

REPUBLIC OF KENYA



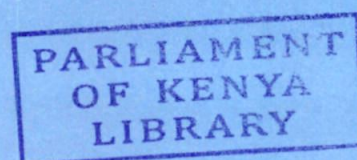
OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability



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REPORT



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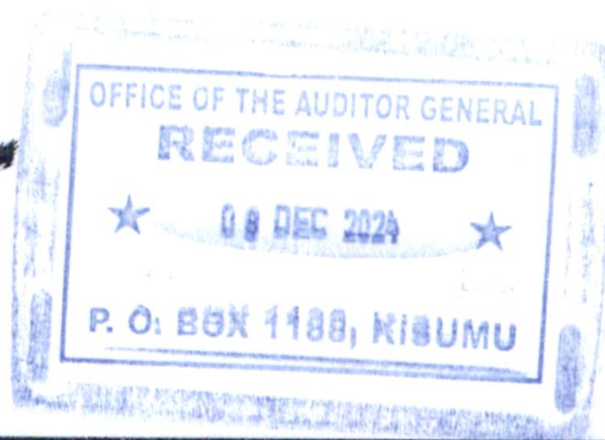
THE AUDITOR-GENERAL

ON

**KOMBEWA COUNTY LEVEL 4
HOSPITAL**

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

COUNTY GOVERNMENT OF KISUMU



KOMBEWA COUNTY LEVEL 4 HOSPITAL

(County Government of Kisumu)

AMENDED ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2024

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

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1. Acronyms & Glossary of Terms

CSR	Corporate Social Responsibility
OSHA	Occupational Health & Safety Act
PFMA	Public Financial Management Act
MED SUP	Medical Superintendent
Fiduciary Management	Key management personnel who have financial responsibility in the entity.

2. Key Entity Information and Management

(a) Background information

Kombewa County Hospital is a level (4) hospital established under gazette notice number 17 of 2012 and is domiciled in Kisumu County under the Health Department. The hospital is governed by a Board of Management.

(b) Principal Activities

The principal activity/mission/ mandate of the hospital is to provide quality medical services to the catchment population.

(c) Key Management

The Kombewa County Hospital management is under the following key organs:

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

(d) Fiduciary Management

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

No.	Designation	Name
1.	Medical Superintendent	DR. VINCENT OMONDI
2.	Head of Administration	BENARD OGUDA
3.	Nursing officer in charge	ROLLEEN ODEGO
4.	Laboratory Manager	EDWARD OULA
5.	Pharmacist	DR. SUZANNE OLUTEYO

(e) Fiduciary Oversight Arrangements

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

Key Entity Information and Management (continued)

(f) Entity Headquarters

P.O. Box 60-40102
Kisumu- Bondo RD
Kisumu, KENYA

(g) Entity Contacts

Telephone: (+254) 0712077007
E-mail: medsupkombewa@gmail.com
Website

(h) Entity Bankers

Cooperative Bank of Kenya
Kenya Commercial Banks

(i) Independent Auditors

Auditor General
Office of Auditor General
Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

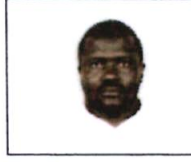
(j) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

(k) County Attorney

P.O. Box. 2738-40100
Kisumu, Kenya

3. The Board of Management

Ref	Directors	Details
1.	(DR. J.S. NYABUNDI- (CHAIRPERSON)	 Role: board chairperson Age: 83yrs Key profession: Medical Doctor- Dialectologist Work experience: consultant at JOOTRH/dean of student –Maseno University
2.	J.B NYAMWAYA	 Role: board member Age: 36yrs Key profession: public health officer Work experience: consultant at USAID
3.	ALICE MWAI	 Role: board member Age: 76Yrs Key profession: MCS in Animals Work experience: Lecturer and DoS at Great Lakes University of Kisumu
4.	DORCAS ADERO	 Role: board member Age: 46yrs Key profession: degree in theology Work experience: reverend at the ACK church
5.	DR. VINCENT OMONDI	 Role: board secretary Age: 33yrs Key profession: medical officer Work experience: medical superintendent in Kombewa County hospital

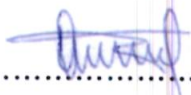
Kombewa County Level 4 Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

4. Key Management Team

Ref	Management	Details
1.	DR. VINCENT OMONDI 	Role: Member Age: 33yrs Key profession: medical officer Work experience: medical superintendent in Kombewa County hospital
2.	ROLLEEN ODEGO	Member
3.	BENARD OGUDA	Member
4.	EDWARD OULA	Member
5.	DR. SUZANNE OLUTEYO	Member

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Service elements with highest improvement include primary health care, laboratory, pharmacy and patient rights & access to care. Service elements that require more effort are; Human resources management, risk management, and diagnostic imaging services. The team needs to be supported with resources which include staff in service areas that are short of staff and other resources which include drugs to ensure delivery of quality care.



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Name: Dr. Jack Nyabundi

Chairman to the Board

5. Chairman's Statement

Kombewa County Hospital is a county health hospital located in Kombewa (31 Km from Kisumu City along Kisumu Bondo Road, near Kombewa Market) in Seme Sub-County, Kisumu County.

The facility is a level 4 hospital and operates 24 hours from Monday to Sundays and holidays. The facility is managed by a medical superintendent assisted by an administrator and a nursing services manager.

Services offered include:

- outpatient,
- laboratory,
- pharmacy,
- TB and CCC services
- in-patient,
- maternity,
- radiological services
- physiotherapy and occupational health services,
- VMMC,
- MCH,
- Family planning,
- Theatre and post-natal services.

Since the opening of theatre, the facility has been able to serve 38 patients all with good outcomes. The facility has a 49 beds capacity and currently has only 3 beds for post-surgical cases.

This is not enough especially when other non-maternity cases are operated on in theatre.

The facility is supported by several partners and to note is that one partner owns one backup generator that serves the outpatient block and now currently theatre. The rest of the hospital is not well backed up since the hospital generator does not have enough fuel.

Staff working here comprise of: 3 medical doctors, 2 nurse anaesthetists, a health administrator, 24 nurses, 6 clinical officers, 2 pharmacists, 2 pharmaceutical technologists, a physiotherapist, occupational therapist, a radiographer, medical engineer, one public health officer, health records officer, a clerical officer, 2 drivers, an accountant and one procurement officer all of whom are government employees. About 14 staff are supported by the partners for the various projects being implemented. The hospital is currently having a high patient turn over due to the UHC program and on average attends to 2740 outpatients, 100 maternity admissions, 175 inpatients and 28 caesarean sections. Services are fairly well coordinated despite having crowded waiting areas. There is a functional quality improvement team in place. The team is active with a charter and several guidelines in place. The team needs to now monitor implementation of guidelines and carry out regular facility audits and give feedback to staff. This is the second safe care assessment and the facility has shown great progress in terms of implementation of quality activities. The overall score of the facility has improved by 9 points.

6. Report of The Medical Superintendent

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Kombewa County Level 4 Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

be supported with resources which include staff in service areas that are short of staff and other resources which include drugs to ensure delivery of quality care.

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.....

Name: Dr. Vincent Omondi

Secretary to the Board

7. Statement of Performance Against Predetermined Objectives

Kombewa County Hospital has various strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY 2023- 2024. These strategic pillars/ themes/ issues are as follows:

Pillar /theme/issue 1: Enhancing financial performance

Pillar/theme/issue 2: Building strong partnership with community organization

Kombewa County Hospital develops its annual work plans based on the above 2 pillars/Themes/Issues. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Kombewa County Hospital achieved its performance targets set for the FY 2023/2024 period for its strategic pillars, as indicated in the diagram below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Enhancing financial performance:	Increased revenue collection	Increased revenue collection	Revenue collection	No use of revenue collected at source
Building strong partnership with community organization:	Quality service to the patient	Quality service to the patient	Close partnership with chvs hence reaching household easily	Motivation of Community health volunteers hence the stronger partnership

8. Corporate Governance Statement

Kombewa county hospital has had two board meeting during the financial year 2023/2024 with the first meeting being held on 6th Oct 2023 and the attendance were as follows,

Attendance List

1. Dr. J. S Nyanbundi- Chairperson
2. Dr. Vincent Otieno – Secretary
3. J.B. Nyamwaya- Member
4. Rev. Dorcas Otero –Member
5. Jonathan Odongo- Copted member

The second meeting was held on 12th Jan 2024 to discuss exhaustively on budget approval and other topics as stated below.

