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REPORT

OF

THE AUDITOR-GENERAL

ON

HABASWEIN SUB-COUNTY LEVEL 4
HOSPITAL

FOR THE YEAR ENDED
30 JUNE, 2023

PAPERS LAID	
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COUNTY GOVERNMENT OF WAJIR

44

OFFICE OF THE
NORTH EASTERN GOVERNOR
21 NOV 2023
P. O. BOX 2-70200, WAJIR



HABASWEIN SUBCOUNTY LEVEL 4 HOSPITAL (Wajir County Government)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2023

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

MEDICAL SUPERINTENDENT
HABASWEIN SUB-COUNTY
HOSPITAL
P.O. BOX 2-70200, WAJIR
Date.....

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1. Acronyms & Glossary of Terms

FY	Financial year
RCO	Registered clinical officer
NHIF	National health insurance fund
AIE	Authority to incur expenditure
CSR	Corporate social responsibility
IPSAS	International public sector accounting standards
PFM	Public finance management
IPSASB	International public sector accounting standard board
CEO	Chief executive officer
KEMSA	Kenya medical suppliers' authority
PPE	Personal protective equipment
CoG	Council of governors
Fiduciary Management	Key management personnel who have financial responsibility in the

2. Key Entity Information and Management

(a) Background information

Habaswein Hospital is a level (4) hospital established under gazette notice number and is domiciled in Wajir County under the Medical Service Department. The hospital is governed by Hospital Management team.

(b) Principal Activities

The principal activity of Habaswein Subcounty Level 4 Hospital is to provide medical services.

Vision:

To be a model centre for provision of acceptable, affordable and sustainable health care in a resource poor environment.

Mission:

To maximize use of our limited resources and opportunities to provide the best possible health services to all.

Core Values

Habaswein Subcounty Level 4 Hospital has values that drive the institution in the decisions that we make. They are as follows;

- Service delivery
- Timeliness
- Customer service
- Efficiency & effectiveness in all individual or group undertakings
- Respect for all in the organization irrespective of background
- Proper utilization of scarce resources
- Humane approach to all
- Cooperation and team work at all times
- Sharing experience and disseminating knowledge

(c) Key Management

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

- County department of health

It's led by the county executive committee who takes overall responsibility in the day-to-day running of the Hospital on behalf of the Board of Management by;

Habaswein Subcounty Level 4 Hospital (Wajir County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2023

- ✓ Providing visionary and transformational leadership
- ✓ Overseeing the implementation of the Boards resolutions
- ✓ Support to Board of Management for effective oversight
- ✓ Evaluate the hospital long term healthcare service effectiveness
- ✓ Review and recommend appropriate actions for strategic operational plans and policies
- ✓ Review performance improvement activities and patient's safety efforts
- ✓ Identify, evaluate and implement the scope of services, practice and governance of the hospital
- ✓ Prudent management of resources
- ✓ Formulating long-term strategies and business plans
- ✓ Monitoring and evaluating performance
- ✓ Ensuring effective communication within the Hospital

- **Board of Management**

The key responsibilities for the Board are;

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

- **Accounting Officer/ Medical Superintendent**

These are the responsibilities of the accounting officer of the hospital;

- ✓ The custodian of the hospital's book of accounts
- ✓ Manage all accounting transactions

- ✓ Prepare budget forecast
- ✓ Publish financial statements on time
- ✓ Handle monthly, quarterly and annual closings
- ✓ Reconcile accounts payable and receivable
- ✓ Ensure timely bank payments
- ✓ Compute taxes and prepare tax returns
- ✓ Manage balance sheets and profit/loss statements

- **Management**

- ✓ Serve as a liaison between the staff, management and patients
- ✓ Design and implement short, medium and long-term goals for the medical facility
- ✓ Frame budgets and operational strategy for each department.
- ✓ Oversee the finances of the hospital, including setting the rates for various health services, budgeting and revenue monitoring.
- ✓ Streamline the operational procedures of the facility to provide patients with the best care.

(d) **Fiduciary Management**

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

No.	Designation	Name
1.	Medical Superintendent	Dr. Hamdi Salat
2.	Head of finance	CPA Abdirahman Adan Adow
3.	Head of supply chain	Abdifatah Hassan Bulle
4.	Hospital Administrator	Sadiq Yarrow
5.	Director Nursing Services	Laban Cheriot
6.	Internal Auditor	

(e) **Fiduciary Oversight Arrangements**

The oversight arrangements include;

1. Clinical Research and Standards Committee.

- i) Identifying health care service problems in the hospital and ensuring that they are resolved;
- ii) Review any changes on policy issues on standards, quality assurance and research;
- iii) Liaise with the Medical Advisory Committee on matters of quality health care delivery

2. Audit committee

- i) Reviewing quarterly, half-yearly and annual financial statements before submission to the Board;
- ii) Reviewing the performance, objectivity, and independence of external auditors;
- iii) Consideration of audit findings by the external auditors;
- iv) Monitoring and reviewing the effectiveness of the Hospital's internal audit function;

3. Risk Committee

- i) Reviewing the Hospital's internal control and ensuring quality, integrity, effectiveness and reliability of the Hospital's risk management framework.
- ii) Provide a forum for communication between the board, management and external risk management advisors
- iii) Assist the board in its oversight responsibilities by monitoring and advising on operational risks, including clinical risks.

