

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

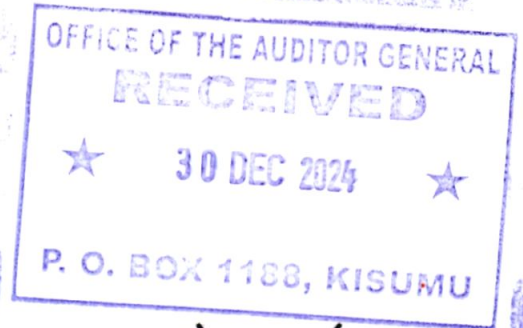
**YALA SUB-COUNTY LEVEL
4 HOSPITAL**

**FOR THE YEAR ENDED
30 JUNE, 2024**

COUNTY GOVERNMENT OF SIAYA

PAPERS LAID	
DATE	5/8/2025
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COMMITTEE	-
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**YALA SUB-COUNTY HOSPITAL
(Siaya County Government)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2024

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

CSR	Corporate Social Responsibility
OSHA	Occupational Health & Safety Act
OPD	Out Patient Department
PFMA	Public Financial Management Act
MED SUP	Medical Superintendent
ICPAK	Institute of Certified Public Accountants of Kenya
SAGA	Semi-Autonomous Government Agency
WIBA	Work Injury Benefit Act
JICA	Japanese International Corporation Agency
HIV	Human Immunodeficiency Virus
TB	Tuberculosis
NGO	Non-Governmental Organisation
DANIDA	Danish International Development Agency
KEMSA	Kenya Medical Supplies Agency
Fiduciary Management	Key management personnel who have financial responsibility in the entity.

2. Key Entity Information and Management

(a) Background information

Yala Sub County Hospital is a level (4) hospital established under gazette notice number 87 and is domiciled in Siaya County under the Health/Medical Services Department. The hospital is governed by a Board of Management as per the Siaya County Health Act of 2019.

(b) Principal Activities

Mission Statement;

To provide patient centred health care with excellence in quality service and access.

Vision Statement

A community in which all people achieve their full potential for health and wellbeing across their lifespan.

(c) Key Management

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

- County department of health
- Accounting Officer/ Medical Superintended & Board of Management
- Hospital Management Team

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Medical Superintendent	Dr Felix Odhiambo Oloo
2	Pharmacist In charge	Dr Nympha Nabwire Maende
2.	Head of finance	Kennedy Otieno Ooko
3.	Head of supply chain	Eunice Aoko Ombogo
4.	Health Administrative Officer	Bernard Omondi
5.	Laboratory Manager	Jared Omondi Okello
6	Nursing Services Manager	Lydia Mbeche.

(e) Fiduciary Oversight Arrangements

- Clinical Research and Standards Committee.
- Audit committee
- Risk Committee

Yala Sub-County Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

- County Assembly
- Parliamentary committees
- Other oversight committees

Key Entity Information and Management (continued)

(f) Entity Headquarters

P.O. Box 803-40600
Siaya.

(g) Entity Contacts

Telephone: (+254) 759168690
E-mail: yalaleveliv@gmail.com
Website: www.yalaleveliv.go.ke

(h) Entity Bankers

Co Operative Bank of Kenya (Yala Branch)

(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. 803-40600
Siaya, Kenya

3. The Board of Management

During the period under review, the Facility did not have a Board of Management in place. The process of getting a new Board is on going

4. Key Management Team



Dr. Felix Odhiambo Oloo

Medical Superintendent - (Senior Assist. Dir. Pharmaceutical Services)

Prior to his appointment, he was the Medical Superintendent in Ukwala & Madiany Sub- County Hospital. He has 9 years working experience as a medical superintendent and 3 years as a pharmacist.

He holds a Master of Public Health (MPH) Epidemiology from Maseno University, Bachelor of Pharmacy (B. Pharm) from The Tamil Nadu Dr. M.G.R. Medical University, Bachelor of Business Administration (BBA) from Alagappa University. He is a member of the Pharmaceutical Society of Kenya (PSK).

Dr. Oloo also holds certification in Strategic Leadership Development Programme (SLDP) and Senior Management Course (SMC) from Kenya School of Government.

Mr. Bernard J. Omondi
Hospital Administrative Officer

As a Health Administrative Officer, at Yala Sub County Hospital, he has worked in various other facilities including; Siaya County Referral Hospital, Elwak Sub County Hospital and Takaba Sub County Hospital both in Mandera County.

He has a Bachelor of Commerce degree (Human Resource Management option) from Kenyatta University, Certified Public Accountant Part I certificate and Diploma in Business Administration (KNEC) studied at Ramogi Institute of Advanced Technology. Currently pursuing a Master of Business Administration (Human Resource Management option).



Mrs. Lydia Mbeche

Nursing Services Manager – RN

As a nursing services manager, she holds this position in Yala SCH. Prio to this appointment, she was the NSM and Medsupt of Ukwala Sub- County Hospital. She has 15 years of experienced in the field. She holds a Diploma in Nursing from Egerton University.

Dr. Nimpher s Maende
Hospital Pharmacist

Serving as the Pharmacist in charge at Yala Sub-County Hospital with a three-year experience in Hospital Pharmacy practise. Committed to providing quality and patient centred care. She holds Bachelor's degree in Pharmacy from the university of Nairobi.



Yala Sub-County Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024



Mr. Kennedy Otieno Ooko
Hospital Accountant - CPA

Prior to working in his current position, Mr Ooko served as an accountant(examination) at the County Treasury-Siaya County. He has sixteen years' experience in accounting field. He holds diploma in Forensic accounting from Kenya Institute of Security and Criminal Justice.

Mr. Nebert Oyando
Health Records & Information's Officer

Mr. Oyando is a Health Records and Information Management Officer in Yala SCH. He has more than 30 years' experience in the field. He holds a Diploma in Health Records and Information Science from Kenya Medical Training College (KMTC), Nairobi. He has worked in similar positions in all the six sub-counties and the sub-county hospitals of Siaya County.



Mrs. Eunice Aoko Ombogo
Procurement Officer

Prior to working in the current position, she was working at Siaya CRH in the same position. She holds a diploma Supply chain management from University of Nairobi and Diploma in guiding and counselling from Kenya Polytechnic. She has 13 years of experience in service.

Mr. Jared Okello
Laboratory Manager – MLT

Mr. Okello, prior to working in the current position was working at the County Referral Hospital in the same capacity. He has worked as a medical laboratory technologist (MLT) since the year 2007. He holds a Bachelor's of Science in medical laboratory sciences from Mount Kenya University and a Diploma in medical laboratory technology from Kenya Medical Training College (KMTC) – Nairobi.



Mrs. Jacklyne Kerubo Kebati
Clinical Officer I/C. – RCO

Serving as a Clinical officer in-charge, Prior to this appointment, she was serving as a clinical officer at Malanga Health Centre. She holds a Diploma in Clinical Medicine and Surgery from Siaya KMTC and has 14 years of experience as a clinical officer

5. Chairman's Statement

During the period under review, the Facility did not have a Board of Management in place. The process of getting a new Board is on-going.



6. Report of the Medical Superintendent

I am pleased to present Yala Sub County Hospital's annual report and financial statements for the year 2023/24. The report highlights the hospital's operational and financial performance as well as our strategic direction.

Operational Performance

The hospital provides specialized healthcare services. To meet our patients' needs, we have specialists in several disciplines of medical practice who ensure our customers receive safe, timely, equitable, efficient, effective and patient-centred services. In 2023/24 the hospital attended to **42303** patients of which **2724** were inpatients.

Centres of excellence

The hospital established centres of excellence in the following areas: Inpatient care; HIV medicine and Surgical Services. This is in a bid to provide excellent specialized services and improve quality healthcare. The centres of excellence will also provide one stop services for the increasing cases of diseases referred.

