

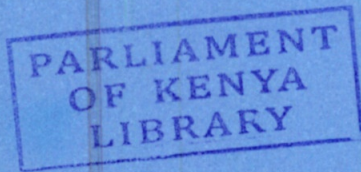
REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

# REPORT



OF

**THE AUDITOR-GENERAL**

ON

**NUU LEVEL 4 HOSPITAL**

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

**COUNTY GOVERNMENT OF KITUI**

Revised 30<sup>th</sup> June 2023



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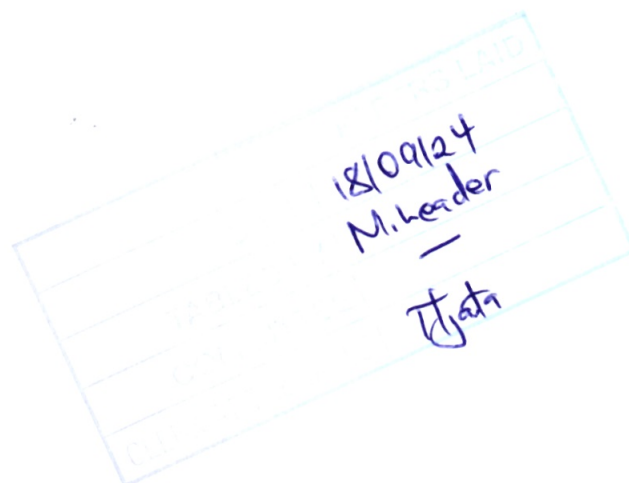
# NUU LEVEL 4 HOSPITAL (Kitui County Government)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023

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



## **1. Acronyms & Glossary of Terms**

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.

**2. Key Hospital Information and Management**

**(a) Background information**

Nuu Hospital is a level (4) hospital established under gazette notice number Vol.CXXII-No.24 and is domiciled in Kitui County under the Health Department. The hospital is governed by a Board of Management.

**(b) Principal Activities**

The principal activity of the hospital is to provide health services to the people of Kitui and Government of Kenya as a whole

**(c) Key Management**

The 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 30<sup>th</sup> June 2023 and who had direct fiduciary responsibility were:

	<b>Designation</b>	<b>Name</b>
1.	CECM Finance	Peter Kilonzo
2.	CECM Health and sanitation.	Ruth Koki
3.	Chief Officer Finance	CPA. John Makau
4.	Chief Officer Medical Services	Dr Benson Musyoka
5.	Medical Superintendent	Dr . Byran Makini

**(e) Fiduciary Oversight Arrangements**

- Kitui county assembly Public Investment and Accounts Committee.
- Kitui County Assembly County Budget and Appropriation Committee.
- Kitui County Assembly Finance and Economic Planning Committee
- Kitui County Budget and Economic Forum.

**Key Hospital Information and Management (continued)**

**(f) NuU Level IV Headquarters**

P.O. Box 16-90400  
NUU  
MWINGI, KENYA

**(g) NuU Level IV Contacts**

Telephone: (+254) 736114288  
E-mail: nuusdh@gmail.com  
Website: www.kitui.go.ke

**(h) NuU Level IV Bankers**

*Cooperative Bank*

**(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.33-90200  
Kitui, Kenya

*Nuu Hospital (Kitui County Government)  
Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2023*

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**3. The Board of Management**

<b>Ref</b>	<b>Directors</b>	<b>Details</b>
1.	Dr. Bryan Makini	Board Secretary.
2.	Alex Mutemi	Sub-County Administrator
3.	Margaret Nzanze	Member representing business community
4.	David Paul	Member Representing professional Groups
5.	Peninah Mwikali	Member Representing Active Women Groups
6.	Rev. Paul Ngii	Member Representing Faith Based Organizations
7.	Racheal Kalinda	Member Representing Youth.
8.	John Mbuvi	Member Representing people living with Disability

**4. Key Management Team**

<b>Ref</b>	<b>Management</b>	<b>Details</b>
1.	Dr. Bryan Makini	Medical Superintendent
2.	Mary Musili.	Head of Administration
3.	CPA. Charles Kariuki.	Head of Finance
4.	Doreen Munyoki	Head of Nursing
5.	Shadrack Mutuku.	Head of Supply Chain.
6.	Alex kanui	Head of Laboratory.
7.	Vincent Mutuku	Head of Pharmacy.
8.	Peter Ukungu	Head of Clinical Department
9.	Erastus Syengo	Head of Nutrition
10.	Brian Mwanza.	Head of Records

**5. Chairman's Statement**  
Not in place.

.....

**Name**

**Chairman to the Board**



## 6. Report of The Medical Superintendent.

Dear Members of the Governing Body,

I am pleased to present the Report of the Chief Executive Officer for 2022-2023 annual report. This report provides a more detailed overview of the hospital's performance and key activities over the past year, including an overview of our financial performance.

Key Activities and Achievements: Building upon the Chairman's statement, I would like to delve deeper into some of our key activities and accomplishments:

1. **Clinical Excellence:** Our hospital's clinical teams have continued to deliver exceptional care across a wide range of specialties. We have achieved significant milestones in patient outcomes, including reduced wait times, improved surgical success rates, and enhanced diagnostic accuracy.
2. **Operational Efficiency:** Through rigorous process improvements and streamlined operations, we have optimized resource utilization, reduced costs, and improved patient flow. This has allowed us to provide high-quality care while maintaining financial sustainability.

