

REPUBLIC OF KENYA



Enhancing Accountability

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CLERK AT THE TABLE Angela

REPORT

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ON

SOIN SUB COUNTY LEVEL 4 HOSPITAL

FOR THE YEAR ENDED
30 JUNE, 2024

COUNTY GOVERNMENT OF NAKURU



**SOIN SUB COUNTY LEVEL 4 HOSPITAL
(COUNTY GOVERNMENT OF NAKURU)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2024

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

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Soin Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2024

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1. Acronyms & Glossary of Terms

CCC	Comprehensive Care Clinic
CSR	Corporate Social Responsibility
FP	Family Planning
OSHA	Occupational Health & Safety Act
PFMA	Public Financial Management Act
MCH	Maternal and Child Health
MED SUP	Medical Superintendent
NHIF	National Health Insurance Fund
TB	Tuberculosis
UTJ	USAID Tujenge Jamii
CSR	Corporate Social Responsibility
OSHA	Occupational Health & Safety Act
PFMA	Public Financial Management Act
MED SUP	Medical Superintendent
MCH	Mother Child Health
PMTCT	Prevention of Mother to Child Transmission (PMCT)
CCC	Comprehensive Care Clinic
NHIF	National Hospital Insurance Fund
HMT	Hospital Management Team
ESP	Economic Stimulus Program
UTJ	USAID – Tujenge Jamii
USAID	United States Agency for International Development.

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FIF	Facility Improvement funds
HIV	Human Immunodeficiency Virus
AIDS	Acquired Immunodeficiency Syndrome
EMR	Electronic Medical Report
ICT	Information and Communications Technology
CWC	Child Welfare clinic
ANC	Antenatal Care
SOP's	Standard Operating Procedures
HRM	Human Resource Management
CSR	Corporate Social Responsibility
FP	Family Planning
PNC	Post-Natal Care
EMR	Electronic Medical Record
Fiduciary Management	Key management personnel who have financial responsibility in the entity.

(This list is an indication of the common acronyms and glossary of terms; the entity should include all from the annual report and financial statements prepared)

2. Key Entity Information and Management

(a) Background information

Soin sub-county Hospital is a level 4 hospital established under gazette notice number 7619 and is domiciled in Nakuru County under the Health Department. The hospital is governed by a Board of Management.

Since its establishment, Soin sub-county hospital has seen a lot of development by the Kenyan government providing more funds to improve the in-patient capacity and outpatient facilities to its present state. Soin sub county hospital has had an eventful history, which continues to influence its present status. Its inception was largely influenced by the long distance between Soin ward and Nakuru town where major health facilities were located

The facility serves a catchment of approximately 11,000 people and the majority of the population that seeks services at the facility being women and children. We also serve people from our neighbouring communities especially from visoi sub-county and Baringo county department of Health Services.

The facility land also serves as a host for a community borehole which is manned by Nawassco and the area chief's office.

Within it lie 2 incomplete staff houses which were built using CDF allocation pre-devolution. This project however, stalled once devolution occurred and are yet to be completed to allow for utilization.

It lies on a 2.5Acres piece of land with the titling process being followed up. The facility currently has an allotment letter for the land.

(b) Principal Activities

The Vision of Hospital is to become a Centre of excellence in quality healthcare services, while its mission is to provide accessible, responsive, quality healthcare services to all citizens. We offer MCH and maternity services under Linda Mama and NHIF services. The hospital also offers training opportunities for medical students from all over the country.

The facility has 25 employees under permanent and pensionable terms, 13 staff under county contract and 3 under UTJ.

The principal activity is to offer services to the public under the County Department of Health Services. The hospital offers services to cash payers' clients who pay through the hospital pay bill number, patients enrolled to NHIF, and patients registered to the Linda mama program. Services offered include:

- Maternal Child Health
- Family Planning
- Curative services (outpatient)

- HIV and TB Care
- Maternity services
- Laboratory services
- Community screening programs

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The facility has a current staff establishment of 26 under permanent and pensionable terms, 7 under county contract, 4 under the UHC program and 7 seconded by supporting partners (UTJ & North-Star Alliance) and 7 under hospital contract.

There is great understaffing in all cadres with some key cadres missing, which are needed to offer services in essential services such as nutritional services. The county government has employed most of the technical officers and contractual staff while the facility improvement fund (FIF) remunerates casual workers and security officers.

(c) Key Management

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

- County department of health
- Accounting Officer/ Medical Superintendent
- Management/Departmental Heads

The *hospital's* management works with the following key organs:

- Board of Management
- Medical Superintendent
- Head of departments

(d) Fiduciary Management

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

No.	Designation	Name
1.	Hospital Medical Superintendent	Dr. Robinson kipsut
2.	Head of Accounting Unit	CPA. David Chege
3.	Hospital Administrator	Julius Ngeno
4.	Nursing Officer In charge	Teresa Amani
5.	Hospital Accountant	David Chege
6.	Pharmacy in Charge	Lydia Kakenya
7.	Laboratory in Charge	Carolyn Kiptoon
8.	Public Health Officer in Charge	Margret Maina
9.	Hospital Procurement officer	-
10.	Health records and information officer	Esther Wambui
11.	Clinical officer in charge	Lucy Jepkemoi

(e) Fiduciary Oversight Arrangements

The overall oversight responsibility of the hospital rests with the Hospital Board of Management to:

- Develop the hospitals clinical services and operational strategy.
- Enhancing collaboration and engagement with stakeholders and partners in support of development of the hospital.
- Ensure smooth running of the entire facility on a day to day.
- Ensure they address emergencies both at the facility level and surrounding environment on a timely manner.
- Ensure continuous improvement of the quality of standards and values are maintained in their respective departments daily.
- Ensure proper planning of commodities and can utilise their commodities in a responsible manner.
- Ensure proper planning in the ordering of commodities every quarter
- Ensure proper storage and utilisation of commodities received at the facility.
- Ensure daily hospital health talks are done to clients visiting the institution to ensure empowerment of the community serving the facility.
- Ensure teamwork during the quarterly budget through team engagement and planning.
- Ensure there is full utilisation of the services available at the hospital level by clients seeking the said services.
- Ensure appropriate human resource management protocols are observed
- Ensure the proper financial guidelines are followed and keep the management accountable over the same.
- Quarterly data review of the facility's performance
- Put in place sound strategies to ensure prudent utilization of the hospital assets and resources.
- Ensure there is community engagement through community barazas at least quarterly.
- Promote the cooperate image of the hospital.
- Championing national values and principles of public service.
- Prepare annual work plans and establishing proper internal monitoring and control systems and procedures.
- Enhance capacity building quality management, patient safety and performance management systems.

Key Entity Information and Management (continued)

- (f) **Hospital Headquarters**
Soin Sub county hospital
P.O BOX 86
Mogotio-Baringo 20105.
- (g) **Entity Contacts**
Telephone: (+254706632944
E-mail: Soinsch@gmail.com

Website: www.soinhospital.go.ke
- (h) **Entity Bankers**
Kenya Commercial Bank (KCB),
Mogotio branch,
Baringo.
- (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**

Nakuru County Government
P.O. Box.2870
Kenya

3. The Board of Management

Directors		Details
1.	 Symon molok	Knowledge in finance and administration. Member of finance committee. Holds a diploma in business management
2.	 De Gaulle Nabaruki	Area MCA Member of the board
3.	Andrew kuria-area sub county admin	Sub county admin Member of the board
4.	Anacilla Morari	Sub county MOH Member of the board Degree in medicine
5.	 Robinson kipsut	Secretary to the board Degree in clinical medicine Medical superintendent.
6.	Rev Isiah Tallam-member	Faith based organization rep Chairperson services quality committee.
7.	 David Chege	Accounting Officer Degree in finance &CPA Member to the board

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8.	Patrick kingori	Member to the board Diploma in nursings
9.	 Magret Chebii	Holds a degree in information and technology Holds a diploma in management Degree in theology Member to the board

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4. Key Management Team

	Management	Details
1.	 <p>Robinson Kipsut</p>	Medical superintendant
2.	 <p>Esther wambui</p>	Health Records Officers
3.	 <p>Caroline salim</p>	Dentist Officer
4.	 <p>Christine Komen</p>	Nutritionist
5.	 <p>Sally Limo</p>	Nursing Officer

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	 <p>Carolyne Kiptoon-laboratory Technician</p>	
	 <p>Teresa Amani</p>	Nursing in charge
	 <p>David Chege</p>	Accountant

5. Chairman's Statement

Soin sub hospital is committed to providing quality health services to the citizens of Kenya.

Future plans of the hospital are transform the facility into a world class patient centred hospital by increasing the variety of services as well as expanding the infrastructure; it is in this regard that I am pleased to present the financial statement for the year ended 30th June, 2024.

During the period the hospital was engaged in offering the following healthcare services to patient and client: medical consultation, emergency care and ambulance services, motherchild health care services, dental clinic, maternity services, laboratory diagnostic support services, pharmacy services, health promotion and health talks, outreaches, among others.

The board of management is proud of the achievements realized during the period which is attributed to staff commitment as well as the board's continuous effort to improve the facility infracture and general operating

Environment.

The hospital has continued to experience challenges ranging from dwelling financial and non-financial resources, inadequate infrastructure etc. thi calls for prudence in resource management and continuous improvement of the services to the customer.

On behalf of board, I would like to thank all our stakeholders especially county government of Nakuru and development partners for the support they continue to accord the hospital without which our achievements would not have been realized.

Finally, I strongly believe that our strategy and the staff in place will consistently drive our growth in the future as has been the case over the years.

It is my pleasure to present the Hospital's 2023/2024 annual report and Financial S t a t e m e n t s. The Board of Management is proud of the achievements realized by the hospital in this period towards "A world class patient entered Specialized care Hospital". I am particularly impressed by, the "can do attitude" of staff coupled with their commitment to delivering the best possible service to patients. These services include, Medical Consultations, Mother Child Health, Maternity services, Physiotherapy NM services, PMTCT services, Laboratory services, Services among others. Over time the facility has progressed from health Centre to a level 4 hospital; as such with the support of the county there have been major renovation and hospital facelift to ensure the services match those of a Level 4 facility.

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Regulatory environment Management and operations of the hospital is guided by the existing legal, policy, and institutional frameworks that govern health sector to ensure efficient and effective delivery of services in the Hospital. The Kenyan Constitution 2010 under the Bill of Rights provides the right to the highest attainable standard of health including reproductive health care and emergency medical treatment as stipulated by the County government health systems, provides for regulation of health care services and health care service providers, health products and health technologies. The hospital has continued to experience challenges and changing business environment which calls for continuous improvement of the quality of services to the customers. In response to this, the Board and staff as a whole remains focused on providing resources and supporting initiatives that will sustain Soin Sub County Hospital in a leadership position in the healthcare sector.

On behalf of the Board, I would like to thank all our stakeholders especially County Government of Nakuru and development partners for the support they continue to accord the hospital without which our achievements would not have been realized. As we move into a new year, I would like to express my gratitude to Soin Sub County hospital staff, specialists, team leaders and the Board, who take such pride in their work, and who exemplify our hospital's mission and values each day. Finally, I strongly believe that our strategy and the staff in place will consistently drive our growth in the future as has been the case over the years.



.....
Name SIMON MOLOK

Chairman to the Board

6. Report of The Medical Superintendent

Soin sub- county hospital is committed to provided quality health services to the people of Nakuru County and Kenyans at large. Our strategy is to increase the number services offered gradually by improving on te available working space.

