

REPUBLIC OF KENYA



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REPORT

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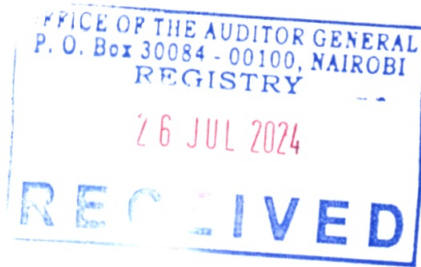
ON

**SIGOMERE SUB-COUNTY
LEVEL 4 HOSPITAL**

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

COUNTY GOVERNMENT OF SIAYA

25/09/24
S.M.L
Ansel



Revised 30th June 2023



SIGOMERE SUB COUNTY LEVEL 4 HOSPITAL

Siaya County Government

AMENDED ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2023

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

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1. Acronyms & Glossary of Terms

Provide a list of all acronyms and glossary of terms used in the preparation of this report e.g.

CSR	Corporate Social Responsibility
OSHA	Occupational Health & Safety Act
PFMA	Public Financial Management Act
MED SUP	Medical Superintendent
Fiduciary Management	Key management personnel who have financial responsibility in the entity.
SDG	Sustainable Development Goals
OPD	Out Patient Department
CHS	Centre for Health Solutions
KEMRI	Kenya Medical Research Institute
ISO	International Standard Organization
NGO	Non Governmental Organization
MCA	Member of County Assembly
HMT	Hospital Management Team
NHIF	National Insurance Fund
CIDP	County Integrated Development Plan
IPSAS	International Public Sector Accounting Standard
HBA	Adult hemoglobin
SCH	Sub County Hospital
PPE	Personal Protective Equipment
PFM	Public Finance Management
NIUPLAN	Nairobi Integrated Urban Management Master Plan

2. Key Entity Information and Management

(a) Background information

Sigomere Sub County Hospital is a level 4 hospital established under gazette notice number and is domiciled in Siaya County under the Health Department. The hospital is governed by a Board of Management.

(b) Principal Activities

Services offered in Sigomere Sub county Hospital ranges from curative to preventive outpatient to inpatient services. Some of the departments available include:

1. Ultrasonography
2. Outpatient consultation
3. Laboratory with general and few specialized tests
4. Minor theatre/Casualty
5. MCH services including family planning
6. Maternity services
7. Inpatient services; paediatrician, general medical, surgical cases and partly gynecological cases.
8. Pharmacy department also available.

Vision

Sigomere Hospital shall strive to be the best Sub county Hospital with affordable accessible health care in a manner that exceeds patient expectations.

Mission

Our mission as Sigomere Hospital is to continuously improve health care for the public in collaboration with other stakeholders by evaluating healthcare organizations and inspiring them to excel in providing them to excel in providing safe and effective care of the highest quality and value.

Core Objectives

- Working together as a team for patients come first in everything we do.
- Respect and dignity to be given to our patients
- Commitment to quality health care
- Improving lives
- Everyone Counts
- Showing compassion to patients

(c) Key Management

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

- County department of health
- Board of Management
- Accounting Officer/ Medical Superintendent
- Management

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

1.	Medical Superintendent	Ousborn Odhiambo
2.	Head of finance	Carolyne Omondi
3.	Nursing Manager	Rebecca Wamukoya
4.	Hospital Administrator	Mary Okwako

(e) Fiduciary Oversight Arrangements

- Clinical Research and Standards Committee.
- Audit committee
- Risk Committee
- County Assembly
- Parliamentary committees
 - Other oversight committees

Key Entity Information and Management (continued)

(f) Entity Headquarters

P.O. Box 36 Sigomere
Ugunja Bukura Highway
Sigomere
KENYA

(g) Entity Contacts

Telephone: (+254) 0705025864
E-mail: sigomerehospital @ gmail.ke
Website: www.go.ke

(h) Entity Bankers

Kenya commercial Bank
1162169087
1106089049

(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.7
Siaya. Kenya

3. The Board of Management

Sigomere sub county hospital did not have a board of management committee as there term had expired

4. Key Management Team

Ref	Management		Details
1.	OUSBORN ODHIAMBO MEDICAL SUPERITENDANT		-BSC Clinician
2.	CAROLYNE N. OMOND HOSPITAL ACCOUNTANT		-BBM Finance -CPA PART 2
3.	REBECA AMUKOYA NURSING INCHARGE		-KRCHN
4.	MARY OKWAKO HOSPITAL ADMINISTRATOR		-Diploma in Administration

5. Chairman’s Statement

During the year under review the facility did not have an active Board of management this because the term of services of the previous board had expired. In the subsequent year (FY 2023-2024) endeavour to establish the board of management.

.....

Name

Chairman to the Board

6. Report of The Medical Superintendent

Sigomere sub county hospital is a level 4 hospital in Ugunja sub county, Siaya County lying on approximately 2.5 acres of land and is headed by Medical superintendent as the head and having a HMT that makes decisions supported by the Board on the availability basis. It's a public facility supervised by the Ministry of Health. Services offered range from curative to preventive outpatient to inpatient services. Some of the departments available include:

1. Ultrasonography
2. Outpatient consultation
3. Laboratory with general and few specialized tests
4. Minor theatre/Casualty
5. MCH services including family planning
6. Maternity services
7. Inpatient services; paediatric, general medical, surgical cases and partly gynaecological cases.
8. Pharmacy department also available.

Currently, the facility has 57 staff majority non-technical. The facility has 5 clinical officers, 11 nurses, 4 laboratory technicians, 2 pharmacy technicians and 4 health records officers. Top of the non-technical team are the hospital administrator and accountant and a public health officer. Of importance the facility envisages to include further SDPs eg –

1. Dental unit
2. Eye unit
3. Radiology unit
4. Operational maternity theatre if not combined theatre
5. ENT department
6. Procurement department
7. Social work
8. Mortuary

Actualization of this would rely on the support local leadership of the community i.e. political, county government of Siaya and facility funds through FIF.

Further to the above plans the facility suffers major setbacks in staffing, financial deficits and infrastructure. The standard staffing requirements for a level 4 hospital are not met and thus poses a management risk and even compromises the quality of care given.

With erratic and inadequate finances the facility max is unable to implement most of its plans.

The sources of money for the facility are:

1. Facility fee for service collection (FIF)
2. NIHF rebates
3. Linda mama
4. Grants from the facility
5. UHC capitation

Of the sources mentioned the only assured amount is the FIF which is approximately 1.5-2 million shillings annually with improvements expected due to improved quality of services and even introduction of other tests in the laboratory. Follow up and consolidation of other sources of funds is not adequate since the reimbursements are erratic and not clear payment schedules. Reconciliations cannot reveal the claim amounts versus the actual figures paid since they don't match.

With infrastructure as major component we have a deficit on land as priority without a title deed by the facility. Structures in the facility some are dilapidated while some are inadequate and of poor standards hence the need to put up more and modern buildings. Our desire and wish would be that social Health Insurance Fund would improve the money flow into the facility to enable the much needed improvements. As government entities we also desire extra funding from the government for daily running and even to support in the development plans of the facility. Regular engagements and support would allow us to achieve the desired results.



DUSBORN ODHIAMBO

Name

Secretary to the Board

7. Statement of Performance Against Predetermined Objectives

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer when preparing financial statements of Sigomere Sub-County Level 4 Hospital is in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of Sigomere Sub-County Hospital Level 4 Hospital performance against predetermined objectives.

Strategic development objectives (*Adopted from Sigomere Sub-County*)

Sigomere Sub-County Hospital performance against 2 identified objectives.