4. County Assembly

- i) Scrutinize Budget estimates and budget documents and make appropriate recommendations;
- ii) Monitors budget performance of the hospital
- iii) Ensure that the relevant hospitals accounts on its expenditure;
- iv) Consider reports of the Auditor-General;

5. Parliamentary committees

- i) Develop a framework to guide and assist County Governments in the establishment of institutional structures for the management of health;
- ii) Coordinate intra and inter agency and governmental consultations on health sector issues, including existing and evolving health policies, legislation, regulations and programmes;
- iii) Coordinate and harmonize CoG views and perspectives on health matters;
- iv) Create forums for sharing of emerging issues and best practices, including modalities for prioritization and promotion of health an instrument for socio-economic growth

(f) Hospital Headquarters

Habaswein Subcounty Hospital,
P.O. Box 2-70200,
Along Wajir- Garissa
Road .

(g) Hospital Contacts

Telephone: (+254721355387/+254729613713)
E-mail: hawaswein20@gmail.com

(h) Hospital Bankers

Kenya Commercial Bank,
Wajir Branch
Account No. 1105252221
WAJIR, Kenya.

(i) **Independent Auditors**

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


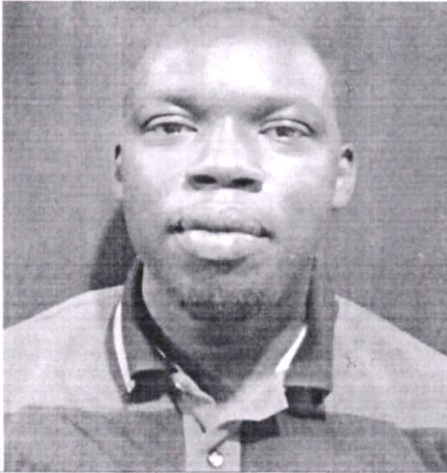
(j) **Principal Legal Adviser**

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


(k) **County Attorney**


P.O. Box.13-70300,
WAJIR, Kenya.

3. Key Management Team

Ref	Management	Details
1.	<p>CEO/Secretary:Dr.Hamdi HassanSalat</p> 	<p>Dr Hamdi Hassan Salat holds an MBCHB. He has over 5 years' experience in healthcare administration and management</p>
	<p>Mr. Laban Cheruyiot Bachelor of scienceinNursing</p> 	<p>Nursing Officer in charge</p>
3.		

*Habaswein Subcounty Level 4 Hospital (Wajir County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2023*

	<p>Mr.Sadiq Yarrow</p> 	<p>Hospital Administrator</p>
4.	<p>Thomas Bachelor of Science in Medical Laboratory Science</p> 	<p>Laboratory Manager</p>
5.	<p>Dr. Omar Bachelor of Pharmacy</p> 	<p>Pharmacist Incharge</p>

7.	 <p>CPA Abdirahman Adan Adow Bachelor of Business-Accounting CPA</p>	Head of Finance-Hospital
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4. Report of The Medical Superintendent

The Management and Staff of the Hospital recognize the fact that the Hospital operates in an increasingly liberalized political and socio-economic environment. Habaswein Subcounty Level 4 Hospital is part of the larger county health system that provides various services and most importantly is the facility for the larger county while as well. Hospital being at the apex of the county referral system is guided in its planning, development and provision of health care services by the national and sectoral policies on health, including Kenya Vision 2030, the Constitution, Kenya Health Policy 2012-2030, Kenya Health Sector Strategic and Investment Plan 2012-2017 and global policies such as the Millennium Development Goals and now the Sustainable Development goals, among others.

The prevailing economic and social conditions have adversely impacted on the delivery of health care services in the country. Various services offered in the Hospital have been affected by inadequate funding in relation to budgetary estimates. The Hospital therefore, faces many challenges in its endeavour to provide quality health care.

.....
Name *Dr. Hassan*
Said
Secretary to the Board

MEDICAL SUPERINTENDENT
HABASWEIN SUB-COUNTY
HOSPITAL
P.O. BOX 2-70200, WAJIR
Date.....