Financial Performance: Despite the challenges of financial constraints, I am pleased to report that our hospital has maintained financial stability. While the healthcare industry has faced economic uncertainties, prudent financial management, cost control measures, and County government support programs have helped us weather the storm. Our financial reserves remain strong.

Looking Ahead: As we move forward, our focus will remain on delivering patient-centred care, and maintaining financial resilience. We are actively exploring opportunities for further collaboration with local healthcare providers and pursuing research initiatives that align with our mission.

In closing, I want to express my gratitude to our dedicated staff, whose unwavering commitment to our patients and community has been instrumental in our success. Together, we will continue to elevate our hospital's standards of excellence and ensure a healthier future for all.



.....  
**Dr. Bryan Makini.**

**Secretary to the Board**

**7. Statement of Performance Against Predetermined Objectives**

Section 164 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the County Government entity’s performance against predetermined objectives.

NUU Level IV Hospital has 2 strategic pillars and objectives within the current Strategic Plan for the FY 2022- 2023 These strategic pillars:

**Pillar 1: Provide Reliable and accessible Medical services to all citizen.**

**Pillar 2: To provide services to all patients Satisfactory.**

NUU level IV Hospital develops its annual work plans based on the above pillars. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The Hospital achieved its performance targets set for the FY 2023/2023 period for its 2 strategic pillars, as indicated in the diagram below:

<b>Strategic Pillar/Theme/Issues</b>	<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
Provide Reliable and accessible Medical services to all citizen	To improve access to healthcare services for the community.	Reduce the waiting time for medical consultation by 15%.	Regular monitoring and evaluation of consultation time.	Waiting time for medical consultation was reduced by 20%, surpassing the goal.
To provide services to all patients Satisfactory.	To enhance the quality of healthcare services and patient satisfaction	Achieve a patient satisfaction score of 90%.	Regular monitoring and evaluation of medical processes	Patient satisfaction score reached 92%, exceeding the target

## **8. Corporate Governance Statement**

The current Board of Management for Nuu Level IV Hospital was gazetted on 25<sup>th</sup> June 2021 under gazette notice number 2808.

Nuu is dedicated to upholding the highest standards of corporate governance to ensure transparency, accountability, and integrity in all facets of its operations. Our governance framework is designed to promote effective decision-making, protect the interests of our stakeholders, and enhance the trust and confidence of the communities we serve.

The Hospital Board is responsible for providing strategic leadership and oversight of the hospital's affairs. Comprised of individuals with diverse expertise and backgrounds, the Board ensures that the hospital operates in accordance with its mission, vision, and values while complying with applicable laws, regulations, and ethical standards

## 9. Management Discussion and Analysis

Clinical/Operational Performance:

Indicator	FY 2020/2021	FY 2021/2022	FY 2022/2023
Bed Capacity	17beds	17beds	17beds
Overall Patient Attendance	2	2	10
Accident and Emergency Attendance	1	-	-
Specialized Clinic Attendance	3,004	4,746	7,199
Avg. Length of Stay (in days)	10days	10days	5days
Bed Occupancy Rate	0.03%	0.03%	0.16%
Mortality Rate	-	-	-
Surgical Theatre Utilization	-	-	-

Clinical/Operational Performance Trends:

Our bed capacity has gradually increased over the three years, accommodating more patients.

Overall patient attendance has steadily risen, reflecting increased demand for our services.

Specialized clinic attendance has also grown, demonstrating increased utilization of specialized services.

The average length of stay has not changed much despite the increase in patient, suggesting enhanced efficiency in patient care.

Bed occupancy rates have remained the same.

Our mortality rate has increased.

Surgical theatre we are in the process of operationalizing our theatre.

Financial Performance:

Utilization of Funds:

We have consistently invested in upgrading our medical equipment and facilities, which has improved patient care.

Financial Performance Trends:

Our revenue has grown steadily over the three years, primarily due to increased government support and patient fees.

We have prudently managed our funds, allocating them to critical areas of need to improve our healthcare services.

Key Projects and Investments:

Proper record maintenance for efficient patient data management.

Compliance with Statutory Requirements:

NUU HOSPITAL has consistently complied with all statutory requirements, including financial reporting, tax obligations, and adherence to healthcare regulations.

Major Risks Facing the Organization:

Dependency on county government: A reduction in county government funding poses a risk to operations.

Staffing challenges: Staff are deployed from county government and as such having medical professionals remains a concern.

Healthcare regulatory changes: Adapting to evolving healthcare policies and regulations requires ongoing vigilance.

In conclusion, Nuu Hospital has made significant strides in improving both clinical/operational and financial performance over the years. We are committed to maintaining high standards of healthcare, enhancing our facilities, and fostering strategic partnerships for the benefit of our community. This MD&A reflects our dedication to transparency and accountability in delivering quality healthcare services.



.....  
**Dr. Bryan Makini.**

**Secretary to the Board**

## **10. Environmental and sustainability Reporting**

Nuu 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.