Embracing Technology to Advance Patient Care

The use of ICT is a priority for YSCH as reflected in Kenya's ICT Master Plan and need to automate systems to enhance efficiency in services delivery. Towards this, the hospital carried out a business reengineering with the view of aligning all hospital processes in readiness for automation. Recognizing the importance of electronic data management, the Centre for Disease Control (CDC) through the Ministry of Health, CHS, Health IT and CHS has sponsored installation of Kenya EMR in order to enhance efficiency in services delivery. The completion of this project will guarantee high-quality, effective and efficient services.

Patient Safety

YSCH has embarked on all aspects of patient safety which is an integral component of health service delivery. YSCH is focused to reduce hospital acquired infections and medical errors. The Hospital has created the Quality Improvement Team (QIT) whose operations encompass patient safety, clinical governance, infection prevention & control, as well as monitoring and evaluation. The hospital also developed protocols SOPs and guidelines for patient management.

Effective Communication

YSCH is putting great emphasis in improvement of communication with our patients, their families and other stakeholders in an effective and timely manner. To this end, we have continued to train our employees on customer care and effective communication while upholding the highest standards of care. In an effort to provide timely and accurate information, we have established mechanisms for receiving and resolving customer feedback in line with our motto: ***We Listen, we care.*** Further, we have strengthened customer care services and process improvement with a view to enhance patients-care giver engagement.

Yala Sub-County Hospital (Siaya County Government)
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Financial Review

In order to meet the cost of operations and maintenance, the hospital relies on internally generated revenue, the largest component being cost sharing revenue. During the year under review, the hospital internally generated **Ksh. 38,808,703.00** against comparative year 2022/2023 of **Ksh. 32,630,725.00**. This is a growth of **15%** over and above the previous year's internally generated revenue. The Hospital recorded a deficit of **Kshs. 68,555** in the year under review. The hospital experienced funding gap for O&Ms by the County Government and Non-Reimbursement of NHIF/Linda Mama which currently stands at **Ksh 12,052,890**. During the year under review, the funding gap which represent our accounts payables stood at **Kshs. 12,442,940** which continued to adversely affect the financial sustainability.

Acknowledgment

The thousands of patients served are a living testament to the care, love and support offered every day by the outstanding commitment of our staff. We are grateful to our stakeholders and partners for their kindness, compassion, support, dedication and contributions to YSCH.

MEDICAL SUPERINTENDENT
YALA SUB-COUNTY HOSPITAL


.....

Dr. Felix Odhiambo Oloo
Secretary to the Board
P. O. Box 302-40510, YALA

Yala Sub-County Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

7. Statement of Performance Against Predetermined Objectives

Yala Sub-County Hospital has six strategic pillars/themes/issues and objectives within the current strategic plan for the F/Y 2023/2024. These strategic pillars/ themes/issues are as follows:

Pillar/theme/Issue 1; Leadership and governance

Pillar/theme/Issue 2; Service delivery

Pillar/theme/Issue 3; Health System Financing

Pillar/theme/Issue 4; Health workforce

Pillar/theme/Issue 5; Medical products, vaccines and technologies

Pillar/theme/Issue 6; Health Information System

Yala Sub-County Hospital develops its annual work plans based on the above 6 pillars/Themes/Issues. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The **Yala Sub-County Hospital did not** achieve its performance targets set for the FY 2023/2024 period for its 6 strategic pillars, as indicated in the diagram below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Pillar/ theme/ issue 1: Leadership and governance	To maintain proper governance of the hospital	Governance reports submitted	Promote good governance	12 Reports submitted
Pillar/ theme/ issue 2 Service delivery	To Improve service delivery	Facility Workload report	Promote the use of the facility	12 workload reports submitted.
Pillar/theme/issue 3 Health System Financing.	To avail adequate finances	Submitted Financial reports	Prudently manage Finances	12 Financial reports submitted
Pillar/theme/issue 4; Health Workforce	To avail adequate workforce as per the norms	Submitted Staff returns	Manage Health Workforce	12 (monthly returns) submitted
Pillar/theme/issue 5 Medical Product, vaccines and technologies	To avail adequate medical products	Consumption reports submitted	Procure and use Health Products	3 drawing rights received
Pillar/theme/issue 6; Health Information Systems	To promote the use of Health Information and technologies	Level of adoption of IT	Avail IT Equipment	8 departments adopted the use of IT

8. Corporate Governance Statement

Key Management

YSCH day to day management is under the following key organs:

Board of Management

Guided by the Board charter and other statutory provisions, the key responsibilities for the Board are;

- Determine YSCH mission, vision, purpose and core values.
- Ensure that strategy is aligned with the purpose of the Hospital and legitimate interests and expectations of stakeholders.
- Ensure that the strategy of the Hospital is aligned to the long-term goals on sustainability so as not to compromise the ability of the future generations to meet their own needs.
- Approve the Hospital structure.
- Approve the annual budget of the Hospital.
- Monitor the Hospital performance and ensure sustainability.
- Enhance the corporate image of the Hospital.
- Ensure availability of adequate resources for the achievement of the Hospital objectives.
- Ensure effective communication with stakeholders.
- Protect the assets of the Hospital.

Medical Superintendent

Takes overall responsibility in the day to day running of the Hospital in consultation with the Board of Management by;

- Providing visionary and transformational leadership
- Overseeing the implementation of the Boards resolutions
- Support to Board of Management for effective oversight

- Evaluate the hospital long term healthcare service effectiveness
- Review and recommend appropriate actions for strategic operational plans and policies
- Review performance improvement activities and patient's safety efforts
- Identify, evaluate and implement the scope of services, practice and governance of the hospital
- Prudent management of resources
- Formulating long-term strategies and business plans
- Monitoring and evaluating performance
- Ensuring effective communication within the Hospital

Executive Management Committee (EMC/HMT)

The team consists of the Medsupt, directors and deputy directors. EMC holds meetings on a weekly basis and is responsible for:

- Support to Board of Management for effective oversight
- Evaluate the hospitals long term healthcare service effectiveness
- Review and recommend appropriate actions for strategic operational plans and policies
- Review performance improvement activities and patient's safety efforts
- Identify, evaluate and implement the scope of service, practice and governance of the hospital
- Prudent management resources

Clinical Committee

The Committee meets on a weekly basis under the Chairmanship of the Head of Clinical Services. Its members are all divisional heads and heads of clinical departments together with the head of facilities and head of administration. The purpose of the Hospital Clinical Committee is to support and empower clinical function to perform the best and most efficient multidisciplinary patient care. The goals of the

Yala Sub-County Hospital (Siaya County Government)
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Clinical Committee include overcoming barriers defined by clinicians and leadership through the development of staff and systems changes. The Committee is responsible for:

- Review the weekly ward round report
- Review and reprioritize the utilization of Hospital clinical resources
- Set performance targets for clinical units
- Review various research findings and related policy documents
- Review clinical audit reports and follow-up on implementation of recommendations

Finance and Administration Committee

The team comprises of the heads of hospital administrative units chaired by the Administrator in charge of Corporate Services. The committee meets on a weekly basis and has the following terms of reference:

- Oversee the implementation of EMC and Clinical meeting resolutions
- Review and recommend performance management systems including related standards of OPI, ISO and performance contracts.
- Oversee implementation of the hospital governance structure
- Review challenges experienced by departments in the implementation of strategic plan
- Coordinate and prioritize hospital upcoming activities
- Resources management

Budget Implementation Committee

The team is chaired by Hospital Administrator and consists of Deputy Medsupt and HoDs. The committee meets fortnightly and has specific terms of reference which include to:

- Review and consider cash flow plans for the Hospital and ensure that approval of any changes to the
- initial cash flow plan is communicated to the Department of Health.

- Review the utilization of cash limits and consider any changes as may be required.
- Review the utilization of Donor funds allocated to YSCH and recommend corrective action.
- Advise the Medical Superintendent on any challenges related to the Budget implementation with recommendation on ways of mitigating the challenges.
- Review and recommend reallocation of expenditures.
- Review and approve submission of expenditure returns, IPPD, pending bills and A-I-A returns for YSCH and recommend action to be taken.
- Facilitate participation of YSCH in the Health Sector Working Group.
- Oversee preparation of the Hospital Budget and ensure timely submission to the CoH.
- Review periodic circulars from the Government in relation to the Budget and ensure Hospital Compliance.