During the year ended 30th June 2024 we manage to introduce three new services namely obstetric ultrasound, haematology services and biochemistry.

he facility improvement fund (FIF) collecting increased slightly compared to the previous years.

We are still faced with a myriad of challenges the biggest of which is inadequate space to set up new service.

I would like to appreciate the support from the county department of health services for the invaluable support. Much appreciation also goes to the hospital management board for steering the hospital in the right path.

I am pleased to present the annual report and financial statements for Soin Sub-county Hospital for the financial year 2023/2024.

This report highlights the hospitals operational and financial performance including our areas of success and challenges.

OPERATIONAL PERFORMANCE:

Soin Sub-county hospital is a facility that is determined in expanding and improving the quality of care through the services offered at the facility. Currently the facility is offering a range of services in particular preventive care through our community health nurses in collaboration with our community health promoters, curative through our outpatient and maternity services and care specific services such as antenatal care and child wellness clinic services.

OPERATIONAL PERFORMANCE:

Soin Sub-county hospital is a facility that is determined in expanding and improving the quality of care through the services offered at the facility. Currently the facility is offering a range of services in particular preventive care through our community health nurses in collaboration with our community health promoters, curative through our outpatient and maternity services and care specific services such as antenatal care and child wellness clinic services.

Through these services our facility was able to see a total of 22,707 clients in the financial year 2023/2024 against 30,346 who were seen in 2022/2023. There was a variance in the number of clients seen which we mainly suspect was due to the outpatient changes that were made to integrate fully all the

services in outpatient. Through this system all out -patient services were automated which sealed some of the areas where there was revenue seepage and optimization of charges in OPD which we also suspect contributed to the drop as well.

However, we were able to conduct one major in-reach activity at the facility to sensitize the community to the services we are offering and the uptake was well noted. We have since then done one outreach which was targeting cervical cancer screening and another outreach that was targeting preventive care specifically vaccinations to both adults and children, care and treatment to a few clients and HIV screening and testing through an event planned and supported through the sub-County.

In all the activities done this financial year it was made successful through the support of the following:

1. County government of Nakuru

Due to public interest, the county government posted additional staff that allowed the facility to run OPD for 24hrs in some key areas specifically out -patient services. This has allowed to have a clinician on duty for 24hrs and basic nursing care to improve the quality of care offered to patients seeking services at night. Maternity services continue to run for 24hrs.

2. Health I.T/UTJ/USAID

Through the support of Health I.T and USAID Tujenge Jamii facilitated the facility to have an expanded Kenya EMR system which combined the two Kenya EMR systems running in OPD and CCC departments into one. This allowed Soin to fully integrate OPD services and because the first facility that has fully integrated both systemically and physically combining OPD and CCC services to one, which allows one common flow of all patients seeking services at the facility.

3. AREA MCA

Through the ward kitty allocated to the area MCA, he was able to allocate 2million shillings which allowed construction partly of the hospital perimeter wall. We look forward to further collaborations which may assist in ensuring further progresses in the hospital through such allocations.

SUCCESSSES:

7. In the financial year 2023/2024, Soin was able to fully integrate OPD and CCC services allowing one common flow of all patients booked for review in the facility regardless of their condition. This has since received accolade from USAID sponsors and has become a centre to emulate on ways of streamlining health system efficiency.

8. Within the same time frame the facility through the management team and hospital board were able to allocate and purchase a full hemogram machine in an effort to elevate the level of OPD services to be at par with a level IV facility expectation.
9. We were able to also introduce additional key departments such as nutritional services which has allowed the facility to form and support key support groups of patients being seen for lifetime diseases specifically HIV/AIDs, group ANC, hypertension and diabetes. Through this group we plan to introduce further additional services based on the needs picked herein.
10. The facility has also managed to have a clinician available for 24 hrs. allowing for certain key services been made available all round the clock. However, due to staff shortages some departments are supported by the existing staff such as testing random blood sugar from the lab and availing emergency drugs from pharmacy since their numbers doesn't allow availability on call basis.

CHALLENGES:

- One of the challenges facing the facility is the Inpatient block, which is occupied by the county stores and thus some key in patient services cannot be available due to the same.
- The challenge of staffing shortages has also affected the comprehensive availability of all services on 24 hrs. basis. With Laboratory having to allow the clinical team on duty to assist with random sugar testing and the pharmacy team availing a few medications that can support emergency response to patients.
- Our maternity services were also noted to be facing a challenge despite the high uptake of services for antenatal care, with the biggest reason being lack of a theatre available and lack of an ambulance on standby within the facility.

The Facility is continuously engaging the county department of health and local partners to source for funds that will allow the establishment of either or both of these key services.

- This drop was also noted to be from the variance in number of clients seen during this financial year 2023/24 and thus more efforts will be put towards recovering these numbers through community sensitization, regular facility in reaches, and additional key departments needed for a level IV facility.
- There were notable periods of stock outs especially for laboratory commodities which didn't allow for comprehensive care offered optimally during this period.

- During the period of system integration there was a notable change in client flow which greatly affected the number of clients seeking OPD services and for the food handlers. This has however, improved since the integration was completed and clients appear to be accepting the new system.
- The lack of key OPD departments has also greatly affected the extent of optimally improving revenue collection. These departments include dental services, imaging services (ultrasound) etc. just to name but a few. As such the hospital management team in collaboration with the hospital board are committed to working together to ensure they elevate the services offered in the facility with an aim to make it a fully pledged level IV facility.
- The Night shift has also noted some improved in numbers however, due to the lack of adequate staffing the night shift is not being utilised in the capacity that had been anticipated.
- We also loose quite a bit of revenue through the referral of clients whom we would otherwise see in the facility. The County has however shown commitment in relocating the county stores. Thus, the team is preparing to be ready to open inpatient department once this is done.
- Resource constraints have greatly affected the ability of the facility to invest in advanced health care technology which would otherwise greatly improve the uptake of services as well as be able to maintain the optimum number of staffing needed.

WAY FORWARD:

- ✓ The facility is continuously working closely with the county government of Nakuru through the department of health to be able to find cordial ways in which services can be improved at the facility.
- ✓ Through the hospital board, they have approached and engaged various partners within the catchment area with proposals that will hopefully see collaborations towards improving the standard of care offered.

The hospital management team is continuously on the lookout for partners and sponsors who can allow staff to improve on their services through suitable avenues that allow capacity building such as through sponsored education programs or sponsored attachments etc.

The facility will continuously engage NHIF in follow up of the accrued debt which amounts to approximately Kshs.3,266,785.00 with the help of department of health Nakuru County

In conclusion Soin Sub-county Hospital remains committed to providing high quality health care services to the community despite the challenges it faces. We have committed to ensuring there is notable progress and continuous improvement in quality of care despite all the shortcomings listed above. The staff is committed to working diligently observing the national values and principles of governance with the aim of making quality health care available to all.

ACKNOWLEDGEMENTS:

To God for allowing us the opportunity to serve this community in our best ability, and for giving us wisdom in guiding us towards the same.

To the national government through policies and guidelines with continuous support offer guidelines with the aim of improving the standard and quality of care offered to the clients seeking services in the hospital.

To the county government of Nakuru through the ministry of health by offering guidelines and regular support supervision while ensuring all staff are up to date on the progress of work to ensure integrity is maintained while standards of care improve.

Thousands of patients served are a living testament to the care, love and support offered every day by the outstanding commitment of our staff.

To the staff working at Soin Sub County hospital for the timely services they offer, the sacrifices they make to ensure quality services offered and for the eagerness towards improving the services offered at the facility.

We are grateful to hospital board for the support at improving the standards of services offered at the facility through oversight and accountability to ensure wise utilization of the facility funds and assist in resource mobilization by engaging local institutions for public private participation activities within the hospital.

Our stakeholders for their kindness, compassion, support, dedication, and contributions to Soin Sub County Hospital.



**Dr. Robinson kipsut
Secretary to the Board
Soin Sub County Hospital.**

11. Statement of Performance Against Predetermined Objectives

Section 164 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the County Government entity’s performance against predetermined objectives.

Soin sub county has 4 strategic pillars and objectives within the current Strategic Plan for the FY 2023/24. These strategic pillars/ themes/ issues are as follows;

1. Clinical Service Delivery
2. Healthcare Financing and Sustainability
3. Leadership and Governance
4. Medical products, Vaccines and Technology

Soin sub county hospital develops its annual work plans based on the above *four* 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 2023/2024 period for its 4 strategic pillars, as indicated in below:

ation as per the table below or in a more relevant format suitable for the nature of its activities)

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Pillar1: Medical services	To establish and enhance good clinical practices	No of stock-out tracer drugs	Rational use of Medications	Improved prescription fill rate.
Pillar 2:Financing and sustainability	To increase revenue Generation	Revenue Report	Diversity Revenue Streams	Revenue improved compared to previous year
Pillar3: Human resource development	Improve performance management	Staff Appraisal Report	Conduct Staff Appraisal	Staff Appraisal Done
Pillar 4: Research and Training	provide Internships	Number of interns	Interns appraised	Students Qualified

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Pillar 5: Technology advancement	Implement KEMR	Proper records	Update server regularly	EMR intalled
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(Under this section therefore, the management should include performance against the strategic objectives of the organisation. The management should outline the strategic Pillars, activities towards their achievement and outputs under each strategic pillar. The organisation should also briefly outline how they have tied achievements to performance contracts)

12. Corporate Governance Statement

Commitment to good corporate governance is fundamental in ensuring sustainable stakeholder value and meeting their expectations. Our structures, procedures and processes are anchored on accountability, transparency, responsibility and fairness which are the tenets of good corporate governance. Through the board of management, Soin Sub- County Hospital remains steadfast in complying with statutory requirements and the policies governing health.

The Board as per the Annual work plan meets quarterly or additionally when necessary to consider matters of overall control of the hospital. The Board has three (3) committees; they meet regularly under the terms of reference set by the Board

The roles and responsibility of the Board include:

- i. Establishing the Hospital's policy direction and priorities, and adopting proposals by management
- ii. Monitoring and evaluating the implementation of budget and work plans providing oversight in financial reporting.
- iii. Ensuring availability of adequate resources for the achievement of the Hospital's objectives
- iv. Providing a communication link between the hospital and community and other stake holders.

The Hospital Management Board works as the link between the hospital and the community it serves. It has the ultimate authority and responsibility for patient care and the overall quality of service in the hospital. To fulfil this responsibility the Health Management Board has the obligation to demonstrate leadership in determining priorities for the hospital that are consistent with the available resources.

However, the HMC doesn't perform the actual day-to-day work of the hospital but sees to it that such work is done by delegating tasks and authority to the HMTs.

Membership

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The HMC consists of at least seven (7) or seven () members of the committee appointed by the Governor. A member of the committee, a part from the ex-officio, holds office for a period of three (3) years and is eligible for a one (1) further term of three (3) years.

To the extent feasible, Board members are residents of the Sub-County or work in the hospital's service area.

