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**REPORT**

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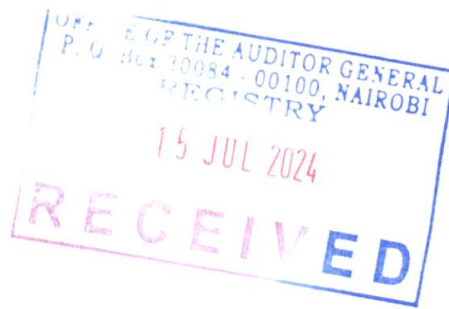
**THE AUDITOR-GENERAL**

**ON**

**KIHARA LEVEL 4 HOSPITAL**

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

**COUNTY GOVERNMENT OF KIAMBU**



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# **KIHARA LEVEL 4 HOSPITAL (Kiambu County Government)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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

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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 Kihara Level 4 Hospital
CCC	Comprehensive Care Clinic
HIV	Human Immuno Deficiency Virus
AIE	Authority to Incur Expenditure
EEC	Expenditure Executive Committee
GOPC	General Outpatient Clinic
MOPC	Medical Outpatient Clinic
FIF	Facility Improvement Fund
NHIF	National Hospital Insurance Fund
MBChB	Bachelor of Medicine and Bachelor of Surgery
KISM	Kenya Institute of Supplies Management
MBA	Master of Business Administration
SMC	Senior Management Course
EmONC	Emergency Obstetric and Newborn Care
ACLS	Advanced Cardiovascular Life Support
ATLS	Advanced Trauma Life Support
USAID	United States Agency for International Development

## **Key Kihara Level 4 Hospital Information and Management**

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

Kihara Hospital is a level (4) hospital established under gazette notice number 2071 dated 8<sup>th</sup> August 2008 and is domiciled in Kiambu County, Kiambu East District under the Department of Health Services. The facility sits on 9 acres of land gotten from the locals with the assistance of the then Kiambu County Council. The hospital is governed by a Board of Management.

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

**The Mission** of Kihara Level 4 Hospital is to promote and provide quality, curative, preventive, promotive and rehabilitative care to Kenyans

**Our Vision:** To create an enabling environment for provision of sustainable quality health that is acceptable, affordable and accessible to all Kenyans.

**Our goal:** Provide quality health services to all Kenyans and involve the community in the delivery of services.

**Our commitment:** We are committed to provide timely, efficient and consistent services to all our clients, patients and visitors

**Our core objectives:** To have a fully-fledged and functional level four hospital fully equipped with modern equipment in all departments.

**The services offered include:** Out-patient (laboratory, dental, orthopaedic, pharmacy, physiotherapy, occupational therapy, family planning, child welfare), accidents and emergency, general in-patient services, specialized clinics (medical, gynaecological, psychiatric and psychotherapy), CCC services, reproductive health and maternity services, theatre and health promotion and prevention services.

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

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

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

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**(d) Fiduciary Management**

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

No.	Designation	Name
1.	Medical Superintendent	Dr. Muthoni Nyaga (Apr 2022-15 <sup>th</sup> May 2023) Dr. Mumira Samuel 15 <sup>th</sup> May 2023 – 30 <sup>th</sup> June 2023.
2.	Deputy Medical Superintendent	Dr. Bevin Likuyani
3.	Head of finance	Salome Waweru
4.	Head of supply chain	Joseph Mwaura (Jun 2022-April 2023) Mary Wambui (Apr 2023 – June 2023)
5.	Hospital Administrative Officer	Beth Mwangi
6.	Nursing Service Manager	Mercy Gathoni
7.	Head of Pharmacy	Dr Lilian Wangeci
8.	Clinical Officer In-charge	Joan Mutito
9.	Public Health Officer In-charge	Nancy Muiruri
10.	Nutritionist Officer In-charge	David Mbugua
11.	Laboratory Officer In-charge	Teresia Wainana
12.	Health Records Officer In-charge	Michael Kuria
13.	Dentist In-charge	Dr Kageni Munyi
14.	Medical officer In-charge	Dr Evyonne Mutabari
15.	Head of Radiology department	Dr Eric Teddy Mwangi
16.	Bio- Medical (maintenance) In-charge	Paul Njoroge
17.	Orthopaedics and Trauma In-charge	Rose Oduor
18.	Medical Social Worker	Annrose Njeri
19.	Occupational Therapy	Mercyline Kibira
20.	Physiotherapy	Betty Kiruki
21.	Theatre	Joseph Waweru

**(e) Fiduciary Oversight Arrangements**

- Hospital Management Team
- Hospital Executive Expenditure Committee
- Hospital Security Committee
- Hospital Funeral Committee
- Hospital Advisory Committee
- Hospital Quotation Opening and Evaluation Committee

- Hospital Disposal Committee
- Hospital Cleaning Committee
- Hospital Catering Committee
- Hospital Housing Committee
- Hospital Disability Committee
- Hospital Drugs and Substance Abuse Committee
- Hospital Pathology and Blood Transfusion Committee
- Hospital Data Review Committee
- Hospital Interview / Panel Committee
- Hospital Salary Review Committee
- Medicine and Therapeutic Committee
- Hospital Theatre Users Committee
- Infrastructure and Development Committee
- Infection Prevention Committee
- Training/Ethics/Research Committee
- Quality Control/Inspection and Acceptance Committee
- Waiver committee
- Staff Welfare Committee

**Key Kihara Level 4 Hospital Information and Management (continued)**

**(f) Kihara Level 4 Hospital Headquarters**

Gachie, Kiambaa Sub County  
P.O. Box 2344-00900  
Kiambu, Kenya.

**(g) Kihara Level 4 Hospital Contacts**

Telephone: (+254: (+254) 725783366  
E-mail: kiharahospital@yahoo.com

**(h) Kihara Level 4 Hospital Bankers**

Cooperative Bank of Kenya-Ruaka Branch  
Family Bank

**(i) Independent Auditors**

Auditor General  
Office of Auditor General  
Anniversary Towers, University 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. 2344-00900  
Kiambu, Kenya.

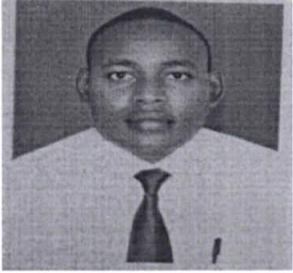


**2. The Board of Management**




Ref	Directors	Details
1.	<p>Dr. Mathews Mutonga Gitagia</p> 	<p>Age;65 years old Chair of the Board Holds a Business administration (hons), Master in Business administration (strategy), CPS (K), Higher diploma (counselling psychology) and certified management trainer (Institute of health resource management &amp; USAID) 20 years senior management experience at Kenyatta National Hospital</p>
2.	<p>Peter Kamau Kiruri</p> 	<p>Age;42 years old Holds a Bachelor of Business Administration degree and a Double major in communications and political science from the University of Nairobi. A board member at Kihara Level 4 Hospital. 10 years' experience in the real estate business.</p>
3.	<p>Jane Wangari Njoroge</p> 	<p>Age;63 years old Holds a Masters in Business Administration (MBA). Supply Chain Management consultant, Country Mentor, Kenya, Sustainable Public Procurement SIDA Global Capacity Building programme. Former deputy Director General Public Procurement Regulatory authority. A licensed practitioner, member of KISM and procurement professional with over 35 years' experience.</p>




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<p>4.</p>	<p>Francis Waweru</p> 	<p>Age;48 years old Holds a Bachelor of Arts in Community Development and currently pursuing a Masters of Development studies. Community Capacity Development Service (KICOCAD), 12 years' experience. Prior experience as an enumerator for KNBS, program manager at a CBO – All Youth organizations of Kiambu. An elected civic leader between 2003 – 2007 for Kihara ward and early professional background at Kihara sub-district hospital.</p>
<p>5.</p>	<p>Dr. Mumira Samuel</p> 	<p>Age;37 Years old Holds a Master of science in Obstetrics and Gynaecology (Mmed Obs/Gyn), Bachelor of medicine and Surgery (MBChB). Currently a Medical Specialist □ in Kiambu County Government, appointed as Medical Superintendent at Kihara Level 4 hospital in May 2023. 12 years work experience as a Medical doctor. Secretary of the Hospital Board. Not a member of ICS as required under the Mwongozo code.</p>
<p>6.</p>	<p>Eliud Mbure</p> 	<p>Age;71years Community Representative and Retired Senior Chief with vast experience in Administration.</p>



### 3. Key Management Team




Ref	Management	Details
1.	<p>Dr Samuel Mumira</p>  <p>Master of Science in Obstetrics and Gynaecology. Bachelor of Medicine and Surgery. A Medical Specialist 2 in Kiambu County. 12 years' experience as a medical officer.</p>	<p>Medical Superintendent AIE Holder/Accounting Officer. Oversees, Coordinates and is responsible for all the activities of the hospital. Supervises and evaluates the activities of medical, nursing, technical, administrative, maintenance, and all the other personnel in the hospital.</p>
2.	<p>Dr. Bevin Likuyani</p>  <p>Assistant Chief Pharmacist with a Bachelor of Pharmacy, MBA and Master of Pharmacy in Pharmacoepidemiology and Pharmacovigilance. Over 10 years' experience working in Kiambu County.</p>	<p>Deputy Medical Superintendent. Assists the Medical superintendent. Oversees, Coordinates and is responsible for all the activities of the hospital.</p>
3.	<p>Mercy Gathoni Gichia</p>  <p>Bachelor of Science in Nursing. Twelve (12) years' work experience in Kiambu County. Nursing officer In-Charge</p>	<p>Nursing Services Manager Incharge of Nursing services. Supervises nursing staff and is responsible for internal deployment of nurses in the hospital. Commodity nurse charged with management of non- pharmaceuticals.</p>




4.	<p>Beth Mwangi</p>  <p>Bachelor of Business Administration- Finance. 15 years' work experience in Kiambu County.</p>	<p>Hospital Administrative Officer</p> <p>Oversees the Organizational part and Administration duties in the hospital. Acts as the Hospital's Human Resources officer. Secretary of the Hospital Management Team.</p>
5.	<p>Salome Muthoni Waweru</p>  <p>Senior Accountant in Kiambu County. Certified Public Accountant (K) with a Bachelor's of Business Management (Finance and Banking).Ten (10) Years work experience.</p>	<p>Hospital Accountant In-charge</p> <p>Oversees revenue collection, focal person in the preparation of budgets, execution of the budgets, prepares financial reports. Secretary of the EEC.</p>
6.	<p>Teresia Wainaina</p>  <p>Medical Laboratory Officer with a Bachelor of Science in Medical Laboratory Sciences and a Diploma in Medical Laboratory Sciences. 11 years work experience.</p>	<p>Medical Laboratory Officer In-charge.</p> <p>Responsible for supervising the laboratory personnel. Receiving, processing and analysing samples. Conducting lab tests according to standard operating procedures.</p>


<p>7.</p>	<p>Dr. Irungu Eric Teddy Mwangi</p>  <p>Senior Medical Officer with 11 years' experience. Bachelor of Medicine, Bachelor of Science (MBCbB) and MMed Radiology and Imaging.</p>	<p>Head of Radiology Department.  Responsible for supervising the radiology personnel.  Analyses medical images to diagnose and monitor diseases, interpret test results, and communicate findings to other healthcare professionals.</p>
<p>8.</p>	<p>Dr Lilian Wangui Wangechi</p>  <p>Senior Pharmacist with a Bachelor of Pharmacy, certification in senior management course (SMC) and Infection prevention and control certification (Belgium). Over 20 years' experience as a Pharmacist.</p>	<p>Head of Pharmacy Department.  Supervises the pharmacy staff.  Responsible for dispensing of medications, quality testing, formulating and re-formulating dosage forms, monitoring and reporting drug safety, and preparing budgets for drugs.</p>
<p>9.</p>	<p>Dr Evyonne Mutabari</p>  <p>Bachelor of Medicine, Bachelor of Surgery (MBCbB), advanced comprehensive obstetric and anaesthetic skills, certificate in leadership and Management in Health, ACLS, ATLS, EMONC. Five (5) years' experience in Kiambu County.</p>	<p>Medical Officer In Charge.  Responsible for conducting daily clinical assessment and prescription of treatment to patients. Identify and coordinate referral of patients for further management. Admit patients to the wards when necessary.  Carry out surgical procedures at the hospital.  Attends court cases.  Attends to emergencies in the ward.  Provides health talks to staff and patients.</p>

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<p>10.</p>	<p>Joan Njeru Mutitu</p>  <p>Senior registered clinical officer with a Diploma in Clinical Medicine</p>	<p>Clinical Officer In charge</p> <p>Responsible for clerking of patients in the outpatient which includes; examine, diagnose, order laboratory and imaging investigations, prescribe treatment and perform procedures</p>
<p>11.</p>	<p>Nancy Muiruri</p>  <p>Public Health Officer with a Diploma in Environmental Health Sciences.</p>	<p>Head of Public Health Department.</p> <p>Supervises and organises casual workers.</p> <p>Responsible for hospital hygiene and sanitation.</p> <p>Inspects and examines food and rations brought in the hospital if fit for human consumption.</p>
<p>12.</p>	<p>Michael Kuria</p>  <p>Health records officer with a diploma in Health records Information Systems.</p>	<p>Head of Health Records Department</p> <p>Responsible for registering of patients, issuing of patient files and safe keeping of the files electronically and manually.</p> <p>Collect, compile and generates data including the workload from the health information system.</p>