The below named personnel attended to the meeting.

1. Dr. J. S Nyabundi- Chairperson
2. Dr. Vincent Otieno – Secretary
3. J.B. Nyamwaya- Member
4. Rev. Dorcas Otero –Member
5. Alice Mwayi- Member
6. Jonathan Odongo – copted Member

The third meeting was held on 20th Feb 2024 to discuss exhaustively first half year expenditure and possible budget viament.

The below named personnel attended to the meeting.

1. Dr. J. S Nyabundi- Chairperson
2. Dr. Vincent Otieno – Secretary
3. J.B. Nyamwaya- Member
4. Rev. Dorcas Otero –Member
5. Alice Mwayi- Member
6. Jonathan Odongo – copted Member

The fourth meeting was held on 24th June, 2024 to discuss exhaustively first half year expenditure and possible budget viament.

The below named personnel attended to the meeting.

1. Dr. J. S Nyabundi- Chairperson
2. Dr. Vincent Otieno – Secretary
3. J.B. Nyamwaya- Member
4. Rev. Dorcas Otero –Member
5. Alice Mwayi- Member
6. Jonathan Odongo – copted Member

Kombewa county hospital has a facility has not had board charter in existence
The process of appointment and removal of board of management of this Kombewa County Hospital is done by the county government of Kisumu. The process is initiated through the county and communication is given to the Kombewa County Hospital.

ROLE AND FUNCTIONS OF THE BOARD

The board of management is very important body of the Kombewa County Hospital and has been mandated with various roles including:

- General oversight of facility performance
- Review and approval of the facility budget
- Overseeing the implementation of government policies
- Projects management within the facility
- Ensuring conducive working environment in the facility
- Representation of the community interest at the facility
- Enhancing external relationships and partnerships. The board has not had any conflict of interest before

The remuneration of the board is centrally controlled from the county government

The facility only does sit and lunch allowances in case of such occurrence of meetings.

9. Management Discussion and Analysis

SOURCE OF INCOME

Kombewa County Hospital had the following source of revenue during the financial year 2023/2024

- Direct revenue
- NHIF insurance Cover

The management collected revenue through the automated system (Elephant Operating System) that generated detailed reports which gave analysis on revenue collection as per the departments. The departmental revenue report generated which are figures paid to the county government direct treasury accounts (through pay bill) are then consolidated in monthly basis for reconciliation and tallies by the county government. The funds are then transferred back to the hospital's account at the end of every quarter for budgeting process.

The NHIF revenue collected are deposited direct into the facility's account as direct credit which are then consolidated on monthly basis to form the FIF report. Revenue collection is also boosted with Marwa capitations paid by the NHIF in conjunction with Pharm Access direct into the hospital's account. The three sources of funds are put together in every quarter to form the budget of the quarter upon the receipt of the funds from the county Government.

Operational report

Kombewa County Hospital as an entity has been depending purely on the revenue generated from the three mentioned sources. The revenue collected is subjected to the HMT for budgeting as per the departmental priority needs. The discussed budget is then forwarded to the Board of management for discussion and further approval. A special board meeting is then scheduled for the discussion of the budget and point of interests. Then, the board gives directives on which projects to be rolled out and other proposed development projects based on the financial availability.

Consequently, Kombewa County Hospital receives direct funding from the county government which is also used in procuring essential medical equipment and other health aspect commodities.

Operations such as provision of medical equipment, medical drugs and non-pharmaceuticals are sometimes supported by the direct/recurrent funds from the county government.

The Kombewa County Hospital has not implemented any investment plan before.

The statutory requirements have met the standards expected.

Kombewa county hospital had ongoing projects during the period. The projects are listed below.

- I. Building of Theatre/Maternity wing
- II. Perimeter fencing
- III. Paediatric ward

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

The below illustrate the project completion status.

SN	PROJECT	STATUS	FINANCER
1	Theatre/maternity	Not completed (80% done)	CGK
2	Perimeter wall fencing	Not completed (60% done)	CGK
3	Paediatric wards	Not completed (10% done)	CGK

The above-mentioned projects were getting financed by the county government and the Kombewa County Hospital had no involvement then.

The county team did contracted firms and financed the same.

All the projects are not completed to date.

Major Risks

1. Power shortage/interruption that hinders crucial service delivery including theatre procedures.
2. Vandalism of unfinished projects by the society
3. Shortage of staff that interferes with the service delivery.
4. Insufficient funding which interferes with procurement of essential commodities.

Clinical/operational performance

- *Bed capacity of the hospital.*
- *Overall patient attendance during the year for both inpatient and outpatient.*
- *Accident and Emergency attendance*
- *Specialised clinic attendance*
- *Average length of stay for in patient*
- *Bed occupancy rate*
- *Mortality rate*
- *Surgical theatre utilisation (number of operations over a period of time)*

Clinical/Operational	IP	OP	TOTAL
Bed capacity of the hospital	60	NA	60
Overall patient attendance during the year for both inpatient and outpatient	3626	19696	23,322
Accident and Emergency attendance			515
Specialised clinic attendance			922

Kombewa County Level 4 Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

Bed occupancy rate			120%
Mortality rate			3.5%
Surgical theatre utilisation			210

Sponsorships and partnerships

Kombewa county hospital has been supported by the following partners/sponsorships

1. WRP/ Walter reed Projects
2. Momcare Projects

Financial performance that includes: -

○ *Revenue sources,*

Kombewa County Hospital has the following source of revenue during the financial year 2023/2024

- Direct revenue
- NHIF insurance Cover
- Marwa covers

○ *Utilisation of funds etc*

Kombewa county hospital utilises its funds upon approval by the board of the management and after the provision of the authority to incur expenditure by the county.

Once approval has been undertaken, the management utilises the funds to in procuring basic essential medical needs as per the budget approved and agreements by the board.

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Name: Dr. Vincent Omondi

Secretary to the Board

10. Environmental And Sustainability Reporting

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

i) Sustainability strategy and profile

Kombewa county hospital has continued quality service delivery maintained by frequent funds request from various sources.

Maintaining sustainable medical services requires constant procurement of medical equipment that are not always readily available. In such cases, the facility writes to request funds including asking funds from donors.

The management further, request the county government through its human resource director on staffing level to enhance service delivery.

ii) Environmental performance

Environment is a key area that the facility has shown interest in managing so as to avoid health risks and hazardous occurrences.

Kombewa as a facility has a waste management policy that has guided proper handling of waste brought in even by other facilities.

The facility gives timeline and dates that waste are managed effectively. Kombewa works to ensure waste handling is safer from the handler to exhaustion point. It is in this view that management has given different waste collection points within the facility. The collected waste are then exhausted in the properly built incinerator hence ensuring the end product does not affect the society at large.

Proper disposal points are set to ensure safety of both the community and within the facility.

iii) Employee welfare

Kombewa County Hospital does not take part in hiring process.

iv) Market place practices-

The organisation should outline its efforts to:

a) Responsible competition practice.

Kombewa County Hospital is an organization mandated in provision quality and timely service. This has made the facility stand a chance of winning competence trust outside and in the community.

Kombewa County Hospital management has installed CCtv connection monitoring movement and such anti-ethics activity that may hinder operation and that can scare patients. With this in place, corruption cases have been reduced within the facility. The facility management has also set anti-corruption committee that ensures no patient bribes for service.