The targets set for the FY 2022/2023 period for its strategic pillars, as indicated in the diagram below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Pillar/ theme/ issue 1:				
Health and Sanitation	To reduce mortality from preventable deaths	Reduce disease burden in Siaya County	% of Clients counselled and tested for HIV	85%
			% of HIV positive clients linked to care	98%
	% of WRA who know their HIV status		93%	
	Percentage of HEI turning HIV positive at 18 months		2%	
	% of clients with viral load <1000c/ml		90%	
	No. of accredited CHVs given feedback		28	
	No. of CHAs sensitized on eye health		28	
	No. of half jackets distributed		100	
	No. of CHVs sensitized on NCDs		28	
	No. of CHAs trained on community MNH		28	
To provide accessible and appropriate diagnostic and curative services				



8. Corporate Governance Statement

During the year under review the facility did not have an active Board of management this because the term of services of the previous board had expired. In the subsequent year (FY 2023-2024) endeavour to establish the board of management.

9. Management Discussion and Analysis

It is my pleasure to present the Sigomere Sub County Hospital financial statements for the year ended 30th June 2023. The financial statements present the financial performance of the Sigomere Hospital over the past year.

The promulgation of the Constitution of Kenya, 2010 under Chapter 11 ushered Kenya into a new system of governance, replacing the centralized system with a devolved system of governance. The devolved system of governance consists of the National Government and 47 County Governments.

Section A

The entity's operational and financial performance

The Hospital has seen a growth in revenue trends over the past periods. During the year, the facility raised a total of Kshs. 7,485,416.00 as revenues. A total of Kshs. 7,204,119.00 was incurred as expenditures.

Section B

Entity's compliance with statutory requirements

The Hospital is continually carrying out its mandate in line with different regulations guiding its operations.

Section C

Major risks facing the entity

The major risk factor facing the Hospital is the lack of liquidity to finance most of its operations. Moreover, this poses a challenge in terms of offsetting its accrued pending bills.

Section D

Material arrears in statutory/financial obligations

During the reporting period, the hospital accrued a total of **Kshs.3,876,910.00** as pending bills.

Section E

There were no governance issues noted during the period.

DUSBORN *ODHI AMBO*

.....

Name

Secretary to the Board



10. Environmental And Sustainability Reporting

Sigomere Sub -County Hospital exists to transform lives. It's what guides us to deliver our strategy, putting the client/Citizen first, delivering health services, and improving operational excellence. Below is an outline of the organisation's policies and activities that promote sustainability.

1. Sustainability strategy and profile

Sigomere Sub-County Hospital has identified the following sustainability priorities; consultative planning and budgeting process, improving own source revenue collection and sourcing for local service providers.

In consultative planning and budgeting process, the county has ensured all stakeholders are brought on board in project identification, implementation to completion and this has ensured project ownership by the intended beneficiaries and ultimately creating the desired impact. The county has developed own source revenue collection strategy as a deliberate effort of laying down strategies of improving own source revenue collected within the county. These efforts are aimed at boosting the fiscal resource basket of the county that is largely supported by the exchequer from the National Government. In the end, the county is also promoting sourcing of services from local providers with an objective of 'buying Siaya building Siaya'. This translates to promoting local goods and services that will ultimately build the local economy.

While implementing the above sustainability priorities, there are broad political and macroeconomic trends from the National outlook that are likely to affect their realization. The major macroeconomic trend projected is high cost of inflation in the country. The high inflation rate will affect the cost of living and production cost that will negatively affect the business environment and eventually own source revenue collection. Similarly, the country is also headed in the electioneering period and the political environment interfere with the sustainability priorities. Notwithstanding, the county will align its policies to adjust to the microeconomic conditions and implement succession management plan in the transition period to manage the political environment.

. However, in the course of implementation, there are challenges experienced across departments. They include; effects of covid-19, Inadequate staffing, Inadequate funding and delays in disbursement of funds

2. Environmental performance

Sigomere Sub Hospital is yet to establish an environmental policy however, the county has adopted National laws to guide the public and help in compliance with environmental laws . Some of the environmental and climate change issues experienced in the County include; deforestation in hills, flooding in areas near water bodies, pollution in urban areas, drought and famine, invasive species, loss of biodiversity and change in water levels especially in lake Victoria. To manage these environmental hazards, the county is; **developing policies that will help protect the environment**; investing in woodlots to promote tree planting, establishing designated dumping sites for waste management; promoting irrigation; establishing dykes in flood prone areas; preserving indigenous trees and certain wild animals.

3. Employee welfare

To improve staff performance, Sigomere Sub Hospital has initiated capacity building programmes to staffs through trainings by Kenya School of Government and partners such as World bank. Further, the Human Resource department coordinates staff appraisal, performance contracting and propose rewards and sanctions.

The County has complied to Occupational Safety and Health Act of 2007, (OSHA) by providing adequate office space that is regularly cleaned, providing sanitation facilities, regular trainings on drug and substance abuse and providing PPEs (Personal Protective Equipment) to staffs in health-related fields.

4. Market place practices-

In 2019, the County Government was declared a corruption free zone after engagements with Ethics and Anti-corruption commission. The county government advocates for fairness in service provision, resource allocation, open bidding, evaluation and awarding of tenders to suppliers. All advertisement of tenders and communications are done through the County Government website and official social media platforms. The county has fully embraced the e-procurement system to help in the tendering process. To successful suppliers, the county makes timely payment of goods and services delivered and made efforts of settling pending bills owed to creditors. The County expect quality goods and services despite not having a quality assurance unit to check on standards. Nonetheless, the process of ISO certification is on course.

5. Community Engagements-

Sigomere Sub Hospital is fostering interaction with businesses, NGOs and other key stakeholders to address social problems through Corporate Social Responsibility (CSR) agenda. Various sectors have partnered with NGO's to provide CSR services. In health sector, the county has partnered with NGO's to provide polio vaccine to new born in the communities, training of expectant mothers, providing mosquito nets and providing food supplements. In agriculture, through partners, farmers have benefited from free extension services, provision of certified seeds and fertilizers, provision of fingerlings and fishing gears.

11. Report of The Board of Management

Sigomere Sub -County Hospital exists to transform lives. It's what guides us to deliver our strategy, putting the client/Citizen first, delivering health services, and improving operational excellence. Below is an outline of the organisation's policies and activities that promote sustainability.

12. 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 Sigomere Sub county hospital, which give a true and fair view of the state of affairs of Sigomere Sub county hospital at the end of the financial year/period and the operating results of Sigomere Sub county hospital for that year/period. The Board of Management is also required to ensure that Sigomere Sub county hospital keeps proper accounting records which disclose with reasonable accuracy the financial position of Sigomere Sub county hospital. The council members are also responsible for safeguarding the assets of Sigomere Sub county hospital

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

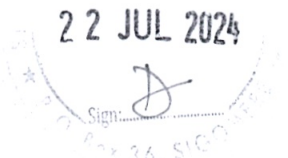
The Board of Management accepts responsibility for Sigomere Sub county hospital financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 The Board members are of the opinion that Sigomere Sub county hospitals financial statements give a true and fair view of the state of Sigomere Sub county hospital transactions during the financial year ended June 30, 2023, and of Sigomere Sub county hospital financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for Sigomere Sub county hospital which have been relied upon in the preparation of Sigomere Sub county hospital 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 Sigomere Sub county hospital will not remain a going concern for at least the next twelve months from the date of this statement.

The HMT members submit their report together with the Audited Financial Statements for the year ended June 30, 2023, which show the state of the Sigomere *hospital's* affairs.