MEDICAL SUPERINTENDENT
YALA SUB-COUNTY HOSPITAL
Dr. Felix Odhiambo Oloo
Secretary to the Board
30 DEC 2024
P. O. Box 302-40610, YALA

Board Committees and Roles

Members

Clinical Research & Standards Committee

- (i) Identifying health care service problems in the hospital and ensuring that they are resolved;
- (ii) Review any changes on policy issues on standards, quality assurance and research;
- (iii) Liaise with the Medical Advisory Committee on matters of quality health care delivery; and
- (iv) Undertake comprehensive quarterly evaluation of standards, quality assurance programs in the hospital based on health professional's handbook on quality management in health care in Kenya.

Human Capital, Finance & Administration Committee

- (i) Monitoring the Hospital annual budget and overseeing the Hospital's financial management.
- (ii) Monitoring the Hospital annual procurement plan and overseeing procurement of goods and services with a value of KShs. 3 million and above.
- (iii) Establishing human resource policies and corporate organizational structure for BOM staff;
- (iv) Appointment, promotion and disciplinary issues of BOM staff;
- (v) Establishing remuneration structure for the BOM staff; and
- (vi) Developing succession plan for senior staff.

Members

Members

Corporate Strategy Enterprise Committee

- (i) Reviewing the Five-Year Corporate Strategic Plan and oversees the annual implementation of the Hospital's strategy.
- (ii) Advising the Board on strategies to enhance performance of the Hospital;
- (iii) Monitoring major projects under implementation and directing strategies for improving customer service;
- (iv) Resource mobilization and forging partnerships/linkages;
- (v) Overseeing realization of the targets set out in the Board's Performance Contract.

Risk and Audit Committee

- (i) Reviewing quarterly, half-yearly and annual financial statements before submission to the Board;
- (ii) Reviewing the performance, objectivity, and independence of external auditors;
- (iii) Consideration of audit findings by the external auditors;
- (iv) Monitoring and reviewing the effectiveness of the Hospital's internal audit function;
- (v) Reviewing the Hospital's internal control and ensuring quality, integrity, effectiveness and reliability of the Hospital's risk management framework; and
- (vi) Ensuring adherence to the code of ethics and integrity in financial transactions of the Hospital.

Members

9. Management Discussion and Analysis

Clinical/operational performance.

Yala Sub-County Hospital continues to provide a wide range of highly specialised health care services to Kenyans, patients from within gem and western region. Specialised services include, Specialized Outpatient clinics, Inpatient care, Day care procedures for surgery, ENT, Ophthalmology, Dental amongst other services and specialized accidents and emergency that receives emergency, disaster victims and referred patients. The Hospital also provides clinical support services that includes laboratory, Pharmacy and Radiology.

Financial performance that includes: -

The Hospital has seen a growth in revenue trends over the past periods. During the year under review, the facility internally generated a total of **Ksh. 38,808,703.00** and received in kind revenues from the County of **Kshs. 116,782,968** resulting to a total revenue of **Ksh. 155,591,671**. A total of **Ksh. 155,660,226** was incurred as expenditure. The hospital total pending bill of **Ksh. 122,242,940** as accounts payable and **Kshs 12,052,890** as accounts receivables.

Embracing Technology to Advance Patient Care

The use of ICT is a priority for YSCH as reflected in Kenya's ICT Master Plan and need to automate systems to enhance efficiency in services delivery. Towards this, the hospital carried out a business reengineering with the view of aligning all hospital processes in readiness for automation. Recognizing the importance of electronic data management, the Centre for Disease Control (CDC) through the Ministry of Health, CHS, Health IT and CHS has sponsored installation of Kenya EMR in order to enhance efficiency in services delivery. The completion of this project will guarantee high-quality, effective and efficient services.

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10. Environmental and Sustainability Reporting

i) Sustainability strategy and profile

Yala Subcounty level 4 hospital exists to transform lives. It is what guides the facility to deliver on its strategic mandate by putting the client/Citizen first while providing quality health services, and improving on operational efficiency. Below is an outline of the of the Facility's policies and activities that promote sustainability.

Sustainability strategy and profile

Yala Sub County level 4 hospital has identified the following sustainability priorities: -

- Improving the Hospital infrastructure
- Increasing the Hospital bed capacity
- Improving on collections from facility improvement fund (FIF)
- Bringing on board development partners to support the Hospital
- Enhancing working relations with the National Hospital insurance fund (NHIF).

ii) Environmental performance

Yala subcounty level 4 hospital is yet to develop an environmental policy. However, the Hospital endeavours to continue adopting and adhering to the National policies and regulations that guide compliance with the existing environmental management laws.

The Hospital has greatly improved on disposal of its' biomedical waste despite not having an incinerator in the facility.

iii) Employee welfare

The Facility endeavours to continuously comply with Occupational Safety and Health Act ,2007 (OSHA) by providing adequate office space that is regularly cleaned; providing sanitation facilities; regular training on drug and substance abuse and adequate PPE for frontline healthcare workers.

iv) Market place practices-

a) Responsible competition practice.

The Facility as an appendage of the County Government was declared a corruption free zone after engagement with the officers from the Ethics and Anticorruption Commission. The Facility advocates for fairness in the provision of its services to the public.

b) Responsible Supply chain and supplier relations

The Facility treats its own suppliers responsibly by honouring contracts and endeavouring to pay for goods and services received on time and clear its pending debts to suppliers in a timely manner.

c) Responsible marketing and advertisement

All advertisements of tenders for supply of goods and services for the Hospital are openly displayed in public. Similarly, advertisements for employment vacancies are publicly displayed.

d) Product stewardship

The Hospital has put in place a cash less system for revenue collection to seal all loop holes for revenue leakages.

v) Corporate Social Responsibility / Community Engagements

The Hospital partners with players mainly NGOs in the health sector carry out various outreach services. The facility partners with NGOs to provide medical camps for screening of patients. The Facilities also supports regular clinic for mothers and new-borns.

11. Report of The Board of Management

During the period under review, the Facility did not have a Board of Management in place. The process of getting a new Board is on-going.

12. Statement of Board of Management’s Responsibilities

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

The Board of Management is responsible for the preparation and presentation of YSCH financial statements, which give a true and fair view of the state of affairs of the *entity* for and as at the end of the financial year (period) ended on June 30, 2024. 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 *entity*; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

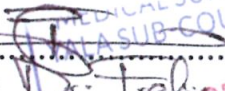
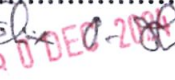
The Board of Management accepts responsibility for YSCH financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Health Act. The Board members are of the opinion that YSCH financial statements give a true and fair view of the state of *entity’s* transactions during the financial year ended June 30, 2024 and of the *entity’s* financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the *entity’s* financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Board of management to indicate that YSCH 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 27/9/24 and signed on its behalf by:

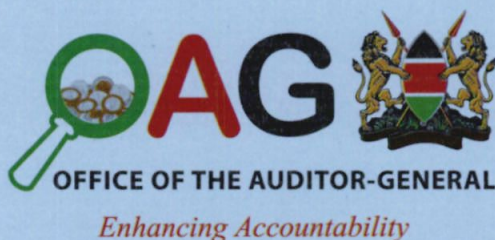
.....
Name:
Chairperson
Board of Management

.....
Name: 
Accounting Officer: 



REPUBLIC OF KENYA

Phone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON YALA SUB-COUNTY LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2024 – COUNTY GOVERNMENT OF SIAYA

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Yala Sub-County Hospital – County Government of Siaya set out on pages 1 to 57, which comprise of the statement

Report of the Auditor-General on Yala Sub-County Level 4 Hospital for the year ended 30 June, 2024 – County Government of Siaya

of financial position as at 30 June, 2024, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Yala Sub-County Hospital as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Health Act, 2017, County Governments Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0. Unsupported Receivables from Exchange Transactions

The statement of financial position and as disclosed in Note 28 to the financial statements reflects receivables from exchange transactions amount of Kshs.5,476,275. However, the supporting schedules provided for audit reflects receivables from exchange transactions of Kshs.12,052,890, resulting to an unreconciled variance of Kshs.6,576,615. In addition, the schedules were summaries of National Health Insurance Fund batch numbers instead of providing detailed analysis of receivables per patient.