<p>13.</p>	<p>Mary Wambui Wanyeki</p>  <p>Supply Chain Management Officer with BSc procurement and contract management with 8 years' experience.</p>	<p>Head of Procurement Department.</p> <p>Responsible for all the purchasing of goods and services in the hospital.</p> <p>In charge of the hospital stores</p> <p>Prepares the procurement plan for the hospital.</p> <p>Updates stock cards and checks on the re-order levels of all commodities.</p>
<p>14.</p>	<p>Rose Oduor</p>  <p>Orthopaedics and Trauma Technologist with a Diploma in Orthopaedic Trauma Medicine</p>	<p>Head of Ortho-Trauma Department</p> <p>Responsible for Interpreting radiological images of orthopaedic and trauma cases.</p> <p>Carrying out minor Orthopaedic Operative techniques involving insertion and removal of Steinman's pins and skull callipers;</p> <p>Application and removal of plaster of paris.</p>
<p>15.</p>	<p>Paul Njoroge Njuguna</p>  <p>Biomedical Engineer with a Diploma in medical engineering. Thirty (30) years' work experience in various counties in Kenya.</p>	<p>Head of the Bio-Medical Engineering Department.</p> <p>Responsible for the Planned Preventative Maintenance Schedule and servicing of medical equipment.</p> <p>Trains staff on proper handling and use of medical equipment</p>

<p>16.</p>	<p>Annerose Njeri</p>  <p>Medical Social Worker with a Bachelor of Arts in Gender and Development Studies and Diploma in Social work and community development. Course in National HIV Integrated Training for health workers and certificate in mental health, recovery and community inclusion.</p>	<p>Medical Social Worker.</p> <p>Conducts psychosocial assessment on patients.</p> <p>Counselling those in crisis or experiencing distress.</p> <p>Making home visits to patients to assess patient's capacity and capabilities in order to secure resources.</p>
<p>17.</p>	<p>Betty N. Kiruki</p>  <p>Registered and licensed physiotherapist with the Physiotherapy Council of Kenya with 17 years of work experience. Gazetted and experienced Joint Health Inspector for public and private health facilities.</p>	<p>Head of Physiotherapy Department.</p> <p>Responsible for helping patients affected by injury, illness or disability through movement and exercise, manual therapy, education and advice.</p> <p>Conducts disability assessment.</p>
<p>18.</p>	<p>David Gitau Mbugua</p>  <p>Nutritionist with a Certificate in community nutrition and 30 years' work experience.</p>	<p>Head of Nutrition Department</p> <p>Assess clients' nutritional and health needs.</p> <p>Counsels clients on nutrition issues and healthy eating habits.</p> <p>Develops meal and nutrition plans, taking clients' preferences and budgets into account.</p>

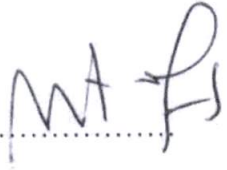
19.	<p>Mercyline Sayo Kibira</p>  <p>Senior occupational therapist and County deputy rehabilitative services focal person with 13 years' experience. Bachelor of Science Occupational therapy and diploma in Occupational therapy.</p>	<p>Head of Occupational Therapy Department.</p> <p>She evaluates and treats patients who have injuries, illnesses, or disabilities. They help patients meet goals to develop, recover, improve, and maintain skills needed for daily living and working.</p> <p>Conducts disability assessment.</p>
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#### **4. Chairman's Statement**

The Board of Management at Kihara Level 4 Hospital was successfully inaugurated on the 7th of July, 2021 following gazettelement according to the Constitution of Kenya, Kiambu County Health Services Act No. 2 of 2019. The Board members were issued with appointment letters and on behalf of the members it is with great pleasure to appreciate the leadership of County Government of Kiambu and the efforts of the County Executive Committee member – health services on appointing the hospital board. It is with great honour to steer the board's priorities, objectives and strategic plans. Serving as the spokesperson to the hospital staff, stakeholder groups and community at large is no mean feat and requires serving the best interests of the hospital and its clientele. Together with the hospital Chief Executive Officer we have set clear goals and objectives and continue to monitor the hospital performance - operational and financial performance, regularly. We appreciate the hospital management team that continuously appraise the board through reporting on status and challenges at the facility. There has been an upward trend observed in the hospital in the year 2022/2023 in terms of development projects which include renovation of the facility theatre by the County of Kiambu which was completed in April 2022. The extension of the Comprehensive Care Centre by addition of two clinical rooms and a patient waiting bay by CRISS Plus funded by the Centres of Disease prevention and Control as a measure to maintain infection prevention and control. Servicing of the laundry machine and autoclaving machine which are now in use. Acquisition of a higher capacity generator (150KV) at the facility from the County of Kiambu and acquisition of a dental chair to replace the broken-down unit that was there. Acquisition of an anaesthetic machine from Tigoni level 4 Hospital. The board recommendations from the four (4) meetings held in the year have been well articulated by the hospital management with majority of the challenges well addressed that are within the control of the hospital. An annual work plan, procurement plan and annual budget were availed for the reporting financial year. Financial challenges are noted to persist; however, improvement is noted with the establishment of the county facility fund from April 2022. The hospital infrastructure is still noted to be poor with the leaking roofs at the outpatient and maternity departments, staff inadequacies are also persistent and the board continues to lobby for more staff and assistance from the county on restoring the facility infrastructure.

Without a doubt, service delivery has improved in the facility with reduced complaints from clients and community at large. The board promises to actively engage stakeholders and the community to advocate for the utilization of services at Kihara Level Hospital, to create a communication tool for the feedback

received from the community and to continue supporting the hospital management in the running of the facility. The future outlook of the board is to form the various sub-committees of the board with inclusion of the hospital staff so as to ensure delivery of quality services and to assess patient care.



**Dr. Mathews Mutonga Gitagia**  
**Chairman to the Board**

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

The number of staffs are inadequate in all departments falling short of Level 4 hospital. The human resource for health at Kihara Level 4 Hospital is currently as follows; total of 112 County employees of which 9 are on study leave. There are 26 casuals and contracted professionals hired by the hospital. The facility runs 24 hours a day, seven (7) days a week with the following departmental staffing: 1 Medical superintendent, 1 deputy medical superintendent, 3 Obstetrician gynaecologists, 2 Physicians, 2 Paediatrician, 1 Radiologist, 4 Medical officers, 1 Dental Surgeon, 3 Pharmacists, 1 Hospital administrator, 2 Oral health officers, 3 Pharmaceutical technologists, 5 Medical lab technologists, 2 Nutritionists, 2 Radiographers, 1 Physiotherapist, 1 Occupational therapist, 2 Orthopaedic officers, 2 Health records officers, 2 Procurement officer, 7 Clinical officers, 3 Clinical Officer anaesthetists, 34 Nurses, 2 Medical engineering, 1 Accountant, 1 Social worker, 1 ICT officer, 6 Clerical officers, 2 Drivers and 5 support staff.

The hospital source of funds is mainly two; FIF and NHIF. All the money collected in the hospital is collected via the hospital paybill account, which is then remitted to Kihara revenue account, and funds are later transferred to the County FIF FUND Account. The EEC makes a monthly budget which is guided by the amount of money collected in that month, that is later reviewed and approved by the HMT. The budgets are then forwarded to the County for reimbursement and AIE approval. Total revenue collection for the FY 2022/2023 amounted to Ksh. 37,742,282.

The hospital has been operating on credit with pending bills of about Ksh. 33M.

Free maternity LINDA MAMA funds are also billed as per the deliveries conducted at a rate of 5000/= per delivery for both normal and CS deliveries for non NHIF members and Ksh. 10,000 for Normal Vaginal Delivery and 30,000 for Caesarean sections for NHIF members. The hospital also offers inpatient and outpatient NHIF services, the NHIF funds are deposited by the insurer into the County Revenue Account, and thereafter released to Kihara Hospital NHIF account. The facility plans to actualize Universal Healthcare Coverage in order to reduce cash payments and financial burden to the clients and increase revenues through NHIF.

There is a comprehensive range of services provided at the facility including preventive, curative, rehabilitative and health promotion services. There are 2 MOPC clinics in a week, 2 GOPC clinics in a week, Daily psychotherapy clinic, Daily dental clinic, average of 250 skilled deliveries conducted in a month, average outpatient visits of 3000 patients per month

On the health products and technologies; availability of essential medicines at about 70% stock levels with reduced stock outs, consistent supply of non-pharmaceuticals, Availability of Laboratory supplies and reagents at 70%, Availability of X-ray department supplies at 80%.

On health information system; Health facility reporting is complete, accurate, timely and relevant.

Archiving and filing system lacking in the hospital records room due to lack of shelves and cabinets.

The hospital has 1 ambulance, and 1 utility vehicle with their maintenance costs is covered by hospital funds.


The hospital has an agreement with a fuel station where we deposit a cheque in advance for the hospital vehicles to draw the fuel. The fuel is controlled using the detail orders which can only be authorized by the Medical superintendent or the health administrative officer. The fuel is also used for generator, lawn mower and utility vehicle.

The achievements so far include;

1. Through CRISSP Plus, there was extension of the CCC service points in the facility.
2. Completion of the theatre renovations by the county.
3. Purchase of an electrolyte machine for use in Kihara level 4 hospital lab, and new TB hood installed.
4. Received a biochemistry analyser and gene expert machine for the laboratory.
5. High capacity server
6. Installation of a higher capacity generator from the County of Kiambu.
7. Well-functioning ambulance and utility Vehicle available to Kihara sub- County.
8. Ultrasound and X-ray machines serviced up to date.

The challenges faced include;

1. Substantial debts in the facility and inconsistent reimbursement of funds.
2. Accumulation of pending bills of Ksh 33M.
3. Incomplete ICT and CCTV projects at Kihara since 2015
4. Inadequate staff in relation to increased workload in most departments and cadres, with a result of low staff motivation.
5. Non-existent waste management, no incinerator in the facility or sub – county. The hospital burning chamber is broken down; out sourcing waste disposal is a big challenge.
6. Hospital has unreliable three phase power supply (insufficient wiring) resulting in consistent power outage.
7. High staff turnover with no replacement
8. Old machinery such as autoclave machine, ultrasound and X-ray machine in the facility requiring high cost constant maintenance and servicing.
9. Broken down machines without replacement in the physiotherapy and occupational therapy departments.
10. Lack of a junk store for the broken-down machines and obsolete or expired drugs.
11. Inadequate shelving at the records office and poor ventilation.
12. Dilapidated buildings that require major renovations, incomplete outpatient renovation. Poor structural integrity in administration block, asbestos roofing which poses a health hazard to staff and patients.
13. Non functional refrigeration units at the kitchen and mortuary since commissioning pre-devolution.
14. Rampant termite infestation in the maternity and general wards.
15. Poor state of staff and patient utility rooms and toilets.



**Dr. Mumira Samuel**  
**Secretary to the Board/Medical Superintendent**

## 6. Statement of Performance Against Predetermined Objectives

Kihara Level 4 Hospital has 3 strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY 2022- FY 2023. These strategic pillars/ themes/ issues are as follows:

Pillar /theme/issue 1: Curative and Rehabilitative Health Services

Pillar/theme/issue 2: Preventive and Promotive Health Services

Pillar/theme/issue 3: General Administration, Planning, Management Support and Coordination

Kihara Level 4 Hospital develops its annual work plans based on the above 3 pillars/Themes/Issues. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. Kihara Level 4 Hospital achieved its performance targets set for the FY 2022/2023 period for its 3 strategic pillars, as indicated in the diagram below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
<b>Pillar/ theme/ issue 1:</b> Curative and Rehabilitative Health Services	<ul style="list-style-type: none"> <li>-To provide Effective, Efficient curative and rehabilitative services</li> <li>-To conduct cervical cancer outreaches</li> <li>-To conduct immunization on HPV</li> <li>-To conduct long term FP outreaches</li> <li>-To renovation of out patient</li> <li>-To renovate the operating theatre</li> </ul>	<ul style="list-style-type: none"> <li>MOH</li> <li>Registers</li> <li>-Patients Files</li> <li>-KHIS</li> </ul>	<ul style="list-style-type: none"> <li>Primary care treatment and diagnostic services</li> <li>-Primary facility in-patient and general outpatient services</li> <li>-Specialized outpatient services</li> <li>-Rehabilitative and theatre services</li> <li>-Referral services</li> <li>-Mortuary services</li> </ul>	<ul style="list-style-type: none"> <li>Increase of patients being attended</li> <li>-Improved health care</li> <li>-Increased referrals in for specialised care</li> </ul>
<b>Pillar/ theme/ issue 2 :</b> Preventive and Promotive Health	<ul style="list-style-type: none"> <li>-To provide effective and efficient preventive and promotive health</li> </ul>	<ul style="list-style-type: none"> <li>-MOH</li> <li>Registers</li> <li>-Facility</li> </ul>	<ul style="list-style-type: none"> <li>-Reproductive Maternal Neonatal Child Health</li> </ul>	<ul style="list-style-type: none"> <li>-Reduction in maternal and neonatal morbidity</li> </ul>

Services	interventions	Supervision Booklet -KHIS	(RMNCH) Services -Immunization Services -HIV ,TB Control Interventions -Non-Communicable Disease Control -Environmental Health, Water and Sanitation Interventions -Nutrition Services	and mortality - Increased immunization and nutrition services coverage -Increased screening in HIV/TB/NCDs
<b>Pillar/ theme/ issue</b> <b>3: General Administration, Planning, Management Support and Coordination</b>	-To train on RH related issues e.g cervical cancer screening -To construct and maintain buildings -To procure and maintain medical and other equipment -To manage and coordinate health services -To conduct health sector planning, budgeting and monitoring & evaluation	Meeting minutes Procurement documents such as L.P.O	On job trainings and support supervisions Procurement of medical supplies HMT meetings EEC meetings	

## **7. Corporate Governance Statement**

The facility is governed by the Board of Management. The Hospital Management Board was gazetted vide the Kenya Gazette Vol. Cxxiii- NO. 3616 dated 16<sup>th</sup> April, 2021. The Board Members were issued with appointment letters dated 19<sup>th</sup> April, 2021 stating their term in office is three (3) years with effect from 1<sup>st</sup> May 2021 which can only be renewed once.