### ***Sustainability strategy and profile.***

At Nu Hospital, our primary mission is to transform lives by placing our clients and citizens at the forefront of our strategy. We are committed to delivering health services while striving for operational excellence. Our sustainability efforts are aligned with this mission. Here is an overview of our sustainability strategy and profile.

#### ***Environmental performance***

our waste management initiatives have resulted in a significant decrease in landfill waste.

#### ***Employee welfare***

Our commitment to employee welfare is demonstrated through the following policies and practices. Hiring Process Kitui County Government hiring process is designed to be inclusive and considers gender ratios, diversity, and stakeholder engagement in decision-making.

Skills Development: We invest in continuous skills development for our employees through training programs and opportunities for career advancement. Appraisal and Rewards: Kitui County Government maintains appraisal and reward systems which are designed to recognize and incentivize employees for their contributions to sustainability and overall performance.

Occupational Safety and Health Act: We are fully compliant with the Occupational Safety and Health Act ensuring a safe and healthy working environment for our employees

- i) *Market place practices-***
  - a) *We uphold responsible competition practices by adhering to anti-corruption policies, engaging in ethical political involvement, promoting fair competition, and respecting our competitors.***
  - b) *Responsible Supply chain and supplier relations*** We maintain ethical business practices and honor our contracts with suppliers. We ensure fair payment practices and foster positive supplier relationships
  - c) *Responsible marketing and advertisement***  
Our marketing practices are guided by ethical standards, and transparency,
  - d) *Product stewardship***
  - e) *We are committed to safeguarding consumer rights and interests by providing safe and high-quality services.***
- ii) *Corporate Social Responsibility / Community Engagements***  
We actively engage with our communities and practice corporate social responsibility through healthcare initiatives. Healthcare access, and overall community well-being.

## **11. Report of The Board of Management**

The Board members submit their report together with the Audited Financial Statements for the year ended June 30, 2023, which show the state of Nuu Hospital affairs.

### **Principal activities**

The principal activities of Nuu hospital is to provide quality Health care.

### **Results**

The results of the hospital for the year ended June 30 2023 are set out on pages 1...to 9.

### **Board of Management**

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

### **Auditors**

The Auditor General is responsible for the statutory audit of Nuu level IV Hospital in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



.....  
**Dr. Bryan Makini.**

**Secretary to the Board**

## **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 Nuu level IV Hospital, which give a true and fair view of the state of affairs of the Hospital at the end of the financial year and the operating results of the Hospital for that year. The Board of Management is also required to ensure that the Hospital keeps proper accounting records which disclose with reasonable accuracy the financial position of the Hospital. The council members are also responsible for safeguarding the assets of the Hospital.

The Board of Management is responsible for the preparation and presentation of Nuu level IV Hospital financial statements, which give a true and fair view of the state of affairs of the 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 the Hospital; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board of Management accepts responsibility for the 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 Nuu Level IV Hospital financial statements give a true and fair view of the state of the Hospital transactions during the financial year ended June 30, 2023, and that of the Hospital financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Hospital, which have been relied upon in the preparation of the Hospital financial statements as well as the adequacy of the systems of internal financial control.


In preparing the financial statements, the Directors have assessed the Fund’s ability to continue as a going concern

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

### **Approval of the financial statements**

The Hospital’s financial statements were approved by the Board on 13/05/23 and signed on its behalf by:

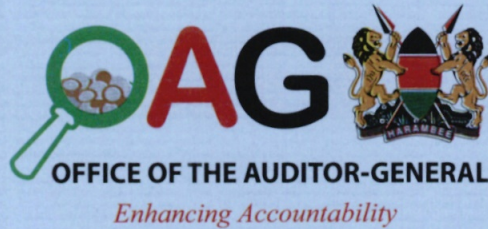
.....  
**Name:**  
**Chairperson**  
**Board of Management**

.....  
  
**Dr. Bryan Makini.**  
**Accounting Officer**



# REPUBLIC OF KENYA

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

## REPORT OF THE AUDITOR-GENERAL ON NUU LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2023 - COUNTY GOVERNMENT OF KITUI

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of NuU Level 4 Hospital - County Government of Kitui set out on pages 1 to 31, which comprise of the statement of financial

position as at 30 June, 2023, the statement of financial performance, the statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion Section of my report, the financial statements present fairly, in all material respects, the financial position of the Nuu Level 4 Hospital - County Government of Kitui 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 Public Finance Management Act, 2012 the County Governments Act, 2012 and the Health Act, 2017.

### **Basis for Qualified Opinion**

#### **1. Non-Disclosure of Employee Costs Paid by the County Government**

The statement of financial performance reflects employee costs of Kshs.1,055,400 for casuals and contractual staff as disclosed in Note 9 to the financial statements. The Hospital received services from ten (10) 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.

In the circumstances, the accuracy and completeness of employee costs of Kshs.1,055,400 could not be confirmed.

