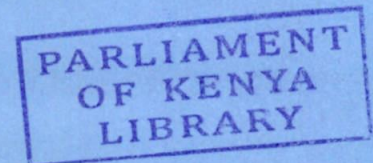


REPUBLIC OF KENYA



**REPORT**

**OF**



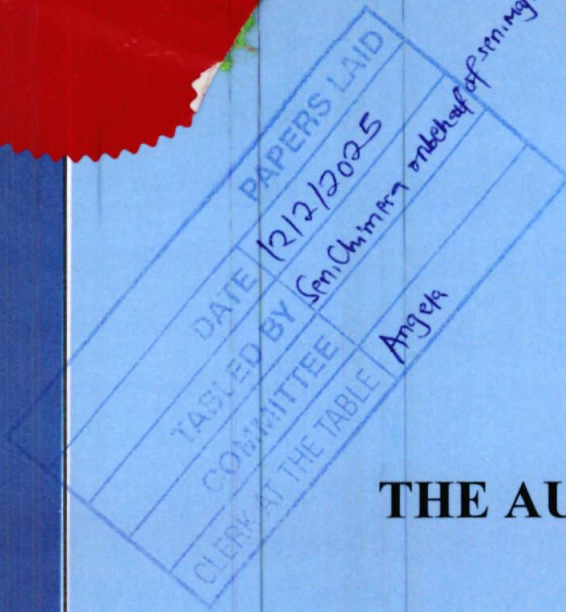
**THE AUDITOR-GENERAL**

**ON**

**MASHUURU LEVEL 4 HOSPITAL**

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

**COUNTY GOVERNMENT OF KAJIADO**







---

# **MASHUURU LEVEL 4 HOSPITAL**

## **(Kajiado County Government)**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2024**

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



***Mashuuru Level 4 Hospital (Kajiado County Government)***  
***Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024***

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

|                      |                                                                                              |
|----------------------|----------------------------------------------------------------------------------------------|
| CSR                  | Corporate Social Responsibility                                                              |
| OSHA                 | Occupational Health & Safety Act                                                             |
| PFMA                 | Public Financial Management Act                                                              |
| MED SUP              | Medical Superintendent                                                                       |
| Fiduciary Management | Key management personnel who have financial responsibility in the mashuuru level 4 hospital. |
| HMT                  | Hospital Management Team                                                                     |
| CHMT                 | County Health Management Team                                                                |
| FY                   | Fiscal Year                                                                                  |
| IPC                  | Infection Prevention Controls                                                                |
| MOPC                 | Medical outpatient clinic                                                                    |
| DOPC                 | Diabetic outpatient clinic                                                                   |
| MCH                  | Mother and Child Health clinic                                                               |
| FP                   | Family Planning                                                                              |
| CMEs                 | Continuous Medical Education                                                                 |
| IAC                  | Inspection and Acceptance Committee                                                          |
| QIT                  | Quality improvement Team                                                                     |

## **2. Key Mashuuru level 4 hospital Information and Management**

### **(a) Background information**

Mashuuru Hospital is a level 4 hospital established under gazette notice number 4333 dated 14<sup>th</sup> March, 2023 officially launched on 30<sup>th</sup> March, 2023. The hospital is domiciled in Kajiado County under the Health Department. The facility is located in Mashuuru Town adjacent to Mashuuru police station in Kajiado-East Sub-County in Imaroro Ward, occupying 10 Acres of land, Allotment number B118. Has a catchment population of 13000 as at FY 2022/2023. The hospital is governed by HMT awaiting appointment of the Board.

### **(b) Principal Activities**

The principal activity is offering health promotive, preventive, curative and rehabilitative services.

**Vision:** Provide efficient high quality health care that is affordable, equitable and accessible for every Kenyan

**Mission:** Participate in provision of integrated and high quality preventive, promotive, curative and rehabilitative health care services to all Kenyans

**Mandate:** Create an enabling environment and regulate the provision of health service delivery and formulate policies and set standards in provision of health services.

### **(c) Key Management**

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

- County department of health
- Hospital Management Team
- Accounting Officer/ Medical Superintendent

### **(d) Fiduciary Management**

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

| <b>No.</b> | <b>Designation</b>       | <b>Name</b>               |
|------------|--------------------------|---------------------------|
| 1.         | Medical Superintendent   | <b>Dr .Gloria Mumeita</b> |
| 2.         | Head of Nursing Services | <b>Geoffrey Ampuria</b>   |

### **(e) Fiduciary Oversight Arrangements**

- Hospital Management Team



- County Health Management Team
- County Assembly
- Auditor General
- Partners

**Key Mashuuru level 4 hospital Information and Management (continued)**

**(f) Mashuuru level 4 hospital Headquarters**

P.O. Box 411-01100  
Kajiado-Imaroro-Isara Road  
Kajiado, KENYA.

**(g) Mashuuru level 4 hospital Contacts**

Telephone: (+254) 0113732500  
E-mail: mashuuruhealthcentre2020@gmail.com

**(h) Mashuuru level 4 hospital Bankers**

Kenya Commercial Bank Limited.  
Account No. 1156064465.

**(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. 22  
Kajiado, Kenya

***Mashuuru Level 4 Hospital (Kajiado County Government)***  
***Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024***

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### **3. The Board of Management**

Awaiting Hospital board appointment.

#### 4. Key Management Team

| Ref | Management                                                                                                         | Details                                                                                                                              |
|-----|--------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| 1.  |  <p><b>Dr. Gloria Mumeita</b></p> | <p>-Medical Superintendent</p> <p>-Has Bachelor's Degree in medicine and Surgery (MBChB) from UON with 7yrs working experience.</p>  |
| 2.  |  <p><b>Geoffrey Ampuria</b></p>  | <p>-Head of Hospital Nursing Services.</p> <p>-Has a BSc in nursing from Kenya Methodist university. With 20yrs work experience.</p> |
| 3.  |  <p><b>Patrick Ntwiga</b></p>   | <p>-Head of public health and sanitation</p> <p>-Has a BSc. Environmental Health studies from Mount Kenya University.</p>            |
| 4.  | <b>Daniel Wanjohi</b>                                                                                              | Head of Laboratory services                                                                                                          |
| 5.  | <b>Phillipa Mpayei</b>                                                                                             | Head of Non-Pharmaceutical services                                                                                                  |

***Mashuuru Level 4 Hospital (Kajiado County Government)***  
***Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024***

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|    |                         |                                                 |
|----|-------------------------|-------------------------------------------------|
| 6. | <b>Dr. Grace Mwaura</b> | -Head of pharmaceuticals services.              |
| 7. | <b>Ivonne Nkalayia</b>  | Head of Hospital Health records and information |



**5. Chairman's Statement**

**No Hospital board in place.**

.....

**Name**

**Chairman to the Board**

## **6. Report of The Medical Superintendent**

Mashuuru Level 4 Hospital was upgraded from a level three to four facility on 30<sup>th</sup> March, 2023.

The health services it offers are curative, rehabilitative, promotive and preventive services. The services are as follows;

- Outpatient services
- Inpatient services
- MCH/FP services
- Theatre services
- Laboratory services
- Pharmacy services
- Dental services
- Comprehensive care clinic,
- Nutritional services
- Imaging services
- Public Health services
- Specialized clinics-MOPC and DOPC
- Community In-reaches and outreaches services

Since its upgrade to level 4 we have achieved to operationalized the following services;

- theatre
- blood transfusion
- imaging
- specialclinics.
- laboratory services

The hospital also started charging health services in line with the Kajiado county 2023 FIF Act and other existing government laws. Funds collected were used prudently and in ensuring accountability to run operations of the hospital this including not limited to the following;

- Purchase of pharmaceuticals and non-pharmaceuticals
- Purchase of laboratory services

- Paying of casual wages
- Paying hospital utilities
- Maintenance of proper sanitation

The Fund has been affected by the following;

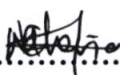
- Staff shortage affecting operationalization of services like dental services.
- Unavailable services like morgue services, x-ray services and biochemistry machine.
- Underutilized services like theatre specialized services due lack of surgeon
- Late and non-disbursement of NHIF claims.
- Health workers industrial action April and May 2024
- Transition from zero charged services (Level 3) to payment of services
- Erratic power supply by KPLC.
- Old standby generator of 160kVa which has high operation and maintenance cost.
- Manual health records and information management and financial operations.
- Unreliable water supply-The hospital is gets its water supply from a community borehole and the hospital has no management obligation. It is occasioned with unpaid electricity bills hence affecting water supply to the hospital.

The hospital would improve in its financial performance and service delivery if the following is done;

- Staffing-County to redeploy or employ the unavailable staff.
- Building Mortuary, x-ray room.
- Procurement of biochemistry machine.
- Alternate power back-up like solarisation and efficient generator.
- Enhance stakeholders and community engagements.
- Hospital requires its own borehole.
- Digitalization of health and financial operations

I would like to thank county department of health, our partners and our able stakeholders for their continued support.





.....  
Name DR. GLORIA KDIENTE MUMEITA

Secretary to the Board

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

Mashuuru Level 4 Hospital has 6 strategic pillars and objectives within the current Strategic Plan for the FY 2023- FY 2024. These strategic pillars are as follows:

Pillar 1: Service Delivery

Pillar 2: Human Resource for Health

Pillar 3: Leadership and Governance

Pillar 4: Health system financing

Pillar 5: Health products and Technologies

Pillar 6: Health Information systems

Mashuuru Level 4 Hospital develops its annual work plans based on the above six pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Mashuuru Level 4 Hospital achieved its performance targets set for the FY 2023/2024 period for its six strategic pillars, as indicated in the diagram below.

| <b>Strategic Pillar/Theme/Issues</b> | <b>Objective</b>                                             | <b>Key Performance Indicators</b>      | <b>Activities</b>                                                 | <b>Achievements</b>                                                          |
|--------------------------------------|--------------------------------------------------------------|----------------------------------------|-------------------------------------------------------------------|------------------------------------------------------------------------------|
| Pillar 1                             | <b>Provide efficient and timely healthcare service</b>       | <b>Reduced client turn round time.</b> | <b>Establishment of customer care/triage service point</b>        | <b>-Improved client flow and awareness to the respective delivery points</b> |
| Pillar 2                             | <b>Capacity build the available health service providers</b> | <b>Improved client management</b>      | <b>Carried out on job trainings, CMEs and refresher trainings</b> | <b>Reduced hospital related client management complications.</b>             |
| Pillar 3                             | <b>To have a transparent, prudent and accountable</b>        | <b>Number of HMT meetings done</b>     | <b>Convene and minute monthly HMT meetings.</b>                   | <b>Effective and accountable use of the funds.</b>                           |