5. Statement of Performance Against Predetermined Objectives

Habaswein Subcounty Level 4 Hospital has two strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY 2022/2023- FY 2027/2028. These strategic pillars/ themes/ issues are as follows:

Pillar /theme/issue 1: Operational excellence

Pillar/theme/issue 2: Skilled and energetic management team

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

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Pillar/ theme/ issue 1: Operational excellence	Reengineering, policies	Enhance service delivery	customers receive safe, timely, equitable, efficient, effective and patient-centred services.	effective and timely service delivery and efficient utilization of resources
Pillar/ theme/ issue 2: Skilled and energetic management team	Institutionalize leadership and governance performance	alignment of governance, leadership, and all employees to the overall strategic objectives of the organization.	oversight in financial reporting, Safeguarding Hospital assets	vibrant governance system

1) Achieve operational excellence to deliver speed and efficiency

Habaswein Subcounty Level 4 Hospital needs to deliver a better overall customer experience by aligning processes, reducing timelines and making the whole customer experience from visit to exit a fast and efficient system. To achieve this goal, the hospital will focus on the following objectives:

- Achieve operational excellence through process reengineering and policies
- Reduce waiting times through automation
- Review and institutionalize robust quality assurance processes
- Maintain excellent outcomes of treatment to reduce morbidity and mortality

2) Strengthen hospital leadership and corporate governance

Habaswein Subcounty Level 4 Hospital has a young, skilled and energetic management team and a board that exudes wisdom. The hospital is committed to strengthen its capacity in leadership and governance in line with its mission and purpose. This will ensure alignment of governance, leadership, and all employees to the overall strategic objectives of the organization. To achieve this goal, the hospital will focus on the following objectives:

- Develop a focused capacity building program for both the board and the hospital management
- Streamline and strengthen the capacity of board committees
- Institutionalize leadership and governance performance measurement and appraisal systems

6. Corporate Governance Statement

Provide the corporate governance statement as guided below:

- i. Appointment of Board members, Process of appointment and removal of directors, The size, diversity, and demographics of the Board, Existence of the board charter*
- ii. Roles and functions of the board*
- iii. Induction, training, and development*
- iv. Board and members' performance*
- v. Number of Board meetings held and the attendance to those meetings by members*
- vi. Succession plan*
- vii. Policy to manage conflict of interest.*
- viii. Board remuneration*
- ix. Ethics and Conduct*
- x. Governance audit*
- xi. Communication policy*
- xii. Terms of Reference of Committees*
- xiii. Policy on related party transactions*

7. Management Discussion and Analysis

Habaswein Subcounty Level 4 Hospital provide healthcare services to Sub County people and patients from neighbouring sub-counties. Services include, outpatient clinics, inpatient care, accident and emergency. The hospital also provides clinical support services that include laboratory and pharmacy.

The hospital strives to ensure that the clinical services provided are safe, timely, appropriate, innovative, effective and evidence-based. Clinical governance continues to be strengthened to improve patient safety and ensure quality healthcare. The hospital patient attendance continues to increase despite the many challenges i.e. lack of enough doctors, nurses, pharmacists, RCOs and budgetary constraints.

Clinical/operational performance

Hawaswein Subcounty continues to provide a wide range of highly specialized healthcare services to Kenyans, patients from within Sub county, and neighbouring Sub counties. Specialized services include, specialized outpatient clinics, inpatient care, day care procedures for surgery, renal, ENT, dental amongst other services and specialized accident and emergency that receives emergency, disaster victims and referred patients. The hospital also provides clinical support services that include gynaecology service, General medicine service, laboratory, pharmacy and radiology. The hospital strives to ensure that the clinical services provided are safe, timely, appropriate, innovative, effective, evidence-based and in line with modern technological advances. Clinical governance continues to be strengthened to improve patient safety and ensure quality healthcare. In addition, the hospital plays a leading role regionally in the management of disasters and emergencies. The hospital patient attendance continues to increase despite the many challenges i.e. budgetary constraints and other challenges.

Below is a summary of the clinical/operational performance

- *Bed capacity of the hospital. 90*
- *Overall patient attendance during the year for both inpatient and outpatient. 19,500*
- *Accident and Emergency attendance 2,200*
- *Specialised clinic attendance 21,700*
- *Average length of stay for in patient. 3.3*
- *Bed occupancy rate 51%*
- *Mortality rate 3.85%*
- *Surgical theatre utilisation (number of operations over a period of time) 2,020*

Financial performance that includes

Revenue sources

The revenue sources of the hospital are from cost sharing and Social Health Insurance fund totalling to Ksh 2,058,640

