo Level 4 Hospital (Baringo County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2022

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Capital Work in progress	Total
At 30 June 2021	-	-	-	-	-	-	-	-
At July 2021	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/adjustment		-	-	-	-	-	-	-
At 30th June 2022	-	-	-	-	-	-	-	-
Net book values								
At 30 th June 2021	-	-	-	-	-	-	-	-
At 30 th June 2022	-	-	-	-	-	-	-	-

Notes to the Financial Statements (Continued)

32. Intangible Assets-Software

Description	2021/22
	KShs
Cost	
At beginning of the year	-
Additions	-
Additions–Internal development	-
Disposal	-
At end of the year	-
Amortization and impairment	
At beginning of the year	-
Amortization for the period	-
Impairment loss	-
At end of the year	-
NBV	-

33. Investment Property

Description	2021/22
	KShs
At beginning of the year	-
Additions	-
Fair value gain	-
Depreciation (where investment property is at cost)	-
At end of the year	-

34. Trade And Other Payables

Description	2021/22
	KShs
Trade payables	-
Employee dues	-
Third-party payments (unremitted payroll deductions)	-
Audit fee	-
Doctors' fee	-
Total trade and other payables	-

Notes to the Financial Statements (Continued)

35. Refundable Deposits from Customers/Patients

Description	2021/22
	KShs
Medical fees paid in advance	-
Credit facility deposit	-
Rent deposits	-
Others (specify)	-
Total deposits	-

36. Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	KShs	KShs	KShs	KShs
Balance at the beginning of the year	-	-	-	-
Additional Provisions	-	-	-	-
Provision utilised	-	-	-	-
Change due to discount & time value for money	-	-	-	-
Total provisions	-	-	-	-
Current Provisions	-	-	-	-
Non-Current Provisions	-	-	-	-
Total Provisions	-	-	-	-

37. Finance Lease Obligation

Description	2021/22
	Kshs
Current Lease obligation	-
Long term lease obligation	-
Total	-

Notes to the Financial Statements (Continued)

38. Deferred Income

Description	2021/22 KShs
Current Portion	-
Non-Current Portion	-
Total	-

38 (a) The deferred income movement is as follows:

Description	National government	International funders/ donors	Public contributions and donations	Total
Balance b/f	-	-	-	-
Additions during the year	-	-	-	-
Transfers to Capital fund	-	-	-	-
Transfers to statement of financial performance	-	-	-	-
Other transfers (Specify)	-	-	-	-
Balance C/F	-	-	-	-

39. Borrowings

Description	2021/22 KShs
Balance at beginning of the period	-
External borrowings during the year	-
Domestic borrowings during the year	-
Repayments of external borrowings during the year	-
Repayments of domestic borrowings during the year	-
Balance at end of the period	-

Notes to the Financial Statements (Continued)

39. (a) Breakdown of Long- And Short-Term Borrowings

Description	2021/22
	KShs
Current Obligation	-
Non-Current Obligation	-
Total	-

(Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed).

40. Service Concession Arrangements

Description	2021/22
	KShs
Fair value of service concession assets recognized under PPE	-
Accumulated depreciation to date	-
Net carrying amount	=
Service concession liability at beginning of the year	-
Service concession revenue recognized	-
Service concession liability at end of the year	=

41. Cash Generated from Operations

	2021/22
	KShs
Surplus for the year before tax	
Adjusted for:	
Depreciation	-
Non-cash grants received	-
Impairment	-
Gains and losses on disposal of assets	-
Contribution to provisions	-
Contribution to impairment allowance	-
Working Capital adjustments	
Increase in inventory	-
Increase in receivables	-
Increase in deferred income	-
Increase in payables	-
Increase in payments received in advance	-
Net cash flow from operating activities	-

(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)

Notes to the Financial Statements (Continued)

42. Financial Risk Management

The Kabartonjo Hospital's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The company's overall risk management programme focuses on the 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 company 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 Kabartonjo Hospital's financial risk management objectives and policies are detailed below:

(i) Credit risk

The Kabartonjo Hospital 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 company'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 Kabartonjo Hospital's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Notes to the Financial Statements (Continued)

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2021				
Receivables from exchange transactions	-	-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
At 30 June 2022				
Receivables from exchange transactions	-	-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

(NB: The totals column should tie to the individual elements of credit risk disclosed in the Kabartonjo Hospital’s statement of financial position)

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 company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

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

(ii) Liquidity risk management

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

The table below represents cash flows payable by the company 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.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2022				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2022				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

(iii) Market risk

The hospital has put in place an internal audit function to assist it in assessing the risk faced by the Kabartonjo Hospital 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 Kabartonjo Hospital'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.

Notes to the Financial Statements (Continued)

The company'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 Kabartonjo Hospital's exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

The Kabartonjo Hospital 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 Kabartonjo Hospital's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	KShs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2022			
Financial assets (investments, cash, debtors)	-	-	-
Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

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

	KShs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2022			
Financial assets (investments, cash, debtors)	-	-	-
Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

Notes to the Financial Statements (Continued)

Foreign currency sensitivity analysis

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

	Change in currency rate Kshs	Effect on Profit before tax Kshs	Effect on equity Kshs
20xx			
Euro	10%	-	-
USD	10%	-	-
20xx			
Euro	10%	-	-
USD	10%	-	-

Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

The Kabartonjo Hospital analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

Notes to the Financial Statements (Continued)

iv)Capital Risk Management

The objective of the Kabartonjo Hospital's capital risk management is to safeguard the Hospital's ability to continue as a going concern. The Kabartonjo Hospital capital structure comprises of the following funds:

	2021/22
	Kshs
Revaluation reserve	-
Retained earnings	-
Capital reserve	-
Total funds	-
Total borrowings	-
Less: cash and bank balances	-
Net debt/ (excess cash and cash equivalents)	-
Gearing	-

43. Related Party Balances

Nature of related party relationships

Entities and other parties related to the Kabartonjo Hospital include those parties who have the 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.

Government of Kenya

The Government of Kenya is the principal shareholder of the Kabartonjo Hospital, holding 100% of the Kabartonjo Hospital's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Kabartonjo Hospital, both domestic and external. Other related parties include:

- i) The National Government;
- ii) The County Government;
- iii) Board of Directors;
- iv) Key Management

Notes to the Financial Statements (Continued)

Description	2021/22 Kshs
Transactions with related parties	
a) Services offered to related parties	
Services to xxx	-
Sales of services to xxx	-
Total	-
b) Grants from the Government	
Grants from County Government	-
Grants from the National Government Entities	-
Donations in kind	-
Total	-
c) Expenses incurred on behalf of related party	
Payments of salaries and wages for xxx employees	-
Payments for goods and services for xxx	-
Total	-
d) Key management compensation	
Directors' emoluments	-
Compensation to the medical Sup	-
Compensation to key management	-
Total	-

Notes to the Financial Statements (Continued)

44. Segment Information

(Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an Kabartonjo Hospital to present segmental information of each geographic region or department to enable users understand the Kabartonjo Hospital's performance and allocation of resources to different segments)

45. Contingent Liabilities

Contingent liabilities	2021/22
	Kshs
Court case xxx against the company	-
Bank guarantees in favour of subsidiary	-
Total	-

(Give details)

46. Capital Commitments

Capital Commitments	2021/22
	Kshs
Authorised For	-
Authorised And Contracted For	-
Total	-

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the board but at the end of the year had not been contracted or those already contracted for and ongoing)

47. Events After The Reporting Period

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

48. Ultimate And Holding Kabartonjo Hospital

The Kabartonjo Hospital is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of Health. Its ultimate parent is the Government of Kenya.

49. Currency

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

9. Appendices

Appendix 1: Progress on Follow up of Auditor Recommendations

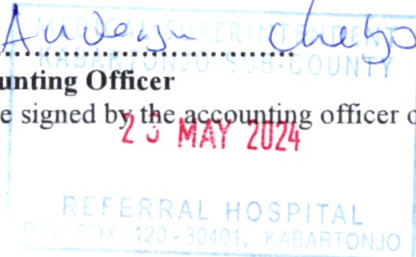
The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	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 the 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 Kabartonjo Hospital 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.