The facility has an emergency response team that works towards excellence quality emergency service provision.

b) Responsible Supply chain and supplier relations

The organisation uses the approved list of prequalified firms for Kisumu County hospital as in the procurement guidelines.

We maintain the supplier relations by ensuring timely payment upon the receipts of funds.

c) Responsible marketing and advertisement

The organisation carries outreaches within the communities where the information about the facility is given to public.

Respective personnel are sent to conduct public participation and creates awareness in some cases

d) Product stewardship

The facility maintains the confidentiality for the patient's treatment record

V) Corporate Social Responsibility / Community Engagements

The organisation carries outreaches within the communities where the information about the facility is given to public.

Respective personnel are sent to conduct public participation and create awareness in some cases

12. Statement of Board of Management's Responsibilities

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

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

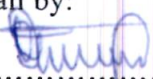
The Board of Management accepts responsibility for the facility's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and County Government act 17 of 2012. The Board members are of the opinion that the Kombewa county Hospital financial statements give a true and fair view of the state of Kombewa county Hospital transactions during the financial year ended June 30, 2024, and of the Kombewa county Hospital financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Kombewa county Hospital, which have been relied upon in the preparation of the facility'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.

Nothing has come to the attention of the Board of management to indicate that the Kombewa county 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 1st July, 2024 and signed on its behalf by:


.....
Name: Dr. J. S. Nyabundi
Chairperson
Board of Management


.....
Name: Dr. Vincent Omondi
Accounting Officer

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 Kombewa County Hospital are to promote and provide comprehensive, preventive, affordable, preventive, curative, rehabilitative, quality healthcare services.

Results

The results of the entity for the year ended June 30 2024 are set out on pages VII to VIII

Board of Management

The members of the Board who served during the year are shown on page xii. During the year, 2023/24 no director(s) retired/ resigned, and none has been appointed to date.

Auditors

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

By Order of the Board

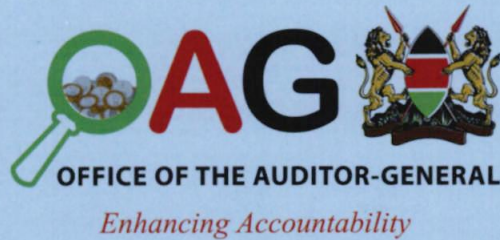
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Name: Dr. Vincent Omondi

Secretary to the Board

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON KOMBEWA COUNTY LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2024-COUNTY GOVERNMENT OF KISUMU

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines, and manuals and whether public resources are applied in a prudent, efficient, economic, transparent, and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on 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 Kombewa Level 4 Hospital set out on pages 1 to 56, which comprise of the statement of financial

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kombewa County 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 County Governments Act, 2012, the Kisumu County Health Services Act, 2019 and the Public Finance Management Act, 2012,

Basis for Qualified Opinion

1. Inaccuracies in the financial statements

Review of financial statements submitted for audit revealed the following inaccuracies:

- I. The statement of financial position and as disclosed in Note 26 to the financial statements reflect an amount of Kshs.4,475,181 as cash and cash equivalent. However, recomputed balance was Kshs.25,776,048, resulting in an explained variance of 21,300,867.
- II. In the statement of comparison of budget and actual amounts, the column for actual is not filled.
- III. Non-Disclosure of Donated Drugs- donated drugs of unknown value were noted in the pharmaceutical store. This was however not disclosed in the financial statements
- IV. The statement of changes in net assets reflects the opening balance for accumulated surplus amount of Kshs.5,236,880 instead of the audited closing balance of Kshs.3,496,633 resulting in unreconciled variance of Kshs.1,740,247.

In the circumstances, the accuracies of the financial statements could not be confirmed.

2. Inventories

The statement of financial position and Note 29 to the financial statements reflects inventories of Kshs.1,891,147. The balance was however not supported with signed stock take report carried out at the end of the financial year.

In the circumstances, the inventories amount of Kshs.1,891,147 could not be confirmed.

3. Property, Plant and Equipment

As reported in the prior year report of the Auditor-General, the statement of financial position reflects nil property, plant and equipment balance. However, review of Hospital records and physical verification revealed various assets including land, buildings, motor vehicles, furniture, computers and equipment which were not disclosed in the financial statements. In addition, land ownership documents were not provided for audit verification.

In the circumstances, the accuracy, ownership 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 Kombewa County Level 4 Hospital Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, issues were raised under Report on Financial Statements and Lawfulness and Effectiveness in Use of Public Resources. Although Management has indicated that some of the issues have been resolved under progress on follow-up of the auditor's recommendation section of the financial statements, no evidence of how the issues were resolved was provided for audit review.

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

A comprehensive review of the Hospital's records, interviews with relevant Hospital staff, and assessment of both the services provided and the equipment in use at the time of the audit. This assessment revealed a significant shortfall in the Hospital's staffing capacity to meet the requirements of Universal Health Care (UHC). Additionally, the Hospital was found to be non-compliant with the Kenya Quality Model for Health (KQMH) policy guidelines.

The table below outlines the disparity between the staffing levels required to implement Universal Health Care and the actual number of health workers currently employed in the Hospital:

Staffing Requirement	Level 4 Standard	No. in Hospital	Variance	Percentage Deficiency
Medical Officers	16	2	14	88%
Anaesthesiologists	2	0	2	100%
General Surgeons	2	1	1	50%
Gynaecologists	2	1	1	50%
Paediatricians	2	0	2	100%
Radiologists	2	1	1	50%
Kenya Registered Community Health Nurses	75	35	40	53%
Total	101	40	61	60%

Further, the Hospital was lacking essential equipment and machinery outlined in the KQMH policy guidelines. The table below illustrates these deficiencies:

Equipment and Machines	Level 4 Standard	No. in Hospital	Variance	Percentage Deficiency
New Born Unit - Incubators	5	2	3	60%
New Born Unit Cots	5	0	5	100%
Resuscitaires (2 In Labor Ward, 1 In Theatre)	3	2	1	33%
Functional Intensive Care Unit Beds	6	0	6	100%
High Dependency Unit Beds	6	0	6	100%
Renal Unit (With At Least 5 Dialysis Machines)	5	0	5	100%
Bed Capacity	150	60	90	60%
Asset Management	N/A	N/A	N/A	N/A
Land Size (Acres)	5	2	3	60%

The deficiencies contravene the First Schedule of the Health Act, 2017 and imply that accessing highest attainable standards 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 been achieved.

Further, this contravened the Kenya Quality Model for Health Policy Guidelines and hindered the realization of the Government program on Universal Health Coverage (UHC).

2. Unsupported Procurements of Goods and Services

The statement of financial performance and as disclosed in Note 14 to the financial statements reflects medical/clinical costs Kshs.7,350,438. The items procured included laboratory reagents, food and ration, dressing and non-pharmaceuticals, sanitary and cleansing materials and medical gases of equivalent amount. However, it was not clear how the suppliers were identified as procurement documents including requests for quotations issued out/returned, tender opening minutes, bids, professional opinion and contract/service agreements were not provided for audit review. This was contrary to regulation 89(4) of public Procurement and Disposal Regulations 2020 which states that procuring entity shall, for the purpose of identifying prequalified contractors pursuant to section 102(1)(a) of the Act, use the pre-qualification procedures set out in sections 93, 94 and 95 of the Act.

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

3. Management of Pharmaceutical and Non-Pharmaceuticals

During the year under review, Management did not prepare its annual procurement plan. Thus, it was not possible to confirm the basis of all procurements that were done in the financial year and the effectiveness of internal controls on procurement processes could not be confirmed. This is in breach of Regulation 40 of the Public Procurement and Disposal Regulations, 2020 which provides that a procuring entity

shall prepare procurement plan for each financial year as part of annual budget process.