***Mashuuru Level 4 Hospital (Kajiado County Government)***  
***Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024***

|          |                                                                                                                |                                                                                                               |                                                                                                                                                                                                                                                           |                                         |
|----------|----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
|          | <b>management<br/>of available<br/>resources</b>                                                               |                                                                                                               |                                                                                                                                                                                                                                                           |                                         |
| Pillar 4 | <b>Initiate<br/>efficient and<br/>transparent<br/>and verifiable<br/>revenue<br/>collection<br/>mechanisms</b> | <b>Improved FIF<br/>collection</b>                                                                            | <b>-FIF collection<br/>registers in the<br/>different service<br/>delivery points<br/>-Ensure official<br/>receipt per<br/>service<br/>provided.<br/>-Display of pay<br/>bill numbers<br/>and 'NO<br/>CASH'<br/>NOTICE on<br/>every service<br/>point</b> | <b>Increase in FIF<br/>collections.</b> |
| Pillar 5 | <b>Ensure<br/>availability<br/>and<br/>accountability<br/>of quality<br/>health<br/>products</b>               | <b>Available health<br/>products<br/>Available well<br/>documented<br/>BIN CARDS<br/>and LEDGER<br/>BOOKS</b> | <b>-Procure health<br/>products as per<br/>need<br/>-Monthly<br/>physical stock<br/>taking.</b>                                                                                                                                                           | <b>No stock outs</b>                    |
| Pillar 6 | <b>Ensure quality<br/>data<br/>documentation<br/>and timely<br/>reporting</b>                                  | <b>Correct and<br/>complete data<br/>documentation<br/>Timely data<br/>reports</b>                            | <b>-Performed<br/>Monthly data<br/>reviews<br/>-Performed<br/>Routine data<br/>documentation</b>                                                                                                                                                          | <b>Improved<br/>quality reports</b>     |

***Mashuuru Level 4 Hospital (Kajiado County Government)***  
***Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024***

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|  |  |  |                                                                                           |  |
|--|--|--|-------------------------------------------------------------------------------------------|--|
|  |  |  | <b>and reporting<br/>supervision in<br/>the different<br/>service delivery<br/>points</b> |  |
|--|--|--|-------------------------------------------------------------------------------------------|--|



**8. Corporate Governance Statement**

**No Board in place.**

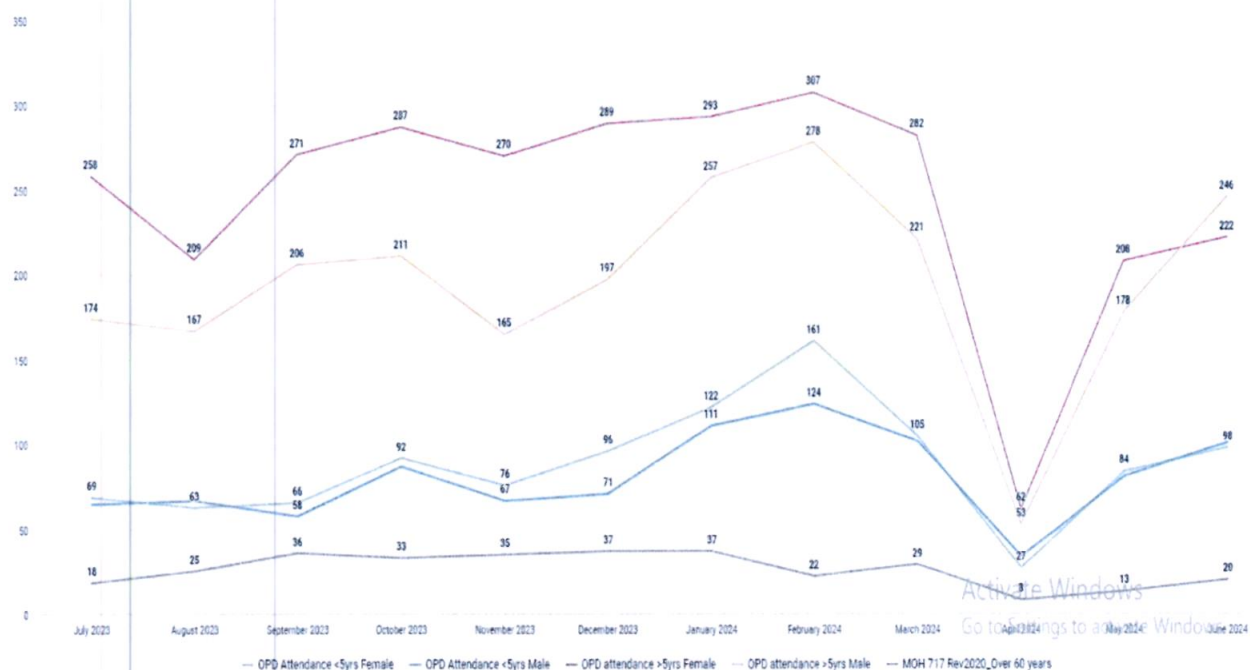
## 9. Management Discussion and Analysis

### Clinical/operational performance

#### Bed capacity of the hospital

The hospital has a bed capacity of 30 beds

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



**Mashuuru Level 4 Hospital (Kajiado County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024**



The overall patient attendance in the FY 2023/2024 was as follows;

**\*Outpatient-16702 clients.**

**\*Inpatient-855 clients.**

- **Specialised clinic attendance-180 clients**
- **Mortality rate- 11deaths per 1000**
- **Surgical theatre utilisation (number of operations over a period of time)- 9 surgeries**

## FINANCIAL PERFORMANCE

### Revenue sources

***Mashuuru Level 4 Hospital (Kajiado County Government)***  
***Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024***

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The facility generates its fund by offering medical services(FIF), grants like danida and NHIF Linda mama and Edu Afya disbursements. In the financial year 2023/2024 the hospital received Kenyan shillings. FIF -3806336, NHIF-316747.50 and DANIDA-172369



## **10. Environmental and Sustainability Reporting**

### ***i) Sustainability strategy and profile***

The hospital core mandate of the hospital is provision of quality, timely, accessible and affordable health services to Kenyan population. The hospital endeavours to increase and improve on the service delivery points to increase revenue collection. The facility also endeavours to strengthen financial collection mechanism to curb on pillage. The hospital endeavours to strengthen stakeholders and partners' engagement through diplomacy to increase its revenue basket.

### ***ii) Environmental performance***

Mashuuru Hospital has waste management policy and Infection Prevention Control measures which are;

- Functional IPC committee
- Colour coded waste bins for the different waste materials
- A compost pit, placenta pit and a burning chamber
- Proper equipment cleaning, disinfection and pressure sterilization
- IPC Continuous training for both health care workers and support staff.
- Clearing of bushes and grass
- Proper sewerage and draining
- Hand washing stations in every services delivery point
- Availability of clean and safe running water

### ***iii) Employee welfare***

The clinical health care workers in the hospital hiring, designation or re-designation and promotions are done by the county public service board. Deployment and redeployment, transferred are done by county department of health. The hospital has weekly CMEs and trainings for the health care workers to improve on knowledge capacity in different areas of service delivery

The hospital hires casuals on three months' contract where vacant positions are advertised and application are made, HMT conduct the interviews and successful persons sign a 3-month renewable contract.

The hospital has a functional CQI and GRM committee to improve on quality service delivery and mechanism to redress grievances from both the staff and clients.

The hospital has suggestions box for feedback, queries and concerns.

The hospital also has safety measures for the staff by providing PPEs and masks.

**iv) *Market place practices***

**a) *Responsible competition practice***

The hospital endeavours to provide quality, equitable, accessible and affordable care by qualified and certified service provider thus fairly competing with the private facilities in the locality in service delivery.

**a) *Responsible Supply chain and supplier relations***

The hospital honours its suppliers by promptly paying its debts and settling utility bills.

**b) *Responsible marketing and advertisement***

The hospital procures its commodities using the existing county prequalified suppliers and following the existing government procurement procedures.

**c) *Product stewardship***

The hospital uses county approved prequalified suppliers and once the commodities are delivered to the facility they are inspected by the IAC.

The hospital also has a QIT which ensure continuous quality of the commodities acquired and also ensures quality service delivery to the clients.

**v) *Corporate Social Responsibility / Community Engagements***

The Hospital is a hub to spokes in-line with the primary health care model of 2023 where community in-reaches, outreaches and dialogue are carried out for promotive and preventive health care services through community health assistants and promoters in partnership with stakeholders and different partners.



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

The Board members submit their report together with the Audited Financial Statements for the year ended June 30, 2024, which show the state of the *hospital's* affairs.

### **Principal activities**

The principal activities of the mashuuru level 4 hospital are (continue to be) ....

### **Results**

The results of the mashuuru level 4 hospital for the year ended June 30 2024 are set out on pages ....  
to ....

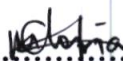
### **Board of Management**

The members of the Board who served during the year are shown on page. During the year, director(s) retired/ resigned, and director (s) was appointed with effect from date.

### **Auditors**

The Auditor General is responsible for the statutory audit of the *mashuuru level 4 hospital* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



.....  
Name DR. GLORIA KOTENTE MUMEIA

Secretary to the Board



12. Statement of Board of Management’s Responsibilities

Section 164 of the Public Finance Management Act, 2012 (*entities should quote the applicable legislation under which they are regulated*)) requires the Board of Management to prepare financial statements in respect of that *mashuuru level 4 hospital*, which give a true and fair view of the state of affairs of the *mashuuru level 4 hospital* at the end of the financial year/period and the operating results of the *mashuuru level 4 hospital* for that year/period. The Board of Management is also required to ensure that the *mashuuru level 4 hospital* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *mashuuru level 4 hospital*. The council members are also responsible for safeguarding the assets of the *mashuuru level 4 hospital*.

The Board of Management is responsible for the preparation and presentation of the *mashuuru level 4 hospital’s* financial statements, which give a true and fair view of the state of affairs of the *mashuuru level 4 hospital* 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 *mashuuru level 4 hospital*, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the *mashuuru level 4 hospital*; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board of Management accepts responsibility for the *mashuuru level 4 hospital’s* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (*– entities should quote applicable legislation as indicated under*). The Board members are of the opinion that the *mashuuru level 4 hospital’s* financial statements give a true and fair view of the state of *mashuuru level 4 hospital’s* transactions during the financial year ended June 30, 2024, and of the *mashuuru level 4 hospital’s* financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the *mashuuru level 4 hospital*, which have been relied upon in the preparation of the *mashuuru level 4 hospital’s* financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Directors have assessed the Fund’s ability to continue as a going concern (*disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements*) OR

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

Approval of the financial statements

The Hospital’s financial statements were approved by the Board on \_\_\_\_\_ and signed on its behalf by:

.....

***Mashuuru Level 4 Hospital (Kajiado County Government)***  
***Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024***

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

**Name:** DR. GLORIA KOTENTE MUMETA  
**Accounting Officer** 



# REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



*Enhancing Accountability*

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

## **REPORT OF THE AUDITOR-GENERAL ON MASHUURU LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2024 - COUNTY GOVERNMENT OF KAJIADO**

---

### **PREAMBLE**

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

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

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 Mashuuru Level 4 Hospital - County Government of Kajiado set out on pages 1 to 57, which comprise of the statement of financial position as at 30 June, 2024, and the statement of financial performance,

---

*Report of the Auditor-General on Mashuuru Level 4 Hospital for the year ended 30 June, 2024 - County Government of Kajiado*



statement of changes in net assets, statement of cash flows and the 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Mashuuru Level 4 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 Public Finance Management Act, 2012 and the Health Act, 2017 and the County Governments Act, 2012.