By Order of the Board

.....
Name:
Chairperson

22 JUL 2024

.....
Name: OUSBORN ODHIAMBO
Accounting Officer

REPUBLIC OF KENYA



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REPORT OF THE AUDITOR-GENERAL ON SIGOMERE SUB-COUNTY LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2023 - COUNTY GOVERNMENT OF SIAYA

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 the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Sigomere Sub-County Level 4 Hospital - County Government of Siaya set out on pages 1 to 52, which comprise the statement of financial position as at 30 June, 2023, the statement of financial

Report of the Auditor-General on Sigomere Sub-County Level 4 Hospital for the year ended 30 June, 2023 - County Government of Siaya

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 30 June, 2023 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 Sigomere Sub-County Level 4 Hospital - County Government of Siaya as at 30 June, 2023, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Health Act, 2017, the County Governments Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0. Inaccuracies in the Financial Statements

The financial statement presented for audit reflect the following errors and misrepresentations.

- i. Statement of cash flows was not referenced to any disclosure notes making it difficult to confirm the extent of disclosures.
- ii. The statement of cash flows reflects net cash flows from operating activities of Kshs.281,297 and Kshs.1,223,478 for the financial years 2022-2023 and 2021-2022 while Note 42 to the financial statements reflects Kshs.370,746 and a Nil balance giving variances of Kshs.89,449 and Kshs.1,223,478 respectively. Further, medical/clinical cost for the comparative year 2021-2022 was reported at Kshs.3,355,927 while the previous year's financial statements reflect an amount of Kshs.3,536,795 resulting to an unreconciled variance of Kshs.180,868.
- iii. The statement of cash flows reflect adjustments for changes in working capital in respect of receivables and inventory of Kshs.6,255,546 instead of Kshs.4,857,094 leading to a variance of Kshs.2,749,418.

Item	Recomputed (Kshs)	Reported (Kshs)	Variance (Kshs)
Increase in Accounts	3,359,492	4,035,020	675,528
Decrease in Inventory	2,895,964	822,074	2,073,890
Total	6,255,456	4,857,094	2,749,418

- iv. A recast of the cashflow statement reflects net cashflow from operating activities of Kshs.3,974,721 and Kshs.6,342,782 for the financial years 2022/2023 and 2021/2022 a net increase in cash and cash equivalent of similar amounts for the

two years respectively. The net increase in cash and cash equivalent was however reported at Kshs.281,297 and Kshs.3,042,613 leading to unreconciled variances of Kshs.3,693,424 and Kshs.3,300,169 respectively.

In the circumstances, the accuracy and completeness of cash and cash equivalents balances of Kshs.1,517,205 and Kshs.1,218,958 for the financial years 2022-2023 and 2021-2022 could not be confirmed.

2.0. Non-Disclosure of Property, Plant and Equipment

The statement of financial position reflects a Nil property, plant and equipment balance. However, review of Hospital records and physical verification revealed various assets including land, buildings, motor vehicles, furniture, computers and equipment which were not disclosed in the financial statements. Further, the ownership documents for the parcel of land where the Hospital sits, unserviceable motor vehicle and two motorcycles were not provided for audit.

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

3.0. Variances in Receivables from Exchange Transactions

The statement of financial position reflects receivables from exchange transactions balance of Kshs.3,359,492 as disclosed in Note 28 to the financial statements. The amount relates to dues from the National Health Insurance Fund (NHIF) whose records indicate a balance of Kshs.5,909,052 resulting to an unexplained variance of Kshs.2,549,560.

Further, the amount has been outstanding for more than twelve (12) months while the contract between the Hospital and NHIF indicates the period to pay genuine claims is within 30 days of submission.

In the circumstances, the accuracy, completeness and recoverability of the receivables from exchange transactions balance of Kshs.3,359,492 could not be confirmed.

4.0. Variances in Revenue from Rendering Services

The statement of financial performance reflects Kshs.4,800,416 in respect to medical services as disclosed in Note 11 to the financial statements. Included in the amount is the National Health Insurance Fund reimbursement of Kshs.1,173,830. However, the National Health Insurance Fund records revealed an amount of Kshs.998,600 was paid to the Hospital resulting to an unexplained variance of Kshs.175,230. Further, the Hospital did not have a record of capitated claims or database of capitated persons but relied on the amount captured by NHIF portal which may not have been updated.

In the circumstances, the accuracy and completeness of revenue from rendering services of Kshs.4,800,416 could not be confirmed.

5.0. Non-Disclosure of Employee Costs Paid by the County Government

The statement of financial performance reflects employee costs amount of Kshs.2,685,000 for casuals and contractual staff as disclosed in Note 16 to the financial statements. The Hospital received services from thirty-seven (37) medical staff employed and paid by the county. However, the expenditure was not disclosed in the financial statements and the payroll was not provided for audit verification.

In the circumstances, the accuracy and completeness of employee costs amount of Kshs.2,685,000 could not be confirmed.

6.0. Non-Disclosure of Donated Drugs

The statement of financial performance reflects a Nil amount on grants from donors and development partners as reported in the financial statements. However, distribution data from Kenya Medical Supplies Authority (KEMSA) revealed that the Hospital received donations and program commodities drugs amounting to Kshs10,786,150 and Universal Health Coverage of Kshs.227,825 but were not disclosed in the financial statements.

In the circumstances, the accuracy and completeness of Nil grants from donors and development partners could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Sigomere Sub-County Level 4 Hospital Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual amounts of Kshs.9,003,007 and Kshs.7,485,416 respectively resulting to an under funding of Kshs.1,517,591 or 17% of the budget. However, the Hospital spent Kshs.7,204,119 against actual receipts of Kshs.7,485,416 resulting to an under-utilization of Kshs.281,297 of actual receipts.

The underfunding affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0. Lack of Procurement Function and Procurement Plan

The statement of financial performance reflects total expenses of Kshs.7,204,109. Included in this balance is an amount of Kshs.3,221,048, Kshs.690,525 and Kshs.53,587 in respect of medical /clinical costs, general expenses and repairs and maintenance respectively. The following anomalies were noted:

- i. The Hospital did not have an established procurement function and neither was there a procurement plan to guide the Management on the procurement procedures as per Section 45 (3)(a) of the Public Procurement and Asset Disposal Act, 2015, which states that all procurement processes shall be within the approved budget of the procuring entity and shall be planned by the procuring entity concerned through an annual procurement plan.
- ii. Management did not follow the right procurement process for goods and services worth Kshs.2,644,533 but used direct procurement where a few selected suppliers were awarded contracts for supply of food and ration in contravention to Section 106 (2)(b) of the public procurement and asset disposal act, 2015 on promotion of competition.
- iii. Requisitions from user departments for food and ration and general repairs were not raised.

In the circumstances, value for money for the procurements totalling Kshs.2,644,533 could not be confirmed.

2.0. Non-Compliance with Biomedical Waste Management Requirement

Physical inspection around the Hospital established that hazardous Hospital waste had accumulated at a dump site adjacent to a public road. Management explained that the waste is awaiting collection by the County Government for further disposal at an incinerator located in a nearby dispensary.

However, there was no evidence that Management had complied with Section 26(i & ii) of the NEMA Waste Management Regulations, 2006 on biomedical waste management on; requirement for environmental impact assessment from biomedical waste generator, approval of biomedical waste generating activity, monitoring by a lead agency and requirement for environmental audits.

In the circumstances, Management was in breach of the law and the Hospitals poor waste management negatively affects the environment and it is a health hazard.