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

4. Incorrect identification of Kombewa Sub-County Hospital as a Level 4 Hospital

As reported in the previous year report of the Auditor-General, review of the Kenya Gazette notice no.786 of 4th February, 2020 revealed that Kombewa County Hospital is categorized as a level 3b Hospital. However, contrary to this categorization, in its operations, correspondences, banners and other publishable materials the facility has been identified as a level 4 Hospital without any basis.

A follow up on the above matter during audit revealed that the County Government of Kisumu gazetted the Hospital as a level 4. However, the Hospital is yet to be correctly identified /gazetted by Kenya Medical Practitioners and Dentists Council at the same level.

In the circumstances, the County Government might have erred in the action taken to recognise the Hospital as a level 4 Hospital without following the due process.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Management of NHIF

During the year under review, the Hospital forwarded claims amounting to Kshs.19,598,700 to NHIF for reimbursement for services rendered to intended NHIF beneficiaries. In the same period, it was noted that the Hospital received only Kshs.11,374,579 from the Fund towards the forwarded claims.

It was also explained that it was not possible for the Hospital management to tell whether the reimbursed amount of Kshs.11,374,579 related to claims raised in the financial year or it was meant for claims raised in prior years.

Lastly, it was noted that the Hospital took on average a minimum of six (6) months to obtain refunds from claims from the Fund. This is despite the fact that the agreement between the Hospital and NHIF states that the board shall make payments to the health care provider on a timely basis and clean claims shall be paid within ninety (90) days of receipt of the claim.

In the circumstances, the delays by NHIF in settling the Hospital's claims may affect the quality of care offered by the Hospital.

2. Inadequate Management of IT Systems and Operations

A review of the Hospitals' Information Technology (IT) systems and operations controls revealed that the IT department lacked the basic controls that enable the department to function effectively. The department lacked adequate capacity as it has only one permanent staff. In addition, the Hospital lacks IT strategic plan, IT strategic committee, active IT steering committee, approved IT Security Policy to ensure data confidentiality, integrity and availability, policies in place which cover physical access to IT environment and approved disaster recovery plan.

In the circumstances, the effectiveness of internal controls on data recovery and business continuity could not be confirmed.

3. Lack of an Operational Audit Committee

As reported in the previous year, the Hospital did not have an audit committee in place. In the absence of a functioning audit committee, monitoring and review of the effectiveness of the internal audit process, review of the internal controls, risk management systems and financial statement among other functions of an audit committee did not occur which may affect good corporate governance at the Hospital. However, after discussing with Management on same issue, it was noted that the Hospital was supposed to rely on internal audit department of the County Executive but there was no evidence of internal audits conducted by the County Executive since internal audit reports and audit committee minutes and reports were not provided for audit verification.

In the circumstances, Management breached Regulation 168(a) and (b) of the Public Financial Management (County Government) Regulations and the Kenya Gazette Notice No.2960 Vol. CXVIII – No. 40 dated 15th April, 2016 which requires the establishment of the committee.

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

Responsibilities of Management and the Board of Management

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

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

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

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

The Board of Management is responsible for overseeing the financial reporting process, reviewing the effectiveness of how the entity 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 INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires 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

31 December, 2024

*Kombewa County Level 4 Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024*

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

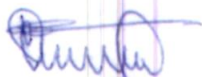
Description	Note	2023/24	2022/23
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6	4,815,912	3,348,742
In-kind contributions from the County Government	7	0	0
Grants from donors and development partners	8	0	1,339,000
Transfers from other Government entities	9	0	12,364,920
Public contributions and donations	10	23,932,336	1,696,304
		28,748,748	18,748,966
Revenue from exchange transactions			
Rendering of services- Medical Service Income	11	18,119,210	7,093,752
Revenue from rent of facilities	12	0	0
Finance /Interest Income	13	0	0
Miscellaneous Income	13	0	0
Revenue from exchange transactions		18,119,210	7,093,752
Total revenue		46,867,958	25,842,718
Expenses			
Medical/Clinical costs	14	7,350,438	9,015,561
Employee costs	15	3,216,222	3,151,694
Board of Management Expenses	16	419,395	240,000
Depreciation and amortization expense	17	0	0
Repairs and maintenance	18	797,083	2,391,824
Grants and subsidies	19	0	0
General expenses	20	12,805,405	6,152,604
Finance costs	21	0	0
Total expenses		24,588,543	20,957,683
Other gains/(losses)			
Gain/Loss on disposal of non-Current assets	22	0	0
Unrealized gain on fair value of investments	23	0	0

Kombewa County Level 4 Hospital (Kisumu County Government)
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Description	Note	2023/24	2022/23
		Kshs	Kshs
Medical services contracts Gains/Losses	24	0	351,845
Impairment loss	25	0	0
Gain on foreign exchange transactions		0	0
Total other gains/(losses)		0	351,845
Net Surplus / (Deficit) for the year		22,279,415	5,236,880

(The notes set out on pages 10 to 54 form an integral part of the Annual Financial Statements.)

The Hospital's financial statements were approved by the Board on 1st July, 2024 and signed on its behalf by:



Dr. J. S. Nyabundi
Chairman
Board of Management



Aseka Titus Oloo
Head of Finance
ICPAK No:13840



Dr. Vincent Omondi
Medical
Superintendent/Secretary
Board of Management

Kombewa County Level 4 Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

15. Statement of Financial Position As At 30th June 2024

Description	Note	2023/24	2022/23
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	26	4,475,181.80	3,496,633
Receivables from exchange transactions	27	9,739,271.00	1,515,150
Receivables from non-exchange transactions	28	0	1,859,999
Inventories	29	1,891,147.00	24,037,591
Total Current Assets		16,105,599.8	30,909,373
Non-current assets			
Property, plant, and equipment	30	0	0
Intangible assets	31	0	0
Investment property	32	0	0
Total Non-current Assets			0
Total assets		<u>0</u>	30,909,373
Liabilities			
Current liabilities			
Trade and other payables	33	665,757	4,837,560
Refundable deposits from customers/Patients	34	0	0
Provisions	35	0	0
Finance lease obligation	36	0	0
Current portion of deferred income	37	0	0
Current portion of borrowings	38(b)	0	0
Social Benefits	40	0	0
Total Current Liabilities		665,757	4,837,560
Non-current liabilities			
Provisions	36	0	0
Non-Current Finance lease obligation	37	0	0
Non-Current portion of deferred income	38	0	0
Non - Current portion of borrowings	39	0	0
Service concession liability	40	0	0
Social Benefits	41	0	0

Kombewa County Level 4 Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

Description	Note	2023/24	2022/23
		Kshs	Kshs
Total Non-current liabilities		0	0
Total Liabilities		665,757	4,837,560
Net assets			
Revaluation reserve		0	0
Accumulated surplus/Deficit		22,279,415	5,236,880
Capital Fund		0	0
Total Net Assets and Liabilities		16,105,599.8	30,909,373

The Hospital's financial statements were approved by the Board on 1st July, 2024 and signed on its behalf by:



Dr. J. S. Nyabundi
Chairman
Board of Management



Aseka Titus Oloo
Head of Finance
ICPAK No:13840



Dr. Vincent Omondi
Medical
Superintendent/Secretary
Board of Management

Kombewa County Level 4 Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

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

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July , 2022 (previous year)	0	0	0	0
Revaluation gain	-	-	-	0
Surplus/(deficit) for the year	-	5,236,880	-	5,236,880
Capital/Development grants	-	-	-	0
As at June 30, 2023(previous year)	0	5,236,880	0	5,236,880
At July 1, 2024 (current year)	0	5,236,880	0	0
Revaluation gain	0	-	-	0
Surplus/(deficit) for the year	0	22,279,415	0	22,279,415
Capital/Development grants	-	-	0	0
At June 30, 2024 (current year)	0	22,279,415	0	22,279,415