### **Basis for Qualified Opinion**

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

The statement of financial position reflects Kshs.26,668 Property, Plant and Equipment balance which were revealed to be ICT Equipment. However, review of Hospital records and physical verification revealed various assets including land, buildings, motor vehicles, furniture, computers and equipment which were not disclosed in the financial statements. Further, the ownership documents for land were not provided for audit.

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

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

### **Key Audit Matters**

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution and based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing



else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

## **Basis for Conclusion**

### **1. Inadequacies in UHC as per Kenya Quality Model for Level 4 and Level 5 Hospitals**

A review of Mashuuri Level 4 Hospital's staffing in comparison with the recommended staffing as per the checklist designed for Level 4 hospitals revealed that Hospital had staff shortages recommended to implement Universal Health as detailed in the table below:

| <b>Grades</b>                            | <b>Recommended Number</b> | <b>Available Staff</b> | <b>Variance</b> |
|------------------------------------------|---------------------------|------------------------|-----------------|
| Medical Officers                         | 16                        | 4                      | 12              |
| Anesthesiologist                         | 2                         | 1                      | 1               |
| General surgeons                         | 2                         | 0                      | 2               |
| Gynecologists                            | 2                         | 0                      | 2               |
| Pediatrics                               | 2                         | 0                      | 2               |
| Radiologists                             | 2                         | 0                      | 2               |
| Kenya registered Community Health nurses | 75                        | 10                     | 65              |
| <b>Total</b>                             | <b>101</b>                | <b>15</b>              |                 |

In addition, a review of the services offered at Mashuuri Level 4 Hospital revealed that the Hospital only offered minor surgery services, in-patient services, pediatric services but outpatient clinics and Tuberculosis management. Out of the ten (10) essential services, only 4 are offered at the Hospital. Consequently, the Hospital does not meet the Level 4 Hospital requirements.

Further, the Hospital lacked the equipment as listed in the table below:

| <b>Requirement</b>                            | <b>Required Number</b> | <b>Available Number</b> | <b>Variance</b> |
|-----------------------------------------------|------------------------|-------------------------|-----------------|
| Beds                                          | 150                    | 30                      | 120             |
| Resuscitaire (2 in Labour ward, 1 in theatre) | 3                      | 1                       | 2               |
| New Born Unit Cots                            | 5                      | 2                       | 3               |
| New bourn unit Incubators                     | 5                      | 1                       | 4               |
| Functional ICU Beds                           | 6                      | 0                       | 6               |
| Functional HDU Beds                           | 6                      | 1                       | 5               |
| Dialysis Machines                             | 5                      | 0                       | 5               |
| Operational theatres; Maternity and General   | 2                      | 1                       | 1               |

These deficiencies contravene the First Schedule of Health Act, 2017 and imply that accessing the highest attainable standard of health, which includes the right to health

care services, including reproductive health care as required by Article 43(1) of the Constitution of Kenya, 2010 may not be achieved.

In the circumstances, the understaffing and inadequate equipment may have negatively affected service delivery to the public.

## **2. Irregular Engagement of Casual Workers**

The statement of financial performance reflects casuals and contractual staff amount of Kshs.1,107,500 as disclosed in Note 16 to the financial statements. It was noted that Management engaged casual workers for more than three months. This was contrary to the County Public Service Human Resource Manual, May, 2013 Section B.16(1) which states that (1) Casual workers shall be engaged only on urgent short-term tasks with the approval of the County Public Service Board and they shall not be engaged for more than three months, as stipulated in the Employment Act (2007).

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

## **3. Revenue Safeguards and Controls**

The statement of financial performance reflects Kshs.5,291,924 in relation to the rendering of services -medical income. Included in this amount is Kshs.1,183,048 in relation to other medical services income (FIF) collected via an Mpesa paybill linked to local commercial bank as disclosed in Note 11 to the financial statements. However, it was noted that there were no reconciliations done between the bank statements that receives the revenue paid via Mpesa and hospital records. Thus, it was not possible to verify the actual amount received by the local bank through the Hospital Mpesa paybill. This is contrary to Regulation 63. (1(a)) of the Public Finance Management (County) Regulations, 2015 which states that an accounting officer and a receiver of revenue are personally responsible for ensuring that— (a) adequate safeguards exist and are applied for the prompt collection and proper accounting for, all county government revenue and other public moneys relating to their county departments or agencies.

In the circumstances, Management was in breach of law.

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

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the matters described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance, 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. Lack of Hospital Management Board**

The statement of financial performance does not reflect board expenses for the financial year under audit. A review of the financial statements revealed that the board of management that is supposed to direct the Hospital in achieving its strategic objectives was not constituted.

In the circumstances, the Hospital will not achieve its strategic objectives due to lack of a Board of Management.

### **2. Expiry of Medical Supplies**

The statement of financial position reflects an inventory balance of Kshs.4,155,906 as disclosed in Note 30 to the financial statements. Review of the store records on pharmaceuticals and non-pharmaceuticals revealed that 4,947 units of various drugs of undetermined value had expired.

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

### **3. Stock-Outs of Essential Medical Supplies**

The statement of financial position reflects inventory balance of Kshs.4,155,906 as disclosed in Note 30 to the financial statements. Review of the Hospital stock cards for controlling stores indicated that the Hospital experienced stock out of medical supplies of up to 30 days.

In the circumstances, the effectiveness of internal controls on the management of pharmaceutical and non-pharmaceutical inventory to achieve the Hospital mandate could not be confirmed.

### **4. Management of NHIF Claims**

The statement of financial performance reflects a balance of Kshs.5,291,924 as Revenue from exchange transactions. Included in this amount is NHIF revenue of Kshs.1,183,048. Further, the statement of financial position provided for audit discloses Kshs.1,168,840 as receivables from NHIF. During the audit, confirmation of the amounts from NHIF could not be ascertained either through the portal which has since been closed as a result of migration to SHA or supporting documentation.

In the circumstances, recoverability of a balance of Kshs.1,168,840 could not be ascertained.

### **Failure to Maintain Fixed Asset Register**

The statement of financial position reflects balances of Kshs.26,668 in respect to property, plant and equipment as disclosed in Note 31 to the financial statements.



However, it was noted that the Hospital does not maintain fixed asset register to control its assets. This is contrary to Regulation 136(1) of the Public Finance Management (County Government) Regulations, 2015 which states that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws. In addition, there was no evidence to show that the fund has ever evaluated its assets to ascertain the correct market values.

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

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 Management and Board of Management**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual) 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 Board of Management are 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 IFPP 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**

**14 January, 2025**



**Mashuuru Level 4 Hospital (Kajiado County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024**

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

| Description                                      | Note | 2023-2024         | 2022-2023  |
|--------------------------------------------------|------|-------------------|------------|
|                                                  |      | Kshs              | Kshs       |
| <b>Revenue from non-exchange transactions</b>    |      |                   |            |
| Transfers from the County Government             | 6    | 172,369           | 000        |
| In-kind contributions from the County Government | 7    | 10,446,682        | 000        |
| Grants from donors and development partners      | 8    | 000               | 000        |
| Transfers from other Government entities         | 9    | 000               | 000        |
| Public contributions and donations               | 10   | 000               | 000        |
|                                                  |      | <b>10,619,051</b> | <b>000</b> |
| <b>Revenue from exchange transactions</b>        |      |                   |            |
| Rendering of services- Medical Service Income    | 11   | 5,291,924         | 000        |
| Revenue from rent of facilities                  | 12   | 000               | 000        |
| Finance /Interest Income                         | 13   | 000               | 000        |
| Miscellaneous Income                             | 14   | 000               | 000        |
| <b>Revenue from exchange transactions</b>        |      | <b>5,291,924</b>  | <b>000</b> |
| <b>Total revenue</b>                             |      | <b>15,910,975</b> | <b>000</b> |
|                                                  |      |                   |            |
| <b>Expenses</b>                                  |      |                   |            |
| Medical/Clinical costs                           | 15   | 11,348,183        | 000        |
| Employee costs                                   | 16   | 1,107,500         | 000        |
| Board of Management Expenses                     | 17   | 4,000             | 000        |
| Depreciation and amortization expense            | 18   | 13,332            | 000        |
| Repairs and maintenance                          | 19   | 249,200           | 000        |
| Grants and subsidies                             | 20   | 517,650           | 000        |
| General expenses                                 | 21   | 2,431,789         | 000        |
| Finance costs                                    | 22   | 000               | 000        |
| <b>Total expenses</b>                            |      | <b>15,671,653</b> | <b>000</b> |
| <b>Other gains/(losses)</b>                      |      |                   |            |
| Gain/Loss on disposal of non-Current assets      | 23   | 000               | 000        |



**Mashuuru Level 4 Hospital (Kajiado County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024**

| Description                                  | Note | 2023-2024      | 2022-2023  |
|----------------------------------------------|------|----------------|------------|
|                                              |      | Kshs           | Kshs       |
| Unrealized gain on fair value of investments | 24   | 000            | 000        |
| Medical services contracts Gains/Losses      | 25   | 000            | 000        |
| Impairment loss                              | 26   | (000)          | 000        |
| Gain on foreign exchange transactions        |      | 000            | 000        |
| <b>Total other gains/(losses)</b>            |      | <b>000</b>     | <b>000</b> |
| <b>Net Surplus / (Deficit) for the year</b>  |      | <b>239,321</b> | <b>000</b> |

*(The notes set out on pages 6 to 26 form an integral part of the Annual Financial Statements.)*

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

.....  
**Chairman**

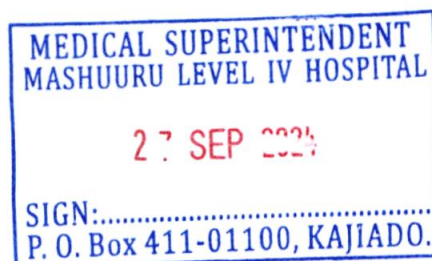
**Board of Management**

.....  
**Head of Finance**

ICPAK No: 33594

.....  
**Medical Superintendent**

DR. GLORIA KOTENTE MUMETIA



**Mashuuru Level 4 Hospital (Kajiado County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024**

**15. Statement of Financial Position As At 30<sup>th</sup> June 2024**

| Description                                 | Note | Insert<br>Current FY | Insert Comparative FY |
|---------------------------------------------|------|----------------------|-----------------------|
|                                             |      | Kshs                 | Kshs                  |
| <b>Assets</b>                               |      |                      |                       |
| <b>Current assets</b>                       |      |                      |                       |
| Cash and cash equivalents                   | 27   | 85,574               | 000                   |
| Receivables from exchange transactions      | 28   | 1,168,840            | 000                   |
| Receivables from non-exchange transactions  | 29   | 000                  | 000                   |
| Inventories                                 | 30   | 4,155,906            | 000                   |
| <b>Total Current Assets</b>                 |      | <b>5,410,320</b>     | <b>000</b>            |
| <b>Non-current assets</b>                   |      |                      |                       |
| Property, plant, and equipment              | 31   | 26,668               | 000                   |
| Intangible assets                           | 32   | 000                  | 000                   |
| Investment property                         | 33   | 000                  | 000                   |
| <b>Total Non-current Assets</b>             |      | <b>26,668</b>        | <b>000</b>            |
| <b>Total assets (A)</b>                     |      | <b>5,436,988</b>     | <b>000</b>            |
| <b>Liabilities</b>                          |      |                      |                       |
| <b>Current liabilities</b>                  |      |                      |                       |
| Trade and other payables                    | 34   | 100,227              | 000                   |
| Refundable deposits from customers/Patients | 35   | 000                  | 000                   |
| Provisions                                  | 36   | 000                  | 000                   |
| Finance lease obligation                    | 37   | 000                  | 000                   |
| Current portion of deferred income          | 38   | 000                  | 000                   |
| Current portion of borrowings               | 39   | 000                  | 000                   |
| Social Benefits                             | 41   | 000                  | 000                   |
| <b>Total Current Liabilities</b>            |      | <b>100,227</b>       | <b>000</b>            |
| <b>Non-current liabilities</b>              |      |                      |                       |
| Provisions                                  | 36   | 000                  | 000                   |
| Non-Current Finance lease obligation        | 37   | 000                  | 000                   |
| Non-Current portion of deferred income      | 38   | 000                  | 000                   |
| Non - Current portion of borrowings         | 39   | 000                  | 000                   |
| Service concession Arrangements             | 40   | 000                  | 000                   |