Utilisation of funds; -

- ✓ Medical/clinical cost amounting to Ksh 593,500
- ✓ Employee costs amounting to Ksh 1,052,000
- ✓ Board of Management Expenses -
- ✓ Repair and maintenance amounting to Ksh 141,500
- ✓ General expenses amounting to Ksh 696,200

8. Environmental And Sustainability Reporting

Habaswein Subcounty 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.

i) Sustainability strategy and profile

its stakeholders are increasingly emphasizing on the need to ensure sustainability for both its investments and its resource mobilization and financing capabilities with an objective of ensuring that Habaswein Subcounty Level 4 Hospital is going concern is secured. The hospital has conducted a basic assessment of available options for feasible financing tools that would assure the hospital of its long-term sustainability. The hospital has reviewed its current resource mobilization strategies and proposed feasible sustainability financing options, which include:

- Introduction of new specialized services such as routine theatre days for elective surgeries
- Public Private Partnership
- Upgrading the hospital to Level IV to get more funding
- Enhancing Client satisfaction through quality service care
- Bringing on board more financial institutions i.e. lobbying for more engagement with other insurance firms

ii) Environmental performance

Habaswein Subcounty Level 4 Hospital is using the National Health Care Waste Management policy guideline which is guiding us in the management of the waste that we generate in the organization and we have a copy of the policy.

1 Successes

- We are having colour-coded bins [receptacles] at all generation points in the departments.
- There are segregation posters alongside the receptacles to guide in the segregation of waste.
- We have waste treatment equipment within the organization that helps us treat our waste and we only dispose off non-contaminated waste to the dumping site.
- The general cleanliness of the organization is well maintained both indoors and grounds.

2 Challenges

- Frequent breakdown of the equipment and the cost of repair.
- High cost electricity bill.
- Shortage of staffs.
- Delay of funds disbursement.

iii) Employee welfare

Hiring process involves bringing new employees on board. This is the mandate of the County Public Service Board for the recruitment and appointment of new Health care workers.

Improvement of employee skills and career management is done through employee sponsorship to further their studies in line with their careers. This is done by sponsorship and supporting employees to attend both short and long courses offered by various institutions.

Training programs are based on the identified needs from the training needs assessments and are emphasized for performance improvement addressing both individual and organizational goals.

iv) Market place practices-

a) Responsible competition practice.

This is effectively done through proper use of the available website for advertisement purposes as well as making good use of the instituted internal committees to help minimize anticorruption.

b) Responsible Supply chain and supplier relations

Ensures best involvement of suppliers in the tendering process and feedback given to suppliers in good time.

c) Responsible marketing and advertisement

Effectively done through the use of website and notice boards

v) Corporate Social Responsibility / Community Engagements

- The hospital offers free medical camps
- The hospital provides waiver services for the less vulnerable
- The department captured more indigents into the NHIF system

9. Statement of Board of Management's Responsibilities

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

The Board of Management is responsible for the preparation and presentation of the hospital's financial statements, which give a true and fair view of the state of affairs of the hospital for and as at the end of the financial year (period) ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the 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 hospital; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board of Management accepts responsibility for the hospital'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. The Board members are of the opinion that the hospital's financial statements give a true and fair view of the state of hospital's transactions during the financial year ended June 30, 2025, and of the hospital's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the hospital, which have been relied upon in the preparation of the hospital's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Board of management to indicate that the 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 2023 and signed on its behalf by:



.....
Name: Sadiq Yarrow
Hospital Administrator.



.....
Name: Dr. Hamdi Salat
Accounting Officer

MEDICAL SUPERINTENDENT
HABASWEIN SUB-COUNTY
HOSPITAL
P.O. BOX 2-70200, WAJIR
Date

REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON HABASWEIN SUB-COUNTY LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2023 - COUNTY GOVERNMENT OF WAJIR

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Habaswein Sub-County Level 4 Hospital set out on pages 1 to 35, which comprise of the statement of financial position as at 30 June, 2023 and the statement of financial performance, statement of changes

Report of the Auditor-General on Habaswein Subcounty Level 4 Hospital for the year ended 30 June, 2023 - County Government of Wajir

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 Habaswein Sub-County Level 4 Hospital as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the County Governments Act, 2012, the Health Act, 2017 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Non-Disclosure of Employees Costs Paid by the County Government

The statement of financial performance reflects employees' costs of Kshs.1,052,000 in respect of casual employees as disclosed in Note 8 to the financial statements. However, the expenditure does not include salaries of permanent employees working in the Hospital whose salaries were paid by the County Executive of Wajir. In addition, it was not possible to determine amount paid since Management did not provide payrolls for the permanent employees whose salaries were paid by the County Executive.

In the circumstances, the accuracy and completeness of employee costs of Kshs.1,052,000 could not be confirmed.