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

1	Note	2023/24	2022/23
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government	6	4,815,912	3,348,742
Grants from donors and development partners	8		1,339,000
Transfers from other Government entities	9	0	12,364,920
Public contributions and donations	10	23,932,836	1,696,304
Rendering of services- Medical Service Income	11	18,119,210	7,093,752
Revenue from rent of facilities	12	0	0
Finance / interest income	12	0	0
Miscellaneous receipts(<i>specify</i>)	13	0	0
Total Receipts		46,867,958	25,842,718
Payments			
Medical/Clinical costs	14	7,350,438	9,021,561
Employee costs	15	3,216,222	3,151,694
Board of Management Expenses	16	419,395	240,000
Repairs and maintenance	18	797,083	2,391,824
Grants and subsidies	19	0	0
General expenses	20	12,805,405	6,152,604
Finance costs	21	0	0
Refunds paid out		0	0
Total Payments		24,588,543	20,957,683
Net cash flows from operating activities		22,279,415	4,885,035
Cash flows from investing activities			0
Purchase of property, plant, equipment & intangible assets		0	0
Proceeds from the sale of property, plant, and equipment		0	0
Acquisition of investments		0	0
Net cash flows used in investing activities		0	0
Cash flows from financing activities			
Proceeds from borrowings		0	0

Kombewa County Level 4 Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

Repayment of borrowings		0	0
Capital grants received		0	0
Net cash flows used in financing activities		0	0
Net increase/(decrease) in cash and cash equivalents		0	0
Cash and cash equivalents as at 1 July 2023	27	3,496,633	1,866,747
Cash and cash equivalents as at 30 June 2024		4,475,181	3,496,633

Kombewa County Hospital (County Government of Kisumu)
Annual Report and Financial Statements for The Year Ended 30th June 2024

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	A	b	c=(a+b)	d	e=(c-d)	f=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	
Revenue	0	0	0	0	0	0
Transfers from the County Government	4,815,912	0	4,815,912	0	4,815,912	100%
Grants from donors and development partners	0	0	0	0	0	0%
Transfers from other Government entities	0	0	0	0	0	0%
Public contributions and donations	23,932,836	0	23,932,836	0	23,932,836	0%
Rendering of services- Medical Service Income	17,615,052	0	17,615,052	0	17,615,052	100%
Revenue from rent of facilities	0	0	0	0	0	0%
Finance / interest income	0	0	0	0	0	0%
Miscellaneous receipts (<i>specify</i>)	0	0	0	0	0	0%
Total income	46,363,800	0	46,363,800	0	46,363,800	100%
Expenses						
Medical/Clinical costs	7,350,438	0	7,350,438	0	7,350,438	100%
Employee costs	3,216,222	0	3,216,222	0	3,216,222	100%
Board of Management Expenses	419,395	0	419,395	0	419,395	0%
Repairs and maintenance	797,083	0	797,083	0	797,083	100%
Grants and subsidies	0	0	0	0	0	0%
General expenses	12,805,405	0	12,805,405	0	12,805,405	100%
Finance costs	0	0	0		0	0%
Refunds	0	0	0		0	%
Surplus for the period	21,775,257					%
Capital expenditure	24,588,543	0	24,588,543	0	24,588,543	100%

***Kombewa County Level 4 Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024***

Budget notes

1 Actual budget was fully utilised

:

19. Notes to the Financial Statements

1. General Information

Kombewa County Hospital is established by and derives its authority and accountability from county government Act 17 of 2012. Kombewa County Hospital is wholly owned by the Kisumu County Government and is domiciled in Kisumu County in Kenya. The Kombewa County Hospital's principal activity is to provide medical preventive and curative services to the society.

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 Kombewa County Hospital's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Kombewa County Hospital. The financial statements have been prepared in accordance with the PFM Act, and county government Act 17 of 2012, 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.

Standard	Effective date and impact
IPSAS 41: Financial Instruments	Applicable: 1st January 2023 The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Kombewa County Hospital's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	Applicable: 1st January 2023 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess: (a) The nature of such social benefits provided by the Entity.

Standard	Effective date and impact
	(b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2023 a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.
Other improvements to IPSAS	Applicable 1st January 2023 • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • <i>IPSAS 29: Financial instruments: Recognition and Measurement</i> Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.

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

Standard	Effective date and impact
IPSAS 43	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires:- - 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; - 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.

iii) Early adoption of standards

The Kombewa County Hospital did not early – adopt any new or amended standards in the financial year and have accepted to adopt to new or amended standards to ensure clarity and perfect reporting of financial statement.

4. Summary of Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other Government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the *Entity* and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the asset that has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

Notes to the Financial Statements (Continued)

b. Budget information

The original budget for FY 2023/24 was approved by Board on 30th June 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Kombewa County Hospital recorded no additional appropriations of on the FY 2023/24 budget following the Board's approval. The Kombewa County Hospital budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 1 under section 12 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 **5** years. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e. Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Notes to the Financial Statements (Continued)

f. Leases

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

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

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

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

g. Intangible assets

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

Notes to the Financial Statements (Continued)

h. Research and development costs

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

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

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

i. Financial instruments

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

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

Notes to the Financial Statements (Continued)

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Notes to the Financial Statements (Continued)

Fair value through net assets/ equity

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

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

Notes to the Financial Statements (Continued)

j. Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials: purchase cost using the weighted average cost method.
- Finished goods and work in progress: cost of direct materials and labour, and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower cost and the current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

k. Provisions

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

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

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

Notes to the Financial Statements (Continued)

l. Social Benefits

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

m. Contingent liabilities

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

n. Contingent assets

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

o. Nature and purpose of reserves

The entity creates and maintains reserves in terms of specific requirements.

p. Changes in accounting policies and estimates

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

Notes to the Financial Statements (Continued)

q. Employee benefits

Retirement benefit plans

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

r. Foreign currency transactions

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

s. Borrowing costs

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

t. Related parties

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

Notes to the Financial Statements (Continued)

u. Service concession arrangements

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

v. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

w. Comparative figures

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

x. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. (IPSAS 1.140)

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xxx. Provisions are measured at the management's best estimate of the expenditure required to

settle the obligation at the reporting date and are discounted to present value where the effect is material.

Notes to Financial Statements Continued

6. Transfers from the County Government

Description	2023/24	2022/23
	KShs	KShs
Unconditional grants		
Operational grant	4,815,912	3,348,742
Level 5 grants	0	0
Unconditional development grants	0	0
Other grants	0	0
	4,815,912	3,348,742
Conditional grants		
User fee forgone	0	0
Transforming health services for Universal care project (THUCP)	0	0
DANIDA	0	0
Wards Development grant	0	0
Paediatric block grant	0	0
Administration block grant	0	0
Laboratory grant	0	0
Total government grants and subsidies	4,815,912	3,348,742

6 b Transfers from The County Government

Name of the Entity sending the grant	Amount recognized to of financial performance* KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year	Comparative Period
			KShs	KShs	KShs
Kisumu County Government		4,815,912	0		3,348,742
Total		4,815,912	0		3,348,742

Kombewa County Level 4 Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

Notes to Financial Statements Continued

7. In Kind Contributions from The County Government

Description	2023/24	2022/23
	KShs	KShs
Salaries and wages	0	0
Medical supplies-Drawings Rights (KEMSA)	0	0
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)	0	0
Utility bills	0	0
Total grants in kind	0	0

8. Grants From Donors and Development Partners

Description	2023/24	2022/23
	KShs	KShs
Cancer Centre grant- DANIDA	0	0
World Bank grants	0	0
Paediatric ward grant- JICA	0	0
Research grants	0	0
Other grants (Momcare)	0	1,339,000
Total grants from development partners	0	1,339,000

Kombewa county hospital has not received any grants from the sources mentioned above.