The power for appointment and removal of the board members is vested on the County Executive Committee in-charge-of health services member in line with the Constitution of the Kiambu County Health Services Acts (no. 2 of 2019).

The Executive Member appointed a Board for Kihara Level 4 hospital, comprising of;

- (a) A chairperson who is not a staff of the County Government with a minimum of a diploma;
- (b) The hospital superintendent who is the secretary to the board.
- (c) Four residents of the sub-county in which the hospital is located who have attained basic level education taking into account gender parity and special interest groups.

The Board may co-opt any person with relevant expertise necessary to assist the Board determine a matter.

The Executive Member may remove from office any member of the Board who;

- (a) Has been absent for three consecutive meetings of the Board without the permission of the Chairperson;
- (b) Is adjudged bankrupt;
- (c) Is unable to discharge his or her duties due to physical or mental incapacity;
- (d) Violates or is suspected of violating the provisions of Chapter six of the Constitution; or
- (e) Is charged with a criminal offence in court of law or a traffic offence attracting an imprisonment term of a minimum of six months.

On board meetings; the Board held their first meeting at the hospital on 7<sup>th</sup> July 2021.

The Board held five (5) meetings on the last financial year 2022- 2023. The attendance for the all meetings was >80%. One (1) board member was replaced due to attendance by County Executive Committee Member of Health after written request. The Board is on the process of coming up with the succession plan and charter.

As per the Act, the roles and functions of the board are as follows:

- (a) Provide oversight over the general administration of the hospital.
- (b) Promote the development of the hospital.

- (c) Recommend to the Executive Member plans and programs for implementing the county health strategies in the hospital.
- (d) Recommend to the Executive Member budget estimates.
- (e) Establish a hospital – community participation and feedback platform.
- (f) Assessing the delivery of services at the hospital and advice the Executive Member.
- (g) Monitoring the hospital performance against set targets and advice the Executive Member.
- (h) Carrying out any other function that maybe assigned by the Executive Member.

The Board has performed exemplary well on their mandates during the last financial year despite challenges and are more committed to achieve much on the next financial year.

The board was trained and inducted on their roles and were duly vetted before they were issued with appointment letters.

There was no conflict of interest that arose in line with the Board executing their mandates. One Board Member was appointed in the current year.

The Board Members remunerations were based on the salary and remuneration commission circulars dated 16<sup>th</sup> April, 2014 Ref. No: SRC/ADM/CIR/1/13(122).

The board uses the charter of the Kiambu County Government .

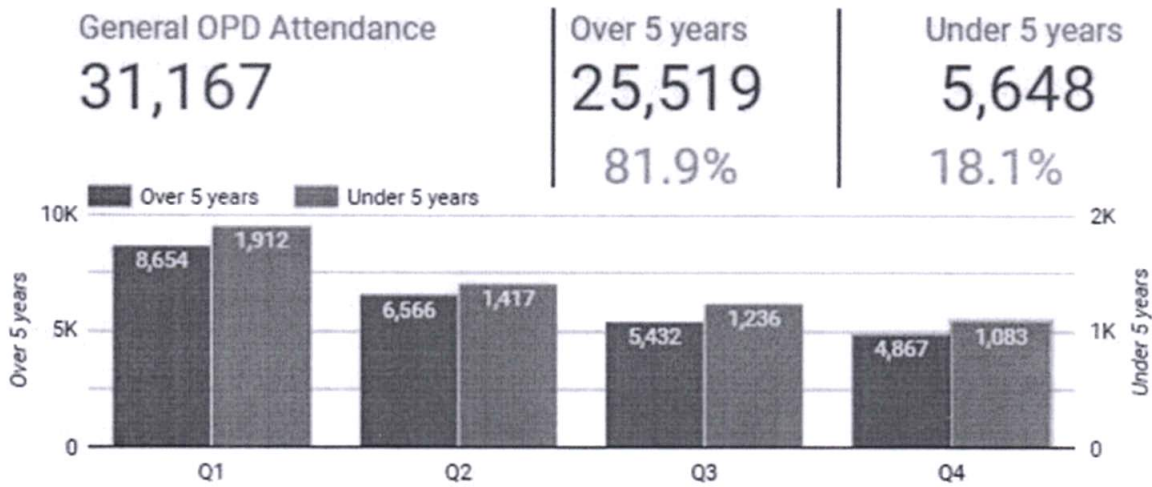
The conduct of the board members was ethical as they followed the code of conduct during their execution of their mandates as per the Kiambu Health act,2019.

**8. Management Discussion and Analysis**

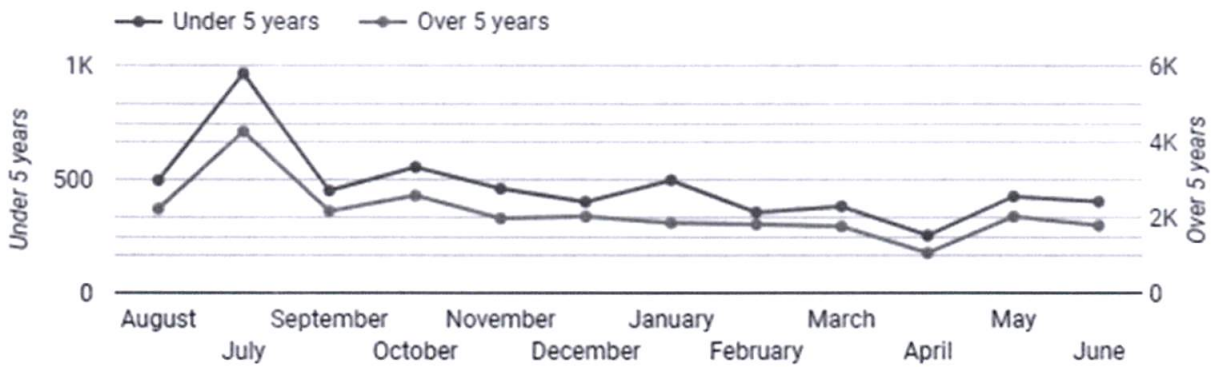
**Clinical/Operational Performance**

**Opd Report Kihara Level 4 Hospital**

This is an outline of general outpatient attendance.



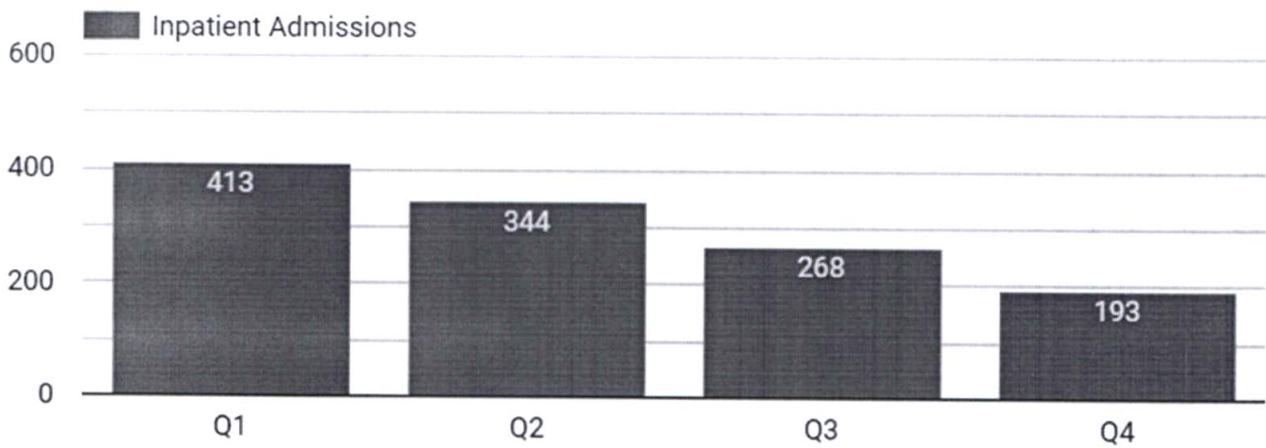
**Monthly Trends: OPD Over & Under 5 Years**



**Data Source: KHIS**

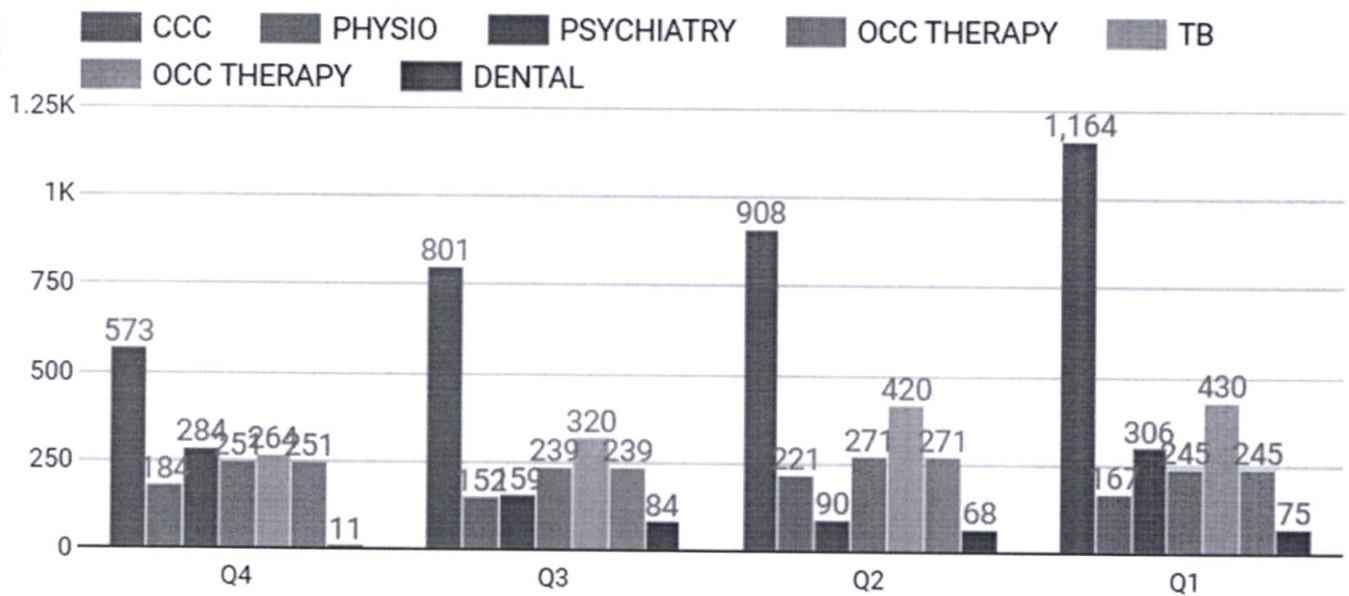
**Inpatient Department Kihara Level 4 Hospital**

This is an outline of inpatient admissions. Over 65% of inpatient are maternity admissions.