#### **2. Non-Disclosure of Donated Drugs**

The statement of financial performance did not disclose grants from donors and development partners. However, distribution data from Kenya Medical Supplies Authority (KEMSA) revealed that the Hospital received donations and program commodities drugs amounting to Kshs.1,151,197 and Universal Health Coverage of Kshs.23,603 but were not disclosed in the financial statements.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

#### **3. Non-Disclosure of Property, Plant and Equipment**

The statement of financial position reflects 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 of undetermined value which were not disclosed in the financial statements. Further, the ownership documents for land were not provided for audit.

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

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

### **Key Audit Matters**

Key audit matters are those matters which, 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.

### **Other Matter**

### **Unresolved Prior Year Audit Matters**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance which have remained unresolved as at 30 June, 2023. However, Management has indicated in the progress on follow-up of Auditor recommendations at appendix 1 of the financial statements that the unresolved issues will be resolved during the financial year 2023-2024.

## **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 matter 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**

#### **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 of ninety-one (91) staff requirements or 90 % of the authorized establishment.

<b>Staff Requirements</b>	<b>Level 4 Standard</b>	<b>Number in Hospital</b>	<b>Variance</b>	<b>Percentage %</b>
Medical Officers	16	1	15	94
Anesthesiologists	2	0	2	100
General Surgeons	2	0	2	100
Gynecologists	2	0	2	100
Pediatrics	2	0	2	100
Radiologists	2	0	2	100
Kenya Registered Community Health Nurses	75	9	66	88
<b>Total</b>	<b>101</b>	<b>10</b>	<b>91</b>	<b>90</b>

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

<b>Service</b>	<b>Level 4 Hospital Standard</b>	<b>Actuals in the Hospital</b>	<b>Variance</b>	<b>Percentage %</b>
Beds	150	17	133	89
Resuscitaire (2 in Labor & 1 in Theatre)	2	1	1	50
New Born Unit Incubators	5	3	2	40
New Born Unit Cots	5	0	0	100
Functional ICU Beds	6	0	6	100
High Dependency Unit (HDU) Beds	6	0	6	100
Renal Unit with at least 5 Dialysis Machines	5	0	5	100
Two Functional Operational Theatres - Maternity & General	2	0	2	100

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

In the circumstances, the Hospital will not be able to deliver on its mandate.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the

financial statements are in compliance, in all material respects, with the authorities which govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

### Conclusion

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

### Basis for Conclusion

#### 1. Lack of a Functional Hospital Management Board

The statement of financial performance reflects Nil Board of Management expenses. However, the Board of Management that is supposed to direct the Hospital in achieving its strategic objectives though constituted did not meet during the year under review. Further, the County Executive Committee Member Health vide Gazette Notice Number 13546 dated 25 August, 2023 revoked the appointment of all Hospital Management Committees without replacement. As a result, the annual report and the financial statements for the year ended 30 June, 2023 have not been signed off by the Chairman of the Hospital Board in accordance to the reporting framework prescribed for Public Sector Accounting Standards Board (PSASB) accrual basis of accounting.

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

#### 2. Failure to Maintain Fixed Assets Register

The statement of financial position reflects Nil balances in respect to property, plant and equipment as disclosed in Note 17 to the financial statements. However, it was noted that the Hospital does not maintain a comprehensive fixed asset register to control its assets. This is contrary to Regulation 136(1) of the Public Finance Management (County Governments) Regulations, 2015 which states that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws. In addition, there was no evidence to show that the Hospital has ever evaluated its assets to ascertain the correct market values.

In the circumstances, the existence of an effective mechanism to safeguard assets could not be confirmed.

#### 3. Expired Medical Supplies

The statement of financial position reflects an inventory balance of Kshs.811,997 as disclosed in Note 16 to the financial statements. Review of the store records on

pharmaceuticals and non-pharmaceuticals revealed that fifteen thousand three hundred and three (15,303) units of various drugs of undetermined value had expired.

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

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

### **Responsibilities of Management and the Board of Management**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements which 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 sustaining 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 are in compliance 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 which 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 which govern them in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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 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 which 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 misstatement 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 non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate.

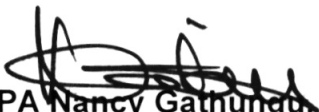
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also;

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of 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 which may cast significant doubt on the Hospital's ability 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 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 which achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Hospital to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters which may reasonably be thought to bear on my independence and where applicable, related safeguards.

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

**Nairobi**

**10 June, 2024**



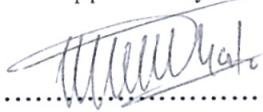
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14. Statement of Financial Performance for The Year Ended 30 June 2023

Description	Note	2022/2023	2021/2022
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the County Government	6	5,978,629	5,308,287
Transfers from other Government entities		-	-
Public contributions and donations		-	-
		5,978,629	5,308,287
<b>Revenue from exchange transactions</b>			
Rendering of services- Medical Service Income	7	1,581,836	-
Revenue from rent of facilities		-	-
Miscellaneous Income		-	-
<b>Revenue from exchange transactions</b>		1,581,836	-
<b>Total revenue</b>		7,560,465	5,308,287
<b>Expenses</b>			
Medical/Clinical costs	8	1,687,350	1,054,360
Employee costs	9	1,055,400	627,200
Board of Management Expenses		-	-
Depreciation and amortization expense		-	-
Repairs and maintenance	10	922,300	446,950
Grants and subsidies		-	-
General expenses	11	3,110,260	3,138,670
Refunds to the county government	12	666,506	-
<b>Total expenses</b>		7,441,816	5,267,180
<b>Other gains/(losses)</b>		-	-
Medical services contracts Gains/Losses		-	-
Impairment loss		-	-
<b>Total other gains/(losses)</b>		-	-
<b>Net Surplus / (Deficit) for the year</b>		118,649	41,107