**Mashuuru Level 4 Hospital (Kajiado County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024**

| Description                          | Note | Insert<br>Current FY | Insert Comparative FY |
|--------------------------------------|------|----------------------|-----------------------|
|                                      |      | Kshs                 | Kshs                  |
| Social Benefits                      | 41   | 000                  | 000                   |
| <b>Total non-current liabilities</b> |      | <b>000</b>           | <b>000</b>            |
|                                      |      |                      |                       |
| <b>Total Liabilities (B)</b>         |      | <b>100,227</b>       | <b>000</b>            |
|                                      |      |                      |                       |
| <b>Net assets (A-B)</b>              |      | <b>5,336,761</b>     | <b>000</b>            |
|                                      |      |                      |                       |
| <b>Represented by:</b>               |      |                      |                       |
| Revaluation reserve                  |      | 000                  | 000                   |
| Accumulated surplus/Deficit          |      | 239,321              | 000                   |
| Capital Fund                         |      | 5,097,439            | 000                   |
|                                      |      |                      |                       |
| <b>Net Assets</b>                    |      | <b>5,436,988</b>     | <b>000</b>            |

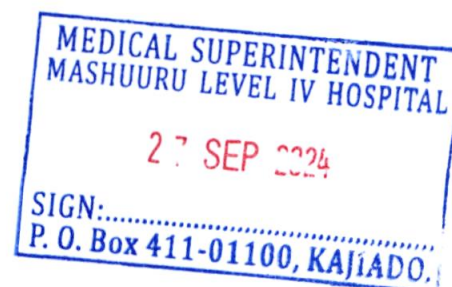
(The notes set out on pages 27 to 41 form an integral part of the Annual Financial Statements.)

The Hospital's financial statements were approved by the Board on 30/9/2024 and signed on its behalf by:

.....  
**Chairman**  
**Board of Management**

.....  
**Head of Finance**  
**ICPAK No: 33594**

.....  
**Medical Superintendent**  
**DR. GLORIA KOTIENTE MUMETIA**





**Mashuuru Level 4 Hospital (Kajiado County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024**

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

| Description                    | Revaluation reserve | Accumulated surplus/Deficit | Capital Fund     | Total            |
|--------------------------------|---------------------|-----------------------------|------------------|------------------|
| <b>As at July 1, 2022</b>      | -                   | -                           | -                | -                |
| Revaluation gain               | -                   | -                           | -                | -                |
| Surplus/(deficit) for the year | -                   | -                           | -                | -                |
| Capital/Development grants     | -                   | -                           | -                | -                |
| <b>As at June 30, 2023</b>     | -                   | -                           | -                | -                |
|                                |                     |                             |                  |                  |
| <b>At July 1, 2024</b>         | -                   | -                           | -                | -                |
| Revaluation gain               | -                   | -                           | -                | -                |
| Surplus/(deficit) for the year | -                   | <b>239,321</b>              | 5,097,439        | <b>5,336,761</b> |
| Capital/Development grants     | -                   | -                           | -                | -                |
| <b>At June 30, 2024</b>        | -                   | <b>239,321</b>              | <b>5,097,439</b> | <b>5,336,761</b> |

**Mashuuru Level 4 Hospital (Kajiado County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024**

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

| Description                                        | Note | 2023-2024        | 2022-2023    |
|----------------------------------------------------|------|------------------|--------------|
|                                                    |      | Kshs             | Kshs         |
| <b>Cash flows from operating activities</b>        |      |                  |              |
| <b>Receipts</b>                                    |      |                  |              |
| Danida level 1 funds                               |      | 172,369          | 000          |
| Grants from donors and development partners        |      | 000              | 000          |
| Transfers from other Government entities           |      | 000              | 000          |
| Public contributions and donations                 |      | 000              | 000          |
| Rendering of services- Medical Service Income      |      | 4,123,084        | 000          |
| Revenue from rent of facilities                    |      | 000              | 000          |
| Finance / interest income                          |      | 000              | 000          |
| Miscellaneous receipts( <i>specify</i> )           |      | 000              | 000          |
| <b>Total Receipts</b>                              |      | <b>4,295,453</b> | <b>000</b>   |
| <b>Payments</b>                                    |      |                  |              |
| Medical/Clinical costs                             |      | 1,727,112        | 000          |
| Employee costs                                     |      | 1,031,500        | 000          |
| Board of Management Expenses                       |      | 4,000            | 000          |
| Repairs and maintenance                            |      | 249,200          | 000          |
| Grants and subsidies                               |      | 000              | 000          |
| General expenses                                   |      | 2,101,600        | 000          |
| Finance costs                                      |      | 000              | 000          |
| Refunds paid out                                   |      | 000              | 000          |
| <b>Total Payments</b>                              |      | <b>5,113,412</b> | <b>000</b>   |
| <b>Net cash flows from operating activities</b>    | 42   | <b>(817,959)</b> | <b>000</b>   |
| <b>Cash flows from investing activities</b>        |      |                  |              |
| Purchase of property, plant, equipment             |      | (40,000)         | (000)        |
| Purchase of intangible assets                      |      | (000)            | (000)        |
| Proceeds from the sale of PPE                      |      | 000              | 000          |
| Acquisition of investments                         |      | (000)            | (000)        |
| <b>Net cash flows used in investing activities</b> |      | <b>(40,000)</b>  | <b>(000)</b> |
| <b>Cash flows from financing activities</b>        |      |                  |              |
| Proceeds from borrowings                           |      | 000              | 000          |
| Repayment of borrowings                            |      | (000)            | (000)        |
| Capital grants received                            |      | 000              | 000          |

***Mashuuru Level 4 Hospital (Kajiado County Government)***  
***Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024***

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|                                                             |           |                  |              |
|-------------------------------------------------------------|-----------|------------------|--------------|
| <b>Net cash flows used in financing activities</b>          |           | <b>000</b>       | <b>000</b>   |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |           | <b>(857,959)</b> | <b>(000)</b> |
| Cash and cash equivalents as at 1 July                      | 27        | 943,533          | 000          |
| <b>Cash and cash equivalents as at 30 June</b>              | <b>27</b> | <b>85,574</b>    | <b>000</b>   |



**18. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 June 2024**

| Description                                   | Original budget  | Adjustments | Final budget     | Actual on comparable basis | Performance difference | % of utilisation |
|-----------------------------------------------|------------------|-------------|------------------|----------------------------|------------------------|------------------|
|                                               | <b>a</b>         | <b>b</b>    | <b>c=(a+b)</b>   | <b>d</b>                   | <b>e=(c-d)</b>         | <b>f=d/c%</b>    |
|                                               | <b>Kshs</b>      | <b>Kshs</b> | <b>Kshs</b>      | <b>Kshs</b>                | <b>Kshs</b>            |                  |
| <b>Revenue</b>                                |                  |             |                  |                            |                        |                  |
| Transfers from the County Government          | 172,369          | 000         | 172,369          | 172,369                    | 0                      | 100%             |
| Grants from donors and development partners   |                  |             |                  |                            |                        | %                |
| Transfers from other Government entities      |                  |             |                  |                            |                        | %                |
| Public contributions and donations            |                  |             |                  |                            |                        | %                |
| Rendering of services- Medical Service Income | 4,800,000        | 000         | 4,800,000        | 4,123,084                  | 676,917                | 86%              |
| Revenue from rent of facilities               |                  |             |                  |                            |                        | %                |
| Finance / interest income                     |                  |             |                  |                            |                        | %                |
| Miscellaneous receipts ( <i>specify</i> )     |                  |             |                  |                            |                        | %                |
| <b>Total income</b>                           | <b>4,972,369</b> | <b>000</b>  | <b>4,972,369</b> | <b>4,295,453</b>           | <b>676,917</b>         | <b>89%</b>       |
| <b>Expenses</b>                               |                  |             |                  |                            |                        |                  |
| Medical/Clinical costs                        | 2,590,667        | 000         | <b>2,590,667</b> | 1,727,112                  | 863,555                | 67%              |
| Employee costs                                | 1,020,000        | 000         | 1,020,000        | 1,031,500                  | 11,500                 | 101%             |
| Remuneration of directors                     | 4,500            | 000         | 4,500            | 4,000                      | 500                    | 89%              |
| Repairs and maintenance                       | 300,000          | 000         | 300,000          | 249,200                    | 50,800                 | 83%              |
| Grants and subsidies                          |                  |             |                  |                            |                        | %                |
| General expenses                              | 1,658,700        | 000         | 1,658,700        | 1,583,950                  | 74,750                 | 95%              |
| Finance costs                                 |                  |             |                  |                            |                        | %                |
| Refunds                                       |                  |             |                  |                            |                        | %                |
| <b>Surplus for the period</b>                 |                  |             |                  | <b>-817,959</b>            |                        |                  |
| <b>Capital expenditure</b>                    | <b>0</b>         | <b>0</b>    | <b>0</b>         | <b>-40,000</b>             | <b>-40,000</b>         | <b>-100%</b>     |

*Budget notes*

- 1 general expense cost increased due to reduction in non-exchange support from the county government*
- 2.kshs 40,000 relates to printer purchased during due pressing need especially NHIF claims.*

## **19. Notes to the Financial Statements**

### **1. General Information**

Mashuuru level 4 hospital is established by and derives its authority and accountability from PFM Act. The Mashuuru level 4 hospital is wholly owned by the department of health County Government and is domiciled in Kajiado County in Kenya. The Mashuuru level 4 hospital's principal activity is provision of health care.

### **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 *Mashuuru level 4 hospital's* accounting policies. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *Mashuuru level 4 hospital*. The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.