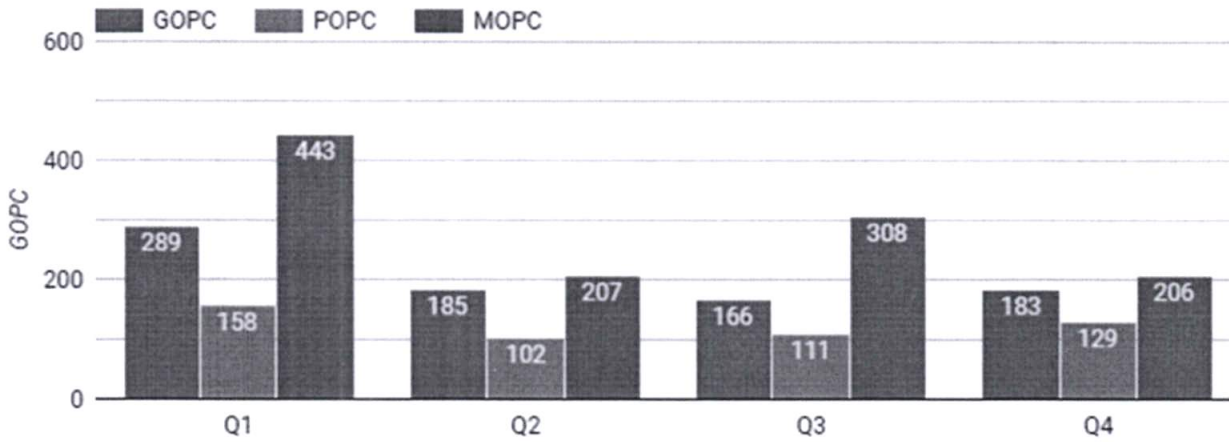
Data Source: KHIS

**Special Clinics Kihara Level 4 Hospital**



Consultant clinics

2,487



Data Source: KHIS

**Maternal And Child Health Kihara Level 4 Hospital**

MCH

24,190

CWC

13,033

FP

2,262

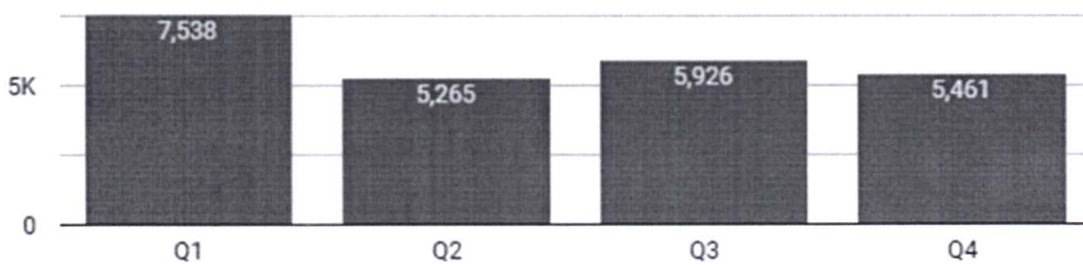
ANC

7,412

PNC

1,483

10K  
 █ MCH



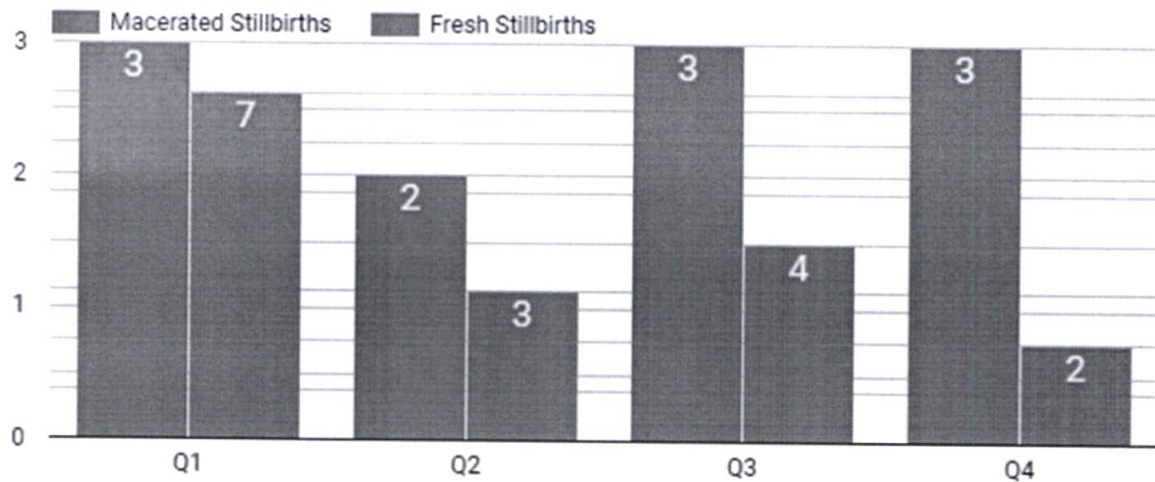
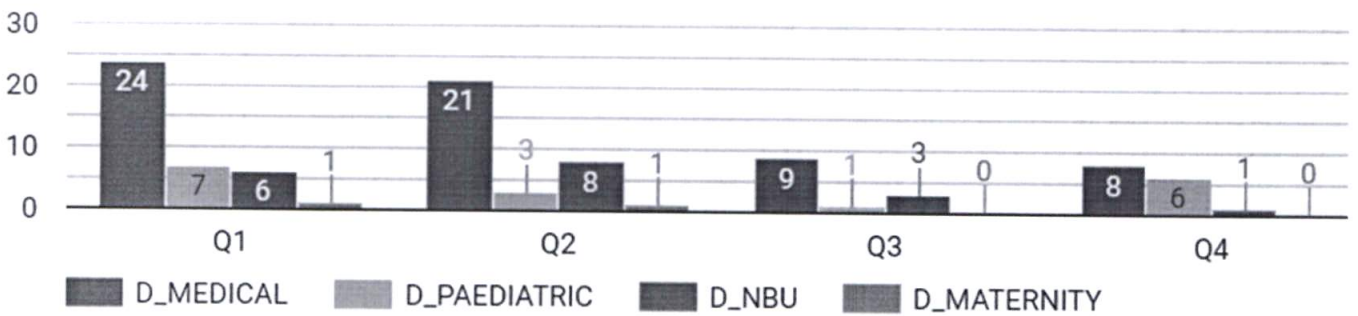
Data Source: KHIS

**Hospital Administrative Statistics**

The hospital has a bed capacity of 65 beds. The average length of stay is 4 days for the period. The bed occupancy rates have been 79% maternity, 50% medical ward and 67% paediatrics for the financial year 2022/2023.

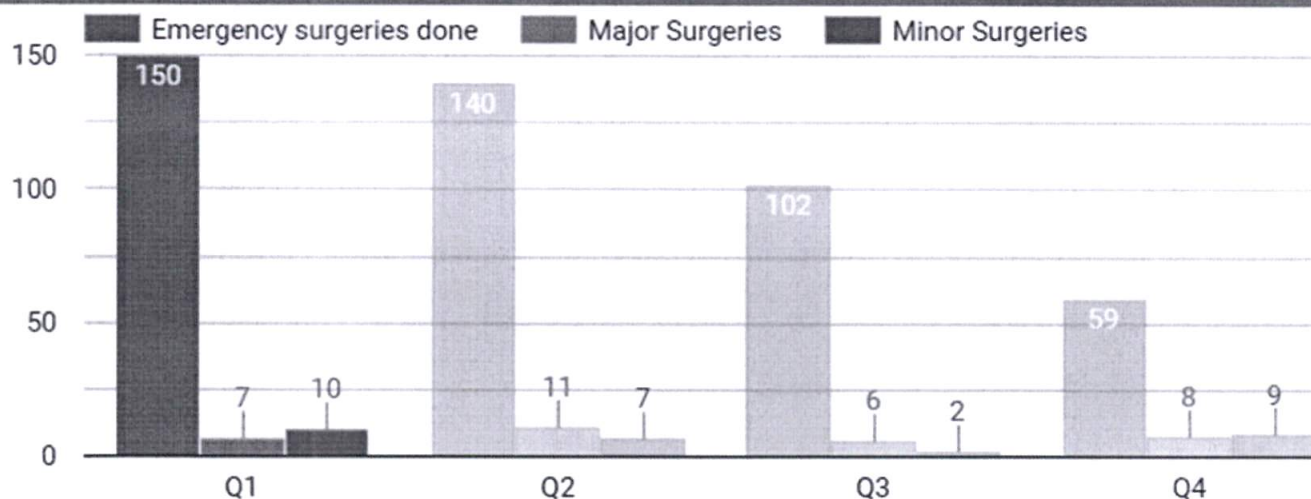
**Mortality Rate Kihara Level 4 Hospital**

**DEATHS by Ward**



**Theatre Utilization Kihara Level 4 Hospital**

**Quarterly Trends: Surgeries Done**



**Data Source: KHIS**

**Financial Performance**

Kihara Hospital’s main sources of funds are FIF and NHIF. FIF are the cost sharing funds that the patients pay for services offered at the hospital. NHIF are the reimbursements/rebates that the hospital receives from the insurance after services have been offered to patients. NHIF is categorized as outpatient and inpatient, outpatient services are paid upfront as capitation and are offered to patients who have selected the facility as their choice.

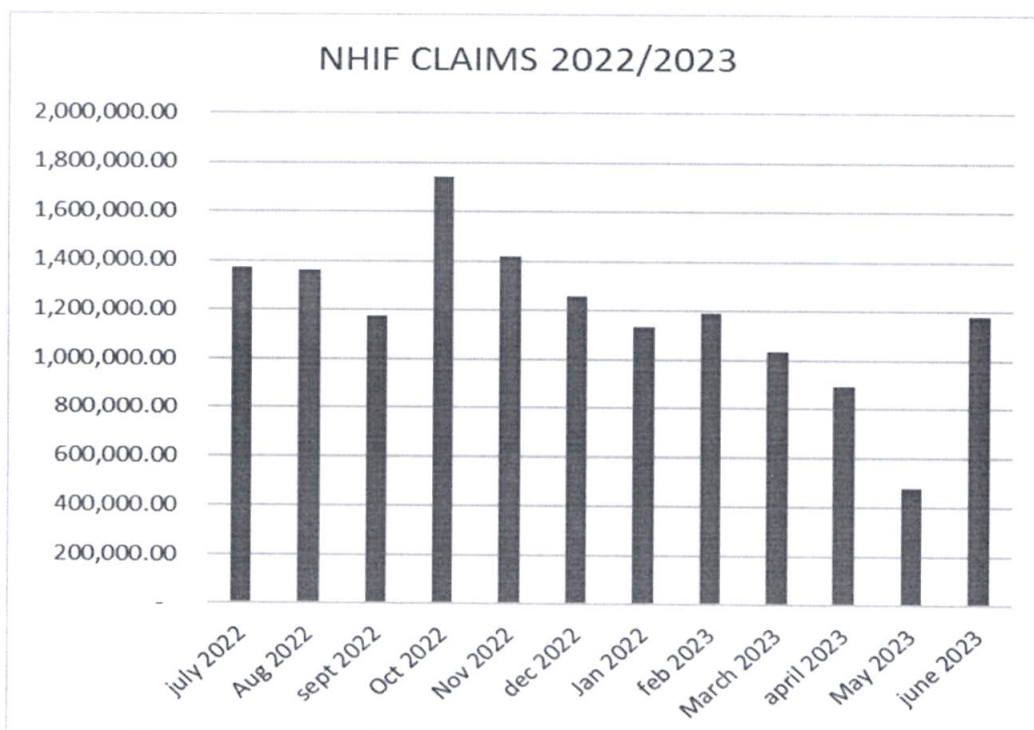
All the funds collected in the hospital are collected via the hospital Mpesa paybill account no 7146447 which is then transferred to Kihara revenue collection account at Family Bank. There are weekly standing orders, whereby the revenue collected is swiped to the Kiambu County Fif Fund Account.

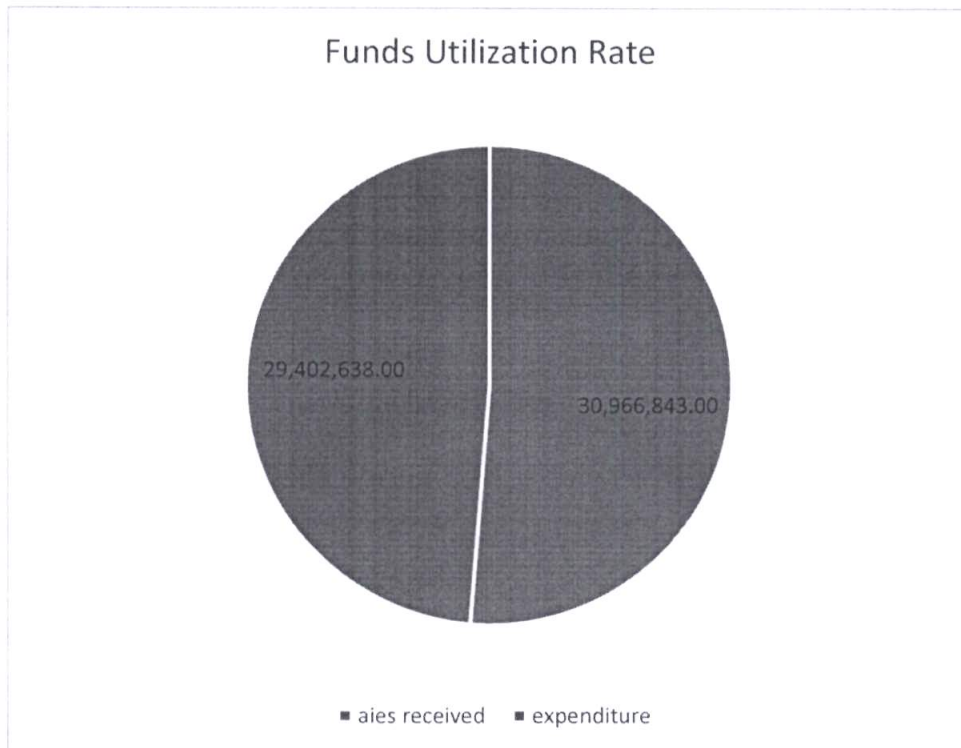
For the financial year ended 30<sup>th</sup> June 2023 total collections amounted to Kshs. 37,742,282 which includes: FIF Collections of Kshs. 18,656,707 and NHIF of Kshs. 19,085,575 (includes capitation of Kshs. 4,837,725).