The Hospital's financial statements were approved by the Board on 13/05/23 and signed on its behalf by:

.....  
 Chairman  
 Board of Management

  
 Charles Kariuki.  
 Head of Finance  
 ICPAK No: 31306

  
 Dr. Bryan Makini.  
 Medical Superintendent


*Nuu Hospital (Kitui County Government)*  
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15. Statement of Financial Position As At 30<sup>th</sup> June 2023

Description	Note	2022/2023	2021/2022
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	13	309,090	62,888
Receivables from exchange transactions	14	-	-
Receivables from non-exchange transactions	15	500,000	-
Inventories	16	811,997	-
<b>Total Current Assets</b>		<b>1,621,087</b>	<b>62,888</b>
<b>Non-current assets</b>			
Property, plant, and equipment	17	-	-
<b>Total Non-current Assets</b>		<b>-</b>	<b>-</b>
<b>Total assets</b>		<b>1,621,087</b>	<b>62,888</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	18	1,461,330	-
<b>Total Current Liabilities</b>		<b>1,461,330</b>	<b>-</b>
<b>Non-current liabilities</b>			
Provisions		-	-
<b>Total Non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total Liabilities</b>		<b>1,461,330</b>	<b>-</b>
<b>Net assets</b>			
Revaluation reserve		-	-
Accumulated surplus/Deficit		159,756	-
		<b>159,756</b>	<b>-</b>
<b>Total Net Assets and Liabilities</b>		<b>1,621,086</b>	<b>62,888</b>

The Hospital's financial statements were approved by the Board on 13/05/23 and signed on its behalf by:

.....  
 Chairman  
 Board of Management

  
 Charles Kariuki.  
 Head of Finance  
 ICPAK No: 21306

  
 Dr. Bryan Makini.  
 Medical Superintendent

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

<b>Description</b>	<b>Revaluation reserve</b>	<b>Accumulated surplus/Deficit</b>	<b>Capital Fund</b>	<b>Total</b>
As at July 1, 2021				-
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	41,107	-	41,107
Capital/Development grants	-	-	-	-
<b>As at June 30, 2022</b>	-	<b>41,107</b>	-	<b>41,107</b>
<b>At July 1, 2022</b>	-	<b>41,107</b>	-	<b>41,107</b>
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	118,649	-	118,649
Capital/Development grants	-	-	-	-
<b>At June 30, 2023</b>	-	<b>159,756</b>	-	<b>159,756</b>

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

Description	Note	2022/2023	2021/2022
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from the County Government		5,478,629	5,308,287
Rendering of services- Medical Service Income		1,581,836	-
<b>Total Receipts</b>		<b>7,060,465</b>	<b>5,308,287</b>
<b>Payments</b>			
Medical/Clinical costs		1,538,016	1,054,360
Employee costs		1,055,400	627,200
Board of Management Expenses		-	-
Repairs and maintenance		922,300	446,950
General expenses		2,610,260	3,138,670
Transfer to the county government.		666,506	
Refunds paid out		-	-
<b>Total Payments</b>		<b>6,792,482</b>	<b>5,267,180</b>
<b>Net cash flows from operating activities</b>	19	<b>267,983</b>	<b>41,107</b>
<b>Cash flows from investing activities</b>			
Acquisition of investments		-	-
<b>Net cash flows used in investing activities</b>			
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Capital grants received		-	-
<b>Net cash flows used in financing activities</b>			
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>267,983</b>	<b>-</b>
Cash and cash equivalents as at 1 July		41,107	-
		309,090	-
<b>Cash and cash equivalents as at 30 June</b>	13	<b>309,090</b>	<b>41,107</b>

18. Statement of Comparison of Budget and Actuals 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	
<b>Revenue</b>						
Transfers from the County Government	6,000,000		6,000,000	5,978,629	21,371	100%
Transfers from other Government entities	-	-	-	-	-	-
Public contributions and donations	-	-	-	-	-	-
Rendering of services- Medical Service Income	1,581,836		1,581,836	1,581,836	-	100%
Revenue from rent of facilities	-	-	-	-	-	-
Finance / interest income	-	-	-	-	-	-
<b>Total income</b>	<b>7,581,836</b>	<b>-</b>	<b>7,581,836</b>	<b>7,560,465</b>	<b>21,371</b>	<b>100%</b>
<b>Expenses</b>						
Medical/Clinical costs	1,690,000	-	1,690,000	1,687,350	-	100%
Employee costs	1,100,000	-	1,100,000	1,055,400	-	96%
Remuneration of directors	-		-	-	-	-
Repairs and maintenance	930,000	-	930,000	922,300	-	99%
Transfer to county Government	741,836	-	741,836	666,506	-	90%
General expenses	3,120,000	-	3,120,000	3,110,260	-	100%
Finance costs	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>7,581,836</b>	<b>-</b>	<b>7,581,836</b>	<b>7,441,816</b>	<b>-</b>	<b>98%</b>
<b>Surplus for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>118,649</b>		
<b>Capital expenditure</b>						

**19. Notes to the Financial Statements**

**1. General Information**

Nuu Level IV hospital is established by and derives its authority and accountability from the county Government Act. The hospital is wholly owned by the Kitui County Government and is domiciled in Kitui County in Kenya. The entity's principal activity is provision of Health Services.