### **3. Adoption of New and Revised Standards**

#### ***i. New and amended standards and interpretations in issue effective in the year ended 30 June 2024***

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.***

| <b>Standard</b>                                                                        | <b>Effective date and impact:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| IPSAS 43                                                                               | <p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></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 cashflows of an Mashuuru level 4 hospital.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> |
| IPSAS 44:<br>Non- Current<br>Assets Held<br>for Sale and<br>Discontinued<br>Operations | <p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></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-<br>Property Plant<br>and<br>Equipment                                        | <p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></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</p>                                                                                                                                                                                                                                                                                                                                                                         |

| Standard                        | Effective date and impact:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                 | <p>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 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<br/>Measurement</p> | <p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value</p> |
| <p>IPSAS 47-<br/>Revenue</p>    | <p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></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 mashuuru level 4 hospital 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-</p>                | <p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |



**Mashuuru Hospital (Kajiado County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024**

| Standard                           | Effective date and impact:                                                                                                                                                                                                                                                                                                                                                                                                               |
|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Transfer Expenses                  | 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 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 | <b><i>Applicable 1<sup>st</sup> January 2026</i></b><br>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.                                                                    |

***iii) Early adoption of standards***

The Mashuuru level 4 hospital did not early – adopt any new or amended standards in the financial year or *the mashuuru level 4 hospital adopted the following standards early (state the standards, reason for early adoption and impact on mashuuru level 4 hospital's financial statements.)*



#### **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 *Mashuuru level 4 hospital* and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the asset that has been acquired using such funds.

##### **ii) Revenue from exchange transactions**

###### **Rendering of services**

The mashuuru level 4 hospital recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

###### **Sale of goods**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the mashuuru level 4 hospital.

###### **Interest income**

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income for each period.

###### **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 HMT in July 2024. 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 mashuuru level 4 hospital upon receiving the respective approvals in order to conclude the final budget. Accordingly, the *mashuuru level 4 hospital* recorded additional appropriations of on the FY budget following the Board's approval. 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 (n/a) 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 mashuuru level 4 hospital recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.



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

**f. Leases**

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Mashuuru level 4 hospital. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Mashuuru level 4 hospital also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

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

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Mashuuru level 4 hospital will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Mashuuru level 4 hospital. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

**g. Intangible assets**

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite.

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

**h. Research and development costs**

The Mashuuru level 4 hospital expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Mashuuru level 4 hospital can demonstrate:

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

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

**i. Financial instruments**

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. *The Mashuuru level 4 hospital does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the hospital's financial statements.*

A financial instrument is any contract that gives rise to a financial asset of one Mashuuru level 4 hospital and a financial liability or equity instrument of another Mashuuru level 4 hospital. At initial recognition, the Mashuuru level 4 hospital 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 Mashuuru level 4 hospital classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the Mashuuru level 4 hospital's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset 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 mashuuru level 4 hospital has made irrevocable election at initial recognition for particular investments in equity instruments.

**Subsequent measurement**

Based on the business model and the cash flow characteristics, the Mashuuru level 4 hospital classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

**Amortized cost**

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



**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 mashuuru level 4 hospital manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

**Trade and other receivables**

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

**Impairment**

The Mashuuru level 4 hospital assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The Mashuuru level 4 hospital recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note (n/a)*

**Financial liabilities**

**Classification**

The Mashuuru level 4 hospital 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 Mashuuru level 4 hospital.

**k. Provisions**

Provisions are recognized when the Mashuuru level 4 hospital has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Mashuuru level 4 hospital expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

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



**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 Mashuuru level 4 hospital recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the Mashuuru level 4 hospital will incur in fulfilling the present obligations represented by the liability.

**m. Contingent liabilities**

The Mashuuru level 4 hospital does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

**n. Contingent assets**

The Mashuuru level 4 hospital does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Mashuuru level 4 hospital in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

**o. Nature and purpose of reserves**

The Mashuuru level 4 hospital creates and maintains reserves in terms of specific requirements. *(Mashuuru level 4 hospital to state the reserves maintained and appropriate policies adopted.)*

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

The Mashuuru level 4 hospital recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

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

**q. Employee benefits**

**Retirement benefit plans**

The Mashuuru level 4 hospital provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Mashuuru level 4 hospital pays fixed contributions into a separate Mashuuru level 4 hospital (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump-sum payments or increased future contributions on a proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

**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 Mashuuru level 4 hospital regards a related party as a person or an Mashuuru level 4 hospital with the ability to exert control individually or jointly, or to exercise significant influence over the *Mashuuru level 4 hospital*, 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 Mashuuru level 4 hospital analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the *Mashuuru level 4 hospital* recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the *Mashuuru level 4 hospital* 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 Mashuuru level 4 hospital's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

### **Estimates and assumptions.**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Mashuuru level 4 hospital based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Mashuuru level 4 hospital. 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 Mashuuru level 4 hospital.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset.

### **Provisions**

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

**Notes to Financial Statements Continued**

**6. Transfers from the County Government**

| Description                                                     | 2023-2024      | 2022-2023  |
|-----------------------------------------------------------------|----------------|------------|
|                                                                 | KShs           | KShs       |
| <b>Unconditional grants</b>                                     |                |            |
| Operational grant                                               | 000            | 000        |
| Level 4/5 grants                                                | 000            | 000        |
| Unconditional development grants                                | 000            | 000        |
| Other grants Danida                                             | 172,369        | 000        |
|                                                                 |                | <b>000</b> |
| <b>Conditional grants</b>                                       |                |            |
| User fee forgone                                                | 000            | 000        |
| Transforming health services for Universal care project (THUCP) | 000            | 000        |
| DANIDA                                                          | 000            | 000        |
| Wards Development grant                                         | 000            | 000        |
| Paediatric block grant                                          | 000            | 000        |
| Administration block grant                                      | 000            | 000        |
| Laboratory grant                                                | 000            | 000        |
| <b>Total government grants and subsidies</b>                    | <b>172,369</b> | <b>000</b> |

**6 b Transfers from The County Government**

| Name of the Mashuuru level 4 hospital sending the grant | Amount recognized Statement financial performance*<br>KShs | to of | Amount deferred under deferred income<br>KShs | Amount recognised in capital fund. | Total grant income during the year | Comparative Period |
|---------------------------------------------------------|------------------------------------------------------------|-------|-----------------------------------------------|------------------------------------|------------------------------------|--------------------|
|                                                         |                                                            |       |                                               |                                    |                                    |                    |
|                                                         |                                                            |       |                                               | KShs                               | KShs                               | KShs               |
| xx County Government                                    | 000                                                        |       | 000                                           | 000                                | 000                                | 000                |
| <b>Total</b>                                            | <b>000</b>                                                 |       | <b>000</b>                                    | <b>000</b>                         | <b>000</b>                         | <b>000</b>         |



**Notes to Financial Statements Continued**

**7. In Kind Contributions from The County Government**

| <b>Description</b>                                                | <b>2023-2024</b>  | <b>2022-2023</b> |
|-------------------------------------------------------------------|-------------------|------------------|
|                                                                   | <b>KShs</b>       | <b>KShs</b>      |
| Salaries and wages                                                | 000               | 000              |
| Medical supplies-Drawings Rights (KEMSA)                          | 7,694,916         | 000              |
| Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers) | 000               | 000              |
| Lab reagents                                                      | 830,706           | 000              |
| Food and ration                                                   | 1,921,060         | 000              |
| Utility bills                                                     | 000               | 000              |
| <b>Total grants in kind</b>                                       | <b>10,446,682</b> | <b>000</b>       |

*33 staff Salaries are paid by the county government*

**8. Grants From Donors and Development Partners**

| <b>Description</b>                            | <b>2023-2024</b> | <b>2022-2023</b> |
|-----------------------------------------------|------------------|------------------|
|                                               | <b>KShs</b>      | <b>KShs</b>      |
| Cancer Centre grant- DANIDA                   | 000              | 000              |
| World Bank grants                             | 000              | 000              |
| Paediatric ward grant- JICA                   | 000              | 000              |
| Research grants                               | 000              | 000              |
| Other grants ( <i>specify</i> )               | 000              | 000              |
| <b>Total grants from development partners</b> | <b>000</b>       | <b>000</b>       |

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

| <b>Name of the Mashuuru level 4 hospital sending the grant</b> | <b>Amount recognized to Statement of financial performance</b> | <b>Amount deferred under deferred income</b> | <b>Amount recognised in capital fund.</b> | <b>Total grant income during the year</b> | <b>Comparative Period</b> |
|----------------------------------------------------------------|----------------------------------------------------------------|----------------------------------------------|-------------------------------------------|-------------------------------------------|---------------------------|
|                                                                | <b>KShs</b>                                                    | <b>KShs</b>                                  | <b>KShs</b>                               | <b>KShs</b>                               | <b>KShs</b>               |
| Donor e.g., DANIDA                                             | 000                                                            | 000                                          | 000                                       | 000                                       | 000                       |
| JICA                                                           | 000                                                            | 000                                          | 000                                       | 000                                       | 000                       |
| World Bank                                                     | 000                                                            | 000                                          | 000                                       | 000                                       | 000                       |
| <b>Total</b>                                                   | <b>000</b>                                                     | <b>000</b>                                   | <b>000</b>                                | <b>000</b>                                | <b>000</b>                |



**Notes to Financial Statements Continued**

**9. Transfers From Other Government Entities**

| Description                                            | 2023-2024  | 2022-2023  |
|--------------------------------------------------------|------------|------------|
|                                                        | KShs       | KShs       |
| Transfer from National Government (Ministry of Health) | 000        | 000        |
| Transfer from National Hospital                        | 000        | 000        |
| Transfer from Institute                                | 000        | 000        |
| <b>Total Transfers</b>                                 | <b>000</b> | <b>000</b> |

**10. Public Contributions and Donations**

| Description                                                      | 2023-2024  | 2022-2023  |
|------------------------------------------------------------------|------------|------------|
|                                                                  | KShs       | KShs       |
| Public donations                                                 | 000        | 000        |
| Donations from local leadership                                  | 000        | 000        |
| Donations from religious institutions                            | 000        | 000        |
| Donations from other international organisations and individuals | 000        | 000        |
| Other donations( <i>specify</i> )                                | 000        | 000        |
| Donations in kind-amortised                                      | 000        | 000        |
| <b>Total donations and sponsorships</b>                          | <b>000</b> | <b>000</b> |

**10 (a)Reconciliations of amortised grants**

| Description                                      | 2023-2024 | 2022-2023 |
|--------------------------------------------------|-----------|-----------|
|                                                  | Kshs      | Kshs      |
| <b>Balance unspent at beginning of year</b>      | 000       | 000       |
| Current year receipts                            | 000       | 000       |
| Amortised and transferred to revenue             | 000       | 000       |
| <b>Conditions to be met – remain liabilities</b> | 000       | 000       |

**Notes to Financial Statements Continued**

**11. Rendering of Services-Medical Service Income**

| <b>Description</b>                                  | <b>2023-2024</b> | <b>2022-2023</b> |
|-----------------------------------------------------|------------------|------------------|
|                                                     | <b>Kshs</b>      | <b>Kshs</b>      |
| Pharmaceuticals                                     | 000              | 000              |
| Non-Pharmaceuticals                                 | 000              | 000              |
| Laboratory                                          | 000              | 000              |
| Radiology                                           | 000              | 000              |
| Orthopedic and Trauma Technology                    | 000              | 000              |
| Theatre                                             | 000              | 000              |
| Accident and Emergency Service                      | 000              | 000              |
| Anesthesia Service                                  | 000              | 000              |
| Ear Nose and Throat service                         | 000              | 000              |
| Nutrition service                                   | 000              | 000              |
| Cancer centre service                               | 000              | 000              |
| Dental services                                     | 000              | 000              |
| Reproductive health                                 | 000              | 000              |
| Paediatrics services                                | 000              | 000              |
| Farewell home services                              | 000              | 000              |
| Ambulance services                                  | 000              | 000              |
| NHIF                                                | 1,183,048        |                  |
| Other medical services income FIF                   | 4,108,876        | 000              |
| <b>Total revenue from the rendering of services</b> | <b>5,291,924</b> | <b>000</b>       |