2. Non-Disclosure of Inventory

The statement of financial position does not include inventory balance. Management did not provide evidence in form of annual stock records that there were no inventory balances as at 30 June, 2023.

In the circumstances, the financial position of the Hospital as at 30 June, 2023 could not be confirmed.

3. Non-Disclosure of Property, Plant and Equipment

The statement of financial position reflects Nil balance in respect of property, plant and equipment. The Hospital had control over various assets which include land and buildings, specialized and non-specialized medical equipment, furniture and fittings, motor vehicles and ICT equipment. Management did not provide satisfactory explanation for the failure to disclose property, plant and equipment owned by the Hospital.

In addition, the fixed asset register maintained by the Hospital did not contain all key asset details including description of the assets, identification or serial numbers, acquisition date, cost of acquisition, accumulated depreciation, net book value, location, class and the current status. The assets were also not tagged with identification codes. In addition, Management did not provide ownership documents for the land on which the Hospital buildings and structures sit.

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

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Habaswein Sub-County 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 revenue budget and actual receipts on a comparable basis of Kshs.4,000,000 and Kshs.2,058,640 respectively. This results in an under-funding of Kshs.1,941,360, representing 49% of the budgeted revenue. Similarly, the Hospital incurred expenditure totalling Kshs.2,483,200 against actual receipts of Kshs.2,058,640, resulting in an over expenditure of Kshs.424,560 representing 21% of the actual receipts.

The under-funding may have resulted in non-implementation of planned programmes negatively affected the operations of the Hospital.

Key Audit Matters

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

Other Information

The Management is responsible for the Other Information set out on page iii to xxi which comprise of Key Entity Information and Management, Key Management Team, Report of the Medical Superintendent, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting and Statement of Board of Management's

Responsibilities, The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Hospital's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Submission of Financial Statements

The Hospital's financial statements for the year ended 30 June, 2023 were submitted to the Auditor-General on 28 October, 2025 which was two (2) years and four (4) months after the close of the financial year. Management did not provide satisfactory explanation for the failure to prepare financial statements within the stipulated timeframe. This was contrary to Section 164(4)(a) of the Public Finance Management Act, 2012 which provides that within three (3) months after the end of each financial year, the accounting officer for a County entity shall submit the entity's financial statements to the Auditor-General.

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

2. Lack of Approved Annual Estimates of Revenue and Expenditure

The statement of financial performance reflects total receipts of Kshs.2,058,640 and total expenditure of Kshs.2,483,200. However, Management did not provide evidence that estimates of revenue and expenditure were prepared and approved by the Board and the County Executive Committee Member for Finance. This was contrary to Section 149(2) (h-i) of the Public Finance Management Act, 2012 which provides that an accounting

officer shall, in respect of the entity concerned prepare estimates of expenditure of the entity in conformity with the strategic plan of the entity and submit the estimates of an entity, which is not a county corporation to the County Executive Committee member for finance.

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

3. Casuals Employees Engaged Beyond Stipulated Period

The statement of financial performance reflects employees' costs of Kshs.1,052,000 in respect of casual employees. Examination of the casual payrolls for the year revealed that seventeen (17) casual employees were engaged for more than three (3) consecutive months. This was contrary to Section 37(1)(a) and (b) of Employment Act, 2007 which provides that where a casual employee performs work which cannot reasonably be expected to be completed within a period or a number of working days amounting in the aggregate to the equivalent of three (3) months or more, the contract of service of the casual employee shall be deemed to be one where wages are paid monthly and section 35(1)(c) shall apply to that contract of service.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Weaknesses in of Revenue Collection System

Audit review of revenue records revealed that the revenue was collected through an M-Pesa Pay Bill. There was no evidence that receipts were issued to the customers upon payment for services.

In the circumstances, the effectiveness of internal controls on revenue collection could not be confirmed.

2. Failure to Establish Functional Internal Audit Unit

During the year under review, the Hospital did not have an internal audit unit. This was contrary to Section 155(1)(a) of the Public Finance Management Act, 2012 which provides that a county government entity shall ensure that it complies with this Act and has appropriate arrangements for conducting internal audit according to the guidelines issued by the Accounting Standards Board.

In the circumstances, the existence of effective mechanisms and processes for review and evaluation of budgetary performance, financial management, transparency and accountability in the Hospital could not be confirmed.

3. Failure to Establish Audit Committee

During the year under review, the Hospital did not have an audit committee to support the Accounting Officer on issues of risk, control, and governance and to review and advise on the entity's risk management strategies, internal control systems and corporate governance practices.

In the circumstances, the effectiveness of oversight systems at the Hospital could not be confirmed.

4. Lack of Risk Management Policy and Disaster Recovery Plan

The Hospital did not put in place risk management policies, strategies, disaster recovery plan and risk register to mitigate against risk.