**2. Statement of Compliance and Basis of Preparation**

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

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2023.

Standard	Effective date and impact
<p><b>IPSAS 41:</b> Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></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"> <li>• 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;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• 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.</li> </ul>
<p><b>IPSAS 42:</b> Social Benefits</p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Hospital provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the Entity.</p>

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



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

<b>Standard</b>	<b>Effective date and impact</b>
IPSAS 43	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows 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>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The Standard requires:-</p> <ul style="list-style-type: none"> <li>i. 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:</li> <li>ii. 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.</li> </ul>

*iii) Early adoption of standards*

The Hospital did not adopt any new or amended standards in the financial year.

**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 Hospital and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the asset that has been acquired using such funds.

**ii) Revenue from exchange transactions**

**Rendering of services**

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

**b. Budget information**

Board did not approve the original budget for FY 2022-2023. 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 hospital upon receiving the respective approvals in order to conclude the final budget. Accordingly, the hospital recorded additional appropriations of on the FY 2022-2023 budget following the Board's approval. The Hospital's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

*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. 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 hospital recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

**Financial assets**

**Classification of financial assets**

The hospital classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset

*Notes to the Financial Statements (Continued)*

give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an hospital has made irrevocable election at initial recognition for particular investments in equity instruments.

**Subsequent measurement**

Based on the business model and the cash flow characteristics, the hospital classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

**Amortized cost**

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through net assets/ equity**

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through surplus or deficit**

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the

hospital manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

#### **Trade and other receivables**

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

#### **Impairment**

The hospital assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The hospital recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out.

#### **Financial liabilities**

##### **Classification**

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

##### **e. 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.

**f. Provisions**

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

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

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

**g. Social Benefits**

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The hospital recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the hospital will incur in fulfilling the present obligations represented by the liability.

**h. Contingent assets**

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

reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

**i. Nature and purpose of reserves**

The hospital doesn't create and maintains reserves in terms of specific requirements.

**j. Changes in accounting policies and estimates**

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

**k. Employee benefits**

**Retirement benefit plans**

The Hospital provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which the Hospital pays fixed contributions into a separate hospital (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump-sum payments or increased future contributions on a proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

**l. Related parties**

The Hospital regards a related party as a person or an hospital 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.

**m. Service concession arrangements**

The Hospital analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular,

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

**n. 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.

**o. Comparative figures**

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

*Notes to the Financial Statements (Continued)*

**p. 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 Hospital based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. (IPSAS 1.140)

#### **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 18. 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.

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Notes to Financial Statements Continued

6. Transfers from the County Government

Description	2022/2023	2021/2022
	KShs	KShs
Unconditional grants		
Operational grant	5,978,629	-
Unconditional development grants	-	-
	5,978,629	
<b>Total government grants and subsidies</b>	<b>5,978,629</b>	

6b. Transfers from The County Government

Name of the Hospital sending the grant	Amount recognized to Statement of financial performance* KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year	Comparative Period
			KShs	KShs	KShs
Kitui County Government	5,978,629	-	-	5,978,629	-
<b>Total</b>	<b>5,978,629</b>	<b>-</b>	<b>-</b>	<b>5,978,629</b>	<b>-</b>

7. Rendering of Services-Medical Service Income

Description	2022/2023	2021/2022
	Kshs	Kshs
Pharmaceuticals	346,736	-
Non-Pharmaceuticals	-	-
Laboratory	340,000	-
Radiology	-	-
Registration	110,000	-
Reproductive health	338,130	-
Paediatrics services	-	-
Farewell home services	447,000	-
Other medical services income	-	-
<b>Total revenue from the rendering of services</b>	<b>1,581,886</b>	<b>-</b>

Notes to the Financial Statements (Continued)

8. Medical/ Clinical Costs

Description	2022/2023	2021/2022
	Kshs	Kshs
Laboratory chemicals and reagents	180,000	165,000
Food and Ration	468,000	420,000
Dressing and non-pharmaceuticals	253,000	319,400
Health information stationery	290,000	-
Sanitary and cleansing Materials	496,350	149,960
<b>Total medical/ clinical costs</b>	<b>1,687,350</b>	<b>1,054,360</b>

9. Employee Costs

Description	2022/2023	2021/2022
	Kshs	Kshs
Salaries, wages, and allowances	1,055,400	627,200
<b>Employee costs</b>	<b>1,055,400</b>	<b>627,200</b>

10. Repairs And Maintenance

Description	2022/2023	2021/2022
	Kshs	Kshs
Property- Buildings	602,300	383,950
Medical equipment	80,000	-
Furniture and fittings	155,000	-
Computers and accessories	85,000	63,000
<b>Total repairs and maintenance</b>	<b>922,300</b>	<b>446,950</b>