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

Name of the Entity sending the grant	Amount recognized to Statement of financial performance	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Comparative Period
	KShs	KShs	KShs	KShs	KShs
Donor e.g., DANIDA	0	0	0	0	0
JICA	0	0	0	0	0
World Bank	0	0	0	0	0
Total	0	0	0	0	0

Notes to Financial Statements Continued

9. Transfers From Other Government Entities

Description	2023/24	2022/23
	KShs	KShs
Transfer from National Government (Ministry of Health)	0	0
Transfer from National Hospital Insurance Fund	0	12,364,920
Transfer from Institute	0	0
Total Transfers	0	12,364,920

10. Public Contributions and Donations

Description	2023/24	2022/23
	KShs	KShs
Public donations	0	0
Donations from local leadership	0	0
Donations from religious institutions	0	0
Other donation from Partners through MEDS	0	1,696,304
Other donation from Partners through KEMSA	23,932,836	0
Donations in kind-amortised	0	0
Total donations and sponsorships	23,932,836	1,696,304

Kombewa county hospital has not received any grants from the sources mentioned above.

10 (a) Reconciliations of amortised grants

Description	2023/24	2022/23
	Kshs	Kshs
Balance unspent at beginning of year	0	6,514,002.90
Current year receipts	0	20,771,265.00
Amortised and transferred to revenue	0	0
Conditions to be met – remain liabilities	0	0

Kombewa County Level 4 Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

Notes to Financial Statements Continued

11. Rendering of Services-Medical Service Income

Description	2023/24	2022/23
	Kshs	Kshs
Pharmaceuticals	1,088,907	2,247,648.00
Non-Pharmaceuticals	0	372,320.00
Laboratory	1,903,630	2,014,000.00
Radiology	519,960	265,600.00
In patient services	1,860,348	0
Theatre	15,400	54,790.00
Outpatient services	470,995	0
Occupational therapy	38,650	0
Ear Nose and Throat service	0	0
Nutrition service	0	5,460.00
Medical fees	13,750	0
Medical Records	767,550	0
Reproductive health	0	124,000.00
Paediatrics services	0	459,468.00
Physiotherapy	65,441	0
Other medical services income <i>NHIF</i>	11,374,579	1,550,466.00
Total revenue from the rendering of services	18,119,210.00	7,093,752.00

Notes to the Financial Statements (Continued)

12. Revenue From Rent of Facilities

Description	2023/24	2022/23
	Kshs	Kshs
Residential property	0	0
Commercial property	0	0
Total Revenue from rent of facilities	0	0

Kombewa as a facility does not collect rental revenue

Finance /Interest Income

Description	2023/24	2024/23
	Kshs	Kshs
Cash investments and fixed deposits	0	0
Interest income from short- term/ current deposits	0	0
Interest income from Treasury Bills	0	0
Interest income from Treasury Bonds	0	0
Interest from outstanding debtors	0	0
Total finance income	0	0

13. Miscellaneous Income

Description	2023/24	2022/23
	KShs	KShs
Insurance recoveries	0	0
Income from sale of tender	0	0
Services concession income	0	0
Sale of goods (water, publications, containers etc)	0	0
Write backs (Deposits, payments in advance etc)	0	0
Bad debts recovered	0	0
<i>Others (Specify)</i>	0	0
Total Miscellaneous income	0	0

Kombewa County Level 4 Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

Notes to the Financial Statements (Continued)

14. Medical/ Clinical Costs

Description	2023/24	2022/23
	Kshs	Kshs
Dental costs/ materials	0	0
Laboratory chemicals and reagents	1,495,000	2,195,000
Public health activities	0	0
Food and Ration	1,634,502	1,753,324
Uniform, clothing, and linen	0	20,000
Dressing and Non-Pharmaceuticals	2,401,000	2,371,500
Pharmaceutical supplies	1,598,036	1,898,000
Health information stationery	0	0
Reproductive health materials	0	0
Sanitary and cleansing Materials	145,500	144,319
Purchase of Medical gases	76,400	0
X-Ray/Radiology supplies	0	50,000
Other medical related clinical costs (<i>other fuel, daily subsistence, household equip</i>)	0	583,418.00
Total medical/ clinical costs	7,350,438.00	9,015,561.00

15. Employee Costs

Description	2023/24	2022/23
	Kshs	Kshs
Salaries, wages, and allowances	3,216,222	3,151,694
Contributions to pension schemes	0	0
Service gratuity	0	0
Performance and other bonuses	0	0
Staff medical expenses and Insurance cover	0	0
Group personal accident insurance and WIBA	0	0
Social contribution	0	0
Other employee costs (<i>specify</i>)	0	0
Employee costs	3,216,222	3,151,694

Notes to the Financial Statements (Continued)

16. Board of Management Expenses

Description	2023/24	2021/23
	Kshs	Kshs
Chairman's Honoraria	0	0
Sitting allowance	419,395	120,000.00
Mileage	0	0
Insurance expenses	0	0
Induction and training	0	0
Travel and accommodation allowance	0	120,000.00
Airtime allowances	0	0
Total	419,395	240,000.00

17. Depreciation and Amortization Expense

Description	2023/24	2022/23
	Kshs	Kshs
Property, plant and equipment	0	0
Intangible assets	0	0
Investment property carried at cost	0	0
Total depreciation and amortization	0	0

18. Repairs And Maintenance

Description	2023/24	2022/23
	Kshs	Kshs
Property- Buildings	547,083	490,000.00
Medical equipment	0	959,000.00
Office equipment	16,000	410,030.00
Furniture and fittings	0	0
Computers and accessories	0	0
Motor vehicle expenses	234,000	532,794.00
Maintenance of civil works	0	0
Total repairs and maintenance	797,083	2,391,824

Notes to the Financial Statements (Continued)

19. Grants And Subsidies

Description	2023/24	2022/23
	Kshs	Kshs
Community development and social work	0	0
Education initiatives and programs	0	0
Free/ subsidised medical camp	0	0
Disability programs	0	0
Free cancer screening	0	0
Social benefit expenses	0	0
Other grants and subsidies(<i>specify</i>)	0	0
Total grants and subsidies	0	0

20. General Expenses

Description	2023/24	2022/23
	Kshs	Kshs
Advertising and publicity expenses	0	0
Catering expenses	0	180,210
Waste management expenses	0	0
Insecticides and rodenticides	0	0
Audit fees	0	0
Bank charges	0	0
Conferences and delegations	0	115,000
Consultancy fees	0	0
Contracted services	2,580,400	2,619,089
Electricity expenses	1,958,807	150,000
Fuel and Lubricants	1,890,278	1,167,000
Other fuels	290,100	0
Research and development expenses		0
Travel and accommodation allowance	318,900	140,000
General office supply	157,570	0
Licenses and permits	0	0
Courier and postal services	0	18,900
Printing and stationery	99,000	760,400
Hire charges	0	0
Rent expenses	0	0
Water and sewerage costs	0	312,000
Skills development levies	0	0

Kombewa County Level 4 Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

Description	2023/24	2022/23
	Kshs	Kshs
Telephone and mobile phone services	11,999	22,505
Internet expenses	675,000	667,500
Staff training and development	80,000	0
Subscriptions to professional bodies	0	0
Subscriptions to newspapers periodical, magazines, and gazette notices	0	0
Library books/Materials	0	0
Other operating expenses	4,743,351	0
Total General Expenses	12,805,405	6,152,604

21. Finance Costs

Description	2023/24	2022/23
	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
Total finance costs	0	0

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

Description	2023/24	2022/23
	KShs	KShs
Property, plant, and equipment	0	0
Intangible assets	0	0
Other assets not capitalised (<i>specify</i>)	0	0
Total gain on sale of assets	0	0

23. Unrealized Gain On Fair Value Investments

Description	2023/24	2022/23
	KShs	KShs
Investments at fair value	0	0
Total gain	0	0

Notes to the Financial Statements (Continued)