In the circumstances, the effectiveness of risk management system at the Hospital could not be confirmed.

5. Failure to Appoint a Board of Management

The Hospital did not have a duly constituted Board of Management during the year under review. As a result, key governance and oversight roles, including budget approval, performance monitoring, and financial and operational report review, were not effectively carried out.

In the circumstances, the effectiveness of governance structures at the Hospital could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance

were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and the Board of Management

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

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

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

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

The Board of Management 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

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

to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

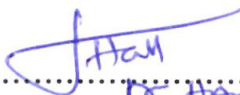
18 November, 2025

Habaswein subcounty Level 4 Hospital (Wajir County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2023

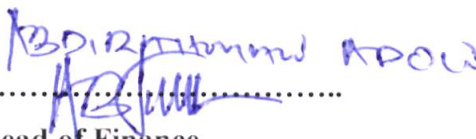
11. Statement of Financial Performance for The Year Ended 30 June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Revenue from exchange transactions			
Rendering of services- Medical Service Income	6	2,058,640	4,868,620
Revenue from exchange transactions		2,058,640	4,868,620
Total revenue		2,058,640	4,868,620
Expenses			
Medical/Clinical costs	7	593,500	1,281,500
Employee costs	8	1,052,000	1,056,000
Repairs and maintenance	9	141,500	381,000
General expenses	10	696,200	1,725,710
Total expenses		2,483,200	4,444,210
Net Surplus / (Deficit) for the year		(424,560)	424,410

The Hospital's financial statements were approved by the Board on --07-08-2023-- and signed on its behalf by:

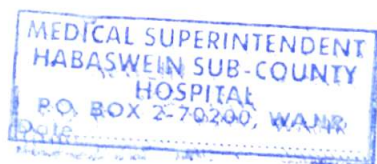


 Medical Superintendent



 Head of Finance

ICPAK No: 20620

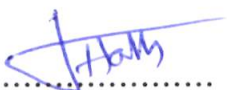


Habaswein subcounty Level 4 Hospital (Wajir County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2023

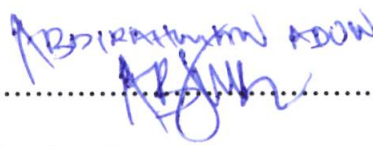
12. Statement of Financial Position As At 30 June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	11	5,602	430,162
Total Current Assets		5,602	430,162
Non-current assets			
Property, plant, and equipment	12	-	-
Total Non-current Assets		-	-
Total assets (A)		5,602	430,162
Liabilities			
Current liabilities			
Trade and other payables	13	-	-
Total Current Liabilities		-	-
Total Liabilities (B)		-	-
Net assets (A-B)		5,602	430,162
Represented by:			
Revaluation reserve		-	-
Accumulated surplus/Deficit		5,602	430,162
Capital Fund		-	-
Net Assets		5,602	430,162

The Hospital's financial statements were approved by the Board on 07-08-2023 and signed on its behalf by:



 BI Aaron
 Medical Superintendent



 Head of Finance
 ICPAK No: 20620



Habaswein subcounty Level 4 Hospital (Wajir County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2023

13. Statement of Changes in Net Assets for The Year Ended 30 June 2023

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2021	-	-	-	-
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	430,162	-	430,162
Capital/Development grants	-	-	-	-
As at June 30, 2022	-	430,162	-	430,162
At July 1, 2022	-	430,162	-	430,162
Revaluation gain	-		-	-
Surplus/(deficit) for the year	-	-424,560	-	-424,560
Capital/Development grants	-	-	-	-
At June 30, 2023	-	5,602	-	5,602

Habaswein subcounty Level 4 Hospital (Wajir County Government)
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14. Statement of Cash Flows for The Year Ended 30 June 2023

Description	Note	2022-2023	2021-2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Rendering of services- Medical Service Income		2,058,640	4,868,620
Total Receipts		2,058,640	4,868,620
Payments			
Medical/Clinical costs		593,500	1,281,500
Employee costs		1,052,000	1,056,000
Repairs and maintenance		141,500	381,000
General expenses		696,200	1,725,710
Total Payments		2,483,200	4,444,210
Net cash flows from operating activities	14	-424,560	424,410
Cash flows from investing activities			
Purchase of property, plant, equipment		-	-
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Proceeds from borrowings		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		-424,560	424,410
Cash and cash equivalents as at 1 July	11	430,162	5,752
Cash and cash equivalents as at 30 June	11	5,602	430,162

15. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 Jun 2023

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	a	B	c=(a+b)	D	e=(c-d)	f=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget carryovers from the previous year	-	-	-	-	-	-
Receipts						
Rendering of services- Medical Service Income	4,000,000	-	4,000,000	2,058,640	1,941,360	51%
Total receipts	4,000,000		4,000,000	2,058,640	1,941,360	51%
Payments						
Medical/Clinical costs	1,237,290	-	1,237,290	593,500	643,790	48%
Employee costs	1,056,000		1,056,000	1,052,000	0	100%
Repairs and maintenance	481,000	-	481,000	141,500	339,500	29%
General expenses	1,225,710	-	1,225,710	696,200	529,510	57%
Total Operational Expenditure paid	4,000,000	-	4,000,000	2,483,200	1,516,800	62%
Capital Expenditure paid						
Surplus/Deficit				-424,560		

Habaswein Subcounty Level 4 Hospital (Wajir County Government)
 Annual Report and Financial Statements for The Year Ended 30 June 2023

Budget Reconciliation

	Operating	Financing	Investing	Total
Actual amounts on comparable basis presented in the budget and actual comparative statement	-424,560	-	-	-424,560
Basis difference	-	-	-	-
Timing differences	430,162	-	-	430,162
Entity differences	-	-	-	-
Classification differences	-	-	-	-
Actual in the statement of cashflows	5,602	-	-	5,602

16. Notes to the Financial Statements

1. General Information

Habaswein Subcounty Level 4 Hospital is established by and derives its authority and accountability from Health Act 2017. The entity is wholly owned by the Wajir County Government and is domiciled in Wajir County in Kenya. The entity's principal activity is providing medical service.

2. Statement of Compliance and Basis of Preparation

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

*Habaswein Subcounty Level 4 Hospital (Wajir County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2023*

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously</p>

Standard	Effective date and impact:
	<p>excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets</p>
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47- Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
<p>IPSAS 48- Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and</p>

Habaswein Subcounty Level 4 Hospital (Wajir County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2023

Standard	Effective date and impact:
	cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

4. Summary of Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other Government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

Notes to the Financial Statements (Continued)

b. Budget information

The original budget for FY 2022-2023 was approved by Board on July 2022 . Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the *hospital* recorded additional appropriations of **5,000,000** on the FY 2022-2023 budget following the Board's approval. The *hospital's* budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. 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 cash flows.

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

Notes to the Financial Statements (Continued)

taxation authority is included as part of receivables or payables in the statement of financial position.

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 3 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.

d. Property, plant and equipment

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

Notes to the Financial Statements (Continued)

e. Leases

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

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

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

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

f. 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)

g. Biological Assets

The entity recognizes biological assets when it controls the assets due to past events, it is probable that future economic benefits associated with the asset will flow to the entity, and when the fair value or cost of the asset can be measured reliably. Biological assets are initially and subsequently measured at fair value less costs to sell, except where fair value cannot be reliably determined. In such cases, the asset is measured at its cost less accumulated depreciation and any accumulated impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur.

h. Research and development costs

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

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

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

i. Financial instruments

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

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

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

j. Inventories

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

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

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

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

k. Provisions

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

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

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

Notes to the Financial Statements (Continued)

l. Social Benefits

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

m. Contingent liabilities

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

n. Contingent assets

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

o. Nature and purpose of reserves

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

p. Changes in accounting policies and estimates

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

Notes to the Financial Statements (Continued)

q. Employee benefits

Retirement benefit plans

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

r. Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

s. Borrowing costs

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

t. Related parties

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

v. Service concession arrangements

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

w. 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.

x. Comparative figures

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

y. Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

Notes to Financial Statements Continued

6. Rendering of Services-Medical Service Income

Description	2022-2023	2021-2022
	Kshs	Kshs
NHIF/SHA Reimbursements	2,058,640	4,868,620
Total revenue from the rendering of services	2,058,640	4,868,620

7. Medical/ Clinical Costs

Description	2022-2023	2021-2022
	Kshs	Kshs
Dressing and Non-Pharmaceuticals	160,000	345,500
Pharmaceutical supplies	118,000	319,500
Health information stationery	113,000	280,000
Laboratory chemicals and reagents	112,500	216,500
Purchase of Medical gases	90,000	120,000
Total medical/ clinical costs	593,500	1,281,500

8. Employee Costs

Description	2022-2023	2021-2022
	Kshs	Kshs
Salaries, wages, and allowances	1,052,000	1,056,000
Employee costs	1,052,000	1,056,000

9 Repairs And Maintenance

Description	2022-2023	2021-2022
	Kshs	Kshs
electrical items	47,000	80,500
Furniture and fittings	-	57,000
Computers and accessories	-	58,000
Genarator servicing	-	130,500
Maintenance of civil works	94,500	55,000
Total repairs and maintenance	141,500	381,000

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Notes to the Financial Statements (Continued)