The members were changed in November 24th, 2023 following the new appointments by the County Executive Committee Member vide Gazette Notice Vol.CXXV-No.249

The appointed members as follows:

The appointed members as per The Kenya Gazette Notice Vol. CXXIV—No. 2 is as follows:

<i>Medical Superintendent</i> Dr. Robinson Kipsut	<i>Medical Superintendent</i>
<i>Chairperson</i> Symon Molok	<i>Chairman</i>
<i>Deputy chairperson</i> Rev Isiaih Tallam	<i>Representing persons living with disability</i>
<i>Women Groups Representative</i> Ancillar Morare	<i>Women Groups Representative</i>
Mr. Isiaih Tallam	<i>Representing the of faith based community</i>
<i>Area MCA</i> De Gaule Nabaruki	<i>Ex- Officio Member</i>
<i>Sub-county administrator</i> Andrew kuria	<i>Ex – Officio member</i>

Roles and Functions of the Board:

The roles and responsibilities of the Board as set out in the Board Charter and includes:

- ✓ Establishing the Hospital's strategic direction and priorities, and adopting business plans proposed by management for the achievement of the strategic objectives
- ✓ Monitoring and evaluating the implementation of strategies, policies, management performance criteria and business plans.
- ✓ Providing oversight in financial reporting to the Government and communication to stakeholders.
- ✓ Ensuring availability of adequate resources for the achievement of the Hospital's objectives.

- ✓ Overseeing business affairs of the Hospital in light of emerging risks and opportunities in collaboration with hospital management team.
- ✓ Approving annual and quarterly budgets.
- ✓ Ensure orderly conduct of business to serve the community satisfactorily.
- ✓ Provide oversight to the hospital management team to improve health status of the community.
- ✓ Serve as a link between the hospital and the community.

The Board provides oversight to Management and ensures that staff operates within the Code of Conduct and Ethics, Leadership Integrity Act.

The above roles and functions are made possible through various subcommittees specifically finance subcommittee, Quality of care subcommittee and infrastructure subcommittee which consist of members of the hospital board members and hospital management team.

Finance subcommittee:

- Symon molok – chair
- De Gaule Nabaruki
- Medical superintendent
- Hospital accountant
- Facility procurement officer
- Hospital Administrator

Quality of care subcommittee

- Symon molok – Chair
- Esther mbui
- Medical Superintendent
- Nursing in charge
- Laboratory in charge
- Hospital administrator

Infrastructure subcommittee

- Symon molok – Chair
- Evans kibet lagat
- Facility public health officer

- Medical superintendent
- Hospital administrator

Board Meetings and Attendance

The Health Management Board convenes once per quarter in each Financial Year unless it is a special Board (Four Full Board Meetings a year).

The attendance was as follows:

Name	Role	Attendance
Symon Molok	Chairperson	4 out of 4
	Vice chair representative of PWD	0 out of 4
Dr.Robinson Kipsut	Secretary	4 out of 4
	Member	4 out of 4
Ancillar Morari	Women Groups Representative	4 out of 4
Evans Kibet	Member	4 out of 4
De Gaul Naburuki	Member Representative office of MP	4 out of 4
Rev Isiaih Tallam	Member representative of faith-based organization	0 out of 4
Andrew Kuria	Member representative of the youth	0 out of 4
	Ex- Officio	1 out of 4

The following schedule, determined by the Leadership and Governance Committee under the leadership of CECM Health Services, shows compensation by type paid to the Health Management Board members at each committee meeting attended as per the SRC.

Ethics and Conduct:

- The board upholds high ethical standards and a code of conduct that guides the behaviour of its members.
- They specifically plan, manage and monitor the utilisation of user charges guided by:
 - ✓ Public health Act (Cap 242) legal notice No. 162
 - ✓ Government financial management Act (Cap 412B), Legal Notice No. 155
 - ✓ Public finance management Act 2012, Section 109 (b)
- They improve overall governance and ensure effective management of resources at health facility level.

Governance Audit

During the quarterly board meetings, the members do a comprehensive review and evaluation of an organisation's governance framework, processes, and practices. The main purpose of this audit being to assess the extent to which an organisation adheres to its established governance principles, guidelines, and regulations. This is done through a performance report from the secretary of the board, which is then evaluated, discussed and recommendations given to the hospital management team for absorption.

13. Management Discussion and Analysis

It is with pleasure that we present the Hospital's 2023/2024 fourth quarter report and Financial Statements. The Board of Management and hospital management is proud of the achievements realized by the facility in this period towards "A patient centered comprehensive care Hospital". I am particularly impressed by the "can do attitude" of staff coupled with their commitment to delivering the best possible service to patients. These services include, Medical Consultations, Nutritional services, Mother Child Health, Maternity services, PMTCT services, Laboratory services, among others. Over time the facility has progressed from a health Centre to a level 4 hospital as such with the support of the county there have been major support and hospital facelift to ensure the services are progressively matching those of a Level 4 facility.

Regulatory environment Management and operations of the hospital is guided by the existing legal, policy, and institutional frameworks that govern health sector to ensure efficient and effective delivery of services in the Hospital. The Kenyan Constitution 2010 under the Bill of Rights provides the right to the highest attainable standard of health including reproductive health care and emergency medical treatment as stipulated by the County government health systems, provides for regulation of health care services and health care service providers, health products and health technologies. The hospital has continued to experience challenges and changing business environment which calls for continuous improvement of the quality of services to the customers. In response to this, the Board and staff remain focused on providing resources and supporting initiatives that will sustain Soin Sub County Hospital in a leadership position in the healthcare sector.

On behalf of the Board, I would like to thank all our stakeholders especially County Government of Nakuru and development partners for the support they continue to accord the hospital without which our achievements would not have been realized. As we move into a new year, I would like to express my gratitude to Soin hospital staff, specialists, team leaders and the Board, who take such pride in their work, and who exemplify our hospital's mission and values each day. Finally, I strongly believe that our strategy and the staff in place will consistently drive our growth in the future as has been the case over the years.

Centres of excellence

The hospital plans to establish centres of excellence in the outpatient services offered. The centres of excellence will work to provide a one stop service for the increasing cases of diseases seen at the facility. This will see an improvement in the existing departments as well as introduction of key departments through the guidance of the county government and the support of partners. Guided by the facility's annual workplan, available resources and support of the county government of Nakuru we have seen introduction of a new hemogram machine to improve the laboratory services offered and with the posting of a nutritional officer it has seen the introduction of nutritional services in the outpatient department allowing for comprehensive care offered in outpatient department.

Embracing Technology to Advance Patient Care

The use of ICT is a priority for Soin sub Hospital as reflected in Kenya's ICT Master Plan and need to

automate systems to enhance efficiency in services delivery. Towards this, the hospital was earmarked for piloting the Kenya EMR system, donor supported through the county ministry of health.

The county was able to carry out a business reengineering with the view of aligning all hospital processes in readiness for automation. This process culminated in the development of specifications for robust hospital information management system and corresponding enterprise resource planning (ERP) systems. Kenya EMR was installed in the facility which was placed in select departments for efficient service delivery in all areas served within Soin Sub County Hospital. The system was user friendly and with the support of the county ministry of health and partners made it quite cost effective with little to no cost of maintenance.

The facility with the support of the county department of ICT transitioned fully to use of the expanded Kenya EMR system in the outpatient department. However, we still have a challenge of in cooperating the system in maternity, CWC, MCH and ANC services, something that is currently been addressed by the developers. The facility with the support of partners was able to integrate the Kenya EMR plus that was in outpatient department with the CCC Kenya EMR system and we now have one channel of reviewing all clients, monitoring and accountability as well as one system of referral for the clients in need of the said services. This has allowed the integration of services where all clients including those of the special clinics can be seen through one system.

We are now working towards integrating the mpesa pay bill system into the expanded Kenya EMR system to allow auto reflection of payments thus ensure accountability of all payments done through one system.

Once established, we are hoping to get donor support for additional desktops to allow use of the system in the child welfare clinic, antenatal clinic and the family planning department next.

Effective Communication

Soin Hospital is putting great emphasis in improvement of communication with our patients, their families, and other stakeholders in an effective and timely manner.

To this end, we have continued to train our staff on customer care and effective communication while upholding the highest standards of care.

We have strengthened customer care services in the facility with the provision of a complaints box right at the entry of the facility and provision of a grievances book has been made available at the hospital administrators' office which addresses grievances on time and ensures timely solutions to challenges as they are raised.

There is a facility committee established to assess and discuss complaints and grievances as they arise with an aim of setting up systems that work at improving patient care and handling.

The facility also works closely with the 10 community health promoters who serve as a link between clients in the community and the facility to be able to reach the administration on time to assist in provision of timely and quality services to clients seeking services in the facility.

Through the office of the public health the hospital administration purposes to attend community Barraza meetings with an aim of improving the relationship between the community and the facility by creating a system of openness and accountability thus encouraging the community to seek services in the facility.

The hospital members of the board work as the champions of the facility to the community to ensure we maintain the goodwill with the surrounding community and ensure there is bilateral communication from the hospital to the community and vice versa.

Clinical/operational performance

Here, we present an overview of the hospital operational and financial performance from the past year. This includes details on key projects, compliance with statutory requirements, major risks, and other pertinent information.

Bed capacity of the hospital:

We currently have a bed capacity of 7 beds up from 5 beds from the previous financial year which are utilised for admission of maternity mothers.

Overall, the facility has a bed capacity of 17 beds unfortunately the inpatient block was utilised as the county stores for the year in reference.

Specialised clinic:

Towards the end of the financial year 2023/2024, the facility was able to set a date for specialised clinic for hypertensive and diabetic clinic.

This is to capacity build the primary health care network and empowers clients with long term diseases through incorporation of support groups.

Currently the existing support groups target: Hypertensive clients, diabetic clients, clients living with HIV/AIDS, antenatal mothers.

We were able to capacity build the team that reviews antenatal mothers and have them hold a weekly group ANC support group meeting.

The Nutritional department has established a clientele who are on follow up for nutritional deficiencies in the set-up clinic.

Admission Statics:

We are currently offering maternity services only as our in-patient care. We have 5 beds available for the above services. On average we admit one to two clients a day for delivery and or monitoring purposes.

Usually, post-delivery they are kept for monitoring purposes for 24hrs. we have about 40% bed occupancy rate.

Mortality Rate:

In the last financial year, we recorded no mortality case for patients above 5yrs.

However, we recorded 1 fresh still birth case which was audited within 24hrs with recommendations taken up immediately to reduce the mortality rate. This is a reduction in cases reported from the previous financial year of 2 fresh still births and 1 macerated baby.

Disease burden:

In the last financial year, the facilities disease burden was as summarised below:|

CLIENTS UNDER 5 YRS	Respiratory tract diseases
	Tonsilitis
	Diseases of the skin
	Gastroenteritis/diarrhoea
	Pneumonia
	asthma
	Sepsis
	Eye infections
	Injuries
	Urinary tract infections
	Respiratory tract infections
	Urinary tract infections
CLIENTS OVER 5 YRS	pneumonia
Diseases of the skin	
Joint pains	
Injuries	
Asthma	
Enteritis/ diarrhoea	
Diabetes/ hypertension	
HIV	

14. Environmental And Sustainability Reporting

Soin Sub County Hospital seeks to impact people's lives through its Corporate Social Responsibility (CSR) initiatives.

The initiatives are aimed at improving lives and enhance engagement with the public. Central to this philosophy is the commitment to enhance the quality of life of people from marginalised and vulnerable communities, by empowering them and catalysing change through creating awareness on diseases and available interventions. The services provided are MCH talks, psychiatric trainings in schools and other educational institutions and outreaches.

i) Sustainability strategy and profile

Our hospital is committed to advancing green energy solutions and reducing reliance on firewood by introducing briquettes for cooking. This initiative will help decrease air pollution and create a healthier working environment for our kitchen staff.