3.0. Deficiencies in Implementation of Universal Health Coverage

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	Actual Numbers	Deficit	Percentage %
Medical Officers	16	0	16	100
Anaesthesiologists	2	0	2	
General Surgeons	2	0	2	100
Gynaecologists	2	0	2	100
Paediatrics	2	0	2	100
Kenya Registered Community Health Nurses	75	11	64	85
Total	101	11	90	89

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

Equipment/Machine	Level 4 Standard	Actual Numbers	Deficit	Percentage Deficit %
Bed Capacity	150	33	117	78
Incubators (New-Born)	5	0	5	100
Cots	5	2	3	60
Resuscitaire in Theatre	1	0	1	100
Resuscitaire in Labour Ward	2	0	2	100
HDU Beds	6	0	6	100
Renal Unit with Dialysis Machines	5	0	5	100
Functional Operating Theatres Maternity and 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 Hospital will not be able to deliver on its mandate.

4.0. Long-Outstanding Trade and other Payables

The statement of financial position as disclosed in Note 34 to the financial statements reflects trade and other payables balance of Kshs.3,876,910. However, included in the balance are trade payables amounting to Kshs.2,100,910 which had been outstanding for more than one (1) year. This was Contrary to Section 53(8) of the Public Procurement and Assets Disposal Act, 2015 which states that an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contract (s) are reflected in approved budget estimates.

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

5.0. Failure to Transfer Revenue to the County Revenue Fund Account

The statement of financial performance reflects rendering services - medical services income of Kshs.4,800,416 as disclosed in Note 11 to the financial statements. However, the amount was not transferred to the County Revenue Fund Account for approval by the Controller of Budget before withdrawal. This was contrary to Regulation 81(1-3) of Public Finance and Management (County Governments) Regulations 2015 which states that a receiver of revenue shall promptly deposit into the County exchequer account all receipts due to the County Revenue Fund.

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

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

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the matters described in the Basis for Conclusion on 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

1.0. Lack of Hospital Management Board

During the year under review the Hospital did not have a Board of Management in place. The purpose of the Board is to oversight, promote development, approve plans, programs

and estimates for implementing County health strategies in the Hospital and to control the administration of the entity.

In the circumstances, the Hospital will not achieve its strategic objectives.

2.0. Lack of Policy Documents

The Hospital does not have in place a strategic plan, operational plan, risk management policy, disaster management and recovery policy, ICT Policy and finance policy.

In the circumstances, failure to have policy documents may lead to weak internal controls.

3.0. Establishment of an Internal Audit Unit and Audit Committee

The Hospital has not established an audit committee and internal audit function which was contrary to Regulation 167(1) of the Public Finance Management (County Governments) Regulations, 2015 which requires County Government entities to establish audit committees in accordance with prescribed regulations to monitor the entities governance process, accountability process and control systems, offer objective advice on issues concerning risk, control, regulatory requirements and governance.

In the circumstances, the effectiveness of internal controls and risk management could not be confirmed.

4.0. Expired Drugs and Inventory

The statement of financial position reflects an inventory balance of Kshs.324,120 as disclosed in Note 30 to the financial statements. Review of the store records on pharmaceuticals and non-pharmaceuticals revealed that several units of various drugs of undetermined value as shown below had expired:

Name of Drug	Batch No.	Date of Expiry	Status
WD-40 Spray Cans	None	Aug-20	Expired
2 Ambu Bag with Mask	20180620	Jun-23	Expired
Macrocare Adult Diapers	202102	Feb-24	Expired
Coverall and Shoe Cover	#BIL/07/20	Feb-24	Expired
Aluvia	115273	Mar-24	Expired

In the circumstances, the effectiveness of internal controls on the management of pharmaceutical and non-pharmaceutical could not be confirmed.

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

Responsibilities of the Management and the Board of 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 controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Hospital's ability to continue to sustain its services, disclosing, as applicable, matters related to 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 activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

The Board of 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 governance and risk management and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in

an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of 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 judgment 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 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 controls 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

11 July, 2024

Sigomere Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

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

Description	Note	2023	2022
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6	00	-
In- kind contributions from the County Government	7	2,685,000.00	4,700,945.00
Grants from donors and development partners	8	00	-
Transfers from other Government entities	9	00	-
Public contributions and donations	10	00	-
		2,685,000.00	4,700,945.00
Revenue from exchange transactions			
Rendering of services- Medical Service Income	11	4,800,416.00	6,870,160.00
Revenue from rent of facilities	12	00	-
Finance /Interest Income	13	00	-
Miscellaneous Income	14	00	-
Revenue from exchange transactions		4,800,416.00	6,870,160.00
Total revenue		7,485,416.00	11,571,105.00
Expenses			
Medical/Clinical costs	15	3,221,048.00	5,355,927.00
Employee costs	16	2,685,000.00	2,881,810.00
Board of Management Expenses	17	00	00
Depreciation and amortization expense	18	00	00
Repairs and maintenance	19	53,587.00	199,955.00
Grants and subsidies	20	458,769.00	947,818.00
General expenses	21	690,525.00	1,120,460.00
Finance costs	22	95,180.00	22,522.00
Total expenses		7,204,119.00	10,528,495.00
Other gains/(losses)			
Gain/Loss on disposal of non-Current assets	23	00	00

Sigomere Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

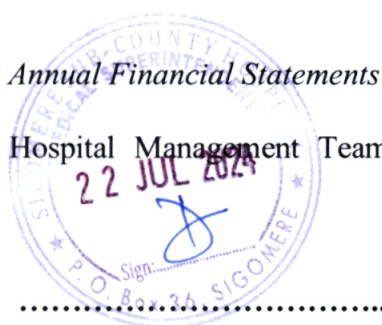
Description	Note	2023	2022
		Kshs	Kshs
Unrealized gain on fair value of investments	24	00	00
Medical services contracts Gains/Losses	25	00	00
Impairment loss	26	00	00
Gain on foreign exchange transactions		00	00
Total other gains/(losses)		00	00
Net Surplus / (Deficit) for the year		281,297.00	1,042,610.00

(The notes set out on pages 9 to 56 form an integral part of the Annual Financial Statements.)

The Hospital's financial statements were approved by the Hospital Management Team on 22/7/24 and signed on its behalf by:

.....
Chairman
Board of Management

CAROLYNE OMONDI
.....
Head of Finance
Carolyne Omondi
ICPAK No:
[Signature]


.....

Medical Superintendent
Ousborn Odhiambo

Sigomere Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

15. Statement of Financial Position As At 30th June 2023

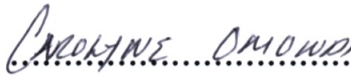


Description	Note	2023	2022
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	27	1,517,205.00	1,218,958.00
Receivables from exchange transactions	28	3,359,492.00	00
Receivables from non-exchange transactions	29	00	00
Inventories	30	324,120.00	3,220,084.00
Total Current Assets		5,200,817.00	4,439,042.00
Non-current assets			
Property, plant, and equipment	31	00	00
Intangible assets	32	00	00
Investment property	33	00	00
Total Non-current Assets		00	00
Total assets		5,200,817.00	4,439,042.00
Liabilities			
Current liabilities			
Trade and other payables	34	3,876,910.00	3,396,432.00
Refundable deposits from customers/Patients	35	00	00
Provisions	36	00	00
Finance lease obligation	37	00	00
Current portion of deferred income	38	00	00
Current portion of borrowings	39	00	00
Social Benefits	41	00	00
Total Current Liabilities		3,876,910.00	3,396,432.00
Non-current liabilities			
Provisions	36	00	00
Non-Current Finance lease obligation	37	00	00
Non-Current portion of deferred income	38	00	00
Non - Current portion of borrowings	39	00	00
Service concession liability	40	00	00

Sigomere Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

Description	Note	2023	2022
		Kshs	Kshs
Social Benefits	41	00	00
Total Non-current liabilities		00	00
Total Liabilities		3,876,910.00	3,396,432.00
Net assets		1,323,907.00	1,042,610.00
Revaluation Gain		00	
Accumulated surplus/Deficit		1,323,907.00	1,042,610.00
Capital Fund		00	00
Total Net Assets and Liabilities		1,323,907.00	1,042,610.00

(The notes set out on pages 9 to 56 form an integral part of the Annual Financial Statements.)