10. General Expenses

Description	2022-2023	2021-2022
	Kshs	Kshs
Catering expenses	55,000	203,750
Water and sewerage costs	50,000	50,000
Insecticides and rodenticides	-	41,000
Bank charges	1,200	1,210
cleaning materials	121,000	133,500
Travel and accommodation allowance	222,250	278,250
Famigation	-	306,000
Radio Talk show	-	60,000
Fuel and Lubricants	-	165,000
Printing and stationery	100,000	219,000
Telephone and mobile phone services	146,750	223,000
Other general expenses	-	45,000
Total General Expenses	696,200	1,725,710

11. Cash And Cash Equivalents

Description	2022-2023	2021-2022
	KShs	KShs
Current accounts	5,602	430,162
Cash in hand	0	0
Total cash and cash equivalents	5,602	430,162

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

Description		2022-2023	2021-2022
Financial institution	Account number	KShs	KShs
a) Current account			
Kenya Commercial bank	1105252221	5,602	430,162
Grand total		5,602	430,162

Notes to the Financial Statements (Continued)

12: Property, Plant and Equipment

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Other Assets (specify)	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Cost									
At 1 July 2022									
Additions									
Disposals									
Transfers/adjustments									
Revaluation Adjustments									
At 30th Jun 2023									
At 1 July 2022									
Additions				-		-			-
Disposals									
Transfer/adjustments									
Revaluation Adjustments									
At 30th Jun 2023				-		-			-
Depreciation and impairment									
At 1 July 2022									

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Depreciation for the year									
Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Other Assets (specify)	Capital Work in progress	Total
Disposals									
Impairment									
At 30 June 2023									
At July 2022									
Depreciation				-		-			-
Disposals									
Impairment									
Transfer/adjustment									
At 30th June 2023				-		-			-
Net book values									
At 30 th Jun 2022									
At 30 th Jun 2023				-		-	-		-

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Notes to the Financial Statements (Continued)

13. Trade and other Payables

Description	2022-2023	2021-2022
	KShs	KShs
Trade payables	-	-
Employee dues	-	-
Third-party payments (e.g. unremitted payroll deductions)	-	-
Audit fee	-	-
Doctors' fee	-	-
Total trade and other payables	-	-

14. Cash Generated from Operations

Description	2022-2023	2021-2022
Surplus for the year before tax	Kshs	Kshs
Surplus for the period before tax	(424,560)	
Adjusted for:		-
Depreciation	-	-
Loss: Non-cash grants received	-	-
Contributed assets		-
Impairment	-	-
Gains and losses on disposal of assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Working capital adjustments		-
Increase in inventory	-	-
Increase in receivables	-	-
Increase in deferred income	-	-
Increase in payables	-	
Increase in payments received in advance	-	-
Net cash flow from operating activities	(424,560)	-

Notes to the Financial Statements (Continued)

15. Financial Risk Management

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

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

(i) Credit risk

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2022				
Receivables from exchange transactions	-	-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
At 30 June 2023				
Receivables from exchange transactions	-	-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	5,602	5,602	-	-
Total	5,602	5,602	-	-

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

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the hospital has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The entity has significant concentration of credit risk on amounts due from The board of management sets the hospital's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

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

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

(iii) Market risk

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

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

a) Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

Notes to the Financial Statements (Continued)

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

Foreign currency sensitivity analysis

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

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

iv) Capital Risk Management

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

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Notes to the Financial Statements (Continued)

16. Related Party Balances

Nature of related party relationships

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

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

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

Notes to the Financial Statements (Continued)

17. Events after the Reporting Period

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

18. Ultimate and Holding Entity

The entity is a County Corporation/ or a Semi- Autonomous Government Agency under the Department of Health. Its ultimate parent is the County Government of Wajir.

19. Currency

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

17. Appendices

Appendix 1: Progress on Follow Up of Auditor Recommendations

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


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

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report.

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


..... James Sanyal
Accounting Officer



Appendix II: Projects Implemented by The Entity

Projects

Projects implemented by the Hospital Funded by development partners

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

Status of Projects completion

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

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Appendix III: Inter-Entity Confirmation Letter

Name of Transferring entity...Waji County Government

Name of Beneficiary entity... Habaswein Subcounty Level 4 Hospital

Confirmation of amounts received by Habaswein Subcounty Level 4 Hospital as at 30 th June 2023 from county government of Wajir					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
NONE	NONE	NONE			
Total					

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

Head of Accounts Department - Disbursing Entity:
 Name Sign Date

Head of Accounts Department - Beneficiary Entity:
 Name Abdirahman Abow Sign [Signature] Date 20th June 2023

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Appendix IV Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities	Quarter				Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
N/A									

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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
N/A						