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

**12. Revenue From Rent of Facilities**

| Description                                  | 2023-2024  | 2022-2023  |
|----------------------------------------------|------------|------------|
|                                              | Kshs       | Kshs       |
| Residential property                         | 000        | 000        |
| Commercial property                          | 000        | 000        |
| <b>Total Revenue from rent of facilities</b> | <b>000</b> | <b>000</b> |

*(Provide brief explanation for this revenue)*

**13. Finance /Interest Income**

| Description                                              | 2023-2024  | 2022-2023  |
|----------------------------------------------------------|------------|------------|
|                                                          | Kshs       | Kshs       |
| Interest income from Cash investments and fixed deposits | 000        | 000        |
| Interest income from short- term/ current deposits       | 000        | 000        |
| Interest income from Treasury Bills                      | 000        | 000        |
| Interest income from Treasury Bonds                      | 000        | 000        |
| Interest from outstanding debtors                        | 000        | 000        |
| <b>Total finance income</b>                              | <b>000</b> | <b>000</b> |

**14. Miscellaneous Income**

| Description                                         | 2023-2024  | 2022-2023  |
|-----------------------------------------------------|------------|------------|
|                                                     | KShs       | KShs       |
| Insurance recoveries                                | 000        | 000        |
| Income from sale of tender                          | 000        | 000        |
| Services concession income                          | 000        | 000        |
| Sale of goods (water, publications, containers etc) | 000        | 000        |
| Write backs (Deposits, payments in advance etc)     | 000        | 000        |
| Bad debts recovered                                 | 000        | 000        |
| <i>Others (Specify)</i>                             | 000        | 000        |
| <b>Total Miscellaneous income</b>                   | <b>000</b> | <b>000</b> |



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

**15. Medical/ Clinical Costs**

| <b>Description</b>                                      | <b>2023-2024<br/>Kshs</b> | <b>2022-2023<br/>Kshs</b> |
|---------------------------------------------------------|---------------------------|---------------------------|
| Dental costs/ materials                                 |                           |                           |
| Laboratory chemicals and reagents                       | 1,122,106                 |                           |
| Public health activities                                |                           |                           |
| Food and Ration                                         | 2,139,060                 |                           |
| Uniform, clothing, and linen                            | 24,000                    |                           |
| Dressing and Non-Pharmaceuticals                        | 14,000                    |                           |
| Pharmaceutical supplies                                 | 7,791,917                 |                           |
| Health information stationery                           |                           |                           |
| Reproductive health materials                           |                           |                           |
| Sanitary and cleansing Materials                        | 257,100                   |                           |
| Purchase of Medical gases                               |                           |                           |
| X-Ray/Radiology supplies                                |                           |                           |
| Other medical related clinical costs ( <i>specify</i> ) |                           |                           |
| <b>Total medical/ clinical costs</b>                    | <b>11,348,183</b>         | <b>-</b>                  |

**16. Employee Costs**

| <b>Description</b>                         | <b>2023-2024<br/>Kshs</b> | <b>2022-2023<br/>Kshs</b> |
|--------------------------------------------|---------------------------|---------------------------|
| Salaries, wages, and allowances            | 1,107,500                 |                           |
| Contributions to pension schemes           |                           |                           |
| Staff medical expenses and Insurance cover |                           |                           |
| Other employee costs ( <i>specify</i> )    |                           |                           |
| <b>Employee costs</b>                      | <b>1,107,500</b>          | <b>-</b>                  |

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

**17. Board of Management Expenses**

| <b>Description</b>                 | <b>2023-2024<br/>Kshs</b> | <b>2022-2023<br/>Kshs</b> |
|------------------------------------|---------------------------|---------------------------|
| Sitting allowance                  | 4,000                     |                           |
| Induction and training             |                           |                           |
| Travel and accommodation allowance |                           |                           |
| Airtime allowances                 |                           |                           |
| <b>Total</b>                       | <b>4,000</b>              | <b>-</b>                  |

### 18. Depreciation and Amortization Expense

| Description                                | 2023-2024<br>Kshs | 2022-2023<br>Kshs |
|--------------------------------------------|-------------------|-------------------|
| Property, plant and equipment              | - 13,332          |                   |
| Intangible assets                          | -                 | -                 |
| Investment property carried at cost        | -                 | -                 |
| <b>Total depreciation and amortization</b> | <b>- 13,332</b>   | <b>-</b>          |

### 19. Repairs And Maintenance

| Description                          | 2023-2024<br>Kshs | 2022-2023<br>Kshs |
|--------------------------------------|-------------------|-------------------|
| Property- Buildings                  | 186,200           |                   |
| Medical equipment                    | 16,000            |                   |
| Office equipment                     |                   |                   |
| Furniture and fittings               | 47,000            |                   |
| Computers and accessories            |                   |                   |
| Motor vehicle expenses               |                   |                   |
| Maintenance of civil works           |                   |                   |
| <b>Total repairs and maintenance</b> | <b>249,200</b>    | <b>-</b>          |

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

**20. Grants And Subsidies**

| <b>Description</b>                    | <b>2023-2024<br/>Kshs</b> | <b>2022-2023<br/>Kshs</b> |
|---------------------------------------|---------------------------|---------------------------|
| Community development and social work |                           | -                         |
| DANIDA LEVEL 1                        | 517,650                   |                           |
| Education initiatives and programs    |                           | -                         |
| <b>Total grants and subsidies</b>     | <b>517,650</b>            | <b>-</b>                  |

**21. General Expenses**

| <b>Description</b>                 | <b>2023-2024<br/>Kshs</b> | <b>2022-2023<br/>Kshs</b> |
|------------------------------------|---------------------------|---------------------------|
| Advertising and publicity expenses |                           |                           |
| Catering expenses                  | 267,500                   |                           |
| Waste management expenses          |                           |                           |
| Insecticides and rodenticides      |                           |                           |
| Audit fees                         |                           |                           |
| Bank charges                       | 6,612                     |                           |
| Conferences and delegations        |                           |                           |
| Consultancy fees                   |                           |                           |
| Contracted services                |                           |                           |
| Electricity expenses               | 604,227                   |                           |
| Fuel and Lubricants                | 817,000                   |                           |
| Cleaning services                  |                           |                           |
| Insurance                          |                           |                           |
| Research and development expenses  |                           |                           |
| Travel and accommodation allowance | 216,350                   |                           |
| Legal expenses                     |                           |                           |
| Licenses and permits               |                           |                           |
| Courier and postal services        |                           |                           |
| Printing and stationery            |                           |                           |
| Hire charges                       |                           |                           |
| Hospitality Services               |                           |                           |
| Rent expenses                      |                           |                           |
| Water and sewerage costs           |                           |                           |



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|                                                                        |                  |          |
|------------------------------------------------------------------------|------------------|----------|
|                                                                        | 93,000           |          |
| Skills development levies                                              |                  |          |
| Telephone and mobile phone services                                    | 38,500           |          |
| Internet expenses                                                      | 89,500           |          |
| Staff training and development                                         |                  |          |
| Subscriptions to professional bodies                                   |                  |          |
| Subscriptions to newspapers periodical, magazines, and gazette notices |                  |          |
| Library books/Materials                                                |                  | -        |
| Parking charges                                                        |                  |          |
| General office supplies                                                | 248,100          |          |
| computer accessories                                                   | 51,000           |          |
| <b>Total General Expenses</b>                                          | <b>2,431,789</b> | <b>-</b> |

**22. Finance Costs**

| Description                             | 2023-2024 | 2022-2023 |
|-----------------------------------------|-----------|-----------|
|                                         | KShs      | KShs      |
| Borrowings (amortized cost) *           | 0         | 0         |
| Finance leases (amortized cost)         | 0         | 0         |
| Interest on Bank overdrafts/Guarantees  | 0         | 0         |
| Interest on loans from commercial banks | 0         | 0         |
| <b>Total finance costs</b>              | <b>0</b>  | <b>0</b>  |

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

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

**24. Unrealized Gain On Fair Value Investments**

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| <b>Description</b>        | <b>2023-2024</b> | <b>2022-2023</b> |
|---------------------------|------------------|------------------|
|                           | <b>KShs</b>      | <b>KShs</b>      |
| Investments at fair value | 0                | 0                |
| <b>Total gain</b>         | <b>0</b>         | <b>0</b>         |

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

**25. Medical Services Contracts Gains /Losses**

| Description                                 | 2023-2024 | 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         |
| <b>Total Gain/Loss</b>                      | <b>0</b>  | <b>0</b>  |

**26. Impairment Loss**

| Description                    | 2023-2024 | 2022-2023 |
|--------------------------------|-----------|-----------|
|                                | KShs      | KShs      |
| Property, plant, and equipment | 0         | 0         |
| Intangible assets              | 0         | 0         |
| Investments                    | 0         | 0         |
| <b>Total impairment loss</b>   | <b>0</b>  | <b>0</b>  |

**27. Cash And Cash Equivalents**

| Description                            | 2023-2024     | 2022-2023      |
|----------------------------------------|---------------|----------------|
|                                        | KShs          | KShs           |
| Current accounts                       | 85,574        | 943,533        |
| On - call deposits                     | -             | -              |
| Fixed deposits accounts                | -             | -              |
| Cash in hand                           | -             | -              |
| Others( <i>specify</i> )- Mobile money | -             | -              |
| <b>Total cash and cash equivalents</b> | <b>85,574</b> | <b>943,533</b> |



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

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

| <b>Description</b>                |                       | <b>2023-2024</b> | <b>2022-2023</b> |
|-----------------------------------|-----------------------|------------------|------------------|
| <b>Financial institution</b>      | <b>Account number</b> | <b>KShs</b>      | <b>KShs</b>      |
| <b>a) Current account</b>         |                       |                  |                  |
| Kenya Commercial bank             | 1156064465            | 85,574           | 943,533          |
| Equity Bank, etc                  |                       | -                | -                |
|                                   |                       |                  |                  |
| <b>Sub- total</b>                 |                       | <b>85,574</b>    | <b>943,533</b>   |
| <b>b) On - call deposits</b>      |                       |                  |                  |
| Kenya Commercial bank             |                       | -                | -                |
|                                   |                       |                  |                  |
| Equity Bank – etc                 |                       | -                | -                |
| <b>Sub- total</b>                 |                       | <b>-</b>         | <b>-</b>         |
| <b>c) Fixed deposits account</b>  |                       |                  |                  |
| Bank Name                         |                       | -                | -                |
|                                   |                       |                  |                  |
| <b>Sub- total</b>                 |                       | <b>-</b>         | <b>-</b>         |
| <b>d) Others(specify)</b>         |                       |                  |                  |
| cash in hand                      |                       |                  |                  |
| Mobile money- Mpesa, Airtel money |                       | -                | -                |
|                                   |                       |                  |                  |
| <b>Sub- total</b>                 |                       | <b>-</b>         | <b>-</b>         |
| <b>Grand total</b>                |                       | <b>85,574</b>    | <b>943,533</b>   |