***Kihara Level 4 Hospital (Kiambu County Government)***  
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The Expenditure Executive Committee makes a monthly budget which is guided by the amount of money collected in that month, that is later reviewed and approved by the HMT. The budgets are then forwarded to the County Chief of Health for reimbursement and AIE approval.

In terms of utilization of funds, AIEs received for the financial year 2022/2023 were Kshs. 30,966,843 with total expenditures of Kshs.29,402,638, which translates to 95% utilization rate.





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**Dr. Samuel Mumira**  
**Secretary to the Board**

## **9.Environmental And Sustainability Reporting**

Kihara Level 4 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*

The public health office uses its position as an office that interacts with the community members to create demand for utilization of services offered at our facility. The avenues used include but not limited to;

- Community dialogues – through the community strategy coordinator community dialogue days are held from time to time to discuss the health issues affecting the community and the best ways to tackle them. During those forums the community members are notified on the various services offered at our facility with assurance being made on the high quality of the services. This enables our facility to compete with the neighbouring private facilities.
- Business licensing- this create an avenue to interact with the business community who are crucial in marketing our facility and also consumers of our services mainly the food handlers' certificates issued to food handlers semi-annually.

### *ii) Environmental performance*

Hospital waste management calls for a comprehensive handling process to ensure the waste produced does not become a nuisance or pose risk of infection to the people handling it and to the community at large. The regulations governing waste management are as follows;

- Public health act Cap 242 LOK
- EMCA Act 1999
- E waste management guideline, July 2011
- Occupational safety and Health act, 2007
- Food drugs and Chemical substances act Cap 254 LOK

In Kiambu county waste management in many of the public hospitals has become a menace mainly due to lack of proper disposal methods (incinerator). Most facilities make use of burning chambers and open burning.

Kihara level 4 hospital is a high-volume waste producer. Daily Waste produced is estimated as follows;

- General waste- 50kgs
- Infectious waste – 100kgs
- Highly infectious waste – 50kgs
- Sharps -2 kgs

Several factors have hindered proper waste management in our facility;

- i. Lack of an incinerator/ burning chamber
- ii. Poor waste segregation
- iii. Lack of workers designated to specifically deal with waste management

Some of the measures taken to tackle the above include but not limited to;

- ❖ Sensitization of casuals/ healthcare workers on infection prevention and control.
- ❖ Transportation of our hospital waste to other facilities for incineration
- ❖ Ensuring steady supply of colour coded bins and bin liners to the respective departments.
- ❖ Ensuring casuals are equipped with the required personal protective equipment at their work stations.
- ❖ Ensuring the waste holding area is secure.

In order for the public facilities to sustain their waste disposal programme the following requires to be done;

- ✓ All level iv hospitals should have incinerators
- ✓ All level ii and iii facilities should have burning chambers
- ✓ Segregation of waste should be done at the place of production.
- ✓ Designate workers for waste management, train them and provide them with proper personal protective equipment.
- ✓ Avoid transportation of hospital waste from one hospital to the other due to the health risks involved.

***iii) Employee welfare***

The Occupational Safety and Health Act, 2007 (OSHA) provides policy for the safety, health and welfare of workers and guides the hospital to ensure a conducive workplace. Healthcare workers are provided with personal protective equipment to minimize exposure to hazards that may cause workplace injuries and illnesses, for example gloves, surgical masks, safety glasses and shoes among others.

***iv) Market place practices-***

***a) Responsible competition practice.***

Kihara level 4 hospital has ensured there is a culture of fair and responsible competition through offering opportunities to all groups in the society such as, People Living with disabilities, Youth and Women without political influence guided by set procurement laws, procedures and regulation.

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

The hospital has put in place guidelines on good business practices with its business partners by offering equal competitive business opportunities. The hospital also treats its suppliers with utmost ethics by ensuring equal distribution of available funds, honouring contracts and frameworks.

***c) Responsible marketing and advertisement***

The hospital has put in place strategies to maintain ethical practices by setting the following guidelines:

- a. Practice transparency
- b. Protection of data and privacy
- c. Commitment to sustainability and human rights
- d. Minimisation of risks

***d) Product stewardship***

The hospital has put in pace the following efforts to safe guard its consumers rights and interests:

- a. Set laws and acts that guides in safeguarding its consumers.
- b. The hospital advocates for compliance.
- c. Right to goods and services equally.

d. Rights to information necessary to them.

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

Kihara Level 4 Hospital strived to conduct community outreaches where the aim is to take health services nearer to our clients. During such occasions we may encounter patients in need of specialized medication. The patients are usually referred to our facility where they are linked with our specialists. This goes a long way to making our facility to be at par with other top-notch health facilities.

The facility offers job opportunities to qualified members of the community mainly as casual workers. This goes a long way in making the community members feel that the facility cares for some of their own. It also instils confidence to the community members noting that when they visit the facility they may get assistance from the people they know.

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

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

#### **Principal activities**

The principal activities of the Kihara Level 4 Hospital are to promote and provide quality, curative, preventive, promotive and rehabilitative care to Kenyans

#### **Results**

The results of Kihara level 4 hospital, for the year ended June 2023 are set out on page 1-8.

#### **Board of Management**

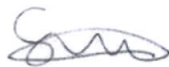
The members of the Board who served during the year are shown on page vii- viii. During the year, no director retired/resigned and there was one new appointment made for year under review.

However, one member of the board has never appeared for any board meeting.

#### **Auditors**

The Auditor General is responsible for the statutory audit of Kihara Level 4 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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**Dr. Mumira Samuel**  
**Secretary to the Board**

## **11. Statement of Board of Management's Responsibilities**

Section 164 of the Public Finance Management Act, 2012 and Kiambu Health Services Act 2019 statements in respect of that *Kihara Level 4 Hospital*, which give a true and fair view of the state of affairs of the *Kihara Level 4 Hospital* at the end of the financial year/period and the operating results of the *Kihara Level 4 Hospital* for that year/period. The Board of Management is also required to ensure that the *Kihara Level 4 Hospital* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *Kihara Level 4 Hospital*. The council members are also responsible for safeguarding the assets of the *Kihara Level 4 Hospital*

The Board of Management is responsible for the preparation and presentation of the *Kihara Level 4 Hospital's* financial statements, which give a true and fair view of the state of affairs of the *Kihara Level 4 Hospital* for and as at the end of the financial year (period) ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *Kihara Level 4 Hospital*, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the *Kihara Level 4 Hospital*; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board of Management accepts responsibility for the *Kihara Level 4 Hospital's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Kiambu County Health Services Act, 2019. The Board members are of the opinion that the *Kihara Level 4 Hospital's* financial statements give a true and fair view of the state of *Kihara Level 4 Hospital's* transactions during the financial year ended June 30, 2023, and of the *Kihara Level 4 Hospital's* financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for

***Kihara Level 4 Hospital (Kiambu County Government)***  
***Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2023***

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the *Kihara Level 4 Hospital*, which have been relied upon in the preparation of the *Kihara Level 4 Hospital's* financial statements as well as the adequacy of the systems of internal financial control.

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


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

**Approval of the financial statements**

The Hospital's financial statements were approved by the Board on 10/07/2024 and signed on its behalf by:



**Dr. M.M. Gitagia**  
**Chairperson**  
**Board of Management**



.....  
**Dr. Samuel Mumira**  
**Accounting Officer**

# REPUBLIC OF KENYA

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## **REPORT OF THE AUDITOR-GENERAL ON KIHARA LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2023 – COUNTY GOVERNMENT OF KIAMBU**

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### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Kihara Level 4 Hospital-County Government of Kiambu set out on pages 1 to 52, which comprise the statement of

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kihara Level 4 Hospitals at 30 June, 2023 – County Government of Kiambu and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012, the County Government Act, 2012 and the Health Act, 2017.

### **Basis for Qualified Opinion**

#### **1. Inaccuracies in Cash and Cash Equivalent Balance**

The statement of financial position reflects cash and cash equivalents balance of Kshs.1,651,200 as disclosed in Note 27 to the financial statements. However, review of bank reconciliation statements revealed unrepresented cheques amounting to Kshs.5,652,036 out of which fifty-two (52) cheques totaling Kshs.1,271,024 were stale and had not been reversed in the cash book.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.1,651,200 could not be confirmed.

#### **2. Unsupported Trade and Other Payables**

The statement of financial position reflects trade and other payables balance of Kshs.33,311,138 as disclosed in Note 34 to the financial statements. However, the balance includes Kshs.21,307,732 which was not supported by invoices, delivery notes, purchase orders and goods received notes.

In the circumstances, the accuracy and completeness of trade and other payables balance of Kshs.21,307,732 could not be confirmed.

#### **3. Unsupported Receivables from Non-Exchange Transactions**

The statement of financial position reflects receivables from non-exchange transactions balance of Kshs.3,690,400 as disclosed in Note 29 to the financial statements. Further, the receivables from non-exchange transactions decreased by Kshs.62,093,542 from Kshs.65,783,942 reported in financial year 2021/2022. However, the decrease was not supported by receipt of funds from non-exchange transactions.

In the circumstances, the accuracy and completeness of receivables from non-exchange transactions balance of Kshs.3,690,400 could not be confirmed.

#### **4. Unsupported Property, Plant and Equipment**

The statement of financial position reflects property plant and equipment balance of Kshs.2,034,750 as disclosed in Note 31 to the financial statements. Physical inspection revealed that the hospital had various assets of undetermined values which include land, buildings, motor vehicles, furniture, computers and medical equipment. However, the assets were not valued and the ownership documents for land, buildings and motor vehicles were not provided for audit. Further, the facility does not have a comprehensive asset register and the assets were not tagged for ease of identification.

In the circumstances, the accuracy and completeness of property plant and equipment balance of Kshs.2,034,750 could not be confirmed.

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

#### **Emphasis of Matter**

##### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.79,831,611 and Kshs.40,147,893 respectively resulting in an under-funding of Kshs.39,683,718 or 50% of the budget. Similarly, the Hospital spent an amount of Kshs.38,434,884 against the actual receipt of Kshs.71,576,000 resulting in an under-utilization of Kshs.33,141,116 or 46% of the receipts.

The under-funding and under-utilization affected planned activities and may have negatively impacted negatively on the services delivery to the public.

My opinion is not modified in respect to this matter.

#### **Key Audit Matters**

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

## **Other Matter**

### **Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness, Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management had not resolved the issues or given any explanation for failure to implement the recommendations.

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

### **Conclusion**

As required by Article 229(6) of the Constitution and based on the audit procedures performed, except for the matters described in the Basis for Conclusion, 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. Non-Compliance to Access to Government Procurement Opportunities**

The statement of financial performance reflects general expenses amount of Kshs.6,317,639 as disclosed in Note 21 to the financial statements. However, in the year under review, there was no reservation of any budgetary allocations to youth, women and persons with disabilities. This was contrary to Section 53(6) of the Public Procurement and Asset Disposal Act, 2015 which requires that all procurement and asset disposal planning shall reserve a minimum of thirty per cent of the budgetary allocations for enterprises owned by women, youth, persons with disabilities and other disadvantaged groups.

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

#### **2. Non-Compliance with Kenya Quality Model for Health Policy Guidelines**

Review of Hospital records and interviews on verification of services offered, equipment used and medical specialists in the Hospital at the time of audit revealed that the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits by fifty-four (54) or 53% of the authorized staff requirements as detailed below;

<b>Staff Requirements</b>	<b>Level 4 Standard</b>	<b>Number in the Hospital</b>	<b>Variance</b>	<b>Percentage %</b>
Medical officers	16	5	11	69
Anaesthesiologists	2	0	2	100
General surgeons	2	0	2	100
Gynaecologists	2	2	0	0
Paediatrics	2	2	0	0
Radiologists	2	1	1	50
Kenya Registered Community Health Nurses	75	37	38	51%
<b>Total</b>	<b>101</b>	<b>47</b>	<b>54</b>	<b>53%</b>

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

<b>Service</b>	<b>Level 4 Hospital Standard</b>	<b>Actuals in the Hospital</b>	<b>Variance</b>	<b>Percentage %</b>
Beds	150	65	85	57
Resuscitaire (2 in labor & 1 in theatre)	2	0	2	100
New Born Unit Incubators	5	0	5	100
New Born Unit Cots	5	0	5	100
Functional ICU Beds	6	0	6	100
High Dependency Unit (HDU)Beds	6	0	6	100
Renal Unit with at least 5 Dialysis Machines	5	0	5	100
Two Functional operational theatres-Maternity & General	2	0	2	100

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

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

### **3. Late Remittance of Statutory Deductions**

The statement of financial performance reflects employee costs amount of Kshs.5,476,045 as disclosed in Notes 16 to the financial statements. However, review of records revealed statutory contributions totaling Kshs.442,090 comprising of National Social Security Fund (NSSF) amount of Kshs.273,340 and National Health Insurance Fund amount of Kshs.168,750 which were remitted after their statutory deadlines of ninth day of the month. Further, the Hospital Management did not deduct Pay As You Earn (PAYE) totaling Ksh.94,532 from casual worker's wages. This was contrary to Section 37 of the Income Tax Act, 2020 which requires tax to be remitted on or before the ninth day of the month following the recovery.