24. Medical Services Contracts Gains /Losses

Description	2023/24	2022/23
	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		351,845
Total Gain/Loss	0	351,845

25. Impairment Loss

Description	2023/24	2022/23
	KShs	KShs
Property, plant, and equipment	0	0
Intangible assets	0	0
Total impairment loss		0

26. Cash And Cash Equivalents

Description	2023/24	2022/23
	KShs	KShs
Current accounts	4,475,181.80	3,496,633
On - call deposits	0	0
Fixed deposits accounts	0	0
Cash in hand	0	0
Others(<i>specify</i>)- Mobile money	0	0
Total cash and cash equivalents	4,475,181.00	3,496,633

Notes to the Financial Statements (Continued)

Detailed Analysis of Cash and Cash Equivalents

Description		2023/24	2022/23
Financial institution	Account number	KShs	KShs
a) Current account			
Kenya Commercial bank	1149067659	4,394,542.00	3,487,234
Cooperative Bank, etc	01141495254100	80,639.80	9,399
Sub- total		0	3,496,633
b) On - call deposits			
Kenya Commercial bank		0	0
Equity Bank – etc		0	0
Sub- total		0	0
c) Fixed deposits account			
Bank Name		0	0
Sub- total			
d) Others(specify)			
cash in hand		0	0
Mobile money- Mpesa, Airtel money		0	0
Sub- total			
Grand total		4,475,181	3,496,633

27. Receivables From Exchange Transactions

Description	2023/24	2022/23
	KShs	KShs
Medical services receivables	9,739,271	1,515,150
Rent receivables	0	0
Other exchange debtors	0	0
Less: impairment allowance	0	0
Total receivables	9,739,271	1,515,150

Kombewa County Level 4 Hospital (Kisumu County Government)
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Analysis of Receivables From Exchange Transactions

Description	2023/24		2022/23	
	Kshs		Kshs	
	2023/24	% of the total	2022/23	% of the total
Less than 1 year	0	0%	0	0%
Between 1- 2 years	0	100%	1,515,150	0%
Between 2-3 years	0	0%	0	0%
Over 3 years	0	0%	0	0%
Total (a+b)	0	0%	0	0%

28. Receivables From Non-Exchange Transactions

Description	2023/24	2022/23
	KShs	KShs
Transfers from the County Government	0	1,859,999.00
Undisbursed donor funds	0	0
Other debtors (<i>non-exchange transactions</i>)	0	0
Less: impairment allowance	0	0
Total	0	1,859,999.00

Analysis of Receivables from Non-Exchange Transactions

Description	2023/24		2022/23	
	Kshs		Kshs	
	2022/23	% of the total	2021/22	% of the total
Less than 1 year	0	100%	0	100%
Between 1- 2 years	0	0%	0	0%
Between 2-3 years	0	0%	0	0%
Over 3 years	0	0%	0	0%
Total (a+b)	0	00%	0	00%

29. Inventories

Description	2023/24	2022/23
	KShs	KShs
Pharmaceutical supplies	0	13,740,160
Maintenance supplies	0	0
Food supplies	0	0
Linen and clothing supplies	1,891,147	0
Cleaning materials supplies	0	0
Laboratory supplies	0	10,297,431
Less: provision for impairment of stocks	0	0
Total	1,891,147	24,037,591

Kombewa County Level 4 Hospital (Kisumu County Government)
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Notes to the Financial Statements (Continued)

30. Property, Plant and Equipment

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Cost								
At 1 July 2022 (previous year)	0	0	0	0	0	0	0	0
Additions	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0
Transfers/adjustments	0	0	0	0	0	0	0	0
At 30th Jun 2023	0	0	0	0	0	0	0	0
At 1 July 2022 (current year)	0	0	0	0	0	0	0	0
Additions	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0
Transfer/adjustments	0	0	0	0	0	0	0	0
At 30th Jun 2024	0	0	0	0	0	0	0	0
Depreciation and impairment								
At 1 July 2022 (previous year)	0	0	0	0	0	0	0	0
Depreciation for the year	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0
At 30 June 2023	0	0	0	0	0	0	0	0

Kombewa County Level 4 Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Capital Work in progress	Total
At July 2023 (current year)	0	0	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0
Transfer/adjustment	0	0	0	0	0	0	0	0
At 30th June 2024	0	0	0	0	0	0	0	0
Net book values								
At 30 th Jun 2023 (previous)	0	0	0	0	0	0	0	0
At 30 th Jun 2024 (current)	0	0	0	0	0	0	0	0

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Notes to the Financial Statements (Continued)

31. Intangible Assets-Software

Description	2023/24	2022/23
	KShs	KShs
Cost		
At beginning of the year	0	0
Additions	0	0
Additions-Internal development	0	0
Disposal	0	0
At end of the year	0	0
Amortization and impairment		
At beginning of the year	0	0
Amortization for the period	0	0
Impairment loss	0	0
At end of the year	0	0
NBV		

32. Investment Property

Description	2023/24	2022/23
	KShs	KShs
At beginning of the year	0	0
Additions	0	0
Disposals during the year	0	0
Fair value gain	0	0
Depreciation (<i>where investment property is at cost</i>)	0	0
Impairment	0	0
At end of the year	0	0

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Notes to the Financial Statements (Continued)

33. Trade and other Payables

Description	2023/24	2022/23		
	KShs	KShs		
Trade payables	388,310	4,837,560		
Employee dues	277,447	0		
Third-party payments (e.g. unremitted payroll deductions)	0	0		
Audit fee	0	0		
Doctors' fee	0	0		
Total trade and other payables	665,757	4,837,560		
Ageing analysis:	2023/24	% of the Total	2022/23	% of the total
Under one year	0	%	0	%
1-2 years	0	%	0	%
2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total	0	%	0	%

34. Refundable Deposits from Customers/Patients

Description	2023/24	2021/22		
	KShs	KShs		
Medical fees paid in advance	0	0		
Credit facility deposit	0	0		
Rent deposits	0	0		
Others (specify)	0	0		
Total deposits	0	0		
Ageing analysis:	2023/24	% of the Total	2022/23	% of the Total
Under one year	0	%	0	9.94%
1-2 years	0	%	0	13.01%
2-3 years	0	%	0	10.81%
Over 3 years	0	%	0	66.24%
Total	0	%	0	100%

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Notes to the Financial Statements (Continued)

35. Provisions

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

36. Finance Lease Obligation

Description	2023/24	2022/23
	Kshs	Kshs
Current Lease obligation	0	0
Long term lease obligation	0	0
Total	0	0

37. Deferred Income

Description	2023/24	2022/23
	KShs	KShs
Current Portion	0	0
Non-Current Portion	0	0
Total	0	0

Kombewa County Level 4 Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

Notes to the Financial Statements (Continued)

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

Description	National government	International funders/ donors	Public contributions and donations	Total
Balance b/f	0	0	0	0
Additions during the year	0	0	0	0
Transfers to Capital fund	0	0	0	0
Transfers to statement of financial performance	0	0	0	0
Other transfers (<i>Specify</i>)	0	0	0	0
Balance C/F	0	0	0	0

38. Borrowings

Description	2023/24	2022/23
	KShs	KShs
Balance at beginning of the period	0	0
External borrowings during the year	0	0
Domestic borrowings during the year	0	0
Repayments of external borrowings during the year	0	0
Repayments of domestic borrowings during the year	0	0
Balance at end of the period	0	0

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

Description	2023/24	2022/23
	KShs	KShs
Current Obligation	0	0
Non-Current Obligation	0	0
Total	0	0

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Notes to the Financial Statements (Continued)

39. Service Concession Arrangements

Description	2023/24	2022/23
	KShs	KShs
Fair value of service concession assets recognized under PPE	0	0
Accumulated depreciation to date	0	0
Net carrying amount	0	0
Service concession liability at beginning of the year	0	0
Service concession revenue recognized	0	0
Service concession liability at end of the year	0	0