**28. Receivables From Exchange Transactions**

| <b>Description</b>                    | <b>2023-2024</b> | <b>2022-2023</b> |
|---------------------------------------|------------------|------------------|
|                                       | <b>KShs</b>      | <b>KShs</b>      |
| Medical services receivables-NHIF     | 866,300          |                  |
| Facility improvement fund receivables | 302,540          | -                |
| Other exchange debtors                | -                | -                |
| Less: impairment allowance            |                  |                  |
| <b>Total receivables</b>              | <b>1,168,840</b> | <b>-</b>         |

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**Analysis of Receivables From Exchange Transactions**

| Description        | 2023-2024        |                | FY 2022/2023             |                |
|--------------------|------------------|----------------|--------------------------|----------------|
|                    | Kshs             |                | Kshs                     |                |
|                    | 2023-2024        | % of the total | Comparative<br>2022/2023 | % of the total |
| Less than 1 year   | 1,168,840        | 100%           |                          | #DIV/0!        |
| Between 1- 2 years | -                | %              | -                        | %              |
| Between 2-3 years  | -                | %              | -                        | %              |
| Over 3 years       | -                | %              | -                        | %              |
| <b>Total (a+b)</b> | <b>1,168,840</b> | <b>%</b>       | <b>-</b>                 | <b>%</b>       |

**29. Receivables From Non-Exchange Transactions**

| Description                                        | 2023-2024 | 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)       |
| <b>Total</b>                                       | <b>0</b>  | <b>0</b>  |

**Analysis of Receivables From Non-Exchange Transactions**

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

**30. Inventories**

| Description                              | 2023-2024        | 2022-2023 |
|------------------------------------------|------------------|-----------|
|                                          | KShs             | KShs      |
| Pharmaceutical supplies                  | 3,669,106        |           |
| lab                                      | 486,800          | -         |
| Food supplies                            | -                | -         |
| Linen and clothing supplies              | -                | -         |
| Cleaning materials supplies              | -                | -         |
| General supplies                         | -                | -         |
| Less: provision for impairment of stocks | -                | -         |
| <b>Total</b>                             | <b>4,155,906</b> | <b>-</b>  |



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*Notes to the Financial Statements (Continued)*

**31. Property, Plant and Equipment**

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| Description                        | Land | Buildings and Civil works | Motor vehicles | Furniture, fittings, and office equipment | ICT Equipment | Plant and medical equipment | Capital Work in progress | Total  |
|------------------------------------|------|---------------------------|----------------|-------------------------------------------|---------------|-----------------------------|--------------------------|--------|
|                                    | Ksh  | Ksh                       | Ksh            | Ksh                                       | Ksh           | Ksh                         | Ksh                      | Ksh    |
| <b>Cost</b>                        |      |                           |                |                                           |               |                             |                          |        |
| At 1 July 2022                     |      |                           |                |                                           |               |                             | -                        | -      |
| Additions                          | -    | -                         | -              |                                           | -             | -                           | -                        | -      |
| Disposals                          |      |                           |                |                                           |               |                             |                          | -      |
| Transfers/adjustments              | -    | -                         | -              | -                                         | -             | -                           | -                        | -      |
| At 30 <sup>th</sup> Jun 2023       | -    | -                         | -              | -                                         | -             | -                           | -                        | -      |
|                                    |      |                           |                |                                           |               |                             |                          | -      |
| At 1 July 2023                     | -    | -                         | -              | -                                         | -             | -                           | -                        | -      |
| Additions                          | -    | -                         | -              |                                           | 40,000        | -                           | -                        | 40,000 |
| Disposals                          |      |                           |                |                                           |               |                             |                          | -      |
| Transfer/adjustments               | -    | -                         | -              | -                                         | -             | -                           | -                        | -      |
| At 30 <sup>th</sup> Jun 2024       | -    | -                         | -              | -                                         | 40,000        | -                           | -                        | 40,000 |
| <b>Depreciation and impairment</b> |      | 0.1                       | 0.25           | 0.125                                     | 0.3333        | 0.125                       |                          | 1      |
| At 1 July 2022                     |      | -                         | -              | -                                         | 13,332        | -                           |                          | 13,332 |
| Depreciation for the year          |      | -                         | -              |                                           | -             | -                           |                          | -      |
| Disposals                          |      |                           |                |                                           |               |                             |                          | -      |
| Impairment                         |      |                           |                |                                           |               |                             |                          | -      |
| At 30 June 2023                    | -    | -                         | -              | -                                         | 13,332        | -                           |                          | 13,332 |
| At July 2023                       | -    | -                         | -              | -                                         | 13,332        | -                           | -                        | 13,332 |
| Depreciation                       |      | -                         | -              |                                           | -             | -                           |                          | -      |
| Disposals                          |      |                           |                |                                           |               |                             |                          | -      |
| Impairment                         |      |                           |                |                                           |               |                             |                          | -      |
| Transfer/adjustment                |      | -                         | -              | -                                         | -             | -                           |                          | -      |
| At 30 <sup>th</sup> June 2024      |      | -                         | -              | -                                         | 13,332        | -                           | -                        | 13,332 |
|                                    |      |                           |                |                                           |               |                             |                          |        |
| <b>Net book values</b>             |      |                           |                |                                           |               |                             |                          |        |
| At 30 <sup>th</sup> Jun 2023       | -    | -                         | -              | -                                         | 13,332        | -                           | -                        | 13,332 |
| At 30 <sup>th</sup> Jun 2024       | -    | -                         | -              | -                                         | 26,668        | -                           | -                        | 26,668 |

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

**32. Intangible Assets-Software**

| Description                        | 2023-2024 | 2022-2023 |
|------------------------------------|-----------|-----------|
|                                    | KShs      | KShs      |
| <b>Cost</b>                        |           |           |
| At beginning of the year           | 0         | 0         |
| Additions                          | 0         | 0         |
| Additions–Internal development     | 0         | 0         |
| Disposal                           | (0)       | (0)       |
| <b>At end of the year</b>          | <b>0</b>  | <b>0</b>  |
| <b>Amortization and impairment</b> |           |           |
| At beginning of the year           | 0         | 0         |
| Amortization for the period        | 0         | 0         |
| Impairment loss                    | 0         | 0         |
| <b>At end of the year</b>          | <b>0</b>  | <b>0</b>  |
| <b>NBV</b>                         | <b>0</b>  | <b>0</b>  |

**33. Investment Property**

| Description                                                  | 2023-2024 | 2022-2023 |
|--------------------------------------------------------------|-----------|-----------|
|                                                              | KShs      | KShs      |
| <b>At beginning of the year</b>                              | <b>0</b>  | <b>0</b>  |
| 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)       |
| <b>At end of the year</b>                                    | <b>0</b>  | <b>0</b>  |



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

**34. Trade and other Payables**

| Description                            | FY 2023/2024   |          | FY 2022/2023 |          |
|----------------------------------------|----------------|----------|--------------|----------|
|                                        | KShs           |          | KShs         |          |
| Trade payables                         | 100,227        |          | -            |          |
| Employee dues                          | -              |          | -            |          |
| Third-party payments (e.g. unremitted) | -              |          | -            |          |
| Audit fee                              | -              |          | -            |          |
| Doctors' fee                           | -              |          | -            |          |
| <b>Total trade and other payables</b>  | <b>100,227</b> |          | <b>-</b>     |          |
|                                        |                |          |              |          |
| Ageing analysis:                       | FY 2023/2024   |          | FY 2022/2023 |          |
| Under one year                         | 100,227        | 100%     | -            | %        |
| 1-2 years                              | -              | %        | -            | %        |
| 2-3 years                              | -              | %        | -            | %        |
| Over 3 years                           | -              | %        | -            | %        |
| <b>Total</b>                           | <b>-</b>       | <b>%</b> | <b>-</b>     | <b>%</b> |

**35. Refundable Deposits from Customers/Patients**

| Description                  | 2023-2024  |                | 2022-2023      |                |
|------------------------------|------------|----------------|----------------|----------------|
|                              | KShs       |                | KShs           |                |
| Medical fees paid in advance | 0          |                | 0              |                |
| Credit facility deposit      | 0          |                | 0              |                |
| Rent deposits                | 0          |                | 0              |                |
| Others ( <i>specify</i> )    | 0          |                | 0              |                |
| <b>Total deposits</b>        | <b>0</b>   |                | <b>0</b>       |                |
|                              |            |                |                |                |
| 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              | %              |
| <b>Total</b>                 | <b>0</b>   | <b>%</b>       | <b>0</b>       | <b>%</b>       |

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

**36. Provisions**

| Description                                   | Leave provision | Bonus provision | Other provision | Total    |
|-----------------------------------------------|-----------------|-----------------|-----------------|----------|
|                                               | KShs            | KShs            | KShs            | KShs     |
| <b>Balance at the beginning of the year</b>   | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b> |
| Additional Provisions                         | 0               | 0               | 0               | 0        |
| Provision utilised                            | (0)             | (0)             | (0)             | (0)      |
| Change due to discount & time value for money | (0)             | (0)             | (0)             | (0)      |
| <b>Total provisions</b>                       | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b> |
|                                               |                 |                 |                 |          |
| Current Provisions                            | 0               | 0               | 0               | 0        |
| Non-Current Provisions                        | 0               | 0               | 0               | 0        |
| <b>Total Provisions</b>                       | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b> |

**37. Finance Lease Obligation**

| Description                | 2023-2024 | 2022-2023 |
|----------------------------|-----------|-----------|
|                            | Kshs      | Kshs      |
| Current Lease obligation   | 0         | 0         |
| Long term lease obligation | 0         | 0         |
| <b>Total</b>               | <b>0</b>  | <b>0</b>  |

**38. Deferred Income**

| Description         | 2023-2024 | 2022-2023 |
|---------------------|-----------|-----------|
|                     | KShs      | KShs      |
| Current Portion     | 0         | 0         |
| Non-Current Portion | 0         | 0         |
| <b>Total</b>        | <b>0</b>  | <b>0</b>  |



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

| Description                                     | National government | International funders/ donors | Public contributions and donations | Total    |
|-------------------------------------------------|---------------------|-------------------------------|------------------------------------|----------|
| <b>Balance b/f</b>                              | <b>0</b>            | <b>0</b>                      | <b>0</b>                           | <b>0</b> |
| 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)      |
| <b>Balance C/F</b>                              | <b>0</b>            | <b>0</b>                      | <b>0</b>                           | <b>0</b> |

**39. Borrowings**

| Description                                       | 2023-2024 | 2022-2023 |
|---------------------------------------------------|-----------|-----------|
|                                                   | KShs      | KShs      |
| <b>Balance at beginning of the period</b>         | <b>0</b>  | <b>0</b>  |
| 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)       |
| <b>Balance at end of the period</b>               | <b>0</b>  | <b>0</b>  |

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

| Description            | 2023-2024 | 2022-2023 |
|------------------------|-----------|-----------|
|                        | KShs      | KShs      |
| Current Obligation     | 0         | 0         |
| Non-Current Obligation | 0         | 0         |
| <b>Total</b>           | <b>0</b>  | <b>0</b>  |