ESoin Sub-County Hospital is dedicated to environmental sustainability and minimizing its ecological footprint. Our efforts include:

- **Energy Efficiency:** We aim to reduce energy consumption by turning off lights when not in use and adopting energy-efficient practices to improve hospital economics.
- **Water Conservation:** We are implementing low-flow taps and outlets to minimize water usage.
- **Waste Management:** We promote responsible waste management through recycling and proper disposal. Recyclable equipment and supplies are prioritized, and single-use plastics, such as syringes, are disposed of safely to protect the environment.
- **Waste Segregation:** The Infection and Prevention Control (IPC) committee, along with public health officers, encourages proper waste segregation using designated bins. Hospital waste is incinerated, and ash is disposed of in a designated pit.

ii) Employee welfare

Ensuring employee welfare is crucial for delivering quality healthcare services. Our approach includes:

- **Equal Employment Opportunities:** We promote inclusivity during hiring by offering equal opportunities to all candidates. We work with relevant stakeholders to ensure compliance with hiring practices and remuneration guidelines.
- **Professional Development:** Staff members are encouraged to take study leave and attend seminars and training for career advancement.
- **Recognition and Rewards:** At the end of each year, we recognize and reward outstanding employees to motivate others.

- **Performance Appraisal:** We conduct regular performance appraisals, with supervisors reviewing staff performance according to set timelines.
- **Compliance with OSHA:** We adhere to the Occupational Safety and Health Act of 2007 (OSHA) to ensure a safe working environment. Support staff are provided with appropriate protective gear, and incidents are reported, investigated, and addressed with corrective actions.

iii) Market place practices-

The organisation should outline its efforts to:

a) Responsible competition practice.

Explain how the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition, and respect for competitors.

b) Responsible Supply chain and supplier relations

Explain how the organisation maintains good business practices, and treats its own suppliers responsibly by honouring contracts and respecting payment practices.

c) Responsible marketing and advertisement

Outline efforts to maintain ethical marketing practices.

d) Product stewardship

Outline efforts to safeguard consumer rights and interests.

Maintaining ethical standards and fair competition is essential for a transparent healthcare environment.

Our practices include:

- **Anti-Corruption Measures:**
 - **Code of Conduct and Ethics:** All staff members adhere to a county-wide code of conduct that prohibits corruption and bribery.
 - **Vendor and Supplier Screening:** We use a pre-qualified list of suppliers to limit corrupt practices.
- **Fair Competition:**
 - **Fair Pricing and Billing:** We ensure transparent pricing and billing through an electronic records management system with present service rates.
 - **Non-Discrimination:** We provide equal access to healthcare services for all patients, regardless of background, race, religion, or economic status.

We also prioritize good business practices and responsible supplier relationships. We follow a FIFO (First In, First Out) system for clearing supplier contracts and strive for timely payments despite financial constraints. Our procurement process is transparent to avoid favouritism.

a) Patient Rights and Interests

We are committed to safeguarding patient rights and interests to ensure quality care. This includes:

- **Confidentiality and Privacy:** We protect patient confidentiality and only share information with authorized individuals for medical purposes.
- **Informed Consent:** We obtain informed consent, either verbal or written, outlining the risks, benefits, and alternatives of medical procedures.
- **Access to Information:** Patients receive clear information about their health conditions and are promptly referred to specialists or other facilities when needed.

iv) Corporate Social Responsibility / Community Engagements

Soin sub county Hospital actively participates in Corporate Social Responsibility (CSR) activities to benefit the community:

- **Community Screening:** In collaboration with Community Health Promoters (CHPs), we provide free check-ups, vaccinations, and health education to improve access to healthcare and early disease detection in marginalized communities.
- **Health Education:** We conduct outreach programs in schools and communities to increase health literacy, promote healthier lifestyles, and reduce disease prevalence.
- **Partnerships:** Through collaborations with charitable organizations such as UTJ (USAID Tujenge Jamii), we support vulnerable groups, including those with TB and HIV, by providing free medications, transportation, and home visits for additional support.

Soin Sub-County Hospital remains committed to these sustainability and community engagement efforts to ensure a positive impact on both our patients and the environment.

15. Report of The Board of Management

Soin sub hospital is committed to providing quality health services to the citizens of Kenya. Future plans of the hospital are to transform the facility into a world class patient centred hospital by increasing the variety of services as well as expanding the infrastructure. It is in this regard that I am pleased to present the financial statement for the year ended 30th June 2024

During the period the hospital was engaged in offering the following healthcare services to patient and client: medical consultation, emergency care and ambulance services, motherchild health care services, dental clinic, maternity services, laboratory diagnostic support services, pharmacy services, health promotion and health talks, outreaches, among others.

The board of management is proud of the achievements realized during the period which is attributed to staff commitment as well as the board's continuous effort to improve the facility infrastructure and general operating environment.

The hospital has continued to experience challenges ranging from dwelling financial and non-financial resources, inadequate infrastructure etc. This calls for prudence in resource management and continuous improvement of the services to the customer.

On behalf of the board, I would like to thank all our stakeholders especially the county government of Nakuru and development partners for the support they continue to accord the hospital without which our achievements would not have been realized.

Finally, I strongly believe that our strategy and the staff in place will consistently drive our growth in the future as has been the case over the years.

It is my pleasure to present the Hospital's 2023/2024 annual report and Financial Statements. The Board of Management is proud of the achievements realized by the hospital in this period towards "A world class patient centered Specialized care Hospital". I am particularly impressed by the "can do attitude" of staff coupled with their commitment to delivering the best possible service to patients. These services include, Medical Consultations, Mother Child Health, Maternity services, Physiotherapy NM services, PMTCT services, Laboratory services, Services among others. Over time the facility has progressed from health Centre to a level 4 hospital; as such with the support of the county there have been major renovation and hospital facelift to ensure the services match those of a Level 4 facility.

Regulatory environment Management and operations of the hospital is guided by the existing legal,

policy, and institutional frameworks that govern health sector to ensure efficient and effective delivery of services in the Hospital. The Kenyan Constitution 2010 under the Bill of Rights provides the right to the highest attainable standard of health including reproductive health care and emergency medical treatment as stipulated by the County government health systems, provides for regulation of health care services and health care service providers, health products and health technologies. The hospital has continued to experience challenges and changing business environment which calls for continuous improvement of the quality of services to the customers. In response to this, the Board and staff as a whole remains focused on providing resources and supporting initiatives that will sustain Soin Sub County Hospital in a leadership position in the healthcare sector.

On behalf of the Board, I would like to thank all our stakeholders especially County Government of Nakuru and development partners for the support they continue to accord the hospital without which our achievements would not have been realized. As we move into a new year, I would like to express my gratitude to soin Sub County hospital staff, specialists, team leaders and the Board, who take such pride in their work, and who exemplify our hospital's mission and values each day. Finally, I strongly believe that our strategy and the staff in place will consistently drive our growth in the future as has been the case over the years.



.....
Symon Molok
Chairman to the Board
Soin Sub County Hospital.

Principal activities

The principal activities of the entity are (continue to be)

Results

The results of the entity for the year ended June 30 20XX are set out on pages to

Board of Management

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

The Board of Management is responsible for the preparation and presentation of the *entity's* financial statements, which give a true and fair view of the state of affairs of the *entity* for and as at the end of the financial year (period) ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *entity*, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the *entity*; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.


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

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

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

Approval of the financial statements

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


.....
Name: Symon Molok
Chairperson
Board of Management


.....
Name: David Chege
Accounting Officer

Auditors

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

OR

XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of the entity for the year/period ended June 30, xxx in accordance with section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board


.....
Name

Secretary to the Board

(To be signed by the Secretary of the Board)

16. Statement of Board of Management’s Responsibilities

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

The Board of Management is responsible for the preparation and presentation of the *entity*’s financial statements, which give a true and fair view of the state of affairs of the *entity* for and as at the end of the financial year (period) ended on June 30, 20XX. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *entity*, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the *entity*; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board of Management accepts responsibility for the *entity*’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (*– entities should quote applicable legislation as indicated under*). The Board members are of the opinion that the *entity*’s financial statements give a true and fair view of the state of *entity*’s transactions during the financial year ended June 30, 20xx, and of the *entity*’s financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the *entity*’s financial statements as well as the adequacy of the systems of internal financial control.

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

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

Approval of the financial statements

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


.....
Name: Symon Molok
Chairperson
Board of Management


.....
Name: Robinson Kipsut
Accounting Officer

REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Soin Sub County Level 4 Hospital - County Government of Nakuru set out on pages 1 to 56, which comprise of the statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the 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 Soin Sub County Level 4 Hospital – County Government of Nakuru as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Health Act, 2017, the County Governments Act, 2012 and the Public Finance Management Act, 2012.

Basis of Qualified Opinion

1. Inaccuracies in the Financial Statements

The statement of financial performance erroneously indicated gain/loss on disposal of non-current assets amount of Kshs.10,562,612 which should have been reflected as the net surplus for the year.

The statement of financial performance reflects total revenue and expenditure amounts of Kshs.78,185,957 and Kshs.67,623,345 respectively. However, the statement of cashflows reflects amounts of Kshs.1,282,946 and Kshs.3,720,334 resulting to unexplained variances of Kshs.70,903,011 and Kshs.63,903,011 respectively. Further, the statement of comparison of budget and actual amounts reflects actual on comparable basis expenditure amount of Kshs.3,720,334 resulting to unexplained variance of Kshs.63,903,011.

The statement of cash flows reflects a net increase in cash and cash equivalents balance of Kshs.266,786. However, the recomputed decrease in cash and cash equivalents amount is a Kshs.2,437,388 resulting in an unexplained variance of Kshs.2,704,175. Further, the statement reflects cash and cash equivalents balance of Kshs.1,235,030. However, the statement of financial position indicates a figure of Kshs.1,282,946 resulting

in an unexplained variance of Kshs.47,916. In addition, the statement reflects various balances which were not however matched to their corresponding Notes to the financial statements.

The statement of comparison of budget and actual amounts reflects a total adjustment amount of Kshs.7,979,267 which was not supported. Further, the statement of comparison of budget and actual amounts reflects original budget and final budget amount of Kshs.7,979,267. However, the recomputed balance is Kshs.78,185,957 resulting in an unexplained variance of Kshs.70,206,690.

The statement of financial position and the statement of changes in net assets reflect a negative capital fund balance of Kshs.5,819,369 which was not supported with any verifiable evidence.

Review of the financial statements revealed that there were variances in the opening balances between the financial statements and the previous year's audited financial statements as detailed in the table below;

Item	Amount as per the Financial Statements (Kshs)	Amount as per the Audited Financial Statement (Kshs)	Variance (Kshs)
Statement of financial performance			
General expenses	1,892,279	1,896,279	4,000
Total expenses	4,227,057	4,327,057	100,000
Gain/Loss on disposal of non-current assets	237,112	-	237,112
Net surplus/(deficit) for the year	237,112	-337,112	100,000
Statement of financial position			
Accumulated surplus/deficit	-237,112	-337,112	100,000
Capital fund	950,843	-	950,843
Statement of changes in net assets			
Balance as at July 1 2023	-	713,731	713,731

Item	Amount as per the Financial Statements (Kshs)	Amount as per the Audited Financial Statement (Kshs)	Variance (Kshs)
Statement of cash flows			
Board of management expenses	153,000	253,500	100,500
Total payments	4,227,057	4,327,057	100,000
Net cash flows from operating activities	237,112	-337,112	100,000
Cash and cash equivalent as at 1 July 2023	0	1,050,843	1,050,843

Further, review of records in relation to various expenditure components revealed that there were variances between the amounts disclosed in the financial statements and the supporting schedules as detailed in **Appendix 1** attached.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

2. Unconfirmed In-kind Contributions from the County Government – Medical Supplies

The statement of financial performance reflects in-kind contributions from the County Government amount of Kshs.76,903,011 as disclosed in Note 7 to the financial statements. The amount includes a balance of Kshs.13,000,000 in respect of medical supplies – drawing rights by Kenya Medical Supplies Authority (KEMSA). However, the amount has not been expensed in the clinical cost or included as additions in the property, plant and equipment balance. Further, the balance has not been included in the inventories balance of Kshs.670,295. Failure to recognize the balance as an expenditure or asset may lead to misrepresentation of the financial statements.