In the circumstances, the accuracy and completeness of receivables from exchange transactions balance of Kshs.5,476,275 could not be confirmed.

2.0. Unconfirmed Value and Ownership of Land

The statement of financial position reflects property plant and equipment balance of Kshs.2,678,000 as disclosed in Note 31 to the financial statements. Note 31 includes various classes of assets including land. However, the value of land was not disclosed in property plant and equipment schedule. In addition, ownership documents for land were not provided for audit review.

In the circumstances, the accuracy and ownership of property plant and equipment balance of Kshs.2,678,000 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Yala Sub-County 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 of Kshs.111,626,000 and actual revenue of Kshs.155,591,671 resulting to over collection of Kshs.43,965,671 or 28% of the budget. Further, the Hospital spent Kshs.155,660,226 against actual revenue of Kshs.155,591,671, resulting to under expenditure of Kshs.68,555 or 0% of the actual revenue.

The over collection by 28% of the budgeted revenue may be an indication of unrealistic revenue projection.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the report on financial statements. However, the Management had not resolved the issues as at 30 June, 2024 or given any explanation for the failure to resolve them. In addition, only four (4) prior year issues out of twenty-four (24) issues raised in the previous year were disclosed under progress on Follow up of Auditor Recommendations section as required by the Annual Financial Reporting Template.

Other Information

The Management is responsible for the other information set out on page iii to xix which comprise of Key Entity Information and Management, Key Management Team, Report of the Medical Superintendent, Statement of Performance against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting and Statement of Board of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Hospital's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I

conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0. Late Submission of Financial Statements

The financial statements for the year ended 30 June, 2024 were submitted to the Auditor-General on 18 October, 2024, after the statutory deadline for submission of 30 September, 2024. This was contrary to Section 47(1) of the Public Audit Act, 2015 which requires financial statements to be submitted to the Auditor-General within three (3) months after the end of the fiscal year to which the accounts relate.

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

2.0. Irregular Procurement of Fuel, Oil and Lubricants

The statement of financial performance reflects general expenses of Kshs.13,606,593 as disclosed in Note 21 to the financial statements. The expenditure includes an amount of Kshs.2,259,826 in respect of purchase of fuel, oil and lubricants. Review of payment vouchers revealed that the Hospital Management procured fuel from one (1) supplier. However, the method of procurement and identification of the supplier could not be confirmed since the supplier was not among the list of registered suppliers and the contract agreement was not provided for audit review. This was contrary to Section 103(2)(a) of the Public Procurement and Asset Disposal Act, 2015 which provides that a procuring entity may use direct procurement if the goods, works or services are available only from a particular supplier or contractor, or a particular supplier or contractor has exclusive rights in respect of the goods, works or services, and no reasonable alternative or substitute exists.

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

3.0. Deficiencies in Implementation of Universal Health Coverage (UHC)

Review of Hospital's 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 medical staff deficits as analyzed below:

Staff	Ideal for Level 4 Hospital	Actual No. in Hospital	Variance	Deficiency in %
Medical Officers	16	3	13	81%
Anesthesiologists	2	0	2	100%
General Surgeons	2	1	1	50%
Gynecologists	2	1	1	50%
Pediatrician	2	0	2	100%
Radiologists	2	0	2	100%
Kenya Registered Community Health Nurses	75	21	54	72%
Totals	101	26	75	74%

Further, the Hospital lacked adequate equipment as analysed below:

Hospital Equipment	Level 4 Hospital Requirements	Available Equipment	Variance Deficit in %	Hospital Equipment
Beds	150	66	84	56%
Resuscitative (2 in labour & 1 in Theatre)	3	2	1	33%
Newborn Unit Incubators	5	3	2	40%
Newborn Unit Cots	5	3	2	40%
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	1	1	50%
Total	182	21	107	59%

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 may not be able to effectively discharge its mandate as a level 4 Hospital which hinder the realization of universal health care objectives.

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

REPORT ON 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 effects of 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 governance were not effective.

Basis for Conclusion

1.0. Failure to Maintain Fixed Asset Register

Review of Hospital records and physical inspection revealed that the Hospital owns various assets including land, buildings, civil works, motor vehicles, furniture, computers and equipment. However, the Hospital did not maintain a fixed asset register for control of its assets. Further, no evidence was provided to prove that the hospital had valued its assets. In addition, ownership documents for land were not provided for audit and that the hospital did not have a depreciation policy for its assets.

In the circumstances, the existence of an effective mechanism to safeguard assets could not be confirmed and Management was in breach of the regulations.

2.0. Lack of Hospital Board of Management

The Hospital did not have a Board of Management in place. This was contrary to Section 9(j) of the Facilities Improvement Financing Act, 2023 which states that the county executive committee member shall support the implementation of the facility improvement financing by appointing health facility management committees, health management committees and Boards, where applicable, and publishing in the official Gazette.

In the circumstances, the effectiveness of governance structures in the Hospital 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 Hospital Management Board

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 as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

The Hospital Management Board is responsible for 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

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions

and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

31 December, 2024

Yala Sub-County Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

14. Statement of Financial Performance for The Year Ended 30 June 2024

Description	Notes	FY 2023/2024	FY 2022/2023
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6		
In-kind contributions from the County Government	7	94,966,562	11,813,788
Grants from donors and development partners	8	21,816,406	-
Transfers from other Government entities	9		
Public contributions and donations	10	-	
		116,782,968	11,813,788
Revenue from exchange transactions			
Rendering of services- Medical Service Income	11	38,771,403	32,630,725
Revenue from rent of facilities	12	37,300	29,000
Finance /Interest Income	13	-	
Other income	14	-	
		38,808,703	32,659,725
Total revenue		155,591,671	44,473,513
Expenses			
Medical/Clinical costs	15	41,734,428	13,478,919
Employee costs	16	94,734,672	8,945,529
Board of Management Expenses	17	-	
Depreciation and amortization expense	18	-	
Repairs and maintenance	19	3,220,690	1,372,330
Grants and subsidies	20	2,363,843	4,436,862
General expenses	21	13,606,593	13,658,231
Finance costs	22	-	18,119
		155,660,226	41,909,990
Other gains/ (losses)			
Gain on disposal of non-Current assets	23	-	
Unrealized gain on fair value of investments	24	-	
Medical services contracts Gains/Losses	25	-	

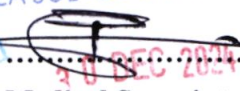
Yala Sub-County Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

Impairment loss	26	-	
Gain on foreign exchange transactions			
Total other gains/(losses)		-	
Net Surplus for the Year		- 68,555	2,563,522
Attributable to:			
Surplus/(deficit) attributable to minority interest			
Surplus attributable to owners of the controlling entity			

The Hospital's financial statements were approved by the Board on 27th Sept 2024 and signed on its behalf by:

.....
Chairman
Board of Management

ACCOUNTANT
YALA SUB-COUNTY HOSPITAL
P. O. BOX 302, YALA
 DATE:.....
Head of Finance
ICPAK No: 8184

MEDICAL SUPERINTENDENT
YALA SUB-COUNTY HOSPITAL

Medical Superintendent
P. O. Box 302-40610, YALA

Yala Sub-County Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

15. Statement of Financial Position as at 30th June 2024

Description	Note	FY 2023/2024	Restated	FY 2022/2023
		Kshs	FY 2022-2023	Kshs
Assets				
Current assets				
Cash and cash equivalents	27	4,007,166	8,217,063	11,473,678
Receivables from exchange transactions	28	12,052,890	8,153,020	8,153,020
Receivables from non-exchange transactions	29	-	-	-
Inventories	30	6,831,968	4,576,725	18,723,234
Total Current Assets		22,892,024	20,946,808	38,349,932
Non-current assets				
Property, plant, and equipment	31	2,678,000	-	-
Intangible assets	32	-	-	-
Investment property	33	-	-	-
Total Non-current Assets		2,678,000	-	-
Total assets (A)		25,570,024	20,946,808	38,349,932
Liabilities				
Current liabilities				
Trade and other payables	34	12,442,940	8,100,282	3,928,898
Refundable deposits from customers/Patients	35	-	-	-
Provisions	36	-	-	-
Finance lease obligation	37	-	-	-
Current portion of deferred income	38	-	-	-
Current portion of borrowings	39	-	-	-
Social Benefits	41	-	-	-