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

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

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

##### **Conclusion**

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

##### **Basis for Conclusion**

##### **Expired Medical Supplies**

The statement of financial position reflects inventories balance of Kshs.6,523,197 as disclosed in Note 30 to the financial statements. However, review of management of pharmaceuticals at the Hospital revealed that 58,538 units of various drugs of undetermined value had expired. Further, the stock cards used to issue drugs to various departments in the hospital did not indicate the batch number and the expiry dates of the drugs.

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

The audit was conducted in accordance with the ISSAI 2315 and ISSAI 2330. The Standards require that I plan and perform the audit to obtain assurance about whether

effective processes and systems of internal controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual 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 overall governance.

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

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

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

The Board of Management is responsible for overseeing the Hospital's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

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

or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

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

ability to continue as a going concern or to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Hospital to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Hospital to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

8 July, 2024

*Kihara level 4 Hospital (Kiambu County Government)*  
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**13. Statement of Financial Performance for The Year Ended 30<sup>th</sup> June 2023**

Description	Note	2022/2023	2021/2022
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the County Government	6	-	-
In- kind contributions from the County Government	7	2,405,610.88	189,692,168
Grants from donors and development partners	8	-	-
Transfers from other Government entities	9	-	-
Public contributions and donations	10	-	-
		<b>2,405,610.88</b>	<b>189,692,168</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Medical Service Income	11	37,742,282.00	35,287,927
Revenue from rent of facilities	12	-	-
Finance /Interest Income	13	-	-
Miscellaneous Income	14	-	-
<b>Revenue from exchange transactions</b>		<b>37,742,282.00</b>	<b>35,287,927</b>
<b>Total revenue</b>		<b>40,147,892.88</b>	<b>224,980,095</b>
<b>Expenses</b>			
Medical/Clinical costs	15	23,625,506.00	23,402,681
Employee costs	16	5,476,045.00	196,501,838
Board of Management Expenses	17	77,500.00	50,000
Depreciation and amortization expense	18	205,452.68	-
Repairs and maintenance	19	2,783,425.00	1,026,196
Grants and subsidies	20	-	-
General expenses	21	6,317,639.00	6,436,017
Finance costs	22	-	-
<b>Total expenses</b>		<b>38,485,567.68</b>	<b>227,416,732</b>
<b>Other gains/(losses)</b>			
Gain/Loss on disposal of non-Current assets	23	-	-

**Kihara Level 4 Hospital (Kiambu County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2023**

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Description	Note	2022/2023	2021/2022
		Kshs	Kshs
Unrealized gain on fair value of investments	24	-	-
Medical services contracts Gains/Losses	25	827,912.00	712,833
Impairment loss	26	-	-
Gain on foreign exchange transactions			
<b>Total other gains/(losses)</b>		<b>827,912.00</b>	<b>(712,833)</b>
<b>Net Surplus / (Deficit) for the year</b>		<b>834,413.20</b>	<b>(2,436,637)</b>

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**13. Statement of Financial Position As At 30<sup>th</sup> June 2023**

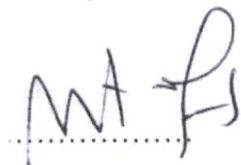
Description	No te	2022/2023	2021/2022
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	27	1,651,200.55	144,086
Receivables from exchange transactions	28	12,676,550.00	9,901,900
Receivables from non-exchange transactions	29	3,690,400.00	65,783,942
Inventories	30	6,523,197.00	2,879,100
<b>Total Current Assets</b>		<b>24,541,347.55</b>	<b>78,709,028</b>
<b>Non-current assets</b>		2,034,750.00	
Property, plant, and equipment	31	2,034,750.00	124,900
Intangible assets	32	411,522.33	925,000
Investment property	33	-	-
<b>Total Non-current Assets</b>		<b>2,446,272.33</b>	<b>1,049,900</b>
<b>Total assets</b>		<b>26,987,619.88</b>	<b>79,758,928</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	34	33,311,137.71	19,597,767
Refundable deposits from customers/Patients	35	-	-
Provisions	36		
Finance lease obligation	37		
Current portion of deferred income	38		
Current portion of borrowings	39		
Social Benefits	41		
<b>Total Current Liabilities</b>		<b>33,311,137.71</b>	<b>19,597,767</b>
			-
<b>Non-current liabilities</b>			-
Provisions	36	-	-
Non-Current Finance lease obligation	37	-	-
Non-Current portion of deferred income	38		
Non - Current portion of borrowings	39	-	-
Service concession liability	40		

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Description	No te	2022/2023	2021/2022
		Kshs	Kshs
Social Benefits	41		
<b>Total Non-current liabilities</b>			
<b>Total Liabilities</b>		<b>33,311,137.71</b>	<b>19,597,767</b>
			(2,436,637)
<b>Net assets</b>			
Revaluation reserve		-	
Accumulated surplus/Deficit		834,413.20	(2,436,637)
Capital Fund		-	
<b>Total Net Assets and Liabilities</b>		<b>34,145,550.91</b>	<b>17,161,130</b>

*(The notes set out on pages 9 to 51 form an integral part of the Annual Financial Statements.)*

The Hospital's financial statements were approved by the Board on 10/07/2024 and signed on its behalf by:



.....  
**Dr. M.M. Gitagia**  
**Chairman**  
**Board of Management**



.....  
**Salome Waweru**  
**Head of Finance**  
**ICPAK No:20677**



.....  
**Dr. Samuel Mumira**  
**Medical Superintendent**

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

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
<b>As at July 1, 2021 (previous year)</b>				
Revaluation gain				-
Surplus/(deficit) for the year	-	(2,436,637)	-	(2,436,637)
Capital/Development grants			-	
<b>As at June 30, 2022 (previous year)</b>		<b>(2,436,637)</b>	-	<b>(2,436,637)</b>
<b>At July 1, 2022 (current year)</b>		<b>(2,436,637)</b>	-	<b>(2,436,637)</b>
Revaluation gain				
Surplus/(deficit) for the year		834,413.20	-	834,413.20
Capital/Development grants			-	
<b>At June 30, 2023 (current year)</b>		<b>834,413.20</b>	-	<b>834,413.20</b>

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

Description	Note	2022/2023	2021/2022
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from the County Government		-	-
Grants from donors and development partners		-	-
Transfers from other Government entities		-	-
Public contributions and donations		-	-
Rendering of services- Medical Service Income		30,966,843.00	35,287,927
Revenue from rent of facilities		-	-
Finance / interest income		-	-
Miscellaneous receipts( <i>specify</i> )		-	-
<b>Total Receipts</b>		<b>30,966,843.00</b>	<b>35,287,927</b>
<b>Payments</b>			
Medical/Clinical costs		13,246,877.00	23,402,681
Employee costs		7,686,485.00	196,501,838
Board of Management Expenses		77,500.00	50,000
Repairs and maintenance		2,115,925.00	1,026,196
Grants and subsidies		-	-
General expenses		5,868,632.00	6,012,560
Other expenses		544,125.00	-
Finance costs		-	-
Refunds paid out		-	-
<b>Total Payments</b>		<b>29,539,544.00</b>	<b>226,993,275</b>
<b>Net cash flows from operating activities</b>	42	<b>1,427,299.00</b>	<b>191,705,348</b>
<b>Cash flows from investing activities</b>			-
Purchase of property, plant, equipment & intangible assets		-	-
Proceeds from the sale of property, plant, and equipment		-	-
Acquisition of investments		-	-
<b>Net cash flows used in investing activities</b>		-	-
<b>Cash flows from financing activities</b>			-
Proceeds from borrowings		-	-
Repayment of borrowings		-	-

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Capital grants received		-	
<b>Net cash flows used in financing activities</b>		-	
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,427,299.00</b>	<b>166,627,032</b>
Cash and cash equivalents as at 1 <sup>st</sup> July 2022		136,905.08	136,905.08
<b>Cash and cash equivalents as at 30<sup>th</sup> June 2023</b>		<b>1,651,200.55</b>	<b>136,905.08</b>

**16. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 June 2023**

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	<b>a</b>	<b>b</b>	<b>c=(a+b)</b>	<b>d</b>	<b>e=(c-d)</b>	<b>f=d/c%</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	
<b>Revenue</b>						
Transfers from the County Government	2,405,610.88	0	2,405,610.88	2,405,610.88	-	100%
Grants from donors and development partners	-	0	-	-	-	%
Transfers from other Government entities	-	0	-	-	-	%
Public contributions and donations	-	0	-	-	-	%
Rendering of services- Medical Service Income	77,426,000	00	77,426,000	37,742,282.00	48.7%	%
Revenue from rent of facilities	-					%
Finance / interest income	-					%
Miscellaneous receipts ( <i>specify</i> )	-					%
<b>Total income</b>	<b>79,831,610.88</b>	<b>0</b>	<b>79,831,610.88</b>	<b>40,147,892.88</b>	<b>50.3%</b>	<b>%</b>
<b>Expenses</b>						
Medical/Clinical costs	50,550,000	0	50,550,000	23,478,523	46.4%	%
Employee costs	4,416,000	0	4,416,000	5,476,045	101.2%	%
Remuneration of directors	200,000	0	200,000	77,500	38.7%	%
Repairs and maintenance	7,000,000	0	7,000,000	3,274,670	46.7%	%
Grants and subsidies	0	0	0	0	0	%
General expenses	9,410,000	0	9,410,000	6,128,146	65%	%
Finance costs	0	0	0	0	0	%
Refunds	0	0	0	0	0	%
<b>Surplus for the period</b>	<b>5,850,000</b>	<b>0</b>	<b>5,850,000</b>	<b>-1,169,152.12</b>		<b>%</b>
<b>Capital expenditure</b>						

The hospital did not meet its revenue targets, hence the reason why the performance was below average.

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

### **1. General Information**

Kihara Level 4 Hospital is established by and derives its authority and accountability from the Health Act and through the gazette notice no. 2071 of 2008. The Kihara Level 4 Hospital is wholly owned by the Government of Kenya and is domiciled in Kiambu County, Kenya. The Kihara Level 4 Hospital's principal activity is provision of curative, rehabilitative and preventive health.

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

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

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

Standard	Effective date and impact
<p><b>IPSAS 41:</b> Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Kihara Level 4 Hospital's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Kihara Level 4 Hospital's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul>
<p><b>IPSAS 42:</b> Social Benefits</p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Kihara Level 4 Hospital provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p>

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Standard	Effective date and impact
	<p>(a) The nature of such social benefits provided by the Kihara Level 4 Hospital</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Kihara Level 4 Hospital's financial performance, financial position and cash flows.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other improvements to IPSAS</p>	<p><b>Applicable 1<sup>st</sup> January 2023</b></p> <ul style="list-style-type: none"> <li>• <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i></li> </ul> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> <li>• <i>IPSAS 39: Employee Benefits</i></li> </ul> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> <li>• <i>IPSAS 29: Financial instruments: Recognition and Measurement</i></li> </ul> <p>Standard no longer included in the 2023 IPSAS handbook as it is now</p>

Standard	Effective date and impact
	superseded by IPSAS 41 which is applicable from 1 <sup>st</sup> 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	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Kihara Level 4 Hospital</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The Standard requires:-</p> <ol style="list-style-type: none"> <li>i. Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and;</li> <li>ii. Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</li> </ol>

*iii) Early adoption of standards*

Kihara Level 4 Hospital did not early – adopt any new or amended standards in the financial year.

#### **4. Summary of Significant Accounting Policies**

##### **a. Revenue recognition**

##### **i) Revenue from non-exchange transactions**

##### **Transfers from other Government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the *Kihara Level 4 Hospital* and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the asset that has been acquired using such funds.

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

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

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

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

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

##### **Interest income**

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

##### **Rental income**

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

*Notes to the Financial Statements (Continued)*

**b. Budget information**

The original budget for FY 2022/2023 was approved by Board on 14/07/2022. 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 Kihara Level 4 Hospital upon receiving the respective approvals in order to conclude the final budget. Accordingly, the *Kihara Level 4 Hospital* recorded additional appropriations of *nil* on the FY 2022/2023 budget following the Board's approval. The *Kihara Level 4 Hospital's* budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

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 8 under section 17 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.

**d. Investment property**

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

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of years. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of derecognition. 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 Kihara Level 4 Hospital recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

*Notes to the Financial Statements (Continued)*

**f. Leases**

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

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

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

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

**g. Intangible assets**

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

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

**h. Research and development costs**

The Kihara Level 4 Hospital expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Kihara Level 4 Hospital can demonstrate:

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

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

**i. Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The Kihara Level 4 Hospital does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements.*

A financial instrument is any contract that gives rise to a financial asset of one Kihara Level 4 Hospital and a financial liability or equity instrument of another Kihara Level 4 Hospital. At initial recognition, the Kihara Level 4 Hospital measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

*Notes to the Financial Statements (Continued)*

**Financial assets**

**Classification of financial assets**

The Kihara Level 4 Hospital classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the Kihara Level 4 Hospital's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an Kihara Level 4 Hospital has made irrevocable election at initial recognition for particular investments in equity instruments.