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Notes to the Financial Statements (Continued)

11. General Expenses

Description	2022/2023	2021/2022
	Kshs	Kshs
Bank charges	1,979	-
Electricity expenses	272,981	-
Fuel and Lubricants	-	160,000
Office running expenses and General expenses	1,274,800	2,154,720
Travel and accommodation allowance	796,500	77,000
Printing and stationery	346,800	746,950
Water and sewerage costs	37,500	-
Other Fuels (Charcoal, firewood and Gas)	379,700	-
<b>Total General Expenses</b>	<b>3,110,260</b>	<b>3,138,670</b>

12. Refunds to The County Government

Description	2022/2023	2021/2022
	KShs	KShs
Transfer to the County Government	666,506	-
<b>Total transfers to County Government</b>	<b>666,506</b>	<b>-</b>

13. Cash And Cash Equivalents

Description	2022/2023	2021/2022
	KShs	KShs
Current accounts	309,090	62,888
<b>Total cash and cash equivalents</b>	<b>309,090</b>	<b>62,888</b>

13 (a) Detailed Analysis of Cash and Cash Equivalents

Description	Account number	2022/2023	2021/2022
		KShs	KShs
a) Current account	01141399535301		
Cooperative Bank	-	309,090	62,888
<b>Total</b>		<b>309,090</b>	<b>62,888</b>

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Notes to the Financial Statements (Continued)

14. Receivables From Exchange Transactions

Description	2022/2023	2021/2022
	KShs	KShs
Medical services receivables	-	-
<b>Total receivables</b>	-	-

14(a). Analysis of Receivables From Exchange Transactions

Description	2022/2023	2021/2022
	KShs	KShs
Medical services receivables	-	-
Rent receivables	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
<b>Total receivables</b>	-	-

15. Receivables From Non-Exchange Transactions

Description	2022/2023	2021/2022
	KShs	KShs
Transfers from the County Government	500,000	-
<b>Total</b>	<b>500,000</b>	<b>-</b>

16. Inventories

Description	2022/2023	2021/2022
	KShs	KShs
Pharmaceutical supplies	517,234	-
Non-Pharmaceutical supplies	294,763	-
<b>Total</b>	<b>811,997</b>	<b>-</b>

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*Notes to the Financial Statements (Continued)*

**17. 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
<b>Cost</b>								
At 1 July 2023	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-	-
<b>At 30th Jun 2023</b>	-	-	-	-	-	-	-	-
At 1 July 2023	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-
<b>At 30th Jun 2023</b>	-	-	-	-	-	-	-	-
<b>Depreciation and impairment</b>								
At 1 July 2023			-	-	-	-	-	-
Depreciation for the year			-	-	-	-	-	-
Disposals			-	-	-	-	-	-
Impairment			-	-	-	-	-	-

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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
<b>At 30 June 2023</b>		-	-	-	-	-	-	-
At July 2023		-	-	-	-	-	-	-
Depreciation		-	-	-	-	-	-	-
Disposals		-	-	-	-	-	-	-
Impairment		-	-	-	-	-	-	-
Transfer/adjustment		-	-	-	-	-	-	-
<b>At 30th June 2023</b>		-	-	-	-	-	-	-
<b>Net book values</b>								
At 30th Jun 2022	-	-	-	-	-	-	-	-
At 30th Jun 2023	-	-	-	-	-	-	-	-

Notes to the Financial Statements (Continued)

18. Trade and other Payables

Description	2022/2023		2021/2022	
	KShs		KShs	
Trade payables	1,461,330		-	
Total trade and other payables	1,461,330		-	
Ageing analysis:	FY 2022/2023	% of the Total	FY 2021/2022	% of the total
Under one year	1,461,330	100%	-	0%
1-2 years	-	0%	-	0%
2-3 years	-	0%	-	0%
Over 3 years	-	0%	-	0%
Total	1,461,330	100%	-	0%

19. Cash Generated from Operations

Description	2022/2023	2021/2022
	KShs	KShs
Surplus for the year before tax	118,649	41,107
Adjusted for:		
Contribution to impairment allowance	-	-
Working Capital adjustments		
Increase in inventory	(811,997)	-
Increase in receivables	(500,000)	-
Increase in payables	1,461,330	-
Increase in payments received in advance	-	-
Net cash flow from operating activities	267,983	41,107



**Notes to the Financial Statements (Continued)**

**20. 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 hospital has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the 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	-	-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
<b>Total</b>	-	-	-	-
At 30 June 2023	-			
Receivables from exchange transactions	-	-	-	-
Receivables from –non-exchange transactions	500,000	500,000	-	-
Bank balances	-	-	-	-
<b>Total</b>	<b>500,000</b>	<b>500,000</b>		-

**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 hospital 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 hospital manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the company under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2022</b>				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	-	-	-	-
<b>At 30 June 2023</b>				
Trade payables	-	-	1,461,330	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	-	-	<b>1,461,330</b>	-

**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 hospital on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the 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.