Yala Sub-County Hospital (Siaya County Government)
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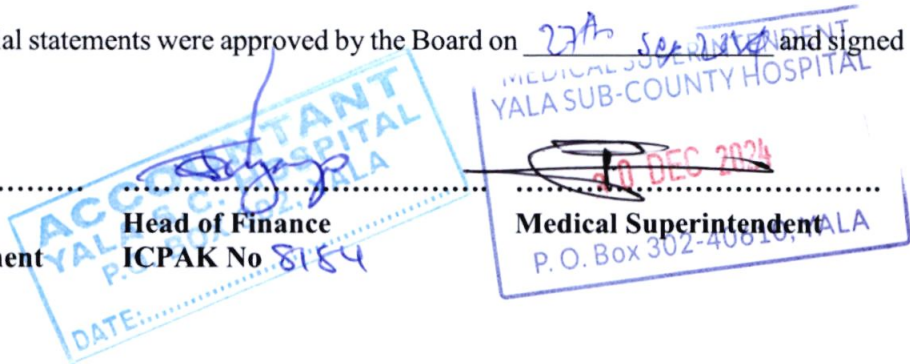
Total Current Liabilities		12,442,940	8,100,282	3,928,898
Non-current liabilities				
Provisions	36	-	-	-
Non-Current Finance lease obligation	37	-	-	-
Non-Current portion of deferred income	38	-	-	-
Non - Current portion of borrowings	39	-	-	-
Service concession Arrangements	40	-	-	-
Social Benefits	41	-	-	-
Total non-current liabilities		-	-	-
Total Liabilities (B)		12,442,940	8,100,282	3,928,898
Net assets (A-B)		13,127,084	12,846,526	34,421,034
Represented by:				
Revaluation reserve		-	-	-
Accumulated surplus/Deficit		13,127,084	12,846,526	34,421,034
Capital Fund		-	-	-
Net Assets		13,127,084	12,846,526	34,421,034

The Hospital's financial statements were approved by the Board on 27th Sep 2024 and signed on its behalf by:

.....
Chairman
Board of Management

.....
Head of Finance
ICPAK No 8184

.....
Medical Superintendent
P. O. Box 302-40610, YALA



Yala Sub-County Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

Statement of Changes in Net Asset for The Year Ended 30 June 2024

	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2022		8,910,155		8,910,155
Revaluation gain				
Surplus/(deficit) for the year		3,936,371		3,936,371
Capital/Development grants				
As at June 30, 2023		12,846,526		12,846,526
At July 1, 2023		12,846,526		12,846,526
Revaluation gain				
Surplus/(deficit) for the year		280,558		280,558
Capital/Development grants				
At June 30, 2024		13,127,084		13,127,084

Yala Sub-County Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

16. Statement of Cash Flows for The Year Ended 30 June 2024

Description	No te	FY 2023/2024	Restated FY 2022-2023	FY 2022/2023
		Kshs	Kshs	Kshs
Cash flows from operating activities				
Receipts				
Transfers from the County Government		-	-	11,813,788
Grants from donors and development partners		-	-	-
Transfers from other Government entities		-	-	-
Public contributions and donations		-	-	-
Rendering of services- Medical Service Income		33,295,128	25,369,995	32,630,725
Revenue from rent of facilities		37,300	29,000	29,000
Finance / interest income				-
Miscellaneous receipts(<i>specify</i>)				-
Total Receipts		33,332,428	25,398,995	44,473,513
Payments				
Medical/Clinical costs		15,782,465	12,395,949	13,478,919
Employee costs		4,233,392	2,400,530	8,945,529
Board of Management Expenses		-		-
Repairs and maintenance		3,220,690	1,372,330	1,372,330
Grants and subsidies		2,363,843	4,436,862	4,436,862
General expenses		9,263,935	5,486,416	13,658,231
Finance costs		0	0	18,119
Refunds paid out		0	0	0

Yala Sub-County Hospital (Siaya County Government)
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Total Payments		34,864,325	26,092,087	41,909,990
Net cash flows from operating activities	42	- 1,531,897	- 693,092	2,563,523
Cash flows from investing activities				
Purchase of property, plant, equipment		2,678,000	0	0
Purchase of intangible assets				
Proceeds from the sale of PPE				
Acquisition of investments				
Net cash flows used in investing activities		2,678,000	0	0
Cash flows from financing activities				
Proceeds from borrowings				
Repayment of borrowings				
Capital grants received				
Net cash flows used in financing activities		0	0	0
Net increase/(decrease) in cash and cash equivalents		- 4,209,897	- 693,092	2,563,523
Cash and cash equivalents as at 1 July	27	8,217,063	8,910,155	8,910,155
Cash and cash equivalents as at 30 June	27	4,007,166	8,217,063	8,217,063

Yala Sub-County Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024.

17. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 Jun 2024.

Description	Original budget	Adjustments	Final budget	Actual Cumulative to date	Performance difference	% of utilization
	a	B	c=(a+b)	d	e=(c-d)	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Revenue						
In kind Contribution From the county	35,626,000		35,626,000	94,966,562	59,340,562	267
Grants from donors and development partners				21,816,406	21,816,406	-
Transfers from other Government entities				-	-	-
Public contributions and donations				-	-	-
Rendering of services- Medical Service Income	75,970,000		75,970,000	38,771,403	37,198,597	51
Revenue from rent of facilities	30,000		30,000	37,300	7,300	124
Finance / interest income				-	-	-
Miscellaneous receipts (specify)				-	-	-
Total income	111,626,000		111,626,000	155,591,671	43,965,671	139
				-	-	-
Expenses						
Medical/Clinical costs	51,150,000		51,150,000	41,934,428	9,215,572	82

Yala Sub-County Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

Employee costs	15,600,000	15,600,000	94,734,672	79,134,672	607
Remuneration of directors		-	-	-	-
Repairs and maintenance	12,450,000	12,450,000	3,020,690	9,429,310	24
Grants and subsidies	2,790,650	2,790,650	2,363,843	426,807	85
General expenses	29,515,350	29,515,350	13,606,593	15,908,757	46
Finance costs	120,000	120,000	-	120,000	-
Refunds		-	-	-	-
Total expenditure	111,626,000	111,626,000	155,660,226	44,034,226	139
Surplus for the period			- 68,555	68,555	

Budget notes

- *Salaries paid by the County Government of Siaya to permanent and pensionable officers offering their services at the facility had not been provided in the budget and thus the huge variance on in kind income.*
- *Doctors strike that lasted for over 90 days significantly affected our revenue generation by huge variance in Medical/Clinical income*
- *Payment of rent arrears resulted in the variance in the Revenue from rent of facilities*
- *Variance in employee costs resulted inclusion Salaries paid by the County Government of Siaya to permanent and pensionable officers offering their services at the facility.*

18. Notes to the Financial Statements

1. General Information

YSCH is established by and derives its authority and accountability from Health Act. The entity is wholly owned by the Siaya County Government and is domiciled in Siaya County in Kenya. The entity's principal activity is to provide curative and preventive medical 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 *YSCH* 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. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *entity*. The financial statements have been prepared in accordance with the PFM Act, Health 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

There were no new and amended standards issued in the financial year.

ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st 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 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>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for</p>

Standard	Effective date and impact:
	<p>infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47- Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
<p>IPSAS 48- Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and</p>

Yala Sub County Hospital (Siaya County Government)
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Standard	Effective date and impact:
	cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

iii) Early adoption of standards

The Entity did not early – 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 *Entity* 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 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.