The Hospital's financial statements were approved by the Hospital Management Team on 22/7/24 and signed on its behalf by:

.....	
Chairman	Head of Finance	Medical Superintendent
Board of Management	Carolyn Omondi	Ousborn Odhiambo
	ICPAK No:	
		

Sigomere Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

16. Statement of Changes in Net Asset for The Year Ended 30 June 2023

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2021		0		0
Revaluation gain		0		0
Surplus/(deficit) for the year		1,042,610.00		1,042,610.00
Capital/Development grants				-
As at June 30, 2022		1,042,610.00		1,042,610.00
At July 1, 2022		1,042,610.00		1,042,610.00
Revaluation gain		0		0
Surplus/(deficit) for the year		281,297.0		281,297.0
Capital/Development grants		0		0
At June 30, 2023		1,323,907.00		1,323,907.00

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

Description	Note	2023	2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government		00	00
Grants from donors and development partners		00	00
Transfers from other Government entities		00	00
Public contributions and donations		00	00
Rendering of services- Medical Service Income		4,800,416.00	6,870,160.00
Revenue from rent of facilities		00	00
Finance / interest income		00	00
Miscellaneous receipts(<i>specify</i>)		00	00
Total Receipts		4,800,416.00	6,870,160.00
Payments			
Medical/Clinical costs		3,221,048.00	3,355,927.00
Employee costs		00	00
Board of Management Expenses		00	00
Repairs and maintenance		53,587.00	199,955.00
Grants and subsidies		458,769.00	947,818.00
General expenses		690,525.00	1,120,460.00
Finance costs		95,190.00	22,522.00
Refunds paid out		00	00
Total Payments		4,519,119.00	5,646,682.00
		281,297.00	1,223,478.00
(Increase)/ Decrease in Accounts Receivable		4,035,020.00	
Increase/(Decrease in Accounts Payable		480,478.00	3,396,432.00
Increase/Decrease in inventory		-822,074.00	1,722,872.00
\Net cash flows from operating activities	42	3,974,721.00	1,223,478.00
Cash flows from investing activities			
Purchase of property, plant, equipment & intangible assets		00	00
Proceeds from the sale of property, plant, and equipment		00	00
Acquisition of investments		00	00
Net cash flows used in investing activities		00	00

Sigomere Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

Cash flows from financing activities			
Proceeds from borrowings		00	00
Repayment of borrowings		00	00
Capital grants received		00	00
Net cash flows used in financing activities		00	00
Net increase/(decrease) in cash and cash equivalents		281,297.00	3,042,613.00
Cash and cash equivalents as at 1 July	27	1,218,958.00	4,866.00
Cash and cash equivalents as at 30 June	27	1,517,205.00	1,218,958.00

Disclosures

In the year 21/22 payment in kind amounting to Kshs 2,881,800 was not included and in 2022/2023 payments in kind of Kshs 2,685,000 was not included in revenue and was not received in receipts.

Sigomere Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

18. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 Jun 2023

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	a	b	c=(a+b)	d	e=(c-d)	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Revenue						
Transfers from the County Government	2,500,00 0.00	00	2,500,00 0.00	2,685,00 0	(185,000)	95%
Grants from donors and development partners	00	00	00		00	%
Transfers from other Government entities	00	00	00		00	%
Public contributions and donations	00	00	00		00	%
Rendering of services- Medical Service Income	6,503,00 7.00	00	6,503,00 7.00	4,800,41 6.00	1,702,59 1.00	74%
Revenue from rent of facilities	00	00	00		00	%
Finance / interest income	00	00	00		00	%
Miscellaneous receipts (<i>specify</i>)	00	00	00		00	%
Total income	9,003,00 7,00	00	9,003,00 7,00	7,485,41 6,00	1,517,59 1,00	79%
Expenses						%
Medical/Clinical costs	4,866,00 0.00	00	4,866,00 0.00	3,221,04 8.00	1,644,95 2.00	66%
Employee costs	2,301,20 0.00	00	2,301,20 0.00	2,685,00 0.00	(383,800. 00)	116%
Remuneration of directors	00	00	00		00	%
Repairs and maintenance	54,000.0 0	00	54,000.0 0	53,587.0 0	413.00	116%
Grants and subsidies	700,000	00	700,000.	458,769. 00	241,231. 00	65%
General expenses	1,061,80 7.00	00	1,061,80 7.00	690,525. 00	371,282. 00	65%
Finance costs	20,000.0 0	00	20,000.0 0	95,190.0 0	(75,190.0 0)	47%
Refunds	00	00	00	00	00	%
Surplus for the period	00	00	00	281,297. 00	281,297. 00	0%
Capital expenditure	00	00	00	00	00	%

19. Notes to the Financial Statements

1. General Information

Sigomere Sub Hospital entity is established by and derives its authority and accountability from Health Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is.

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 Sigomere hospital 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 *Sigomere 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 an Entity’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 an Entity’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p>

Sigomere Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

	<p>(a) The nature of such social benefits provided by the Entity;</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Entity’s financial performance, financial position and cash flows.</p>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>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>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p>
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement,</p>

	<p>presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

ii. Early adoption of standards

The entity 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 entity and can be measured reliably.

Revenue from exchange transactions

Rendering of services

The entity 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 entity.

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 entity's right to receive payments is established.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

Notes to the Financial Statements (Continued)

b. Budget information

The original budget for FY 2022/23 was approved by Hospital Management Team on 22nd June 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of on the FY 2022-23 budget following the Hospital Management Team approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. 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.

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 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 entity recognizes such parts

as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in

a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

f. Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. 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 Entity 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 Entity 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 Entity. 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 Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity 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 Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

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

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

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that 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 entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

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

Financial liabilities

Initial recognition and measurement

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

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

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 Entity.

j) Provisions

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

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

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

Contingent assets

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

k) Nature and purpose of reserves

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

l) Changes in accounting policies and estimates

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

m) Employee benefits

Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the

current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump-sum payments or increased future contributions on a proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

Notes to the Financial Statements (Continued)

n) Foreign currency transactions

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

o) Borrowing costs

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

p) Related parties

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

q) Service concession arrangements

The Entity 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 Entity 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 Entity 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, 2023.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated

financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur.(IPSAS 1.140)

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 Entity.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset.

Provisions

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

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.