**Sensitivity analysis**

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

**21. Related Party Balances**

**Nature of related party relationships**

Entities and other parties related to the hospital include those parties who have the ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates, and close family members.

xxx County Government is the principal shareholder of the *entity*, 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

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*Notes to the Financial Statements (Continued)*

Description	2022/2023	2021/2022
	Kshs	Kshs
Transactions with related parties		
a) Services offered to related parties		
Services to other Hospitals	-	-
<b>Total</b>	-	-
b) Grants from the Government		
Grants from County Government	5,978,629	5,516,887
Grants from the National Government Entities	-	-
<b>Total</b>	<b>5,978,629</b>	<b>5,516,887</b>
<b>Total</b>	<b>5,978,629</b>	<b>5,516,887</b>

**22. Events after the Reporting Period**

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

**23. Ultimate and Holding Entity**

The Hospital a Semi- Autonomous Government Agency under the Department of Health. Its ultimate parent is the County Government of Kitui.

**24. 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)
1	Variances between the financial statements and supporting schedules	The hospital management is engaging the hospital management in office then and the accountant who prepared the financial statement to assist in providing the payment vouchers and expenditure schedules used to prepare the financial statements so that we can reconcile the variances.	Not resolved	June 2024
2	Unsupported expenditure on Employee costs	The hospital management agrees the auditors' findings and commits to ensure i. All the payment vouchers are pre-numbered ii. The payroll data is approved/Authorized by a senior officer iii. All the payroll data and supporting documents are well kept	Not resolved	June 2024
3	Unsupported standing imprest	The hospital management will provide the supporting documents for the imprest claims for audit review.	Not resolved	June 2024

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<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
4	Unsupported General Expenses	The Hospital management is liaising with the previous hospital management to assist in providing all the payment vouchers that will help in updating the cash book, preparations of ledgers and trial balance.	Not resolved	June 2024
5	Unsupported cash and cash Equivalents	The hospital management agrees with the auditors finding that we did not carry board of survey as it is required. The hospital management did not have the capacity and resources to carry the board of survey but we have engaged the Kitui county government which is currently assisting. Bank reconciliations for the financial year will be prepared and the cash book will be updated to reflect the correct financial positions. The correct and authentic bank balances were presented for audit.	Not resolved	June 2024
6	Unexplained transactions in the revenue Account	The Nuu revenue account-01141399535300 is not the same as the Kitui County revenue account-1140752855. The hospital is doing a follow up with the bank to understand the nature of the transactions that happened during the period.	Not resolved.	June 2024
8	Undisclosed property, plant and equipment other Payables	Management acknowledges that there have been deficiencies in terms of maintaining an updated fixed asset register and valuation of assets. The hospital	Not resolved	June 2024

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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)
		received all its assets from the county government and not in possession of documents used to acquire the assets thus difficult to ascertain the cost of the assets. The hospital management do not have the capacity to carry out the assets valuation. We have started the process of engaging the county government to assist us with personnel and resources that can assist us in valuations of the assets The hospital management is also currently doing a follow up on the process of acquiring the hospital land ownership documents.		
9	Undisclosed trade and other Payables	The hospital management acknowledges omission of the pending bills in the preparation of financial statements since at the time of preparation the pending bills were under review by the county pending bills committee which was sitting at the time. The hospital management commits to disclose the pending bills as required by the law.	Not resolved	June 2024



.....  
Dr. Bryan Makini.  
Accounting Officer.

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**Appendix III: Inter-Hospital Confirmation Letter**

*[Insert your Letterhead]*

*Nuu level IV Hospital*

The SAGA FIF wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> 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.

Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (KShs) as at 30 <sup>th</sup> June 2023				Inter-Ministerial (C)	Total (D)=(A+B+C)	Amount Received by Hospital (KShs) as at 30 <sup>th</sup> June 2023	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)						
REC/0001076210	17 Aug 22	500,000	-	-	-	500,000	-	-	
REC/0001077062	29 Sep 22	500,000	-	-	-	500,000	-	-	
REC/0001078014	24 Oct 22	500,000	-	-	-	500,000	-	-	
REC/0001078882	21 Nov 22	500,000	-	-	-	500,000	-	-	
REC/0001080570	23 Dec 22	500,000	-	-	-	500,000	-	-	
REC/0001080569	31 Jan 23	500,000	-	-	-	500,000	-	-	
REC/0001082206	1 Feb 23	500,000	-	-	-	500,000	-	-	
REC/0001083531	13 Mar 23	500,000	-	-	-	500,000	-	-	
REC/0001084276	30 Mar 23	500,000	-	-	-	500,000	-	-	
REC/0001085444	28 Apr 23	500,000	-	-	-	500,000	-	-	
	9 Jun 23	478,629	-	-	-	478,629	-	-	

**Nuu Hospital (Pvt.) Ltd. Annual Statements for The Year Ended 30<sup>th</sup> June 2023**

**Annual P**

Confirmation of amounts received by NuU level iv hospital Hospital as at 30<sup>th</sup> June 2023

REC/00010888	3 Jul 23	500,000	-	-	500,000
Total		5,978,629	-	-	5,978,629

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

Head of Accounts Department of the beneficiary entity:

Name ..... Charles Karuki ..... Sign ..... [Signature] ..... Date ..... 13/05/23 .....