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 2023/2024 was approved by Board on ~~xxxx~~. 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, YSCH recorded additional appropriations of zero on the FY 2023/2024 budget following the Board's approval. YSCH budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

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

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.

Notes to the Financial Statements (Continued)

d. Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of xxx years. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e. Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the 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.

Notes to the Financial Statements (Continued)

f. Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the 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

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Notes to the Financial Statements (Continued)

Financial assets

Classification of financial assets

The entity 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 cash flows and selling financial assets 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 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 entity 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 entity 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.

Notes to the Financial Statements (Continued)

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 entity 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 entity 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 entity 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 in *Note xx*.

Financial liabilities

Classification

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

Notes to the Financial Statements (Continued)

j. 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.

k. 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.

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

Notes to the Financial Statements (Continued)

l. 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 entity 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 entity will incur in fulfilling the present obligations represented by the liability.

m. 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.

n. 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.

o. 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.)*

p. 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.

Notes to the Financial Statements (Continued)

q. 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.

r. 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.

s. 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.

t. 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.

Notes to the Financial Statements (Continued)

u. 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.

v. 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.

w. Comparative figures

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

x. 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, 2024.

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)

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 xxx. 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	Financial Year 2023/2024	Financial Year 2022/2023
	KShs	KShs
Unconditional grants		
Operational grant	0	0
Level 4/5 grants	0	0
Unconditional development grants	0	0
Other grants	0	0
	0	0
Conditional grants		
User fee forgone	0	0
Transforming health services for Universal care project (THUCP)	0	0
DANIDA	0	0
Wards Development grant	0	0
Paediatric block grant	0	0
Administration block grant	0	0
Laboratory grant	0	0
Total government grants and subsidies	0	0

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
County Government	0	0	0	0	0
Total	0	0	0	0	0

Notes to Financial Statements Continued

7. In Kind Contributions from The County Government

Description	Financial Year 2023/2024	Financial Year 2022/2023
	Kshs	Kshs
Casual Salaries and wages	6,162,705	6,500,000
County Government staff salaries	84,338,575	
Pharmaceutical and Non- Pharmaceutical Supplies		
Medical supplies-Drawings Rights (KEMSA)	4,135,557	5,313,787
Utility bills	329,725	
Total grants in kind	94,966,562	11,813,787

8. Grants from Donors and Development Partners

Description	Financial Year 2023/2024	Financial Year 2022/2023
	Kshs	Kshs
Cancer Centre grant- DANIDA	-	
World Bank grants	-	
Paediatric ward grant- JICA	-	
USAID(MEDS)	4,718,569	
Other grants (KEMSA)	17,097,837	
Total grants from development partners	21,816,406	

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	Financial Year 2022/2023
	KShs	KShs	KShs	KShs	KShs
Donor e.g., DANIDA	0	0	0	0	0
JICA	0	0	0	0	0
World Bank	0	0	0	0	0
Total	0	0	0	0	0

Notes to Financial Statements Continued

9. Transfers from Other Government Entities

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Transfer from National Government (Ministry of Health)	0	0
Transfer from xxx National Hospital	0	0
Transfer from xxx Institute	0	0
Total Transfers	0	0

10. Public Contributions and Donations

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Public donations	0	0
Donations from local leadership	0	0
Donations from religious institutions	0	0
Donations from other international organisations and individuals	0	0
Other donations(<i>specify</i>)	0	0
Donations in kind-amortised	0	0
Total donations and sponsorships	0	0

(Provide brief explanation for this revenue)

10 (a) Reconciliations of amortised grants

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Balance unspent at beginning of year	0	0
Current year receipts	0	0
Amortised and transferred to revenue	0	0
Conditions to be met – remain liabilities	0	0

Notes to Financial Statements Continued

11. Rendering of Services-Medical Service Income

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Pharmaceuticals	3,563,124	2,678,825
Non-Pharmaceuticals	1,376,264	781,200
Laboratory	4,627,270	3,460,670
Radiology	2,330,906	1,867,650
Orthopaedic and Trauma Technology	362,200	232,800
Theatre	802,450	439,000
Dental services	627,210	549,900
NHIF Rebates/Linda mama	10,328,669	15,407,620
Attachment fee	191,000	287,000
Mortuary	4,576,350	3,560,200
OPD	573,300	568,200
Medical records	1,056,330	544,880
Physiotherapy	140,050	117,300
Occupational Therapy	45,500	9,300
Disability Assessment	4,000	200
Clinics	93,200	59,200
Medical Examinations	48,600	80,400
Eye Clinic	79,090	97,950
In patient	2,325,890	1,798,430
Ambulance	144,000	90,000
Accounts receivables	5,476,000	
Total revenue from the rendering of services	38,771,403	32,630,725

Notes to the Financial Statements (Continued)

12. Revenue from Rent of Facilities

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Residential property	0.00	0
Commercial property	37,300.00	29,000.00
Total Revenue from rent of facilities	37,300.00	29,000.00

13. Finance /Interest Income

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Interest income from Cash investments and fixed deposits	0	0
Interest income from short- term/ current deposits	0	0
Interest income from Treasury Bills	0	0
Interest income from Treasury Bonds	0	0
Interest from outstanding debtors	0	0
Total finance income	0	0

14. Miscellaneous Income

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Insurance recoveries	0	0
Income from sale of tender	0	0
Services concession income	0	0
Sale of goods (water, publications, containers etc.)	0	0
Write backs (Deposits, payments in advance etc.)	0	0
Bad debts recovered	0	0
<i>Others</i>	0	0
Total Miscellaneous income	0	0

Notes to the Financial Statements (Continued)

15. Medical/ Clinical Costs

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Dental costs/ materials	85,700	165,050
Laboratory chemicals and reagents	2,051,590	2,021,189
Nutrition Commodities	160,937	150,000
Food and Ration	5,561,534	4,870,992
Uniform, clothing, and linen	83,500	-
Dressing and non-pharmaceuticals	2,370,924	1,921,939
Donations and Grants from Dev. Partners	21,816,406	
Pharmaceutical supplies	1,565,930	1,279,296
Health information stationery (Medical Records)	784,900	1,603,575
Drawing Rights	4,135,557	
Sanitary and cleansing Materials	1,846,050	111,200
Purchase of Medical gases	355,100	357,278
Rehabilitation materials	196,300	-
X-Ray/Radiology supplies	677,500	998,400
Eye clinic	5,000	-
Orthopaedic Materials	15,000	-
Other medical related clinical costs (Sickle Cell)	22,500	-
Total medical/ clinical costs	41,734,428	13,478,919

Notes to the Financial Statements (Continued)

16. Employee Costs

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Salaries, wages, and allowances	4,233,392	2,445,529
Contributions to pension schemes		
Service gratuity		
Performance and other bonuses		
Staff medical expenses and Insurance cover		
Group personal accident insurance and WIBA		
Other employee costs <i>(In kind from county- P&P)</i>	84,338,575	
Other employee costs <i>(In kind from county- Casuals)</i>	6,162,705	6,500,000
Employee costs	94,734,672	8,945,529

Notes to the Financial Statements (Continued)

17. Board of Management Expenses

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Chairman's Honoraria	0	0
Sitting allowance	0	0
Mileage	0	0
Insurance expenses	0	0
Induction and training	0	0
Travel and accommodation allowance	0	0
Airtime allowances	0	0
Total	0	0

18. Depreciation and Amortization Expense

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Property, plant and equipment	0	0
Intangible assets	0	0
Investment property carried at cost	0	0
Total depreciation and amortization	0	0

19. Repairs and Maintenance

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Property- Buildings	2,230,300	884,350.00
Medical equipment	200,000	
Office equipment		10,000
Plant and Machinery	255,640	165,520.00
Furniture and fittings		20,445.00
Computers and accessories	283,600	35,000
Motor vehicle expenses	251,150	257,015
Maintenance of civil works(Water & sewerage)	-	
Total repairs and maintenance	3,220,690	1,372,330.00

Notes to the Financial Statements (Continued)

20. Grants and Subsidies

Description	Financial Year 2023/2024	Financial Year 2022/2023
	Kshs	Kshs
Community development and social work		
Education initiatives and programs		
Free/ subsidised medical camp		
Disability programs		
Free cancer screening		
Other grants and subsidies (25% transfer to health Centres)	2,363,843	4,436,861.75
Transfers to the County Health HSSF Account		
Total grants and subsidies	2,363,843	4,436,861.75

Yala Sub County Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024.