**Subsequent measurement**

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

**Amortized cost**

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

*Notes to the Financial Statements (Continued)*

**Fair value through net assets/ equity**

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

**Fair value through surplus or deficit**

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the Kihara Level 4 Hospital manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

**Trade and other receivables**

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

**Impairment**

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

**Financial liabilities**

**Classification**

The Kihara Level 4 Hospital classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

*Notes to the Financial Statements (Continued)*

**j. Inventories**

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

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

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

After initial recognition, inventory is measured at the lower cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower cost and the current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Kihara Level 4 Hospital

**k. Provisions**

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

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

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

*Notes to the Financial Statements (Continued)*

**l. Social Benefits**

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The Kihara Level 4 Hospital recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the Kihara Level 4 Hospital will incur in fulfilling the present obligations represented by the liability.

**m. Contingent liabilities**

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

**n. Contingent assets**

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

**o. Nature and purpose of reserves**

The Kihara Level 4 Hospital creates and maintains reserves in terms of specific requirements.

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

The Kihara Level 4 Hospital recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

*Notes to the Financial Statements (Continued)*

**q. Employee benefits**

**Retirement benefit plans**

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

**r. Foreign currency transactions**

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

**s. Borrowing costs**

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

**t. Related parties**

The Kihara Level 4 Hospital regards a related party as a person or an Kihara Level 4 Hospital with the ability to exert control individually or jointly, or to exercise significant influence over the *Kihara Level 4 Hospital*, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO/principal and senior managers.

*Notes to the Financial Statements (Continued)*

**u. Service concession arrangements**

The Kihara Level 4 Hospital analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the *Kihara Level 4 Hospital* recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the *Kihara Level 4 Hospital* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**v. Cash and cash equivalents**

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

**w. Comparative figures**

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

**x. Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2023.

## **5. Significant Judgments and Sources of Estimation Uncertainty**

The preparation of the Kihara Level 4 Hospital's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

### **Estimates and assumptions.**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Kihara Level 4 Hospital based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Kihara Level 4 Hospital. Such changes are reflected in the assumptions when they occur. (IPSAS 1.140)

### **Useful lives and residual values**

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

- The condition of the asset based on the assessment of experts employed by the Kihara Level 4 Hospital
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset.

### **Provisions**

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

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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	2022/2023	2021/2022
	KShs	KShs
<b>Unconditional grants</b>		
Operational grant	-	-
Level 5 grants	-	-
Unconditional development grants	-	-
Other grants	-	-
<b>Conditional grants</b>		
User fee forgone	-	-
Transforming health services for Universal care project (THUCP)	-	-
DANIDA	-	-
Wards Development grant	-	-
Paediatric block grant	-	-
Administration block grant	-	-
Laboratory grant	-	-
<b>Total government grants and subsidies</b>	-	-

**6 b Transfers from The County Government**

Name of the Kihara Level 4 Hospital sending the grant	Amount recognized to Statement of financial performance* KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year	Comparative Period
			KShs	KShs	KShs
Kiambu County Government	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**Notes to Financial Statements Continued**

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

Description	2022/2023	2021/2022
	KShs	KShs
Salaries and wages		187,341,878
Medical supplies-Drawings Rights (KEMSA)	-	
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)	2,405,610.88	2,350,290
Utility bills		-
<b>Total grants in kind</b>	<b>2,405,610.88</b>	<b>189,692,168</b>

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

Description	2022/2023	2021/2022
	KShs	KShs
Cancer Centre grant- DANIDA	-	-
World Bank grants	-	-
Paediatric ward grant- JICA	-	-
Research grants	-	-
Other grants ( <i>specify</i> )	-	-
<b>Total grants from development partners</b>	<b>-</b>	<b>-</b>

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

Name of the Kihara Level 4 Hospital 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	-	-	-	-	-
JICA	-	-	-	-	-
World Bank	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

*Notes to Financial Statements (Continued)*

**9. Transfers From Other Government Entities**

Description	2022/2023	2021/2022
	KShs	KShs
Transfer from National Government (Ministry of Health)	-	-
Transfer from National Hospital	-	-
Transfer from Institute	-	-
<b>Total Transfers</b>	-	-

**10. Public Contributions and Donations**

Description	2022/2023	2021/2022
	KShs	KShs
Public donations	-	-
Donations from local leadership	-	-
Donations from religious institutions	-	-
Donations from other international organisations and individuals	-	-
Other donations( <i>specify</i> )	-	-
Donations in kind-amortised	-	-
<b>Total donations and sponsorships</b>	-	-

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

Description	2022/2023	2021/2022
	Kshs	Kshs
<b>Balance unspent at beginning of year</b>	-	-
Current year receipts	-	-
Amortised and transferred to revenue	-	-
<b>Conditions to be met – remain liabilities</b>	-	-

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*Notes to Financial Statements (Continued)*

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

Description	2022/2023	2021/2022
	Kshs	Kshs
Pharmaceuticals		2,397,857
Non-Pharmaceuticals		519,160
Laboratory		2,269,340
Radiology		1,202,900
Orthopedic and Trauma Technology		135,400
Theatre		292,500
Accident and Emergency Service		164,830
Anesthesia Service		-
Ear Nose and Throat service		-
Nutrition service		-
Cancer centre service		-
Dental services		59,150
Reproductive health		267,900
Paediatrics services		1,220,670
Farewell home services		1,023,000
Other medical services income	18,656,707	25,735,220
Nhif	19,085,575	
<b>Total revenue from the rendering of services</b>	<b>37,742,282.00</b>	<b>35,287,927</b>

*Notes to the Financial Statements (Continued)*

**12. Revenue From Rent of Facilities**

Description	2022/2023	2021/2022
	Kshs	Kshs
Residential property	-	-
Commercial property	-	-
<b>Total Revenue from rent of facilities</b>	-	-

**13. Finance /Interest Income**

Description	2022/2023	2021/2022
	Kshs	Kshs
Cash investments and fixed deposits	-	-
Interest income from short- term/ current deposits	-	-
Interest income from Treasury Bills	-	-
Interest income from Treasury Bonds	-	-
Interest from outstanding debtors	-	-
<b>Total finance income</b>	-	-

**14. Miscellaneous Income**

Description	2022/2023	2021/2022
	KShs	KShs
Insurance recoveries	-	-
Income from sale of tender	-	-
Services concession income	-	-
Sale of goods (water, publications, containers etc)	-	-
Write backs (Deposits, payments in advance etc)	-	-
Bad debts recovered	-	-
<i>Others (Specify)</i>	-	-
<b>Total Miscellaneous income</b>	-	-

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Notes to the Financial Statements (Continued)

15. Medical/ Clinical Costs

Description	2022/2023	2021/2022
	Kshs	Kshs
Dental costs/ materials	263,350.00	75,000.00
Laboratory chemicals and reagents	2,381,314.00	2,382,554.45
Public health activities	-	-
Food and Ration	3,213,423.00	2,342,108.46
Other fuels (cooking gas,charcoal)	852,020.00	781,700
Uniform, clothing, and linen	-	-
Dressing and Non-Pharmaceuticals	7,345,783.00	9,566,018.00
Pharmaceutical supplies	5,314,947.00	3,180,407.80
Health information stationery	199,400.00	1,180,250.00
Reproductive health materials	-	-
Sanitary and cleansing Materials	310,149.00	236,646.00
Purchase of Medical gases	2,687,775.00	2,384,375.00
X-Ray/Radiology supplies	1,057,345.00	933,621.00
Other medical related clinical costs	-	340,000.00
<b>Total medical/ clinical costs</b>	<b>23,625,506.00</b>	<b>23,402,680.71</b>

16. Employee Costs

Description	2022/2023	2021/2022
	Kshs	Kshs
Salaries, wages, and allowances	5,339,240.00	196,439,438.00
Contributions to pension schemes	-	-
Service gratuity	-	-
Performance and other bonuses	-	-
Staff medical expenses and Insurance cover	-	-
Group personal accident insurance and WIBA	-	-
Social contribution	136,805.00	62,400.00
Other employee costs ( <i>specify</i> )		
<b>Employee costs</b>	<b>5,476,045.00</b>	<b>196,501,838.00</b>

*Notes to the Financial Statements (Continued)*

**17. Board of Management Expenses**

Description	2022/2023	2021/2022
	Kshs	Kshs
Chairman's Honoraria	-	-
Sitting allowance	77,500	50,000
Mileage	-	-
Insurance expenses	-	-
Induction and training	-	-
Travel and accommodation allowance	-	-
Airtime allowances	-	-
<b>Total</b>	<b>77,500</b>	<b>50,000</b>

**18. Depreciation and Amortization Expense**

Description	2022/2023	2021/2022
	Kshs	Kshs
Property, plant and equipment	-	-
Intangible assets	205,452.68	-
Investment property carried at cost	-	-
<b>Total depreciation and amortization</b>	<b>205,452.68</b>	<b>-</b>

**19. Repairs And Maintenance**

Description	2022/2023	2021/2022
	Kshs	Kshs
Property- Buildings	1,263,010.00	96,930.00
Medical equipment	835,200.00	171,142.00
Office equipment	-	-
Furniture and fittings	-	-
Computers and accessories	-	-
Motor vehicle expenses	426,270.00	390,884.00
Maintenance of civil works	-	-
Maintenance of Plant and equipment	258,945.00	367,240.00
<b>Total repairs and maintenance</b>	<b>2,783,425.00</b>	<b>1,026,196.00</b>

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*Notes to the Financial Statements (Continued)*

**20. Grants And Subsidies**

Description	2022/2023	2021/2022
	Kshs	Kshs
Community development and social work	-	-
Education initiatives and programs	-	-
Free/ subsidised medical camp	-	-
Disability programs	-	-
Free cancer screening	-	-
Social benefit expenses	-	-
Other grants and subsidies( <i>specify</i> )	-	-
<b>Total grants and subsidies</b>	-	-

**21. General Expenses**

Description	2022/2023	2021/2022
	Kshs	Kshs
Advertising and publicity expenses	-	-
Catering expenses	136,400.00	40,000.00
Waste management expenses	-	258,255.00
Insecticides and rodenticides	-	10,000.00
Audit fees	-	-
Bank charges	5,720.00	9,240.00
Conferences and delegations	-	-
Consultancy fees	-	-
Contracted services	1,896,000.00	1,764,000.00
Electricity expenses	2,711,945.00	2,102,775.00
Fuel and Lubricants	249,195.00	-
Insurance	-	-
Research and development expenses	-	-
Travel and accommodation allowance	102,700.00	190,960.00
Legal expenses	-	-
Licenses and permits	-	-

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Description	2022/2023	2021/2022
	Kshs	Kshs
Courier and postal services	-	-
Printing and stationery	472,759.00	1,594,467.00
Hire charges	-	-
Rent expenses	-	-
Water and sewerage costs	-	9,900.00
Skills development levies	-	-
Telephone and mobile phone services	555,000.00	342,900.00
Internet expenses	187,920.00	113,520.00
Staff training and development	-	-
Subscriptions to professional bodies	-	-
Subscriptions to newspapers periodical, magazines, and gazette notices	-	-
Library books/Materials	-	-
Parking charges	-	-
<b>Total General Expenses</b>	<b>6,317,639.00</b>	<b>6,436,017.00</b>

**22. Finance Costs**

Description	2022/2023	2021/2022
	KShs	KShs
Borrowings (amortized cost) *	-	-
Finance leases (amortized cost)	-	-
Interest on Bank overdrafts/Guarantees	-	-
Interest on loans from commercial banks	-	-
<b>Total finance costs</b>	<b>-</b>	<b>-</b>

*Notes to the Financial Statements (Continued)*

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

Description	2022/2023	2021/2022
	KShs	KShs
Property, plant, and equipment	-	-
Intangible assets	-	-
Other assets not capitalised ( <i>specify</i> )	-	-
<b>Total gain on sale of assets</b>	-	-

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

Description	2022/2023	2021/2022
	KShs	KShs
Investments at fair value	-	-
<b>Total gain</b>	-	-

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

Description	2022/2023	2021/2022
	KShs	KShs
Comprehensive care contracts with NHIF		
Non- Comprehensive contracts care with NHIF		
Linda Mama Program		
Waivers and Exemptions	827,912	712,833
<b>Total Gain/Loss</b>	<b>(827,912 )</b>	<b>(712,833)</b>

**26. Impairment Loss**

Description	2022/2023	2021/2022
	KShs	KShs
Property, plant, and equipment	-	-
Intangible assets	-	-
<b>Total impairment loss</b>	-	-

**27. Cash And Cash Equivalents**

Description	2022/2023	2021/2022
	KShs	KShs
Current accounts	1,651,200.55	144,085.75
On - call deposits	-	0
Fixed deposits accounts	-	0
Cash in hand	-	0
Others( <i>specify</i> )- Mobile money	-	0
<b>Total cash and cash equivalents</b>	<b>1,651,200.55</b>	<b>144,085.75</b>

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

Description		2022/2023	2021/2022
Financial institution	Account number	KShs	KShs
<b>a) Current account</b>			
Cooperative Bank of Kenya- FIF ACC	01141475765800	1,564,204.88	136,905.08
Cooperative Bank of Kenya- NHIF ACC	01141701565000	75.67	7,180.67
FAMILY BANK	001000053776	86,920.00	-
<b>Sub- total</b>		<b>1,651,200.55</b>	<b>144,085.75</b>
<b>b) On - call deposits</b>			
Kenya Commercial bank			
Equity Bank – etc			
<b>Sub- total</b>		-	
<b>c) Fixed deposits account</b>			
Bank Name			
<b>Sub- total</b>		-	
<b>d) Others(<i>specify</i>)</b>			
cash in hand			
Mobile money- Mpesa, Airtel money			
<b>Sub- total</b>		-	
<b>Grand total</b>		<b>1,651,200.55</b>	<b>144,085.75</b>