Notes to Financial Statements Continued

6. Transfers from the County Government

Description	2023	2022
	KShs	KShs
Unconditional grants		
Operational grant	00	00
Level 5 grants	00	00
Unconditional development grants	00	00
Other grants	00	00
	00	00
Conditional grants	00	00
User fee forgone	00	00
Transforming health services for Universal care project (THUCP)	00	00
DANIDA	00	00
Wards Development grant	00	00
Paediatric block grant	00	00
Administration block grant	00	00
Laboratory grant	00	00
Total government grants and subsidies	00	00

6 b Transfers from The County Government

Name of the Entity 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	Comparative Period
			KShs	KShs	KShs
Siaya County Government	00	00	00	00	00
Total	00	00	00	00	00

Notes to Financial Statements Continued

7. In Kind Contributions from The County Government

Description	2023	2022
	KShs	KShs
Salaries and wages	2,685,000.00	2,881,810.00
Medical supplies-Drawings Rights (KEMSA)	00	809,403.00
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)	00	680,050.00
lab	00	329,382.00
Total grants in kind	2,685,000.00	4,700,945.00

8. Grants From Donors and Development Partners

Description	2023	2022
	KShs	KShs
Cancer Centre grant- DANIDA	00	00
World Bank grants	00	00
Paediatric ward grant- JICA	00	00
Research grants	00	00
Other grants (<i>specify</i>)	00	00
Total grants from development partners	00	00

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

Name of the Entity 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	Comparative Period
	KShs	KShs	KShs	KShs	KShs
Donor e.g., DANIDA	00	00	00	00	00
JICA	00	00	00	00	00
World Bank	00	00	00	00	00
Total	00	00	00	00	00

Notes to Financial Statements Continued

9. Transfers From Other Government Entities

Description	2023	2023
	KShs	KShs
Transfer from National Government (Ministry of Health)	00	00
Transfer from National Hospital	00	00
Transfer from Institute	00	00
Total Transfers	00	00

10. Public Contributions and Donations

Description	2023	2022
	KShs	KShs
Public donations	00	00
Donations from local leadership	00	00
Donations from religious institutions	00	00
Donations from other international organisations and individuals	00	00
Other donations(<i>specify</i>)	00	00
Donations in kind-amortised	00	00
Total donations and sponsorships	00	00

10 (a) Reconciliations of amortised grants

Description	2023	2022
	Kshs	Kshs
Balance unspent at beginning of year	00	00
Current year receipts	00	00
Amortised and transferred to revenue	00	00
Conditions to be met – remain liabilities	00	00

Notes to Financial Statements Continued

11. Rendering of Services-Medical Service Income

Description	2023	2022
	Kshs	Kshs
Pharmaceuticals	00	00
Non-Pharmaceuticals	1,405,120.00	1,153,860.00
Laboratory	1,201,310.00	1,004,220.00
Radiology	102,900.00	91,600.00
Orthopedic and Trauma Technology	00	00
Medical records	243,526.00	129,820.00
Outpatient	94,300.00	191,680.00
Inpatient	579,430.00	451,640.00
Ear Nose and Throat service	00	00
Nutrition service	00	00
Cancer centre service	00	00
Dental services	00	00
Reproductive health	00	00
Paediatrics services	00	00
Farewell home services	00	00
Other medical services income (<i>nhif</i>)	1,173,830.00	3,847,340.00
Total revenue from the rendering of services	4,800,416.00	6,870,160.00

Notes to the Financial Statements (Continued)

12. Revenue From Rent of Facilities

Description	2023	2022
	Kshs	Kshs
Residential property	00	00
Commercial property	00	00
Total Revenue from rent of facilities	00	00

13. Finance /Interest Income

Description	2023	2022
	Kshs	Kshs
Cash investments and fixed deposits	00	00
Interest income from short- term/ current deposits	00	00
Interest income from Treasury Bills	00	00
Interest income from Treasury Bonds	00	00
Interest from outstanding debtors	00	00
Total finance income	00	00

14. Miscellaneous Income

Description	2023	2022
	KShs	KShs
Insurance recoveries	00	00
Income from sale of tender	00	00
Services concession income	00	00
Sale of goods (water, publications, containers etc)	00	00
Write backs (Deposits, payments in advance etc)	00	00
Bad debts recovered	00	00
<i>Others (Specify)</i>	00	00
Total Miscellaneous income	00	00

Notes to the Financial Statements (Continued)

15. Medical/ Clinical Costs

Description	2023	2022
	Kshs	Kshs
Dental costs/ materials	00	00
Laboratory chemicals and reagents	431,265.00	577,703.00
Public health activities	00	
Food and Ration	2,240,537.00	2,708,120.00
Uniform, clothing, and linen	00	1,171,893.00
Dressing and Non-Pharmaceuticals	271,741.00	
Pharmaceutical supplies	277,505.00	898,211.00
Health information stationery	00	
Reproductive health materials	00	
Sanitary and cleansing Materials	00	
Purchase of Medical gases	00	
X-Ray/Radiology supplies	00	
Other medical related clinical costs (<i>specify</i>)	00	
Total medical/ clinical costs	3,221,048.00	5,355,927.00

16. Employee Costs

Description	2023	2022
	Kshs	Kshs
Salaries, wages, and allowances	2,685,000.00	2,881,800.00
Contributions to pension schemes	00	00
Service gratuity	00	00
Performance and other bonuses	00	00
Staff medical expenses and Insurance cover	00	00
Group personal accident insurance and WIBA	00	00
Social contribution	00	00
Other employee costs (<i>specify</i>)	00	00
Employee costs	2,685,000.00	2,881,800.00

Sigomere Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

Notes to the Financial Statements (Continued)

17. Board of Management Expenses

Description	2023	2022
	Kshs	Kshs
Chairman's Honoraria	00	00
Sitting allowance	00	00
Mileage	00	00
Insurance expenses	00	00
Induction and training	00	00
Travel and accommodation allowance	00	00
Airtime allowances	00	00
Total	00	00

18. Depreciation and Amortization Expense

Description	2023	2022
	Kshs	Kshs
Property, plant and equipment	00	00
Intangible assets	00	00
Investment property carried at cost	00	00
Total depreciation and amortization	00	00

19. Repairs And Maintenance

Description	2023	2022
	Kshs	Kshs
Property- Buildings	53,587.00	199,955.00
Medical equipment	00	00
Office equipment	00	00
Furniture and fittings	00	00
Computers and accessories	00	00
Motor vehicle expenses	00	00
Maintenance of civil works	00	00
Total repairs and maintenance	53,587.00	199,955.00

Notes to the Financial Statements (Continued)

20. Grants And Subsidies

Description	2023	2022
	Kshs458,769	Kshs
Community development and social work	00	00
Education initiatives and programs	00	00
Free/ subsidised medical camp	00	00
Disability programs	00	00
Free cancer screening	00	00
Social benefit expenses	00	00
Other grants and subsidies(Transfer to Health centers)	458,769.00	947,818.00
Total grants and subsidies	458,769.00	947,818.00

21. General Expenses

Description	2023	2022
	Kshs	Kshs
Advertising and publicity expenses	00	00
Catering expenses	00	00
Waste management expenses	00	00
Insecticides and rodenticides	00	00
Audit fee	00	00
Bank charges	00	00
Conferences and delegations	00	00
Consultancy fees	00	00
Contracted services	00	00
Electricity expenses	130,000.00	261,270.00
Fuel and Lubricants	110,000.00	79,000.00
Other fuel	20,000.00	49,000.00
Research and development expenses	00	00
Travel and accommodation allowance	109,000.00	48,000.00
Legal expenses	00	00
Licenses and permits	00	00
Courier and postal services	00	00
Printing and stationery	249,085.00	557,190.00
Hire charges	00	00
Rent expenses	00	00
Water and sewerage costs	25,000.00	108,000.00
Skills development levies	00	00

Siomere Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

Description	2023	2022
	Kshs	Kshs
Telephone and mobile phone services	47,445.00	18,000.00
Internet expenses	00	00
Staff training and development	00	00
Subscriptions to professional bodies	00	00
Subscriptions to newspapers periodical, magazines, and gazette notices	00	00
Library books/Materials	00	00
Parking charges	00	00
Total General Expenses	690,525.00	1,120,460.00

22. Finance Costs

Description	2023	2022
	KShs	KShs
Borrowings (amortized cost) *	00	00
Finance leases (amortized cost)	00	00
Interest on Bank charges	95,190.00	22,522.00
Interest on loans from commercial banks	00	00
Total finance costs	95,190.00	22,452.00