21. General Expenses

Description	FY 2023/2024	FY 2023/2024
	Kshs	Kshs
Advertising and publicity expenses	70,000	
Catering expenses		
Waste management expenses		
Daily Subsistence Allowances	614,726	
Audit fees		
Conferences and delegations		
Consultancy fees		
Contracted services		
Electricity expenses	2,781,925	1,676,254
Insurance		
Research and development expenses		
Travel and accommodation allowance	50,000	200,000
Legal expenses		
Licenses and permits		
Courier and postal services	9,450	9,450
Printing and stationery	272,000	235,000
General Office supply	1,843,698	
Computers, printers & other IT Equipment	422,600	
Bank Charges	38,960	18,119
Rent expenses		
Water and sewerage costs		
Skills development levies		
Telephone and mobile phone services	295,000	180,000
Fuel, oil & lubricants	2,259,826	2,391,556
Institutional appliances	50,000	
Other fuel (Charcoal and firewood)	361,550	435,789
Internet expenses	41,500	
Staff training and development	88,700	429,900
Other expenses(body disposal & Condolence)	64,000	
Utility Bills		
magazines, and gazette notices		
Accounts Payables	4,342,658	3,928,898
Total General Expenses	13,606,593	9,504,966

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22. Finance Costs

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Borrowing (amortized cost)	0.00	0.00
Finance leases (amortized cost)	0	0
Interest on Bank overdrafts/Guarantees	0	0
Bank charges	0	18,119
Total finance costs	0.00	18,119

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

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Property, plant, and equipment	0	0
Intangible assets	0	0
Other assets not capitalised (<i>specify</i>)	0	0
Total gain on sale of assets	0	0

24. Unrealized Gain On Fair Value Investments

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Investments at fair value	0	0
Total gain	0	0

25. Medical Services Contracts Gains /Losses

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Comprehensive care contracts with NHIF	0	0
Non- Comprehensive contracts care with NHIF	0	0
Linda Mama Program	0	0
Waivers and Exemptions	0	0
Total Gain/Loss	0	0

26. Impairment Loss

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Property, plant, and equipment	0	0
Intangible assets	0	0
Investments	0	0
Total impairment loss	0	0

27. Cash and Cash Equivalents

Description	FY2023/2024	Restated FY 2022/2023	FY 2022/2023
	Kshs	Kshs	Kshs
Current accounts	4,007,166	8,217,063	11,473,678
On - call deposits			
Fixed deposits accounts			
Cash in hand			
Others(<i>specify</i>)- Mobile money			
Total cash and cash equivalents	4,007,166	8,217,063	11,473,678

Notes to the Financial Statements (Continued)

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

Description		FY 2023/2024	Restated FY 2022/2023	FY 2022/2023
Financial institution	Account number	Kshs	Kshs	Kshs
a) Current account				
Cooperative bank	1141740944401	2,812,333	3,861,974	3,861,974
Cooperative bank	1141517779600	1,022,532	2,548,768	2,548,768
Cooperative Bank	1141740944400	172,301	1,806,321	5,062,936
Sub- total		4,007,166	8,217,063	11,473,678
b) On - call deposits				
Kenya Commercial bank				
Equity Bank –etc				
Sub- total				
c) Fixed deposits account				
Bank Name				
Sub- total				
d) Others(<i>specify</i>)				
cash in hand				
Mobile money- Mpesa, Airtel money				
Sub- total				
Grand total		4,007,166.00	8,217,063	11,473,678

28. Receivables from Exchange Transactions

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Medical services receivables	12,052,890	8,152,020
Rent receivables	-	1,000
Utility	-	
Other exchange debtors/ imprest		
Less: impairment allowance		
Total receivables	12,052,890	8,153,020

Analysis of Receivables from Exchange Transactions

Description	FY 2023/2024		FY 2022/2023	
	Current FY2023/2024	% of the total	Comparative FY 2022/2023	% of the total
Less than 1 year	5,476,275	45	8,152,020	100
Between 1- 2 years	6,576,615	55	0	%
Between 2-3 years	0	0	0	%
Over 3 years	0	%	0	%
Total (a+b)	12,052,890	100	8,152,020	100

29. Receivables from Non-Exchange Transactions

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Transfers from the County Government	0	0
Undisbursed donor funds	0	0
Other debtors (<i>non-exchange transactions</i>)	0	0
Less: impairment allowance	0	0
Total	0	0

Analysis of Receivables From Non-Exchange Transactions

Description	FY 2023/2024		FY 2022/2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	0	%	0	%
Between 1- 2 years	0	%	0	%
Between 2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total (a+b)	0	%	0	%

30. Inventories

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Pharmaceutical supplies	2,696,228	2,611,100
Laboratory supplies	416,500	579,625
Food supplies	324,600	186,000
Non pharmaceuticals	3,394,640	1,200,000
Cleaning materials supplies	0	0
General supplies	0	0
Less: provision for impairment of stocks	0	0
Total	6,831,968	4,576,725

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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	0	0	0	0	0	0	0	0
Additions	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0
Transfers/adjustments	0	0	0	0	0	0	0	0
At 30th Jun 2023	0	0	0	0	0	0	0	0
At 1 July 2023	0	0	0	0	0	0	0	0
Additions	0	678,000	0	0	0	2,000,000	0	0
Disposals	0	0	0	0	0	0	0	0
Transfer/adjustments		0		0			0	0
At 30th June 2024	0	678,000	0	0	0	2,000,000	0	0
Depreciation and impairment								
At 1 July 2022 (previous year)		0	0	0		0	0	0
Depreciation for the year		0	0	0	0	0	0	0
Disposals		0	0	0	0	0	0	0
Impairment		0	0	0	0	0	0	0
At 30 June 2024		678,000	0	0	0	2,000,000	0	2,678,000

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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
At July 2023 (current year)		678,000	0	0	0	2,000,000		2,678,000
Depreciation		0	0	0	0	0		0
Disposals		0	0	0	0	0		0
Impairment		0	0	0	0	0		0
Transfer/adjustment		0	-	0	0	0	0	0
At 30th June 2024		678,000	0	0		2,000,000	0	2,678,000
Net book values								
At 30 th Jun 2023 (previous)	0	0	0	0	0	0	0	0
At 30th Jun 2024(current)	0	678,000	0	0	0	2,000,000	0	2,678,000

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Notes to the Financial Statements (Continued)

32. Intangible Assets-Software

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Cost		
At beginning of the year	0	0
Additions	0	0
Additions-Internal development	0	0
Disposal	0	0
At end of the year	0	0
Amortization and impairment		
At beginning of the year	0	0
Amortization for the period	0	0
Impairment loss	0	0
At end of the year	0	0
NBV	0	0

33. Investment Property

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
At beginning of the year	0	0
Additions	0	0
Disposals during the year	0	0
Fair value gain	0	0
Depreciation (<i>where investment property is at cost</i>)	0	0
Impairment	0	0
At end of the year	0	0

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Notes to the Financial Statements (Continued)

34. Trade and other Payables

Description	FY 2023/2024		Restated FY 2022/2023		FY 2022/2023	
	KShs		KShs		KShs	
Trade payables	11,788,813		8,100,282		3,928,898	
Employee dues	654,127		0		0	
Third-party payments (e.g. unremitted payroll deductions)	0		0		0	
Audit fee	0		0		0	
Doctors' fee	0		0		0	
Total trade and other payables	12,442,940		8,100,282		3,928,898	
Ageing analysis:	FY 2023/24	% of the Total	FY2022/2023	% of the total	FY2022/2023	% of the total
Under one year	4,342,658	35	3,928,898	49	3,928,898	100
1-2 years	8,100,282	65	4,171,384	51	0	%
2-3 years	0		0	%	0	%
Over 3 years	0		0	%	0	%
Total	12,442,940	100%	8,100,282		3,928,898	100