*Notes to the Financial Statements (Continued)*

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**28. Receivables From Exchange Transactions**

Description	2022/2023	2021/2022
	KShs	KShs
Medical services receivables	-	-
Rent receivables	-	-
Other exchange debtors	12,676,550	9,901,900
Less: impairment allowance	-	-
<b>Total receivables</b>	<b>12,676,550</b>	<b>9,901,900</b>

**Analysis of Receivables From Exchange Transactions**

Description	2022/2023		2021/2022	
	Kshs		Kshs	
	2022/2023	% of the total	2021/2022	% of the total
Less than 1 year	2,774,650	22%		%
Between 1- 2 years	9,901,900	78 %		%
Between 2-3 years		%		%
Over 3 years		%		%
<b>Total (a+b)</b>	<b>12,676,950</b>	<b>100%</b>		<b>%</b>

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

Description	2022/2023	2021/2022
	KShs	KShs
Transfers from the County Government	3,690,400.00	-
Undisbursed donor funds		-
Other debtors ( <i>non-exchange transactions</i> )		-
Less: impairment allowance		-
<b>Total</b>	<b>3,690,400.00</b>	<b>-</b>

*Notes to the Financial Statements (Continued)*

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

Description	2022/2023		2021/2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	3,690,400	100%		%
Between 1- 2 years		%		%
Between 2-3 years		%		%
Over 3 years		%		%
<b>Total (a+b)</b>	<b>3,690,400</b>	<b>100%</b>		<b>%</b>

**30. Inventories**

Description	2022/2023	2021/2022
	KShs	KShs
Pharmaceutical supplies	2,898,443.00	1,609,100
Non Pharmaceuticals	22,000.00	200,000
Maintenance supplies	53,686.00	15,000
Food supplies	2,662,341.00	500,000
Linen and clothing supplies	563,754.00	500,000
Cleaning materials supplies	69,463.00	5,000
General supplies	253,510.00	50,000
Less: provision for impairment of stocks		( 0 )
<b>Total</b>	<b>6,523,197.00</b>	<b>2,879,100</b>

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**31. Property, Plant and Equipment**

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
<b>Cost</b>								
At 1 July 2021 (previous year)				56,000	68,900			124,900
Additions								
Disposals								
Transfers/adjustments								
<b>At 30<sup>th</sup> Jun 2022</b>				56,000	68,900			124,900
At 1 July 2022 (current year)								
Additions				578,950	998,500	332,400		1,909,850
Disposals								
Transfer/adjustments								
<b>At 30<sup>th</sup> Jun 2023</b>								
<b>Depreciation and impairment</b>								
At 1 July 2021 (previous year)				-				
Depreciation for the year				-				
Disposals				-				
Impairment				-				
<b>At 30 June 2022</b>								

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Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Capital Work in progress	Total
At July 2022 (current year)								
Depreciation								
Disposals								
Impairment								
Transfer/adjustment								
<b>At 30<sup>th</sup> June 2023</b>				<b>578,950</b>	<b>998,500</b>	<b>332,400</b>		<b>1,909,850</b>
<b>Net book values</b>								
At 30 <sup>th</sup> Jun 2022 (previous)				<b>56,000</b>	<b>68,900</b>	<b>0</b>	<b>0</b>	<b>124,900</b>
At 30 <sup>th</sup> Jun 2023(current)				<b>634,950</b>	<b>1,067,400</b>	<b>332,400</b>	<b>0</b>	<b>2,034,750</b>

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Notes to the Financial Statements (Continued)

**32. Intangible Assets-Software**

Description	2022/2023	2021/2022
	KShs	KShs
<b>Cost</b>		
<b>At beginning of the year</b>	616,975.00	925,000
Additions	0	
Additions-Internal development	0	
Disposal	0	
<b>At end of the year</b>	<b>617,975.00</b>	<b>925,000</b>
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>	617,975.00	
Amortization for the period	205,452.68	
Impairment loss		
<b>At end of the year</b>		
<b>NBV</b>	<b>412,522.32</b>	<b>925,000</b>

**33. Investment Property**

Description	2022/2023	2021/2022
	KShs	KShs
<b>At beginning of the year</b>	-	-
Additions	-	-
Disposals during the year	-	-
Fair value gain	-	-
Depreciation ( <i>where investment property is at cost</i> )	-	-
Impairment	-	-
<b>At end of the year</b>	<b>-</b>	<b>-</b>

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

**34. Trade and other Payables**

Description	2022/2023		2021/2022	
	KShs		KShs	
Trade payables	33,311,137.71		17,489,358	
Employee dues	-		2,108,408	
Third-party payments (e.g. unremitted payroll deductions)	-		0	
Audit fee	-		0	
Doctors' fee	-		0	
<b>Total trade and other payables</b>	<b>33,311,137.71</b>		<b>19,597,766</b>	
<b>Ageing analysis:</b>	<b>2022/2023</b>	<b>% of the Total</b>	<b>2021/2022</b>	<b>% of the total</b>
Under one year	13,993,286	42%		%
1-2 years	15,663,468	47%		%
2-3 years	837,969	2.5%		%
Over 3 years	2,816,413.7	8.5%		%
<b>Total</b>		<b>100%</b>		<b>%</b>

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

Description	2022/2023		2021/2022	
	KShs		KShs	
Medical fees paid in advance	-			
Credit facility deposit	-		-	
Rent deposits	-		-	
Others (specify)	-		-	
<b>Total deposits</b>	<b>-</b>		<b>-</b>	
	<b>-</b>		<b>-</b>	
<b>Ageing analysis:</b>	<b>2022/2023</b>	<b>% of the Total</b>	<b>2021/2022</b>	<b>% of the Total</b>
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	<b>-</b>	<b>%</b>	<b>-</b>	<b>%</b>

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*Notes to the Financial Statements (Continued)*

**36. Provisions**

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

**37. Finance Lease Obligation**

Description	2022/2023	2021/2022
	Kshs	Kshs
Current Lease obligation	-	-
Long term lease obligation	-	-
<b>Total</b>	-	-

**38. Deferred Income**

Description	2022/2023	2021/2022
	KShs	KShs
Current Portion	-	-
Non-Current Portion	-	-
<b>Total</b>	-	-

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

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

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

**39. Borrowings**

Description	2022/2023	2021/2022
	KShs	KShs
<b>Balance at beginning of the period</b>	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the year	-	-
Repayments of domestic borrowings during the year	-	-
<b>Balance at end of the period</b>	-	-

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

Description	2022/2023	2021/2022
	KShs	KShs
Current Obligation	-	-
Non-Current Obligation	-	-
<b>Total</b>	-	-

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Notes to the Financial Statements (Continued)

40. Service Concession Arrangements

Description	2022/2023	2021/2022
	KShs	KShs
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	-	-
Net carrying amount	-	-
Service concession liability at beginning of the year	-	-
Service concession revenue recognized	-	-
Service concession liability at end of the year	-	-

41. Social Benefit Liabilities

Description	2022/2023	2021/2022
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
People Living with Disabilities benefit Scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
<b>Total</b>	-	-
	-	-
Current social benefits	-	-
Non- current social benefits	-	-
<b>Total (tie to totals above)</b>	-	-

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

**42. Cash Generated from Operations**

Description	2022/2023	2021/2022
	KShs	KShs
Surplus for the year before tax	1,039,865.88	
<b>Adjusted for:</b>		
Depreciation	-	
Non-cash grants received	-	
Impairment	-	
Gains and losses on disposal of assets	-	
Contribution to provisions	-	
Contribution to impairment allowance	-	
<b>Working Capital adjustments</b>		
Increase in inventory	3,644,097	
Increase in receivables	2,774,650	
Increase in deferred income	0	
Increase in payables	13,439,996	
Increase in payments received in advance	0	
<b>Net cash flow from operating activities</b>	<b>1,427,299.00</b>	

*Notes to the Financial Statements (Continued)*

**43. Financial Risk Management**

The Kihara Level 4 Hospital's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The 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 Kihara Level 4 Hospital's financial risk management objectives and policies are detailed below:

**(i) Credit risk**

The Kihara Level 4 Hospital has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the 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 Kihara Level 4 Hospital's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2021 (previous year)				
Receivables from exchange transactions	9,901,900			
Receivables from –non-exchange transactions				
Bank balances				
<b>Total</b>	<b>9,901,900</b>			
At 30 June 2023 (current year)				
Receivables from exchange transactions	2,774,650			
Receivables from –non-exchange transactions	3,690,400			
Bank balances				
<b>Total</b>	<b>16,366,950</b>			

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

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Kihara Level 4 Hospital has significant concentration of credit risk on amounts due from pending bills. 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 Kihara Level 4 Hospital's short, medium and long-term funding and liquidity management requirements. The Kihara Level 4 Hospital manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2023</b>				
Trade payables				
Current portion of borrowings				
Provisions				
Deferred income				
Employee benefit obligation				
<b>Total</b>				
<b>At 30 June 2023</b>	<b>33,311,137.7</b>			
Trade payables				
Current portion of borrowings				
Provisions				
Deferred income				
Employee benefit obligation				
<b>Total</b>	<b>33,311,137.71</b>			

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

The 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 Kihara Level 4 Hospital's exposure to market risks or the way it manages and measures the risk.

**iv) Capital Risk Management**

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

Description	Current Period	Comparative Period
	Kshs	Kshs
Revaluation reserve		-
Retained earnings		-
Capital reserve		-
<b>Total funds</b>		-
Total borrowings		-
Less: cash and bank balances		-
Net debt/ ( <i>excess cash and cash equivalents</i> )		-
<b>Gearing</b>		-

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

**44. Related Party Balances**

**Nature of related party relationships**

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

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

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

Description	2022/2023	2021/2022
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>a) Services offered to related parties</b>		
Services to		
Sales of services to		
<b>Total</b>		
<b>b) Grants from the Government</b>		
Grants from County Government		
Grants from the National Government Entities		
Donations in kind		
<b>Total</b>		
<b>c) Expenses incurred on behalf of related party</b>		
Payments of salaries and wages for xxx employees		
Payments for goods and services for xxx		
<b>Total</b>		-

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Description	2022/2023	2021/2022
	Kshs	Kshs
<b>d) Key management compensation</b>		
Directors' emoluments		
Compensation to the medical Sup		
Compensation to key management		
<b>Total</b>	-	-

**45. Segment Information**

**46. Contingent Liabilities**

Contingent liabilities	2022/2023	2021/2022
	Kshs	Kshs
Court case against the company	-	-
Bank guarantees in favour of subsidiary	-	-
<b>Total</b>		

**47. Capital Commitments**

Capital Commitments	2022/2023	2021/2022
	Kshs	Kshs
Authorised For	-	-
Authorised And Contracted For	-	-
<b>Total</b>	-	-

**48. Events after the Reporting Period**

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

**49. Ultimate and Holding Kihara Level 4 Hospital**

The Kihara Level 4 Hospital is a Semi- Autonomous Government Agency under the Department of Health. Its ultimate parent is the County Government of Kiambu.

**50. Currency**

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

**18. Appendices**

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


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

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

**Guidance Notes:**

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

**The Audit report for the first audit done has not yet been received.**



.....  
**Accounting Officer**

**Appendix II: Projects Implemented by The Kihara Level 4 Hospital**

**Projects**

Projects implemented by the Hospital Funded by development partners

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

**Status of Projects completion**

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

No projects have been funded by development partners for the year under review.

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

*[Kihara Level 4 Hospital]*  
*[P.O. BOX 39-00900*  
*KIAMBU]*

Kihara Level 4 Hospital wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary Kihara Level 4 Hospital] as at 30 <sup>th</sup> June 2023							
Reference Number	Date Disbursed	Amounts Disbursed by [FIF Fund] (KShs) as at 30th June 2023			Total (D)=(A+B+C)	Amount Received by [beneficiary Kihara Level 4 Hospital] (KShs) as at 30 <sup>th</sup> June 2023 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)			
005ORGC222140006	03/08/2022	5,155,559.20	-	-	5,155,559.20	5,155,559.20	
005ORGC222920007	19/10/2022	2,120,271.20	-	-	2,120,271.20	2,120,271.20	
005ORGC223180010	15/11/2022	1,344,720.00	-	-	1,344,720.00	1,344,720.00	
005ORGC230050011	05/01/2023	7,669,253.60	-	-	7,669,253.60	7,669,253.60	
005ORGC230790006	20/03/2023	10,397,244.80	-	-	10,397,244.80	10,397,244.80	
RTGS/1/NCP/00000214682	05/07/2023	254,680	-	-	254,680	254,680	
RTGS/1/NCP/00000217920	05/07/2023	4,025,116	-	-	4,025,116	4,025,116	
<b>Total</b>		<u>30,966,843.00</u>	-	-	<u>30,966,843.00</u>	<u>30,966,843.00</u>	

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

**Head of Accounts Department of the beneficiary Kihara Level 4 Hospital:**

Name .....Salome Waweru..... Sign .....  .....Date .....10/07/2024.....

**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		

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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