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

**40. Service Concession Arrangements**



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| Description                                                  | 2023-2024 | 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                                    | 2023-2024 | 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         |
| <b>Total</b>                                   | <b>0</b>  | <b>0</b>  |
|                                                |           |           |
| Current social benefits                        | 0         | 0         |
| Non- current social benefits                   | 0         | 0         |
| <b>Total (tie to totals above)</b>             | <b>0</b>  | <b>0</b>  |

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

**42. Cash Generated from Operations**

|                                                | 2023-2024        | 2022-2023 |
|------------------------------------------------|------------------|-----------|
|                                                | KShs             | KShs      |
| <b>Surplus for the year before tax</b>         | <b>239,321</b>   |           |
| <b>Adjusted for:</b>                           |                  |           |
| Depreciation                                   | 13,332           |           |
| Non-cash grants received                       | -1,070,612       | -         |
| Impairment                                     | -                | -         |
| Gains and losses on disposal of assets         | -                | -         |
| Contribution to provisions                     | -                | -         |
| Contribution to impairment allowance           | -                | -         |
| <b>Working Capital adjustments</b>             |                  |           |
| Increase in inventory                          |                  | -         |
| Increase in receivables                        |                  |           |
| Increase in deferred income                    | -                | -         |
| Increase in payables                           |                  |           |
| Increase in payments received in advance       | -                | -         |
| <b>Net cash flow from operating activities</b> | <b>(817,959)</b> | <b>-</b>  |



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

**43. Financial Risk Management**

The mashuuru level 4 hospital'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 mashuuru level 4 hospital's financial risk management objectives and policies are detailed below:

**(i) Credit risk**

The mashuuru level 4 hospital has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the 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 mashuuru level 4 hospital'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     |
| <b>At 30 June 2023</b>                      |                  |                  |          |          |
| Receivables from exchange transactions      | 0                | 0                | 0        | 0        |
| Receivables from –non-exchange transactions | 0                | 0                | 0        | 0        |
| Bank balances                               | 0                | 0                | 0        | 0        |
| <b>Total</b>                                | <b>0</b>         | <b>0</b>         | <b>0</b> | <b>0</b> |
| <b>At 30 June 2024</b>                      |                  |                  |          |          |
| Receivables from exchange transactions      | 1,168,840        | 0                | 0        | 0        |
| Receivables from –non-exchange transactions | 0                | 0                | 0        | 0        |
| Bank balances                               | 85,574           | 0                | 0        | 0        |
| <b>Total</b>                                | <b>1,254,414</b> | <b>0</b>         | <b>0</b> | <b>0</b> |



### Notes to the Financial Statements (Continued)

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the hospital has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. 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 mashuuru level 4 hospital's short, medium and long-term funding and liquidity management requirements. The mashuuru level 4 hospital 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     |
| <b>At 30 June 2023</b>        |                   |                    |               |          |
| Trade payables                | 0                 | 0                  | 0             | 0        |
| 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        |
| <b>Total</b>                  | <b>0</b>          | <b>0</b>           | <b>0</b>      | <b>0</b> |
| <b>At 30 June 2024</b>        |                   |                    |               |          |
| Trade payables                | 100,227           | 0                  | 0             | 0        |
| 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        |
| <b>Total</b>                  | <b>100,227</b>    | <b>0</b>           | <b>0</b>      | <b>0</b> |

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

### **(iii) Market risk**

The hospital has put in place an internal audit function to assist it in assessing the risk faced by the mashuuru level 4 hospital on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the mashuuru level 4 hospital's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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 mashuuru level 4 hospital's exposure to market risks or the way it manages and measures the risk.

#### **a) Foreign currency risk**

The mashuuru level 4 hospital has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The carrying amount of the mashuuru level 4 hospital'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  |
| <b>At 30 June 2023</b>                        |      |                  |       |
| 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 mashuuru level 4 hospital manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting expected sales proceeds and matching the same with expected payments.



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

| Description                                   | KShs     | Other currencies | Total    |
|-----------------------------------------------|----------|------------------|----------|
|                                               | Kshs     |                  | Kshs     |
| <b>At 30 June 2024</b>                        |          |                  |          |
| 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)        | <b>0</b> | <b>0</b>         | <b>0</b> |

**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<br>currency rate | Effect on Profit<br>before tax | Effect on<br>equity |
|-------------|----------------------------|--------------------------------|---------------------|
|             | Kshs                       | Kshs                           | Kshs                |
| <b>2023</b> |                            |                                |                     |
| Euro        | 10%                        | 0                              | 0                   |
| USD         | 10%                        |                                |                     |
| <b>2024</b> |                            | 0                              | 0                   |
| Euro        | 10%                        | 0                              | 0                   |
| USD         | 10%                        | <b>0</b>                       | <b>0</b>            |

**b) Interest rate risk**

Interest rate risk is the risk that the mashuuru level 4 hospital'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 mashuuru level 4 hospital analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. *(Not applicable)*

**iv) Capital Risk Management**

The objective of the mashuuru level 4 hospital's capital risk management is to safeguard the Hospital's ability to continue as a going concern. The mashuuru level 4 hospital capital structure comprises of the following funds:

| Description                                         | 2023-2024           | 2022-2023 |
|-----------------------------------------------------|---------------------|-----------|
|                                                     | Kshs                | Kshs      |
| Revaluation reserve                                 | 0                   | 0         |
| Retained earnings                                   | 265,985.16          | 0         |
| Capital reserve                                     | 5171002             | 0         |
| <b>Total funds</b>                                  | <b>5,436,987.16</b> | <b>0</b>  |
|                                                     |                     |           |
| Total borrowings                                    | 100,227             | 0         |
| Less: cash and bank balances                        | 85,574.00           | (0)       |
| Net debt/ <i>(excess cash and cash equivalents)</i> | 185,801.00          | 0         |
| <b>Gearing</b>                                      | <b>0.03</b>         | <b>0</b>  |

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

**44. Related Party Balances**

**Nature of related party relationships**

Entities and other parties related to the mashuuru level 4 hospital include those parties who have the ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates, and close family members.

Kajiado County Government is the principal shareholder of the *mashuuru level 4 hospital*, holding 100% of the *mashuuru level 4 hospital's* equity interest. The National Government of Kenya has provided full guarantees to all long-term lenders of the mashuuru level 4 hospital, both domestic and external. The related parties include:

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

| Description                                            | 2023-2024 | 2022-2023 |
|--------------------------------------------------------|-----------|-----------|
|                                                        | Kshs      | Kshs      |
| <b>Transactions with related parties</b>               |           |           |
|                                                        |           |           |
| <b>a) Services offered to related parties</b>          |           |           |
| Services                                               | 0         | 0         |
| Sales of services                                      | 0         | 0         |
| <b>Total</b>                                           | <b>0</b>  | <b>0</b>  |
|                                                        |           |           |
| <b>b) Grants from the Government</b>                   |           |           |
| Grants from County Government                          | 0         | 0         |
| Grants from the National Government Entities           | 0         | 0         |
| Donations in kind                                      | 0         | 0         |
| <b>Total</b>                                           | <b>0</b>  | <b>0</b>  |
|                                                        |           |           |
| <b>c) Expenses incurred on behalf of related party</b> |           |           |
| Payments of salaries and wages for employees           | 0         | 0         |

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| Description                             | 2023-2024 | 2022-2023 |
|-----------------------------------------|-----------|-----------|
|                                         | Kshs      | Kshs      |
| Payments for goods and services for xxx | 0         | 0         |
| <b>Total</b>                            | <b>0</b>  | <b>0</b>  |
| <b>d) Key management compensation</b>   |           |           |
| Directors' emoluments                   | 0         | 0         |
| Compensation to the medical Sup         | 0         | 0         |
| Compensation to key management          | 0         | 0         |
| <b>Total</b>                            | <b>0</b>  | <b>0</b>  |

**45. Segment Information**

**46. Contingent Liabilities**

| Contingent liabilities                  | 2023-2024 | 2022-2023 |
|-----------------------------------------|-----------|-----------|
|                                         | Kshs      | Kshs      |
| Court case against the hospital         | 0         | 0         |
| Bank guarantees in favour of subsidiary | 0         | 0         |
| <b>Total</b>                            | <b>0</b>  | <b>0</b>  |

**47. Capital Commitments**

| Capital Commitments           | 2023-2024 | 2022-2023 |
|-------------------------------|-----------|-----------|
|                               | Kshs      | Kshs      |
| Authorised For                | 0         | 0         |
| Authorised And Contracted For | 0         | 0         |
| <b>Total</b>                  | <b>0</b>  | <b>0</b>  |

**48. Events after the Reporting Period**

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

**49. Ultimate and Holding Mashuuru level 4 hospital**



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The mashuuru level 4 hospital is a State Corporation/ or a Semi- Autonomous Government Agency under the Department of health. Its ultimate parent is the County Government of Kajiado.

**50. Currency**

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

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**20. Appendices**

**Appendix 1: Progress on Follow Up of Auditor Recommendations**

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

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--------------------------------------------|-----------------------------------|---------------------|-----------------------------------|------------------------------------------------------------------|
|                                            |                                   |                     |                                   |                                                                  |
|                                            |                                   |                     |                                   |                                                                  |

**Guidance Notes:**

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from the final external audit report that is signed by Management.
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your mashuuru level 4 hospital responsible the for implementation of each issue.
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

.....  
**Accounting Officer** DR. GLORIA KOTIENTE MUMETIA.

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**Appendix II: Projects Implemented by The Mashuuru level 4 hospital**

**Projects**

Projects implemented by the Hospital Funded by development partners

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

**Status of Projects completion**

N/A

| SN | Project | Total project<br>Cost | Total expended to<br>date | Completion % to<br>date | Budget | Actual | Sources of funds |
|----|---------|-----------------------|---------------------------|-------------------------|--------|--------|------------------|
| 1  |         |                       |                           |                         |        |        |                  |
| 2  |         |                       |                           |                         |        |        |                  |
| 3  |         |                       |                           |                         |        |        |                  |



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**Appendix III: Inter-Mashuuru level 4 hospital Confirmation Letter**

Name of Transferring mashuuru level 4 hospital.....

Name of Beneficiary mashuuru level 4 hospital.....

**Confirmation of amounts received by [Insert name of beneficiary Mashuuru level 4 hospital] as at 30<sup>th</sup> June (Current FY)**

| Reference Number | Date Disbursed | Recurrent (A) | Development (B) | Total<br>(C)=(A+B) | Remarks |
|------------------|----------------|---------------|-----------------|--------------------|---------|
|                  |                |               |                 |                    |         |
|                  |                |               |                 |                    |         |
|                  |                |               |                 |                    |         |
| Total            |                |               |                 |                    |         |

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

**Head of Accounts Department - Disbursing Mashuuru level 4 hospital:**

Name ..... Sign ..... Date .....

**Head of Accounts Department - Beneficiary Mashuuru level 4 hospital:**

Name ..... Sign ..... Date.....

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**Appendix IV Reporting of Climate Relevant Expenditures**

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

**Appendix V: Disaster Expenditure Reporting Template**

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