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

3. Unsupported Rendering of Services – Medical Service Income

The statement of financial performance reflects an amount of Kshs.1,282,946 in respect of rendering of services – medical service income as disclosed in Note 11 to the financial statements. However, Management did not provide the detailed schedules to support the balance. Further, review of the bank statements provided for audit verification revealed that the Hospital had total receipts of Kshs.3,777,608 relating to the period 1 July, 2023 to 30 June, 2024 resulting to unexplained variance of Kshs.2,494,662.

Consequently, the accuracy and completeness of the rendering of services – medical service income amount of Kshs.1,282,946 could not be confirmed.

4. Unsupported Employee Costs

The statement of financial performance reflects employee costs amounting to Kshs.64,983,011 as disclosed in Note 16 to the financial statements. The amount includes balances of Kshs.51,563,172 in respect of payment of salaries by the County Government and Kshs.13,419,838 in relation to payments made to casual and contracted staff. However, the amount paid to casual and contracted staff was not supported by detailed ledgers and payment vouchers.

In the circumstances, the accuracy and completeness of casual and contracted employee costs amounting to Kshs.13,419,838 could not be confirmed.

5. Unsupported Medical or Clinical Costs

The statement of financial performance and Note 15 to the financial statements reflect an amount of Kshs.463,445 in respect of medical or clinical costs. The balance includes amounts of Kshs.29,435 and Kshs.40,976 in relation to X-Ray/Radiology supplies and other medical related clinical costs respectively, all totaling Kshs.70,411. However, there were no supporting schedules provided for the latter amount.

In the circumstances, the accuracy and completeness of medical or clinical costs amounting to Kshs.70,411 could not be confirmed.

6. Variances in the Receivables from Exchange Transactions

The statement of financial position reflects receivables from exchange transactions balance of Kshs.2,790,000. However, the corresponding Note 28 to the financial statements reflects a Nil balance resulting in an unexplained variance of Kshs.2,790,000. Review of the supporting ledgers provided for audit revealed that the amount owed by National Health Insurance Fund (NHIF) to the Hospital was Kshs.1,577,180 resulting to an unexplained variance of Kshs.1,212,820. Further, the amount relates to dues from the

National Health Insurance Fund (NHIF) whose records indicated a Nil balance resulting to an unexplained variance of Kshs.2,790,000.

In addition, the amount has been outstanding for more than twelve (12) months while the contract between the Hospital and NHIF indicates the period to pay genuine claims is within thirty (30) days of submission.

In the circumstances, the accuracy, completeness and recoverability of the receivables from exchange transactions balance of Kshs.2,790,000 could not be confirmed.

7. Unsupported Inventories Balance

The statement of financial position reflects inventories balance of Kshs.670,295 as disclosed in Note 30 to the financial statements. However, the inventories records such as the stock reconciliation indicating the opening stock, quantities received, issues, damages and expiries to arrive at the closing stock quantities for each of the commodities was not provided for audit verification. In addition, there was no evidence of conducting annual stock take to confirm the closing balances of inventories.

In the circumstances, the accuracy and completeness of inventory balance of Kshs.670,295 could not be confirmed.

8. Non-Disclosure of Property, Plant and Equipment

The statement of financial position reflects a Nil balance in respect of property, plant and equipment. However, physical verification carried out in December, 2024 revealed that the Hospital owns assets including land and buildings, motor vehicles, computers and accessories, furniture and fittings, hospital linen and biomedical equipment. The assets with an undetermined value have not been included in the books of account of the Hospital as required. It was also observed that the hospital did not maintain a fixed asset register indicating asset name, tag number and specific asset location. It was therefore difficult to identify specific assets for physical verification.

Further, no valuation report was provided for the existing assets with limited time remaining to the end of transition to accrual basis of accounting which requires full disclosure of assets.

In addition, the hospital has not obtained a title deed for the land it occupies even though it is fenced off from encroachment.

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

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

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several matters were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management has not provided any explanation on how the issues were resolved or disclosed them in the financial statements as required by the recommended reporting template.

Other Information

The Management are responsible for the other information set out on page iv to xxxvi which comprise of Key Entity Information and Management, The Board of Management, Key Management Team, Chairman's Statement, Report of the Medical Superintendent, Statement of Performance against Predetermined Objectives, Corporate Governance Statement, Environmental and Sustainability Reporting, Management Discussion and Analysis, Report of the Board of Management 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 and I am required to report that fact. Based on the audit procedures performed and the matters described

in my Basis for Qualified Opinion, I confirm that other information is not materially inconsistent with the financial statements.

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. I am required to report that fact. I have nothing else to report in this regard.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Irregular Engagement of Casual Workers

The statement of financial performance reflects employee costs amount of Kshs.64,983,011 as disclosed in Note 16 to the financial statements. The amount includes a balance of Kshs.13,419,838 in relation to payments made to casual and contracted staff. Review of records revealed that Management engaged casual workers for more than three months. This is contrary to Section 37(1) (b) of the Employment Act, 2007 which stipulates that casual employment should be converted to a term contract 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 months or more; and the contract of service of the casual employee shall be deemed to be one where wages are paid monthly.

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

2. Unconfirmed Healthcare Workers Allowances

The statement of financial performance reflects employee costs totaling Kshs.64,983,011. Review of records revealed that the hospital has various healthcare workers working for the Hospital and who are paid by the County Government. However, the payroll indicating the details of the employees and the salaries paid has not been provided. In addition, collective bargaining agreements between the County and various healthcare workers were also not provided.

In the circumstances, the salaries and allowances which were paid according to the various collective bargaining agreements could not be confirmed.

3. Failure to Transfer Revenue to the County Revenue Fund Account

The statement of financial performance reflects rendering services- medical services income amount of Kshs.1,282,946 as disclosed in Note 11 to the financial statements. However, the amount was not transferred to the County Revenue Fund account for approval by the Controller of Budget before withdrawal. This was contrary to Regulation 81(1) to (3) of the Public Finance and Management (County Governments) Regulations, 2015 which states that a receiver of revenue shall promptly deposit into the County exchequer account all receipts due to the County Revenue Fund.

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

4. Lack of a Procurement Function

During the year under review, the Hospital did not have a procurement function headed and staffed by procurement officials. This is contrary to Regulation 24(1) of the Public Procurement And Asset Disposal Regulations, 2020 which states that for the purpose of section 45 of the Act and for a procuring entity to be able to make corporate decisions and for purposes of internal controls, the procuring entity shall have segregated responsibilities including the following minimum requirements - an Accounting Officer; a procurement function headed and staffed by procurement professionals; establishment of all relevant committees under section 44(2) (b) of the Act and adherence to section 44(2) (h) of the Act (d) a vote where the budget is approved by National Assembly or a County Assembly or by a governing body of a public entity.

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

5. Failure to Prepare Monthly Bank Reconciliation Statements

The statement of financial position reflects cash and cash equivalents balance of Kshs.1,282,946 as disclosed in Note 27 of the financial statements. However, the management did not prepare monthly bank reconciliations statements to confirm the balance held in the account. This is contrary to Regulation 90 (1) of the Public Finance Management (County Governments) Regulations, 2015 which states that Accounting Officers shall ensure bank accounts reconciliations are completed for each bank account held by that Accounting Officer, every month and submit a bank reconciliation statement not later than the 10th of the subsequent month to the County Treasury with a copy to the Auditor-General.

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

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

Review of Hospital records and interviews on verification of services offered, equipment used and medical specialists in the Hospital at the time of audit in December 2024 revealed that the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits by eighty (80) staff requirements or 79% of the authorized establishment as shown below;

Staff Requirements	Level 4 standard	Number in Hospital	Variance	Percentage (%)
Medical officers	16	0	16	100%
Anaesthesiologists	2	0	2	100%
General surgeons	2	0	2	100%
Gynaecologists	2	0	2	100%
Paediatrics	2	0	2	100%
Radiologists	2	0	2	100%
Kenya Registered Community	75	21	54	72%
Total	101	21	80	79%

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

Service	Level 4 Hospital Standards	Actuals in the Hospital	Variance	Percentage(%)
Beds	150	21	129	86%
Resuscitaire (2 in labor & 1 in theatre)	3	1	2	67%
New born unit incubators	5	0	5	100%
New born unit cots	5	0	5	100%

Service	Level 4 Hospital Standards	Actuals in the Hospital	Variance	Percentage(%)
Functional ICU beds	6	0	6	100%
High Dependency Unit (HDU)	6	0	6	100%
Renal Unit with at least 5 dialysis machines	5	0	5	100%
Two Functional operational theatres- Maternity & General	2	0	2	100

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

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

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 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 overall governance were not effective.

Basis for Conclusion

1. Lack of an Audit Committee and Operationalization of Internal Audit Function

The Hospital had not established an audit committee during the year under review. Further, the facility did not have any internal audit arrangements in place for the period under review. Management had also failed to rely on the internal audit department of the County Executive.

In the circumstances, Management did not benefit from assurance in respect of the effectiveness of the Hospital's internal controls, risk management and governance.

2. Lack of a Risk Management Policy

The Hospital had not put in place a risk management policy, strategies and a risk register to mitigate against risk. This is contrary to Regulation 158(1) (a) and (b) of the Public Finance Management (County Governments) Regulations, 2015 which requires the Accounting Officer to ensure that the County Government entity develops risk management strategies, which include fraud prevention mechanism; and a system of risk management and internal control that builds robust business operations.

In the circumstances, the Hospital is exposed to possible loss of funds and interruption of business operations.

3. Poor Information Communication Technology Internal Control Environment

Review of records provided for audit and verification of the IT systems and structures revealed that there was no approved ICT Policy, approved IT Strategic committee, risk management policy, a strategic and a recovery plan. Further, there were also no formal and documented emergency procedures and IT continuity plan. In addition, Management has not also implemented ICT asset management policies despite continuous use of ICT equipment.