.....
Accounting Officer
 (To be signed by the accounting officer of the Hospital)





Kabartonjo Level 4 Hospital (Baringo County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2022

APPENDIX II: Projects Implemented by the Kabartonjo Hospital

Projects

Projects implemented by the Hospital Funded by development partners

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1						
2						

Status of Projects completion

(Summarise the status of project completion at the end of each quarter, i.e. total costs incurred, stage which the project is etc)

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1							
2							
3							

Kabartonjo Level 4 Hospital (Baringo County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2022

APPENDIX III : PENDING BILLS AS AT 30TH JUNE, 2022

CODE	NAME	ITEM DESCRIPTION	ACCRUED
2110202	MEDSUPT KABAR TONJO	CASUAL WAGES MARCH-JUNE	377,742
2210101	KENYA POWER	ELECTRICITY BILLS	196,500.00
2210102	KIRANDICH WATER CO.LTD	WATER BILLS	77,000.00
2210203	POSTAL CORPORATION	POSTAL RENEWAL	650.00
2211201	TOBIL FILLING STATION	REFINED FUEL DIESEL	70,000.00
2211015	RAGONY INVESTMENTS	PERISHABLE FOODS - MILK	20,800.00
2211015	JULIAS GROCERY	FRESH FOODS - VEGETABLES	9,100.00
2211015	PAMOJA ENTERPRISES	BREAD	14,780
2211015	SIMOT POSHOMILL	GRINDING SERVICES	5,955.00
2211015	LETIO BUTCHERY	RED MEAT	21,700
2211008	SAMADAC DIAGNOSTIC	LAB REAGENTS	212,400.00
2211001	MERIC PRINTERS	MEDICAL STATIONARY	103,600.00
2211001	KETBONET BOOKSTORES	OFFICE STATIONARY	41,550.00
2211001	JEFSAN ENTERPRISES	CLEANING MATERIALS	28,000.00
2211103	KEZEM AGENCIES	HARDWARE MATERIALS	63550
2220205	KOIMET HARDWARE	MOTOR VEHICLE REPAIRS	9200
2211204	KIPTABUT SAWMILL	FIREWOOD	10,000.00
2211204	AFRICOM ENTERPRISES	IT EQUIPMENTS REPAIRS - CCTV	6,350.00
3111002	ONSET TECHNOLOGIES	PHOTOCOPIER REPAIR	57050
3111002	MERCY UNIFORMS	STAFF UNIFORMS	20,000.00
2211015	CEREALS	MILLET/MAIZE/BEANS	10,100.00
2110202	NSSF-CASUALS	2014-15 REMIITANCE	35,000.00
	TOTALS		1,391,027

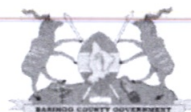
BARINGO COUNTY GOVERNMENT

E-mail:

medsupkabartonjo@gmail.com

When replying please quote

Ref: **KBSCRH**



KABARTONJO LEVEL 4 HOSPITAL

APPENDIX IV: Inter-Kabartonjo Hospital Confirmation Letter

The Baringo County Government Treasury to confirm the amounts disbursed to you as at 30th June 2022 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 [Baringo County Kabartonjo Hospital] as at 30 th June 2022								
Reference Number A/C NO. 1149215593	Date Disbursed	Amounts Disbursed by [Baringo County Treasury] (KShs) as at 30 th June 2022				Total (D)=(A+B+C)	Amount Received by [Baringo Kabartonjo Hospital] (KShs) as at 30 th June 2021 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)				
Transfer from Baringo Treasury	16/9/2021	487,530	-	-	487,530	487,530	-	
Transfer from Baringo Treasury	15/10/2021	2,688,672	-	-	2,688,672	2,688,672	-	