40. Social Benefit Liabilities

Description	2023/24	2022/23
	Kshs	Kshs
Health social benefit scheme	0	0
Unemployment social benefit scheme	0	0
Orphaned and vulnerable benefit scheme	0	0
People Living with Disabilities benefit Scheme	0	0
Elderly social benefit scheme	0	0
Bursary social benefits	0	0
Total	0	0
Current social benefits	0	0
Non- current social benefits	0	0
Total (tie to totals above)	0	0

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Notes to the Financial Statements (Continued)

41. Cash Generated from Operations

Description	2023/24	2022/23
	KShs	KShs
Surplus for the year before tax	0	1,509,886.31
Adjusted for:		
Depreciation	0	0
Non-cash grants received	0	0
Impairment	0	0
Gains and losses on disposal of assets	0	0
Contribution to provisions	0	0
Contribution to impairment allowance	0	0
Working Capital adjustments		
Increase in inventory	0	0
Increase in receivables	0	0
Increase in deferred income	0	0
Increase in payables	0	0
Increase in payments received in advance	0	0
Net cash flow from operating activities	0	1,509,886.31

Kombewa County Level 4 Hospital (Kisumu County Government)
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Notes to the Financial Statements (Continued)

42. Financial Risk Management

The entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The company's overall risk management programme focuses on the unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The company does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

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

(i) Credit risk

The entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023 (previous year)				
Receivables from exchange transactions	0	0	0	0
Receivables from –non-exchange transactions		0	0	0
Bank balances		0	0	0
Total		0	0	0
At 30 June 2024 (current year)				
Receivables from exchange transactions		0	0	0
Receivables from –non-exchange transactions		0	0	0
Bank balances		0	0	0
Total		0	0	0

Notes to the Financial Statements (Continued)

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. Kombewa county hospital does not have significant concentration of credit risk on amounts due. The board of management sets the company's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023				
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
Total	0	0	0	0
At 30 June 2024				
Trade payables	0	0		
Current portion of borrowings	0	0		
Provisions	0	0		
Deferred income	0	0		
Employee benefit obligation	0	0		
Total	0	0		

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Notes to the Financial Statements (Continued)

(iii) Market risk

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

The company's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the entity's exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

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

Description	KShs	Other currencies	Total
	Kshs		Kshs
At 30 June 2023			
Financial assets (investments, cash, debtors)	0	0	0
Liabilities		0	0
Trade and other payables	0	0	0
Borrowings	0	0	0
Net foreign currency asset/(liability)	0	0	0

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

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Notes to the Financial Statements (Continued)

Description	KShs	Other currencies	Total
	Kshs		Kshs
At 30 June 2024			
Financial assets (investments, cash, debtors)	0	0	0
Liabilities	0	0	0
Trade and other payables	0	0	0
Borrowings	0	0	0
Net foreign currency asset/(liability)	0	0	0

Foreign currency sensitivity analysis

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

Description	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
2022 (previous year)			
Euro	10%	0	0
USD	10%	0	0
2023 (current year)			
Euro	10%	0	0
USD	10%	0	0

b) Interest rate risk

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

Management of interest rate risk

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

Kombewa County Level 4 Hospital (Kisumu County Government)
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Notes to the Financial Statements (Continued)

Sensitivity analysis

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of financial performance if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs xxx (20xx: KShs xxx). A rate increase/decrease of 5% would result in a decrease/increase in surplus of KShs xxx (20xx – KShs xxx).

iv) Capital Risk Management

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

Description	2023/24	2022/23
	Kshs	Kshs
Revaluation reserve	0	0
Retained earnings	0	0
Capital reserve	0	0
Total funds	0	0
Total borrowings	0	0
Less: cash and bank balances	0	0
Net debt/ (excess cash and cash equivalents)	0	0
Gearing	0%	0%

Kombewa County Level 4 Hospital (Kisumu County Government)
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Notes to the Financial Statements (Continued)

43. Related Party Balances

Nature of related party relationships

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

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

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

Description	2023/24	2022/23
	Kshs	Kshs
Transactions with related parties		
a) Services offered to related parties		
Services to none	0	0
Sales of services to none	0	0
Total	0	0
b) Grants from the Government		
Grants from County Government	0	0
Grants from the National Government Entities	0	0
Donations in kind	0	0
Total	0	0
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for employees	0	0
Payments for goods and services for medication	0	0
Total	0	0
d) Key management compensation		

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Description	2023/24	2022/23
	Kshs	Kshs
Directors' emoluments	0	0
Compensation to the medical Sup	0	0
Compensation to key management	0	0
Total	0	0

44. Segment Information

Kombewa operates as a single entity

45. Contingent Liabilities

Contingent liabilities	2023/24	2022/23
	Kshs	Kshs
Court case against the company	0	0
Bank guarantees in favour of subsidiary	0	0
Total	0	0

46. Capital Commitments

Capital Commitments	2023/24	2022/23
	Kshs	Kshs
Authorised For	0	0
Authorised And Contracted For	0	0
Total	0	0

Kombewa County Level 4 Hospital (Kisumu County Government)
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47. Events after the Reporting Period

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

48. Ultimate and Holding Entity

The Kombewa county hospital is a State Corporation/ or a Semi- Autonomous Government Agency under the Department of Health. Its ultimate parent is the County Government of Kisumu.

49. Currency

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

Kombewa County Level 4 Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

20. **Appendices**

Appendix 1: Progress on Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	Presentation and disclosure of anomalies in the financial statement	Anomalies cited by the auditor general on presentation of the Fs are worked on to ensure compliance	resolved	na
2.0	Inaccuracies in FS amounts	The variances cited in the FS were acknowledged and the we have worked on	resolved	2 months
4.0	Unaccounted for property, plant and equipment	The values of the properties in questions could not be ascertained during the process. Logbooks and letter requesting for the title deeds disclosed.	resolved	na
9.0	Unsupported transfer from national government	The schedules were provided for audit	resolved	n/a
12.0	Failure to implement e-procurement	Not in place	not resolved	n/a
13.0	Failure to open FIF bank account	In place	resolved	n/a
16.0	Non compliance with KQM	Not met the standards of KQM	not resolved	n/a
18.0	Ineffective governance by the board	Corrected and now in place	resolved	n/a

Kombewa County Level 4 Hospital (Kisumu County Government)
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
19.0	Failure to conduct annual/quarterly stock take	Now in place	resolved	n/a

Guidance Notes:

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

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Accounting Officer

Appendix II: Projects Implemented by The Entity

Projects

Projects implemented by the Hospital Funded by development partners

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
Maternity/Theatre	01	County/Other				
Pediatric Hospital	02	County / Other				
Perimeter wall	03	County/other				

Status of Projects completion

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

SN	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Maternity/Theatre			90%			County/Other
2	Pediatric Hospital			10%			County / Other
3	Perimeter wall			60%			County/other

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Appendix III: Inter-Entity Confirmation Letter

COUNTY GOVERNMENT OF KISUMU
MINISTRY OF HEALTH

Telegrams: "Health"
Tel: 0712077007
E-mail: medsupkombewa@gmail.com



MEDICAL SUPERINTENDENT
KOMBEWA COUNTY HOSPITAL
P.O. BOX 60
KOMBEWA

The *[insert SC/SAGA/Fund name here]* wishes to confirm the amounts disbursed to you as at 30th June 2024 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by Kombewa County Hospital as at 30 th June 2024							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (KShs) as at 30th June 2024				Amount Received by Kombewa (KShs) as at 30 th June 2024 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
1							0
2							0
3							0
4							0
5							
6							
7							0
8							0
Total							0
In confirm that the amounts shown above are correct as of the date indicated.							

Kombewa County Level 4 Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

Head of Accounts Department of the beneficiary entity:

Name **Sign** **Date**

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		

Kombewa County Level 4 Hospital (Kisumu County Government)
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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