In the circumstances, the security of Information Technology (IT) Internal Control environment within 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 control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Board of Management

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

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

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



FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

31 December, 2024

Appendix 1 - Variance Between Financial Statements and Supporting Schedules

Particulars	Note	Amount as per Financial Statements (Kshs)	Amount as per Supporting Schedule (Kshs)	Variance (Kshs)
General Expenses				
Electricity expenses	21	277,548	183,687	93,861
Fuel and lubricants	21	18,000	48,585	30,585
Printing and stationary	21	217,075	40,486	176,589
Water and Sewerage costs	21	434,760	30,000	404,760
Catering expenses	21	192,155	95,830	96,325
Travel and accommodation allowance	21	50,000	68,545	18,545
Telephone and mobile phone services	21	60,000	5,000	55,000
Repairs and maintenance)	19	318,000	33,450	284,550
Medical / Clinical Costs	15			
Laboratory Chemicals	15	251,834.00	40,000.00	211,834
Food and ration	15	54,200.00	389,485.00	335,585
Dressing and Non-pharmaceutical	15	47,000.00	77,078	30,078
Pharmaceutical Supplies	15	-	69,240.00	69,240
Purchase of medical gases	15	-	5,000.00	5,000

Soin Sub County Hospital (County Government of Nakuru)
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18. Statement of Financial Performance for The Year Ended 30 June 2024

Description	Note	FY 2023/2024	FY 2022/2023
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6		
In-kind contributions from the County Government	7	76,903,010.87	
Grants from donors and development partners	8	0.00	0.00
Transfers from other Government entities	9	0.00	0.00
Public contributions and donations	10	0.00	0.00
		76,903,010.87	
Revenue from exchange transactions			
Rendering of services- Medical Service Income	11	1,282,945.75	3,989,945
Revenue from rent of facilities	12	0.00	0.00
Finance /Interest Income	13	0.00	0.00
Miscellaneous Income	14	0.00	0.00
		1,282,945.75	3,989,945
Total revenue		78,185,956.62	3,989,945
Expenses			
Medical/Clinical costs	15	463,445.00	463,445.00
Employee costs	16	64,983,010.87	1,389,215.00
Board of Management Expenses	17	86,000.00	153,000.00
Depreciation and amortization expense	18	0.00	0.00
Repairs and maintenance	19	318,000.00	318,000.00
Grants and subsidies	20	0.00	0.00
General expenses	21	1,772,889.00	1,892,279.00
Finance costs	22		7,118.00
Total expenses		67,623,344.87	4,227,057.00
Other gains/(losses)			
Gain/Loss on disposal of non-Current assets	23	10562611.75	237,112.00


Soin Sub County Hospital (County Government of Nakuru)
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Description	Note	FY 2023/2024	FY 2022/2023
		Kshs	Kshs
Unrealized gain on fair value of investments	24	0.00	0.00
Medical services contracts Gains/Losses	25	0.00	0.00
Impairment loss	26	0.00	0.00
Gain on foreign exchange transactions		0.00	0.00
Total othergains/(losses)			
Net Surplus / (Deficit) for the year		10,562,611.75	(237,112)

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



Chairman
Board of Management



Head of Finance
ICPAK No: 7241



Medical Superintendent

Soin Sub County Hospital (County Government of Nakuru)
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19. Statement of Financial Position As At 30th June 2024

Description	Note	FY 2023/2024	FY 2023/2024
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	27	1,282,945.75	713,731.00
Receivables from exchange transactions	28	2,790,000.00	0.00
Receivables from non-exchange transactions	29	0.00	0.00
Inventories	30	670,295.00	
Total Current Assets		4,743,240.75	713,731.00
Non-current assets			
Property, plant, and equipment	31	1	1
Intangible assets	32	1	1
Investment property	33	1	1
Total Non-current Assets			
Total assets (A)		4,743,240.75	713,731.00
Liabilities			
Current liabilities			
Trade and other payables	34	0.00	0.00
Refundable deposits from customers/Patients	35	0.00	0.00
Provisions	36	0.00	0.00
Finance lease obligation	37	0.00	0.00
Current portion of deferred income	38	0.00	0.00
Current portion of borrowings	39	0.00	0.00
Social Benefits	41	0.00	0.00
Total Current Liabilities			
Non-current liabilities			
Provisions	36	0.00	0.00
Non-Current Finance lease obligation	37	0.00	0.00
Non-Current portion of deferred income	38	0.00	0.00
Non - Current portion of borrowings	39	0.00	0.00
Service concession Arrangements	40	0.00	0.00


Soin Sub County Hospital (County Government of Nakuru)
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Description	Note	FY 2023/2024	FY 2023/2024
		Kshs	Kshs
Social Benefits	41	0.00	0.00
Total non-current liabilities			
Total Liabilities (B)		0.00	0.00
Net assets (A-B)		4,743,242.75	713,731.00
Represented by:			
Revaluation reserve		0.00	0.00
Accumulated surplus/Deficit		10,562,611.75	(237,112.00)
Capital Fund		(5,819,369.00)	950,843.00
Net Assets		4,743,242.75	713,731.00

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



Chairman
Board of Management



Head of Finance
ICPAK No: 7241



Medical Superintendent

Soin Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2024

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

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2022				
Revaluation gain	0.00	0.00	0.00	0.00
Surplus/(deficit) for the year	0.00	0.00	0.00	0.00
Capital/Development grants	0.00	0.00	0.00	0.00
As at June 30, 2023	0.00	0.00	0.00	0.00
At July 1, 2023				
Revaluation gain	0.00	0.00	0.00	0.00
Surplus/(deficit) for the year	0.00	10,562,611.75	(5,819,369.00)	4,743,242.75
Capital/Development grants	0.00			
At June 30, 2024	0.00	10,562,611.75	(5,819,369.00)	4,743,242.75

Soin Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2024

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

Description	Note	FY 2023/2024	FY 2023/2024
		Kshs	Kshs
Cashflowsfromoperatingactivities			
Receipts			
Transfers from the County Government		0.00	0.00
Grants from donors and development partners		0.00	0.00
Transfers from other Government entities		0.00	0.00
Public contributions and donations		0.00	0.00
Rendering of services- Medical Service Income		1,282,945.75	3,989,945.00
Revenue from rent of facilities		0.00	0.00
Finance / interest income		0.00	0.00
Miscellaneous receipts(<i>specify</i>)		0.00	0.00
Total Receipts		1,282,945.75	3,989,945.00
Payments			
Medical/Clinical costs		463,445.00	463,445.00
Employee costs		1,080,000.00	1,389,215.00
Board of Management Expenses		86,000.00	153,000.00
Repairs and maintenance		318,000.00	318,000.00
Grants and subsidies			
General expenses		1,772,889.00	1,896,279.00
Finance costs		0.00	7,118.00
Refunds paid out		0.00	0.00
Total Payments		3,720,334.00	4,227,057.00
Netcashflowsfromoperatingactivities	42	(2,437,388.25)	(237,112.00)
Cash flows from investing activities			
Purchase of property, plant, equipment		0.00	0.00
Purchase of intangible assets		0.00	0.00
Proceeds from the sale of PPE		0.00	0.00
Acquisition of investments		0.00	0.00
Netcashflowsusedininvestingactivities		0.00	0.00
Cashflowsfromfinancingactivities		0.00	0.00
Proceeds from borrowings		0.00	0.00
Repayment of borrowings		0.00	0.00
Capital grants received		0.00	0.00

Soin Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2024

Net cash flows used in financing activities			
Net increase/(decrease) in cash and cash equivalents		266,786.10	(0,00)
Cash and cash equivalents as at 1 July	27	1,235,030.00	0.00
Cash and cash equivalents as at 30 June	27	1,235,030.00	1,235,030.0

*Soin Sub County Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2024*

23. Notes to the Financial Statements

1. General Information

Soin Sub County Hospital is established by and derives its authority and accountability from PMF Act. The entity is wholly owned by the Nakuru County Government and is domiciled in Nakuru County in Kenya. The entity's principal activity is to offer health care services.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant, and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *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 xx. 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 (*include any other applicable legislation*), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

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

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

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> <p><i>State the expected impact of the standard to the Entity if relevant</i></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> <p><i>State the expected impact of the standard to the Entity if relevant</i></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>

Soin Sub County Hospital Hospital (County Government of Nakuru)
Annual Report and Financial Statements for The Year Ended 30th June 2024

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><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 46 Measurement</p>	<p>Applicable 1st January 2025</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><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 47- Revenue</p>	<p>Applicable 1st January 2026</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><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 48- Transfer</p>	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer</p>

Standard	Effective date and impact:
Expenses	<p>provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
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> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

iii) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial

4. Summary of Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other Government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

Notes to the Financial Statements (Continued)

b. Budget information

The original budget for FY 2023/2024 was approved by Board on 23/09/2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the hospital recorded additional appropriations of on the FY 2023/2024 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 financial performance has been presented on page xxx under section xxx of these financial statements.

c. Taxes

Sales tax/ Value Added Tax

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of sales tax included. The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Notes to the Financial Statements (Continued)

d. Investment property

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

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

c. Property, plant and equipment

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

Notes to the Financial Statements (Continued)

f. Leases

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

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

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

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

g. Intangible assets

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

Notes to the Financial Statements (Continued)

h. Research and development costs

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

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

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

i. Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the hospital's financial statements. (amend as appropriate).*

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

Notes to the Financial Statements (Continued)

Financial assets

Classification of financial assets

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

Notes to the Financial Statements (Continued)

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

Notes to the Financial Statements (Continued)

j. Inventories

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

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

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

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

k. Provisions

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

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

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

Notes to the Financial Statements (Continued)

l. Social Benefits

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

m. Contingent liabilities

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

n. Contingent assets

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

o. Nature and purpose of reserves

The entity creates and maintains reserves in terms of specific requirements. *(Entity to state the reserves maintained and appropriate policies adopted.)*

p. Changes in accounting policies and estimates

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

Notes to the Financial Statements (Continued)

q. **Employee benefits**

Retirement benefit plans

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

r. **Foreign currency transactions**

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

s. **Borrowing costs**

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

t. **Related parties**

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

Notes to the Financial Statements (Continued)

u. Service concession arrangements

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

v. Cash and cash equivalents

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

w. Comparative figures

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

x. Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

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

Notes to Financial Statements Continued

6. Transfers from the County Government

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Unconditional grants		
Operational grant	0.00	0.00
Level 4/5 grants	0.00	0.00
Unconditional development grants	0.00	0.00
Other grants (<i>specify</i>)	0.00	0.00
Conditional grants		
User fee forgone	0.00	0.00
Transforming health services for Universal care project (THUCP)	0.00	0.00
DANIDA	0.00	0.00
Wards Development grant	0.00	0.00
Paediatric block grant	0.00	0.00
Administration block grant	0.00	0.00
Laboratory grant	0.00	0.00
Total government grants and subsidies	0.00	0.00

6 b Transfers from The County Government

Name of the Entity sending the grant	Amount recognized to Statement of financial performance ^a KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund. KShs	Total grant income during the year KShs	Comparative Period 2022/223 KShs
Nakuru County Government	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00

Notes to Financial Statements Continued

7. In Kind Contributions from The County Government

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Salaries and wages	63,903,010.87	
Medical supplies-Drawings Rights (KEMSA)	13,000,000.00	100,000.00
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)	0.00	0.00
Utility bills	0.00	0.00
Total grants in kind	76,903,010.87	100,000.00

8. Grants From Donors and Development Partners

Description	FY2023/2024	FY2022/2023
	KShs	KShs
Cancer Centre grant- DANIDA	0.00	0.00
World Bank grants	0.00	0.00
Paediatric ward grant- JICA	0.00	0.00
Research grants	0.00	0.00
Other grants (specify)	0.00	0.00
Total grants from development partners	0.00	0.00

(Provide brief explanation for this revenue)

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

Name of the Entity sending the grant	Amount recognized to Statement of financial performance	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Comparative Period
	KShs	KShs	KShs	KShs	KShs
Donor e.g., DANIDA	0.00	0.00	0.00	0.00	0.00
JICA	0.00	0.00	0.00	0.00	0.00
World Bank	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00

Notes to Financial Statements Continued

9. Transfers From Other Government Entities

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Transfer from National Government (Ministry of Health)	0.00	0.00
Transfer from xxx National Hospital	0.00	0.00
Transfer from xxx Institute	0.00	0.00
Total Transfers	0.00	0.00

10. Public Contributions and Donations

Description	FY2023/2024	FY2022/2023
	4	3
	KShs	KShs
Public donations	0.00	0.00
Donations from local leadership	0.00	0.00
Donations from religious institutions	0.00	0.00
Donations from other international organisations and individuals	0.00	0.00
Other donations(<i>specify</i>)	0.00	0.00
Donations in kind-amortised	0.00	0.00
Total donations and sponsorships	0.00	0.00