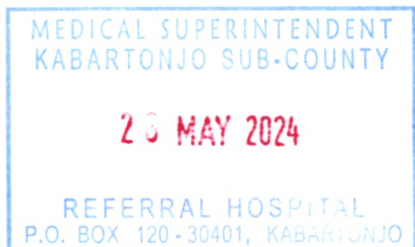
Kabartonjo Level 4 Hospital (Baringo County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2022

Transfer from Baringo Treasury	30/11/2021	426,280	-	-	426,280	426,280	-
Transfer from Baringo Treasury	14/1/2022	250,000	-	-	250,000	250,000	-
Transfer from Baringo Treasury	2/3/2022	776,960	-	-	776,960	776,960	-
Transfer from Baringo Treasury	11/5/2022	250,000					
Transfer from Baringo Treasury	11/5/2022	638,390	-	-	638,390	638,390	-
Transfer from Baringo Treasury	29/6/2022	722,865	-	-	722,865	722,865	-
Total		<u>6,240,697</u>	=	=	<u>6,240,697</u>	<u>6,240,697</u>	-

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

Head of Accountants department of beneficiary Kabartonjo Hospital:

Name Anderson dekyo Sign [Signature] Date 28/5/2024



Kabartonjo Level 4 Hospital (Baringo County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2022

APPENDIX V Reporting of Climate Relevant Expenditures

Name of the Organization: Kabartonjo Level 4 Hospital

Telephone Number: 0722449799

Email Address: medsupkabartonjo@gmail.com

Name of Medical Supp: Anderson Chelugo

Name and contact details of contact person (in case of any clarifications) Janet Kabutie, Matron Incharge Cell Phone: 0724851435

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

APPENDIX VI Disaster Expenditure Reporting Template

Date:						
Kabartoj Hospital						
Period to which this report refers (FY)	Year			Quarter		
Name of Reporting Officer						
Contact details of the reporting officer:	Email			Telephone		
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

Kabartoyo Hospital (Baringo County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2022

Appendix VII Pending Bills Template as at 30th June 2022

CODE	NAME	ITEM DESCRIPTION	ACCRUED
2110202	MEDSUPT KABARTONJO	CASUAL WAGES MARCH-JUNE	377,742
2210101	KENYA POWER	ELECTRICITY BILLS	196,500.00
2210102	KIRANDICH WATER CO.LTD	WATER BILLS	77,000.00
2210203	POSTAL CORPORATION	POSTAL RENEWAL	650.00
2211201	TOBIL FILLING STATION	REFINED FUEL DIESEL	70,000.00
2211015	RAGONY INVESTMENTS	PERISHABLE FOODS - MILK	20,800.00
2211015	TUIMARC ENTERPRISES	DRY FOOD	-
2211015	JULIAS GROCERY	FRESH FOODS - VEGETABLES	9,100.00
2211015	PAMOJA ENTERPRISES	BREAD	14,780
2211015	SIMOT POSHOMILL	GRINDING SERVICES	5,955.00
2211015	LETIO BUTCHERY	RED MEAT	21,700
2211008	SAMADAC DIAGNOSTIC	LAB REAGENTS	212,400.00
2211001	MERIC PRINTERS	MEDICAL STATIONARY	103,600.00
2211001	KETBONET BOOKSTORES	OFFICE STATIONARY	41,550.00
2211001	JEFSAN ENTERPRISES	CLEANING MATERIALS	28,000.00
2211103	KEZEM AGENCIES	HARDWARE MATERIALS	63550
2220205	KOIMET HARDWARE	MOTOR VEHICLE REPAIRS	9200
2211204	KIPTABUT SAWMILL	FIREWOOD	10,000.00
2211204	AFRICOM ENTERPRISES	IT EQUIPMENTS REPAIRS - CCTV	6,350.00
3111002	ONSET TECHNOLOGIES	PHOTOCOPIER REPAIR	57050
3111002	MERCY UNIFORMS	STAFF UNIFORMS	20,000.00
2211015	CEREALS	MILLET/MAIZE/BEANS	10,100.00
2110202	NSSF-CASUALS	2014-15 REMIITANCE	35,000.00
2211001	RIWO CHEMIST	NON PHARMACEUTICAL SUPPLIES	-
	TOTALS		1,391,027

APPENDIX VIII Disaster Expenditure Reporting Template

<u>REVENUE COLLECTION FROM 2019/2020-2021/2022</u>					
PERIOD	Q1	Q2	Q3	Q4	TOTAL
2019-20	1231775	1390760	2047010	1315390	5,984,935
2020-21	713700	650750	288405	635505	2,288,360
2021-22	487530	3114952	1026960	1611255	6,240,697



Kabartoyo Hospital (Baringo County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2022

APPENDIX IX Assets Reporting Template

KABARTONJO HOSPITAL ASSET REGISTER AS AT 30TH JUNE 2022					
	Category	Dept	Contractor/Supplier	Acquired Date	Cost
KBO THEATRE BLOCK	BUILDINGS	HEALTH	OKWEI	28-Dec-14	18,413,822
KBO HOSP INCINERATOR	CIVIL WORKS	HEALTH	KOSKI	07-Jul-15	320,392
KBO HOSP OP THEATRE	BUILDINGS	HEALTH	OKWEI	17-Sep-15	994,037
KBO HOSP INCINERATOR	CIVIL WORKS	HEALTH	KOSKI	04-Mar-16	262,169
KBO HOSP SEPTIC TANK	CIVIL WORKS	HEALTH	KIPLAN	07-Dec-18	1,349,270
KBO HOSP THEATRE ELECTRICAL WORKS	CIVIL WORKS	HEALTH	BEL	07-Dec-18	1,254,800
KBO HOSP SEPTIC TANK	CIVIL WORKS	HEALTH	KIPLAN	15-Jan-19	332,324
KBO HOSP WALKWAY	CIVIL WORKS	HEALTH	KIPLAN	04-Dec-19	1,487,400
KBO HOSP EQUIPMENT	OTHER EQUIPMENTS	HEALTH	PENTA	24-Apr-20	8,301,750
KBO HOSP EQUIPMENT	OTHER EQUIPMENTS	HEALTH	ASTONIAN	04-Jun-20	6,442,160
KBO HOSP MAT BLOCK	BUILDINGS	HEALTH	KAIBOS	19-Feb-21	1,968,977
KBO HOSP MAT BLOCK	BUILDINGS	HEALTH	KOIBOS	19-Feb-21	2,029,874
KBO HOSP ADMIN BLOCK	BUILDINGS	HEALTH	JUNIORMAX	14-Jun-21	1,180,254
KBO HOSP MAT BLOCK	BUILDINGS	HEALTH	KOIBOS	14-Jun-21	1,527,106
KBO HOSP MAT BLOCK	BUILDINGS	HEALTH	KOIBOS	30-Jun-21	2,760,461
KBO HOSP RENOVATION	CIVIL WORKS	KABARTONJO HOSPITAL ASSETS	FASLIM	17-May-23	999,896
KBO HOSP THEATRE BLOCK	BUILDINGS	Type	KEFDAH	17-May-23	1,450,017
GRANT TOTAL					51,074,709

Disclosure:

1. The Revenue collections in question is the amount received from patients and the same is banked in the County Revenue Fund Account which is controlled by the County Treasury through the National Treasury. The hospital receives its expenditure (Authority to incur expenditure) from the total amount collected during the period under review and it is being requisitioned in quarterly basis. The Board of management is required to have a sitting and come up with a budget based on the revenue amount received per quarter. **Appendix VIII**
2. The pending bills amounting to Kshs. **1,391,027** in **Appendix IX** was as a result the hospital receiving less allocation as compared to the expenditure incurred prompting the hospital management to pay part payment to suppliers resulting to the figure in question.
3. The Assets Register in **Appendix VII** amounting to Kshs **51,074,709** is being maintained by Baringo County Treasury but not the Hospital. The amount in question is recorded in historical cost and the assets are recognised when paid but not when in process. The County has no depreciation of assets policy as it was the mandate of National Treasury to come up with one which has not been done to date.