35. Refundable Deposits from Customers/Patients

Description	FY 2023/2024		FY 2022/2023	
	KShs		KShs	
Medical fees paid in advance	0		0	
Credit facility deposit	0		0	
Rent deposits	0		0	
Others (specify)	0		0	
Total deposits	0		0	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	0	%	0	%
1-2 years	0	%	0	%
2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total	0	%	0	%

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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	0	0	0	0
Additional Provisions	0	0	0	0
Provision utilised	0	0	0	0
Change due to discount & time value for money	0	0	0	0
Total provisions	0	0	0	0
Current Provisions	0	0	0	0
Non-Current Provisions	0	0	0	0
Total Provisions	0	0	0	0

37. Finance Lease Obligation

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Current Lease obligation	0	0
Long term lease obligation	0	0
Total	0	0

38. Deferred Income

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Current Portion	0	0
Non-Current Portion	0	0
Total	0	0

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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	0	0	0	0
Additions during the year	0	0	0	0
Transfers to Capital fund	0	0	0	0
Transfers to statement of financial performance	0	0	0	0
Other transfers (<i>Specify</i>)	0	0	0	0
Balance C/F	0	0	0	0

39. Borrowings

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Balance at beginning of the period	0	0
External borrowings during the year	0	0
Domestic borrowings during the year	0	0
Repayments of external borrowings during the year	0	0
Repayments of domestic borrowings during the year	0	0
Balance at end of the period	0	0

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

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Current Obligation	0	0
Non-Current Obligation	0	0
Total	0	0

Notes to the Financial Statements (Continued)

40. Service Concession Arrangements

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Fair value of service concession assets recognized under PPE	0	0
Accumulated depreciation to date	0	0
Net carrying amount	<u>0</u>	<u>0</u>
Service concession liability at beginning of the year	0	0
Service concession revenue recognized	0	0
Service concession liability at end of the year	<u>0</u>	<u>0</u>

41. Social Benefits

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Health social benefit scheme	0	0
Unemployment social benefit scheme	0	0
Orphaned and vulnerable benefit scheme	0	0
People Living with Disabilities benefit Scheme	0	0
Elderly social benefit scheme	0	0
Bursary social benefits	0	0
Total	0	0
Current social benefits	0	0
Non- current social benefits	0	0
Total (tie to totals above)	0	0

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Notes to the Financial Statements (Continued)

42. Cash Generated from Operations

Description	FY 2023/2024	Restated FY 2022/2023	FY 2022/2023
	KShs	KShs	KShs
Surplus/Deficit for the year before tax	-68,555	-693,092	2,563,523
Adjusted for:			
Depreciation	0	0	0
Non-cash grants received	0	0	0
Impairment	0	0	0
Gains and losses on disposal of assets	0	0	0
Contribution to provisions	0	0	0
Contribution to impairment allowance	0	0	0
Working Capital adjustments			
Increase in inventory	0	0	0
Increase in receivables	0	0	0
Increase in deferred income	0	0	0
Increase in payables	0	0	0
Increase in payments received in advance	0	0	0
Net cash flow from operating activities	-1,531,897	-693,092	2,563,523

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 hospital'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 hospital 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 hospital'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 2023 (previous year)				
Receivables from exchange transactions	8,153,020	0	0	0
Receivables from –non-exchange transactions	0	0	0	0
Bank balances	8,217,063	0	0	0
Total	16,370,083	0	0	0
At 30 June 2024 (current year)				
Receivables from exchange transactions	12,052,890	0	0	0
Receivables from –non-exchange transactions	0	0	0	0

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Bank balances	4,007,166	0	0	0
Total	16,060,056	0	0	0

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 hospital 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 from 0 The board of management sets the hospital'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 hospital 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 2023				
Trade payables	0	0	8,100,282	8,100,282
Current portion of borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred income	0	0	0	0
Employee benefit obligation	0	0	0	0
Total	0	0	8,100,282	8,100,282
At 30 June 2024				
Trade payables	0	0	12,442,940	12,442,940
Current portion of borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred income	0	0	0	0
Employee benefit obligation	0	0	0	0
Total	0	0	12,442,940	12,442,940

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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 hospital'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 20xx			
Financial assets (investments, cash, debtors)	0	0	0
Liabilities			
Trade and other payables	0	0	0
Borrowings	0	0	0
Net foreign currency asset/(liability)	0	0	0

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 20xx			
Financial assets (investments, cash, debtors)	0	0	0
Liabilities			
Trade and other payables	0	0	0
Borrowings	0	0	0
Net foreign currency asset/(liability)	0	0	0

Foreign currency sensitivity analysis

The following table demonstrates the effect on the hospital'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
2023 (previous year)			
Euro	10%	0	0
USD	10%	0	0
2024 (current year)			
Euro	10%	0	0
USD	10%	0	0

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 hospital's interest rate risk arises from bank deposits. This exposes the hospital to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the hospital'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.

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 xxx (20xx: KShs xxx). A rate increase/decrease of 5% would result in a decrease/increase in surplus of KShs xxx (20xx – KShs xxx).

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	0	0
Retained earnings	0	0
Capital reserve	0	0
Total funds	0	0
Total borrowings	0	0
Less: cash and bank balances	0	0
Net debt/ (<i>excess cash and cash equivalents</i>)	0	0
Gearing	0	0

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.

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

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Transactions with related parties		
a) Services offered to related parties		
Services to xxx	0	0
Sales of services to xxx	0	0
Total	0	0
b) Grants from the Government		
Grants from County Government	0	0
Grants from the National Government Entities	0	0
Donations in kind	0	0
Total	0	0
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for xxx employees	0	0
Payments for goods and services for xxx	0	0
Total	0	0
d) Key management compensation		

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Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Directors' emoluments	0	0
Compensation to the medical Sup	0	0
Compensation to key management	0	0
Total	0	0

45. Segment Information

There was no segmental information

46. Contingent Liabilities

Contingent liabilities	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Court case xxx against the hospital	0	0
Bank guarantees in favour of subsidiary	0	0
Total	0	0

(Give details)

47. Capital Commitments

Capital Commitments	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Authorised For	0	0
Authorised And Contracted For	0	0
Total	0	0

48. Events after the Reporting Period

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

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.

19. 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.

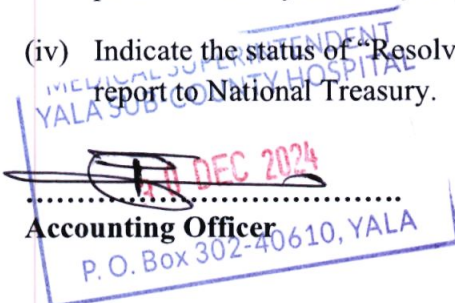
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.1	Auditor recommended revision of FY 2022/2023 Financial statements	Financial statements for FY 2022/2023 revised	Resolved	10/5/2024
4.5.1	Under payment of casual workers	Management will endeavour to adhere to the recommended Government minimum wage for casual workers.	Not resolved	10/05/2024
4.9.1	Lack of separate cash books for all accounts held in the hospital	Cash books separated and evidence availed to the auditor	Resolved	10/05/2024
4.10	Non-disclosure of receivables	Financial statements revised to include the receivables	Resolved	10/05/2024

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.

Accounting Officer

P. O. Box 302-40610, YALA



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

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



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Annual Report and Financial Statements for The Year Ended 30th June 2024.

Appendix III: Inter-Entity Confirmation Letter

There were no inter entity transactions during the period under review

IV Reporting of Climate Relevant Expenditures

There were no climate relevant expenditures during the period under review

Appendix V: Disaster Expenditure Reporting Template

There were no disaster related expenditures during the period under review