10 (a) Reconciliations of amortised grants

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Balance unspent at beginning of year	0.00	0.00
Current year receipts	0.00	0.00
Amortised and transferred to revenue	0.00	0.00
Conditions to be met – remain liabilities	0.00	0.00

Notes to Financial Statements Continued

11. Rendering of Services-Medical Service Income

Description	FY2023/2024	FY 2022/2023
	Kshs	Kshs
Pharmaceuticals	360,365.00	2,300,200.00
Non-Pharmaceuticals	88,000.00	1,174,160.00
Laboratory	247,645.00	1,634,722.00
Radiology	88,000.00	0.00
Orthopedic and Trauma Technology	0.00	0.00
Theatre	0.00	0.00
Accident and Emergency Service	0.00	0.00
Anesthesia Service	0.00	0.00
Ear Nose and Throat service	0.00	0.00
Nutrition service	0.00	0.00
Cancer centre service	0.00	0.00
Dental services	82,000.00	0.00
Reproductive health	0.00	0.00
Paediatrics services	360,365.00	0.00
Farewell home services	0.00	0.00
Ambulance services	11,500.00	0.00
Other medical services income (<i>specify</i>)	45,070.75	0.00
Total revenue from the rendering of services	1,282,945.75	5,109,082.00

Notes to the Financial Statements (Continued)

12. Revenue From Rent of Facilities

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Residential property	0.00	0.00
Commercial property	0.00	0.00
Total Revenue from rent of facilities	0.00	0.00

(Provide brief explanation for this revenue)

13. Finance /Interest Income

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Interest income from Cash investments and fixed deposits	0.00	0.00
Interest income from short- term/ current deposits	0.00	0.00
Interest income from Treasury Bills	0.00	0.00
Interest income from Treasury Bonds	0.00	0.00
Interest from outstanding debtors	0.00	0.00
Total finance income	0.00	0.00

(Provide brief explanation for this revenue)

14. Miscellaneous Income

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Insurance recoveries	0.00	0.00
Income from sale of tender	0.00	0.00
Services concession income	0.00	0.00
Sale of goods (water, publications, containers etc)	0.00	0.00
Write backs (Deposits, payments in advance etc)	0.00	0.00
Bad debts recovered	0.00	0.00
<i>Others (Specify)</i>	0.00	0.00
Total Miscellaneous income	0.00	0.00

Notes to the Financial Statements (Continued)

15. Medical/ Clinical Costs

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Dental costs/ materials	0.00	0.00
Laboratory chemicals and reagents	251,834.00	329,181.00
Public health activities	0.00	xxx
Food and Ration	54,200.00	xxx
Uniform, clothing, and linen	0.00	xxx
Dressing and Non-Pharmaceuticals	47,000.00	199,423.00
Pharmaceutical supplies	0.00	319,924.00
Health information stationery	40,000.00	124,300.00
Reproductive health materials	0.00	0.00
Sanitary and cleansing Materials	0.00	0.00
Purchase of Medical gases	0.00	0.00
X-Ray/Radiology supplies	29,435.00	0.00
Other medical related clinical costs (specify)	40,976.00	0.00
Total medical/ clinical costs	463,445.00	972,828.00

(Other medical/clinical related costs refers to all other costs involved in management of the patients directly not analysed above.)

16. Employee Costs

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Salaries, wages, and allowances	64,983,010.87	1,289,350.00
Contributions to pension schemes	0.00	0.00
Service gratuity	0.00	0.00
Performance and other bonuses	0.00	0.00
Staff medical expenses and Insurance cover	0.00	0.00
Group personal accident insurance and WIBA	0.00	0.00
Social contribution	0.00	0.00
Other employee costs (specify)	0.00	0.00
Employee costs	64,983,010.87	1,289,350.00

(Social contribution relates to expenses incurred by the employer towards social welfare of Employees)

Notes to the Financial Statements (Continued)

17. Board of Management Expenses

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Chairman's Honoraria	0.00	0.00
Sitting allowance	86,000.00	240,000.00
Mileage	0.00	0.00
Insurance expenses	0.00	0.00
Induction and training	0.00	0.00
Travel and accommodation allowance	0.00	0.00
Airtime allowances	0.00	0.00
Total	86,000.00	240,000.00

18. Depreciation and Amortization Expense

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Property, plant and equipment	0.00	0.00
Intangible assets	0.00	0.00
Investment property carried at cost	0.00	0.00
Total depreciation and amortization	0.00	0.00

19. Repairs And Maintenance

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Property- Buildings	318,000.00	44,100.00
Medical equipment	0.00	5,000.00
Office equipment	0.00	0.00
Furniture and fittings	0.00	0.00
Computers and accessories	0.00	0.00
Motor vehicle expenses	0.00	0.00
Maintenance of civil works	0.00	0.00
Total repairs and maintenance	318,000.00	49,100.00

Notes to the Financial Statements (Continued)

20. Grants And Subsidies

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Community development and social work	0.00	0.00
Education initiatives and programs	0.00	0.00
Free/ subsidised medical camp	0.00	0.00
Disability programs	0.00	0.00
Free cancer screening	0.00	0.00
Social benefit expenses	0.00	0.00
Other grants and subsidies(<i>specify</i>)	0.00	0.00
Total grants and subsidies	0.00	0.00

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42.

21. General Expenses

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Advertising and publicity expenses	0.00	0.00
Catering expenses	192,155.00	227,430.00
Waste management expenses	0.00	0.00
Insecticides and rodenticides	0.00	0.00
Audit fees	0.00	0.00
Bank charges	7,118.00	3,026.00
Conferences and delegations	0.00	0.00
Consultancy fees	0.00	0.00
Contracted services	277,548.00	0.00
Electricity expenses	434,760.00	253,630.00
Fuel and Lubricants	18,000.00	160,823.55
Insurance	0.00	0.00
Research and development expenses	0.00	111,090.00
Travel and accommodation allowance	50,000.00	0.00
Legal expenses	0.00	0.00
Licenses and permits	0.00	131,000.00
Courier and postal services	0.00	0.00
Printing and stationery	216,548.00	0.00
Hire charges	0.00	0.00
Rent expenses	0.00	227,430.00
Water and sewerage costs	434,760.00	39,090.00

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Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Skills development levies	0.00	0.00
Telephone and mobile phone services	60,000.00	120,000.00
Internet expenses	82,000.00	0.00
Staff training and development	0.00	39,090.00
Subscriptions to professional bodies	0.00	0.00
Subscriptions to newspapers periodical, magazines, and gazette notices	0.00	0.00
Library books/Materials	0.00	0.00
Parking charges	0.00	0.00
Total General Expenses	1,772,889.00	1,830,607.00

22. Finance Costs

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Borrowings (amortized cost) *	0.00	0.00
Finance leases (amortized cost)	0.00	0.00
Interest on Bank overdrafts/Guarantees	0.00	0.00
Interest on loans from commercial banks	0.00	0.00
Total finance costs	0.00	0.00

(Borrowing costs that relate to interest expense on acquisition of non-current assets and do not qualify for Capitalisation as per IPSAS 5: on borrowing costs should be included under this note.)

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

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Property, plant, and equipment	0.00	0.00
Intangible assets	0.00	0.00
Other assets not capitalised (<i>specify</i>)	0.00	0.00
Total gain on sale of assets	0.00	0.00

24. Unrealized Gain On Fair Value Investments

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Investments at fair value	0.00	0.00
Total gain	0.00	0.00

Notes to the Financial Statements (Continued)

25. Medical Services Contracts Gains /Losses

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Comprehensive care contracts with NHIF	0.00	0.00
Non- Comprehensive contracts care with NHIF	0.00	0.00
Linda Mama Program	0.00	0.00
Waivers and Exemptions	0.00	0.00
Total Gain/Loss	0.00	0.00

26. Impairment Loss

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Property, plant, and equipment	0.00	0.00
Intangible assets	0.00	0.00
Investments	0.00	0.00
Total impairment loss	0.00	0.00

27. Cash And Cash Equivalents

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Current accounts	1,282,945.75	1,235,030.15
On - call deposits	0.00	0.00
Fixed deposits accounts	0.00	0.00
Cash in hand	0.00	0.00
Others(<i>specify</i>)- Mobile money	0.00	0.00
Total cash and cash equivalents	1,282,945.75	1,235,030.15

(The amount should agree with the closing and opening balances as included in the statement of cash flows)

Notes to the Financial Statements (Continued)

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

Description		FY 2023/2024	FY 2022/2023
Financial institution	Account number	KShs	KShs
a) Current account			
Kenya Commercial bank		1,282,945.75	1,235,030.15
Equity Bank, etc		0.00	0.00
Sub- total		0.00	0.00
b) On - call deposits			
Kenya Commercial bank		0.00	0.00
Equity Bank – etc		0.00	0.00
Sub- total		0.00	0.00
c) Fixed deposits account			
Bank Name		0.00	0.00
Sub- total		0.00	0.00
d) Others(specify)			
cash in hand		0.00	0.00
Mobile money- Mpesa, Airtel money		0.00	0.00
Sub- total		1,282,945.75	1,235,030.15
Grand total		1,282,945.75	1,235,030.15

28. Receivables From Exchange Transactions

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Medical services receivables	xxx	0.00
Rent receivables	xxx	0.00
Other exchange debtors	xxx	0.00
Less: impairment allowance	(xxx)	(0.00)
Totalreceivables	xxx	0.00

(Entity to state the expected credit loss rates for various categories of its receivables. The entity should also disclose how ECL was arrived at in line with provisions of IPSAS 41.)

Analysis of Receivables From Exchange Transactions

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

29. Receivables From Non-Exchange Transactions

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

(Undisbursed donor funds refer to funds expected where conditions for disbursements have been met by the recipient as at the reporting date)

Analysis of Receivables From Non-Exchange Transactions

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

30. Inventories

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Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Pharmaceutical supplies	xxx	0.00
Maintenance supplies	xxx	0.00
Food supplies	xxx	0.00
Linen and clothing supplies	xxx	0.00
Cleaning materials supplies	xxx	0.00
General supplies	xxx	0.00
Less: provision for impairment of stocks	(xxx)	(0.00)
Total	670,295.00	0.00

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Notes to the Financial Statements (Continued)**

31. Property, Plant and Equipment

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Cost								
At 1 July 20XX (previous year)	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Additions	xxx	xxx	xxx	xxx	-	-	xxx	xxx
Disposals	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)
Transfers/adjustments	xxx	xxx	(xxx)	xxx			xxx	(xxx)
At 30th Jun 20XX	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
At 1 July 20XX (current year)	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Additions	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Disposals	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)
Transfer/adjustments		xxx		xxx			(xxx)	-
At 30th Jun 20XX	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Depreciation and impairment								
At 1 July 20XX (previous year)		xxx	xxx	xxx	xxx	xxx		xxx
Depreciation for the year		xxx	xxx	xxx	xxx	xxx		xxx
Disposals		(xxx)	(xxx)	(xxx)	(xxx)	(xxx)		(xxx)
Impairment		(xxx)	(xxx)	(xxx)	(xxx)	(xxx)		(xxx)
At 30 June 20XX		xxx	xxx	xxx	xxx	xxx		xxx

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Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Capital Work in progress	Total
At July 20XX (current year)		xxx	xxx	xxx	xxx	xxx		xxx
Depreciation		xxx	xxx	xxx	xxx	xxx		xxx
Disposals		(xxx)	(xxx)	(xxx)	(xxx)	(xxx)		(xxx)
Impairment		(xxx)	(xxx)	(xxx)	(xxx)	(xxx)		(xxx)
Transfer/adjustment		xxx	-	xxx	-	-	(xxx)	(xxx)
At 30th June 20XX		xxx	xxx	xxx	xxx	xxx	xxx	xxx
Net book values								
At 30 th Jun 20XX (previous)	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
At 30 th Jun 20XX (current)	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx

Soin Sub County Hospital Hospital (County Government of Nakuru)
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Notes to the Financial Statements (Continued)

32. Intangible Assets-Software

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Cost		
At beginning of the year	0.00	0.00
Additions	0.00	0.00
Additions-Internal development	0.00	0.00
Disposal	(0.00)	(0.00)
At end of the year	0.00	0.00
Amortization and impairment		
At beginning of the year	0.00	0.00
Amortization for the period	0.00	0.00
Impairment loss	0.00	0.00
At end of the year	0.00	0.00
NBV	0.00	0.00

33. Investment Property

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

(For investment property held at fair value, changes in fair value should go through the statement of financial performance. Where cost model is elected, depreciation and impairment should not be charged. Investment measured at fair value should be evaluated at the end of the reporting period for changes in fair value.). Entity should disclose the independent valuers, rental income from the investment property if any and the direct costs attributed to the investment property. Any charges on the investment property as well as any difficulty in classifying this asset as an investment property.