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

Description	2023	2022
	KShs	KShs
Property, plant, and equipment	00	00
Intangible assets	00	00
Other assets not capitalised (<i>specify</i>)	00	00
Total gain on sale of assets	00	00

24. Unrealized Gain On Fair Value Investments

Description	2023	2022
	KShs	KShs
Investments at fair value	00	00
Total gain	00	00

Notes to the Financial Statements (Continued)

25. Medical Services Contracts Gains /Losses

Description	2023	2022
	KShs	KShs
Comprehensive care contracts with NHIF	00	00
Non- Comprehensive contracts care with NHIF	00	00
Linda Mama Program	00	00
Waivers and Exemptions	00	00
Total Gain/Loss	00	00

26. Impairment Loss

Description	2023	2022
	KShs	KShs
Property, plant, and equipment	00	00
Intangible assets	00	00
Total impairment loss	00	00

27. Cash And Cash Equivalents

Description	2023	2022
	KShs	KShs
Current accounts	00	00
On - call deposits	00	00
Fixed deposits accounts	00	00
Cash in hand	00	00
Others(<i>specify</i>)- Mobile money	00	00
Total cash and cash equivalents	00	00

Notes to the Financial Statements (Continued)

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

Description		2023	2022
Financial institution	Account number	KShs	KShs
a) Current account			
Kenya Commercial bank	1162169087	1,462,792.85	1,047,885.85
Kenya Commercial bank	1106089049	54,411.85	171,071.85
Sub- total		1,517,205.00	1,218,957.00
b) On - call deposits			
Kenya Commercial bank		1,517,205.00	1,218,957.00
Equity Bank – etc			
Sub- total		00	00
c) Fixed deposits account			
Bank Name			
Sub- total		00	00
d) Others(<i>specify</i>)		00	00
cash in hand		00	00
Mobile money- Mpesa, Airtel money		00	00
		00	00
Sub- total		00	00
Grand total		1,517,205.00	1,218,957.00

28. Receivables From Exchange Transactions

Description	2023	2022
	KShs	KShs
Medical services receivables	3,359,492.00	00
Rent receivables	00	00
Other exchange debtors	00	00
Less: impairment allowance	00	00
Total receivables	3,359,492.00	00

Analysis of Receivables From Exchange Transactions

Description	2023		2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	00	00	00	%
Between 1- 2 years	00	00	00	%
Between 2-3 years	00	00	00	%
Over 3 years	00	00	00	%
Total	00	00	00	%

29. Receivables From Non-Exchange Transactions

Description	2023	2022
	KShs	KShs
Transfers from the County Government	00	00
Undisbursed donor funds	00	00
Other debtors (<i>non-exchange transactions</i>)	00	00
Less: impairment allowance	00	00
Total	00	00

Analysis of Receivables From Non-Exchange Transactions

Description	2023		2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	00	%	00	%
Between 1- 2 years	00	%	00	%
Between 2-3 years	00	%	00	%
Over 3 years	00	%	00	%
Total (a+b)	00	%	00	%

30. Inventories

Description	2023	2022
	KShs	KShs
Pharmaceutical supplies	324,120.00	768,894.00
Maintenance supplies	00	1,042,052.00
Food supplies	00	1,409,138.00
Linen and clothing supplies	00	
Cleaning materials supplies	00	
General supplies	00	
Less: provision for impairment of stocks	00	
Total	324,120.000	3,220,084.00

Sigomere Hospital (Siaya County Government)
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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
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Cost								
At 1 July 2022	00	00	00	00	00	00	00	xxx
Additions	00	00	00	00	00	-	00	xxx
Disposals	00	00	00	00	00	00	00	(xxx)
Transfers/adjustments	00	00	00	00	00	00	00	(xxx)
At 30th Jun 2022	00	00	00	00	00	00	00	xxx
	00	00	00	00	00	00	00	
At 1 July 2023	00	00	00	00	00	00	00	xxx
Additions	00	00	00	00	00	00	00	xxx
Disposals	00	00	00	00	00	00	00	(xxx)
Transfer/adjustments	00	00	00	00	00	00	00	-
At 30th Jun 2023	00	00	00	00	00	00	00	xxx
Depreciation and impairment	00	00	00	00	00	00	00	
At 1 July 2022 (previous year)	00	00	00	00	00	00	00	xxx
Depreciation for the year	00	00	00	00	00	00	00	xxx
Disposals	00	00	00	00	00	00	00	(xxx)
Impairment	00	00	00	00	00	00	00	(xxx)
At 30 June 2023	00	00	00	00	00	00	00	xxx

Sigomere Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

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 July 2023		00	00	00	00	00	00	xxx
Depreciation		00	00	00	00	00	00	xxx
Disposals		00	00	00	00	00	00	(xxx)
Impairment		00	00	00	00	00	00	(xxx)
Transfer/adjustment		00	00	00	00	00	00	(xxx)
At 30th June 2023		00	00	00	00	00	00	xxx
		00	00	00	00	00	00	
Net book values		00	00	00	00	00	00	
At 30 th Jun 2022	00	00	00	00	00	00	00	xxx
At 30 th Jun 20XX (current)	00	00	00	00	00	00	00	xxx

Sigomere Hospital (Siaya County Government)
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Notes to the Financial Statements (Continued)

32. Intangible Assets-Software

Description	2023	2022
	KShs	KShs
Cost		
At beginning of the year	00	00
Additions	00	00
Additions–Internal development	00	00
Disposal	00	00
At end of the year	00	00
	00	00
Amortization and impairment	00	00
At beginning of the year	00	00
Amortization for the period	00	00
Impairment loss	00	00
At end of the year	00	00
NBV	00	00

33. Investment Property

Description	2023	2022
	KShs	KShs
At beginning of the year	00	00
Additions	00	00
Disposals during the year	00	00
Fair value gain	00	00
Depreciation (<i>where investment property is at cost</i>)	00	00
Impairment	00	00
At end of the year	00	00

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Notes to the Financial Statements (Continued)

34. Trade and other Payables

Description	2023		2022	
	KShs		KShs	
Trade payables	3,876,910.00		3,396,432.00	
Employee dues	00		00	
Third-party payments (e.g. unremitted payroll deductions)	00		00	
Audit fee	00		00	
Doctors' fee	00		00	
Total trade and other payables	3,876,910.00		3,396,432.00	
Ageing analysis:	2023	% of the Total	2022	% of the total
Under one year	1,776,000	%	00	%
1-2 years	2,100,910	%	3,396,432.00	%
2-3 years		%	00	%
Over 3 years	00	%	00	%
Total	3,876,910.00	%	3,396,432.00	%

35. Refundable Deposits from Customers/Patients

Description	2023		2022	
	KShs		KShs	
Medical fees paid in advance	00		00	
Credit facility deposit	00		00	
Rent deposits	00		00	
Others (specify)	00		00	
Total deposits	00		00	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	00	%	00	%
1-2 years	00	%	00	%
2-3 years	00	%	00	%
Over 3 years	00	%	00	%
Total	00	%	00	%

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Notes to the Financial Statements (Continued)

36. Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	KShs	KShs	KShs	KShs
Balance at the beginning of the year	00	00	00	00
Additional Provisions	00	00	00	00
Provision utilised	00	00	00	00
Change due to discount & time value for money	00	00	00	00
Total provisions	00	00	00	00
	00	00	00	00
Current Provisions	00	00	00	00
Non-Current Provisions	00	00	00	00
Total Provisions	00	00	00	00

37. Finance Lease Obligation

Description	2023	2022
	Kshs	Kshs
Current Lease obligation	00	00
Long term lease obligation	00	00
Total	00	00

38. Deferred Income

Description	2023	2022
	KShs	KShs
Current Portion	00	00
Non-Current Portion	00	00
Total	00	00