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Notes to the Financial Statements (Continued)

34. Trade and other Payables

Description	FY 2023/2024		FY 2022/2023	
	KShs		KShs	
Trade payables	1,136,101.00		241,726.00	
Employee dues	0.00		0.00	
Third-party payments (e.g.unremitted payroll deductions)	0.00		0.00	
Audit fee	0.00		0.00	
Doctors' fee	0.00		0.00	
Totaltradeandotherpayables	1,136,101.00		241,726.00	
Ageing analysis:	Current FY	% of the Total	Compa rative FY	% of the total
Under one year	0.00	%	0.00	%
1-2 years	0.00	%	0.00	%
2-3 years	0.00	%	0.00	%
Over 3 years	0.00	%	0.00	%
Total	0.00	%	0.00	%

35. Refundable Deposits from Customers/Patients

Description	FY 2023/2024		FY 2022/2023	
	KShs		KShs	
Medical fees paid in advance	0.00		0.00	
Credit facility deposit	0.00		0.00	
Rent deposits	0.00		0.00	
Others (specify)	0.00		0.00	
Totaldeposits	0.00		0.00	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	0.00	%	0.00	%
1-2 years	0.00	%	0.00	%
2-3 years	0.00	%	0.00	%
Over 3 years	0.00	%	0.00	%
Total	0.00	%	0.00	%

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Notes to the Financial Statements (Continued)

36. Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	KShs	KShs	KShs	KShs
Balance at the beginning of the year	0.00	0.00	0.00	0.00
Additional Provisions	0.00	0.00	0.00	0.00
Provision utilised	(0.00)	(0.00)	(0.00)	(0.00)
Change due to discount & time value for money	(0.00)	(0.00)	(0.00)	(0.00)
Total provisions	0.00	0.00	0.00	0.00
Current Provisions	0.00	0.00	0.00	0.00
Non-Current Provisions	0.00	0.00	0.00	0.00
Total Provisions	0.00	0.00	0.00	0.00

37. Finance Lease Obligation

Description	FY 2023/2024	FY 2022/2023
		0.00
Current Lease obligation	0.00	0.00
Long term lease obligation	0.00	0.00
Total	0.00	0.00

38. Deferred Income

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Current Portion	0.00	0.00
Non-Current Portion	0.00	0.00
Total	0.00	0.00

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Notes to the Financial Statements (Continued)

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

Description	National government	International funders/ donors	Public contributions and donations	Total
Balance b/f	0.00	0.00	0.00	0.00
Additions during the year	0.00	0.00	0.00	0.00
Transfers to Capital fund	(0.00)	(0.00)	(0.00)	(0.00)
Transfers to statement of financial performance	(0.00)	(0.00)	(0.00)	(0.00)
Other transfers (<i>Specify</i>)	(0.00)	(0.00)	(0.00)	(0.00)
Balance C/F	0.00	0.00	0.00	0.00

39. Borrowings

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Balance at beginning of the period	0.00	0.00
External borrowings during the year	0.00	0.00
Domestic borrowings during the year	0.00	0.00
Repayments of external borrowings during the year	(0.00)	(0.00)
Repayments of domestic borrowings during the year	(0.00)	(0.00)
Balance at end of the period	0.00	0.00

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

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Current Obligation	0.00	0.00
Non-Current Obligation	0.00	0.00
Total	0.00	0.00

(Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed).

Notes to the Financial Statements (Continued)

40. Service Concession Arrangements

Description	FY	FY
	2023/2024	2022/2023
	KShs	KShs
Fair value of service concession assets recognized under PPE	0.00	0.00
Accumulated depreciation to date	(0.00)	(0.00)
Net carrying amount	<u>0.00</u>	<u>0.00</u>
Service concession liability at beginning of the year	0.00	0.00
Service concession revenue recognized	(0.00)	(0.00)
Service concession liability at end of the year	<u>0.00</u>	<u>0.00</u>

41. Social Benefits

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Health social benefit scheme	0.00	0.00
Unemployment social benefit scheme	0.00	0.00
Orphaned and vulnerable benefit scheme	0.00	0.00
People Living with Disabilities benefit Scheme	0.00	0.00
Elderly social benefit scheme	0.00	0.00
Bursary social benefits	0.00	0.00
Total	0.00	0.00
Current social benefits	0.00	0.00
Non-current social benefits	0.00	0.00
Total (tie to totals above)	0.00	0.00

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42. They are incurred to mitigate against a certain social risk e.g poverty, age, unemployment among others.

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Notes to the Financial Statements (Continued)

42. Cash Generated from Operations

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Surplus for the year before tax	0.00	0.00
Adjusted for:	10,562,611.75	1,235,030.15
Depreciation	0.00	0.00
Non-cash grants received	(0.00)	(0.00)
Impairment	0.00	0.00
Gains and losses on disposal of assets	(0.00)	(0.00)
Contribution to provisions	0.00	0.00
Contribution to impairment allowance	0.00	0.00
Working Capital adjustments		
Increase in inventory	(0.00)	(0.00)
Increase in receivables	(0.00)	(0.00)
Increase in deferred income	0.00	0.00
Increase in payables	0.00	0.00
Increase in payments received in advance	0.00	0.00
Net cash flow from operating activities	10,562,611.75	1,235,030.15

(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)

Notes to the Financial Statements (Continued)

43. Financial Risk Management

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

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

(i) Credit risk

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 20XX (previous year)				
Receivables from exchange transactions	0.00	0.00	0.00	0.00
Receivables from –non-exchange transactions	0.00	0.00	0.00	0.00
Bank balances	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00
At 30 June 20XX (current year)				
Receivables from exchange transactions	0.00	0.00	0.00	0.00
Receivables from –non-exchange transactions	0.00	0.00	0.00	0.00
Bank balances	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00

(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

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 xxxx. The board of management sets the hospital's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 20xx				
Trade payables	0.00	0.00	0.00	0.00
Current portion of borrowings	0.00	0.00	0.00	0.00
Provisions	0.00	0.00	0.00	0.00
Deferred income	0.00	0.00	0.00	0.00
Employee benefit obligation	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00
At 30 June 20xx				
Trade payables	0.00	0.00	0.00	0.00
Current portion of borrowings	0.00	0.00	0.00	0.00
Provisions	0.00	0.00	0.00	0.00
Deferred income	0.00	0.00	0.00	0.00
Employee benefit obligation	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00

Notes to the Financial Statements (Continued)

(iii) Market risk

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

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

a) Foreign currency risk

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

Description	KShs	Other currencies	Total
	Kshs		Kshs
At 30 June 20xx			
Financial assets (investments, cash, debtors)	0.00	0.00	0.00
Liabilities			
Trade and other payables	0.00	0.00	0.00
Borrowings	0.00	0.00	0.00
Net foreign currency asset/(liability)	0.00	0.00	0.00

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

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Notes to the Financial Statements (Continued)

Description	KShs	Other currencies	Total
	Kshs		Kshs
At 30 June 20xx			
Financial assets (investments, cash, debtors)	0.00	0.00	0.00
Liabilities			
Trade and other payables	0.00	0.00	0.00
Borrowings	0.00	0.00	0.00
Net foreign currency asset/(liability)	0.00	0.00	0.00

Foreign currency sensitivity analysis

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

Description	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
20XX (previous year)			
Euro	10%	0.00	0.00
USD	10%	0.00	0.00
20XX (current year)			
Euro	10%	0.00	0.00
USD	10%	0.00	0.00

b) Interest rate risk

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

Management of interest rate risk

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

Notes to the Financial Statements (Continued)

Sensitivity analysis

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

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

iv) Capital Risk Management

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

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Revaluation reserve	0.00	0.00
Retained earnings	0.00	0.00
Capital reserve	0.00	0.00
Total funds	0.00	0.00
Total borrowings	0.00	0.00
Less: cash and bank balances	(0.00)	(0.00)
Net debt/ (excess cash and cash equivalents)	0.00	0.00
Gearing	0.00%	0.00%

Soin Sub County Hospital Hospital (County Government of Nakuru)
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Notes to the Financial Statements (Continued)

44. Related Party Balances

Nature of related party relationships

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

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

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

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Transactions with related parties		
a) Services offered to related parties		
Services to xxx	0.00	0.00
Sales of services to xxx	0.00	0.00
Total	0.00	0.00
b) Grants from the Government		
Grants from County Government	0.00	0.00
Grants from the National Government Entities	0.00	0.00
Donations in kind	0.00	0.00
Total	0.00	0.00
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for xxx employees	0.00	0.00
Payments for goods and services for xxx	0.00	0.00
Total	0.00	0.00
d) Key management compensation		

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Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Directors' emoluments	0.00	0.00
Compensation to the medical Sup	0.00	0.00
Compensation to key management	0.00	0.00
Total	0.00	0.00

45. Segment Information

(Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an entity to present segmental information of each geographic region or department to enable users understand the entity's performance and allocation of resources to different segments)

46. Contingent Liabilities

Contingent liabilities	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Court case xxx against the hospital	0.00	0.00
Bank guarantees in favour of subsidiary	0.00	0.00
Total	0.00	0.00

(Give details)

47. Capital Commitments

Capital Commitments	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Authorised For	0.00	0.00
Authorised And Contracted For	0.00	0.00
Total	0.00	0.00

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the board but at the end of the year had not been contracted or those already contracted for and ongoing)

48. Events after the Reporting Period

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

49. Ultimate and Holding Entity

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

50. Currency

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

24. Appendices

Appendix 1: Progress on Follow Up of Auditor Recommendations

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

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

Guidance Notes:

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

.....
Accounting Officer

**Soin Sub County Hospital (County Government of Nakuru)
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Appendix II: Projects Implemented by The Entity

Projects

Projects implemented by the Hospital Funded by development partners

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

Status of Projects completion

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

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

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Appendix III: Inter-Entity Confirmation Letter**

Name of Transferring entity.....

Name of Beneficiary entity.....

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June (Current FY)					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
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 Sign Date.....

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Appendix IV Reporting of Climate Relevant Expenditures**

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

**XX Hospital (XX County Government)
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Appendix V: Disaster Expenditure Reporting Template

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