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Notes to the Financial Statements (Continued)

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

Description	National government	International funders/ donors	Public contributions and donations	Total
Balance b/f	00	00	00	00
Additions during the year	00	00	00	00
Transfers to Capital fund	00	00	00	00
Transfers to statement of financial performance	00	00	00	00
Other transfers (<i>Specify</i>)	00	00	00	00
Balance C/F	00	00	00	00

39. Borrowings

Description	2023	2022
	KShs	KShs
Balance at beginning of the period	00	00
External borrowings during the year	00	00
Domestic borrowings during the year	00	00
Repayments of external borrowings during the year	(00)	(00)
Repayments of domestic borrowings during the year	(00)	(00)
Balance at end of the period	00	00

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

Description	2023	2022
	KShs	KShs
Current Obligation	00	00
Non-Current Obligation	00	00
Total	00	00

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Notes to the Financial Statements (Continued)

40. Service Concession Arrangements

Description	2023	2022
	KShs	KShs
Fair value of service concession assets recognized under PPE	00	00
Accumulated depreciation to date	(00)	(00)
Net carrying amount	00	00
Service concession liability at beginning of the year	00	00
Service concession revenue recognized	(00)	(00)
Service concession liability at end of the year	00	00

41. Social Benefit Liabilities

Description	2023	2022
	Kshs	Kshs
Health social benefit scheme	00	00
Unemployment social benefit scheme	00	00
Orphaned and vulnerable benefit scheme	00	00
People Living with Disabilities benefit Scheme	00	00
Elderly social benefit scheme	00	00
Bursary social benefits	00	00
Total	00	00
	00	00
Current social benefits	00	00
Non- current social benefits	00	00
Total (tie to totals above)	00	00

Sigomere Hospital (Siaya County Government)
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Notes to the Financial Statements (Continued)

42. Cash Generated from Operations

Description	2023	2022
	KShs	0
Surplus for the year before tax	281,297.00	3,042,613.00
Adjusted for:	00	00
Depreciation	00	00
Non-cash grants received	00	00
Impairment	00	00
Gains and losses on disposal of assets	00	00
Contribution to provisions	00	00
Contribution to impairment allowance	00	00
Working Capital adjustments	00	00
Increase in inventory	3,249,778.00	00
Increase in receivables	(3,359,492.00)	00
Increase in deferred income	00	00
Increase in payables	480,478.00	00
Increase in payments received in advance	00	00
Net cash flow from operating activities	370,746.00	

Notes to the Financial Statements (Continued)

43. Financial Risk Management

The entity'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 entity's financial risk management objectives and policies are detailed below:

(i) Credit risk

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2022				
Receivables from exchange transactions	00	00	00	00
Receivables from –non-exchange transactions	00	00	00	00
Bank balances	00	00	00	00
Total	00	00	00	00
At 30 June 2023	00	00	00	00
Receivables from exchange transactions	00	00	00	00
Receivables from –non-exchange transactions	00	00	00	00
Bank balances	00	00	00	00
Total	00	00	00	00

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Notes to the Financial Statements (Continued)

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The entity has significant concentration of credit risk on amounts due. 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 entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the 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.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2022				
Trade payables	00	00	3,355,927.00	00
Current portion of borrowings	00	00	00	00
Provisions	00	00	00	00
Deferred income	00	00	00	00
Employee benefit obligation	00	00	00	00
Total	00	00	00	00
At 30 June 2023				
Trade payables	00	00	3,594,120.00	00
Current portion of borrowings	00	00	00	00
Provisions	00	00	00	00
Deferred income	00	00	00	00
Employee benefit obligation	00	00	00	00
Total	00	00	6,950,047.00	00

Notes to the Financial Statements (Continued)

(iii) Market risk

The hospital has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

a) Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Description	KShs	Other currencies	Total
	Kshs		Kshs
At 30 June 2023			
Financial assets (investments, cash, debtors)	00	00	00
Liabilities	00	00	00
Trade and other payables	00	00	00
Borrowings	00	00	00
Net foreign currency asset/(liability)	00	00	00

The entity 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.

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Notes to the Financial Statements (Continued)

Description	KShs	Other currencies	Total
	Kshs		Kshs
At 30 June 2023			
Financial assets (investments, cash, debtors)	00	00	00
Liabilities	00	00	00
Trade and other payables	00	00	00
Borrowings	00	00	00
Net foreign currency asset/(liability)	00	00	00

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.

Description	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
2022			
Euro	10%	00	00
USD	10%	00	00
2023		00	00
Euro	10%	00	00
USD	10%	00	00

b) Interest rate risk

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The 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.

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Notes to the Financial Statements (Continued)

Sensitivity analysis

The entity 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.

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of financial performance if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs (2022: KShs 00). A rate increase/decrease of 5% would result in a decrease/increase in surplus of KShs 00 (2023 – KShs 00).

iv) Capital Risk Management

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

Description	Current Period	Comparative Period
	Kshs	Kshs
Revaluation reserve	00	00
Retained earnings	00	00
Capital reserve	00	00
Total funds	00	00
	00	00
Total borrowings	00	00
Less: cash and bank balances	1,517,205.00	1,218,958.00
Net debt/ (<i>excess cash and cash equivalents</i>)	1,517,205.00	1,218,958.00
Gearing	%	%

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Notes to the Financial Statements (Continued)

44. Related Party Balances

Nature of related party relationships

Entities and other parties related to the entity 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.

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

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

Description	2023	2022
	Kshs	Kshs
Transactions with related parties		
a) Services offered to related parties		
Services to Sigomere hospital	00	00
Sales of services to Sigomere Hospital	00	00
Total	00	00
b) Grants from the Government		
Grants from County Government	00	00
Grants from the National Government Entities	00	00
Donations in kind	2,685,000.00	2,685,000.00
Total	2,685,000.00	2,685,000.00
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for Sigomere employees	00	00
Payments for goods and services for Sigomere	00	00
Total	00	00
d) Key management compensation		

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Description	2023	2022
	Kshs	Kshs
Directors' emoluments	00	00
Compensation to the medical Sup	00	00
Compensation to key management	00	00
	00	00
Total	00	00

45. Segment Information

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

46. Contingent Liabilities

Contingent liabilities	2023	2022
	Kshs	Kshs
Court case against the company	00	00
Bank guarantees in favour of subsidiary	00	00
Total	00	00

(Give details)

47. Capital Commitments

Capital Commitments	2023	2022
	Kshs	Kshs
Authorised For	00	00
Authorised And Contracted For	00	00
Total	00	00

(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)

48. Events after the Reporting Period

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

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49. Ultimate and Holding Entity

The entity is a State Corporation/ or a Semi- Autonomous Government Agency under the Department of Health. Its ultimate parent is the County Government of Siaya.

50. Currency

The financial statements are presented in Kenya Shillings (Kshs) and all values are rounded off to the nearest shilling.

20. 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 entity responsible for the implementation of each issue.
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

DWSBORN ODHIAMBO

Accounting Officer



Appendix II: Projects Implemented by The Entity

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)

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

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Appendix III: Inter-Entity Confirmation Letter

[The [insert SC/SAGA/Fund name here] wishes to confirm the amounts disbursed to you as at 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary entity] as at 30 th June 2023							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (KShs) as at 30th June 2023				Amount Received by [beneficiary entity] (KShs) as at 30 th June 2023 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
Total							

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

Head of Accounts Department of the beneficiary entity:

Name DAVID W. OMANDI Sign [Signature] Date 22/7/24

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Appendix IV Reporting of Climate Relevant Expenditures

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

Appendix V: Disaster Expenditure Reporting Template

Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments