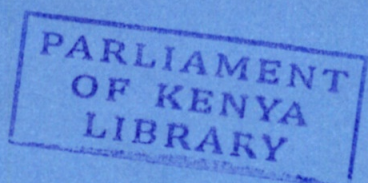


REPUBLIC OF KENYA



Enhancing Accountability

REPORT



OF

THE AUDITOR-GENERAL

ON

KAUWI SUB-COUNTY HOSPITAL

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

COUNTY GOVERNMENT OF KITUI

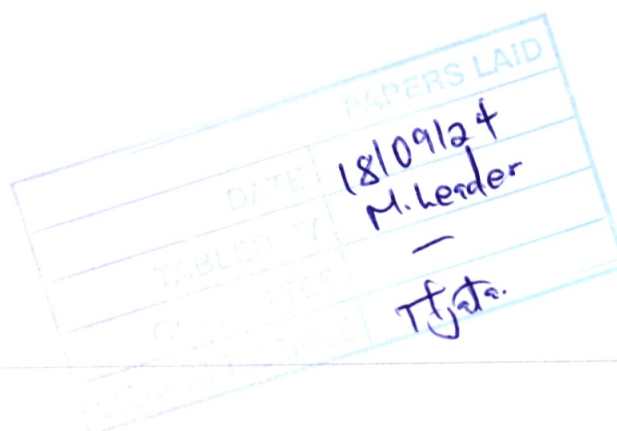


KAUWI SUB COUNTY HOSPITAL (Kitui County Government)

REVISED ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2023

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



Kauwi Hospital (Kitui County Government)
Revised Annual Report and Financial Statements for The Year Ended 30th June 2023

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1. Acronyms & Glossary of Terms

The following are the acronyms used:

CECM	County Executive Committee Member
Dr.	Doctor
NYC	National Youth Council
PLWDs	People Living With Disabilities
NHIF	National Hospital Insurance Fund
CSR	Corporate Social Responsibility

2. Key Entity Information and Management

(a) Background information

Kauwi Sub County Hospital is established under gazette notice number xxx and is domiciled in Kitui County under the Health and Sanitation Department. The hospital is governed by a Board of Management.

(b) Principal Activities

The principal activity/mission/ mandate of the *hospital* is to provide medical services.

(c) Key Management

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

- County department of health
- Board of Management
- Medical Superintendent
- Administration
- Others (*specify*)

(d) Fiduciary Management

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

No.	Designation	Name
1.	CECM-Finance, Economic Planning and Revenue Management	Peter Mwikya Kilonzo
2.	CECM-Health and Sanitation	Ruth Koki Mwanzia
3.	Chief Officer- Finance, Revenue Management and Accounting	John Makau Kimwele
4.	Chief Officer- Public Health and Sanitation	Lynn Kitwan
5.	Chief Officer- Medical Services	Dr. Benson Musyoka Wambua
6.	Chief Officer-Drugs and Medical Supplies	Aggrey Kinyalili Kamba
7.	Medical Superintendent	Dr. Winfred Muange

(e) Fiduciary Oversight Arrangements

- Kitui County Assembly Public Investment and Accounts Committee
- Kitui County Assembly County Budget and Appropriation Committee
- Kitui County Assembly Finance and Economic Planning Committee
- Kitui County Budget and Economic Forum
- Controller of Budget
- National Treasury
- Office of the Auditor General

(f) Entity Headquarters

P.O. Box 19
Kauwi Level IV Hospital
Kabati, Kitui

(g) Entity Contacts

Telephone: 0707637669
E-mail: kauwisdh@yahoo.com
Website: health@kitui.go.ke

(h) Entity Bankers

Co-operative Bank of Kenya
Kitui Branch
P. O. Box 1432- 90200
Kitui, Kenya

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

(k) County Attorney

P.O. Box 33-90200
Kitui, Kenya

3. The Board of Management

Ref	Directors	Details
1.	Major(Rtd) Boniface Nganda	Chairman
2.	Solomon Mwendwa	Kauwi Ward Administrator
3.	Quineth Nzikali	Representative, Business Community
4.	Lt. Col (Rtd) Pauline M. Makau	Representative, Professional Groups
5.	Mina Petronillah Paul	Representative, Women Groups
6.	Cecilia Kimanzi	Representative, Faith Based Organizations
7.	Charity Kaluki Munyoki	Representative, NYC
8.	Muvya Peter Kimanzi	Representative, PLWDs
9.	Medical Superintendent	Dr. Winfred Muange

4. Management Team

Ref	Management	Details
1.	Peter Mwikya Kilonzo	CECM-Finance, Economic Planning and Revenue Management
2.	Ruth Koki Mwanzia	CECM-Health and Sanitation
3.	John Makau Kimwele	Chief Officer- Finance, Revenue Management and Accounting
4.	Lynn Kitwan	Chief Officer- Public Health and Sanitation
5.	Dr. Benson Musyoka Wambua	Chief Officer- Medical Services
6.	Aggrey Kinyalili Kamba	Chief Officer-Drugs and Medical Supplies
7.	Dr. Winfred Muange	Medical Superintendent
8.	CPA Winnie Mue	Head of Finance
9.	Beatrice Ngomo	Head of Nursing Department
10.	Rose Wambua	Head of Pharmacy
11.	Moffat Mutua	Head of Supply Chain
12.	Norrah Ndululu	Head of Nutrition
13.	Anna Yula	Head of Laboratory
14.	Kasimbi Kitonga	Head of Revenue
15.	Rose Kavuwa	Head of Records
16.	Paul Nzomo	Head of Public Health
17.	Mutua Mailu	Health Administrative Officer

5. Chairman's Statement

Kauwi Sub County Hospital has continued to operate fairly well during the financial year ended 30th June 2023. Moreover, the Country is yet to heal from the Covid-19 effects and so is Kauwi Sub County Hospital.

Some of the challenges faced during the year included:

- Inadequate funding from the County Government of Kitui;
- Late disbursement of funds to the hospital by the County Government of Kitui;
- Inadequate Staff both medical and administrative/Operational;
- Huge unpaid claims from NHIF;
- Inadequate medical supplies thus reducing patients' workload due to reduced trust from the Hospital side; among others

In the future, the Hospital proposes to:

- Request for additional funding from the County Government of Kitui so as to be able to meet debts as and when they fall due;
- Request timely disbursement of funds from the County Government of Kitui;
- Request for additional staff from the County Government of Kitui for an optimal staff establishment;
- Conduct follow ups with NHIF to have claims settled in time; and
- Request for optimal medical supplies from the County Government of Kitui;

In conclusion, despite the challenges faced by Kauwi Sub County Hospital the Board of Management is optimistic that the hospital will stand the test of time in its quest to provide quality medical services.

Signed:

Major (Rtd) Boniface Nganda,
Chairman, Board of Management

6. Report of The Medical Superintendent

Kauwi Sub County Hospital has continued to operate fairly well during the financial year ended 30th June 2023. Moreover, the Country is yet to heal from the Covid-19 effects and so is Kauwi Sub County Hospital.

During the year ended 30th June 2023 the disbursements made to Kauwi Hospital were Ksh. 6,978,629.

Some of the challenges faced during the year included:

- Inadequate funding from the County Government of Kitui;
- Late disbursement of funds to the hospital by the County Government of Kitui;
- Inadequate Staff both medical and administrative/Operational;
- Huge unpaid NHIF claims;
- Inadequate medical supplies thus reducing patients' workload due to reduced trust from the Hospital side; among others

In the future, the Hospital proposes to:

- Request for additional funding from the County Government of Kitui so as to be able to meet debts as and when they fall due;
- Request for timely funding by the County Government of Kitui;
- Request for additional staff from the County Government of Kitui for an optimal staff establishment;
- Conduct follow ups with NHIF to have claims settled in time; and
- Request for optimal medical supplies from the County Government of Kitui;

In conclusion, with the right equipment, supplies and motivated staff, Kauwi Sub County Hospital will continue to soar higher.

Signed:

Dr. Winfred Muange

Secretary to the Board

7. Statement Of Performance Against Predetermined Objectives

(Two-to-three pages)

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.

Kauwi Sub County Hospital falls under the Ministry of Health and Sanitation of the County Government of Kitui which has several strategic pillars which are broadly summarised in the diagram below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Provide reliable medical services	To provide reliable medical services	• Number of medical staff • Adequate Pharmaceutical and no-pharmaceutical stock levels	• Maintaining proper staff levels • Maintaining proper Pharmaceutical and no-pharmaceutical stock levels	• Staff levels improved • Improved Pharmaceutical and no-pharmaceutical stock levels
Increase revenue	To increase revenue collected	• NHIF Claims paid • Revenue swiped to Kitui County Revenue Account	• Follow up on NHIF Unpaid claims • Timely collection of revenue from patients	• NHIF Claims paid • Increased revenue collected
Customer/Patients' satisfaction	To increase Patients'	• Number of Patients	• Improve customers' or	• Satisfied patients

	satisfactio n	served • Customer complaints received	patients' service	
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8. Corporate Governance Statement

The current Board of Management for Kauwi Sub County Hospital were gazetted on 25th June 2021 as per Kenya Gazette Notice Number 6317.

The functions of the board of management include:

- a. Supervise and control the administration of funds allocated to the hospital;
- b. Through minutes, request the CECM to open and operate a bank account;
- c. Prepare work plans based on estimated expenditure and drug stock levels and usage;
- d. Cause to be kept basic books of accounts;
- e. Cause to be kept records of accounts for income and expenditure and assets and liabilities;
- f. Cause to be kept permanent record of all its deliberations;
- g. Provide oversight to the hospital; among others

A member shall be added or removed according to the existing regulations on establishment of boards of management.

Remuneration of the board members is as advised by SRC.

Generally, the hospital operates as per the set Terms of Reference concerning the number of Board meetings held and the attendance to those meetings by members, succession plan, existence of a Board charter, process of appointment and removal of Board members, roles and functions of the Board, induction, and training, Board and member performance, conflict of interest, board remuneration, ethics, and conduct as well as governance audit

9. Management Discussion and Analysis

The following is a brief outline of management discussion and analysis: -

Clinical/operational performance

Kauwi Sub County Hospital being geographically centrally located within Kitui West Subcounty, receives patients from the neighbouring wards including Mutonguni, Matinyani and Kithumula /Kwa Mutonga ward.

During the Financial Year 2022/23 the amount disbursed to Kauwi Sub County Hospital amounted to Kshs. 6,978,629. This amount was utilized as per the agreed budget in running the day to day operations of the hospital. The hospital plans to discuss with the management at County level on the possibility of increasing funding so as to meet its expenses as and when they fall due and also avoid accumulation of pending bills.

Revenue collected from provision of medical services amounted to Kshs.7, 624,580. This amount was however transferred to The Kitui Count Revenue Account as per the existing standing orders. The unpaid claims by NHIF amounted to Kshs. 3,842,705.

The Maternity ward has a 7-bed capacity while the inpatient rooms are 12 bed capacity giving a total of 19-bed capacity.

The facility also has a 3-bed accident and emergency room used for casualty patients.

Signed:

Dr. Winfred Muange

Secretary to the Board

10. Environmental And Sustainability Reporting

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

i) Sustainability strategy and profile

The hospital has planted trees around the fence to improve environmental sustainability of the region

ii) Environmental performance

The area around the hospital receives fair amount of rainfall.

iii) Employee welfare

The hospital operates as per the set Human Resource Policies both at County and International levels.

iv) Market place practices-

The following can be stated in relation to Kauwi Sub County Hospital:

a) Responsible competition practice.

The organization exists to provide medical services for no profit.

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

Being a non-profit making organization, no advertisements are done but the hospital maintains good customer care services

d) Product stewardship

Kauwi Hospital has several staff each with specific roles so as to uphold proper use of resources allocated to the hospital.

v) Corporate Social Responsibility / Community Engagements

The hospital has reduced its CSR activities due to continued Covid-19 effects

11. Report of The Board of Management

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

Principal activities

The principal activities of the entity are to provide medical services

Results

The results of the entity for the year ended June 30 are set out on page 1 to 7

Board Of Management

The members of the Board who served during the year are shown on page vii.

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.

By Order of the Board



Dr. Winfred Muange
Secretary of the Board

12. Statement of Board of Management's Responsibilities

Section 164 of the Public Finance Management Act, 2012 (*entities should quote the applicable legislation under which they are regulated*)) requires the Board of Management to prepare financial statements in respect of that *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, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the 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. 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, 2023, 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.

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: Major(Rtd) Boniface Nganda
Chairperson
Board of Management


.....
Name: Dr. Winfred Muange
Accounting Officer

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: 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 KAUWI SUB-COUNTY HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2023 - COUNTY GOVERNMENT OF KITUI

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 the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, 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.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kauwi Sub-County Hospital - County Government of Kitui as set out on pages 1 to 53, which comprise of the statement

of financial position as at 30 June, 2023, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Non-Disclosure of Property, Plant and Equipment

The statement of financial position reflects Nil balance on property, plant and equipment as disclosed in Note 31 to the financial statements. However, as previously reported, the facility had movable and non-movable assets of undetermined value relating to land, buildings, furniture and fittings and computers which were not valued and disclosed in financial statements. Further, the Hospital is built on two parcels of land of undetermined size whose ownership documents were not provided for audit. In addition, the Hospital has four (4) motor vehicles and one (1) motor cycle whose ownership documents were not provided for audit.

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

2. Unconfirmed Inventories Balance

The statements of financial position reflect inventories balance of Kshs.2,775,028 as disclosed in Note 30 to the financial statements. However, there was no evidence of the annual stock take having been conducted to confirm the quantities, value and status of closing inventories balances.

In the circumstances, the accuracy, completeness and valuation of the inventories balance of Kshs.2,775,028 could not be confirmed.

2. Non-Disclosure of Employee Costs Paid by the County Government

The statement of financial performance reflects employee costs of Kshs.2,011,136 as disclosed in Note 16 to the financial statements. The amount relates to casuals and contractual staff compensation. The Hospital received services from medical staff

employed and paid by the County. However, the expenditure was not disclosed in the financial statements and the payroll was not provided for audit.

In the circumstances, the accuracy and completeness of employee costs of Kshs.2,011,136 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources and Effectiveness of Internal Controls, Risk Management and Governance. However, some issues remained unresolved as at 30 June, 2023 contrary to Section 149(2)(1) of Public Finance Management Act, 2012 which require Accounting Officers designated for County Government entities to try to resolve any issues resulting from an audit that remain outstanding.

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 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. Late Submission of Financial Statements

The financial statements of the Hospital for the financial year ended 30 June, 2023 were submitted for audit on 06 October, 2023, six (6) days after the statutory deadline. This

was contrary to Section 68(2)(k) of the Public Finance Management Act, 2012 which requires an Accounting Officer to prepare annual financial statements for each financial year within three months after the end of the financial year.

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

2. Deficiencies in Implementation of Universal Health Coverage

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 April, 2024 revealed that the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits by seventy-four (74) or 73% of the authorized establishment.

Staff Requirements	Level 4 Standard	Number in Hospital	Variance	Percentage %
Medical Officers	16	7	9	56
Anesthesiologists	2	0	2	100
General Surgeons	2	0	2	100
Gynecologists	2	0	2	100
Pediatrics	2	0	2	100
Radiologists	2	0	2	100
Kenya Registered Community Health Nurses	75	20	55	73
Total	101	27	74	73

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

Service	Level 4 Hospital Standard	Actuals in the Hospital	Variance	Percentage %
Beds	150	23	127	85
Resuscitaire (2 in Labor & 1 in Theatre)	2	1	1	50
New Born Unit Incubators	5	1	4	80
New Born Unit Cots	5	5	0	
Functional ICU Beds	6	0	6	100
High Dependency Unit (HDU) Beds	6	0	6	100
Renal Unit with at least 5 Dialysis Machines	5	0	5	100
Two Functional Operational Theatres-Maternity & General	2	0	2	100

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

In the circumstances, the Hospital will not be able to deliver on its mandate.

3. Failure to Prepare Quarterly Revenue Reports

The statement of financial performance reflects Kshs.7,624,580 in relation to the rendering of services - medical income as disclosed in Note 11 to the financial statements. However, the Hospital did not provide evidence to show that the reports were prepared and submitted the same to the County treasury with a copy to the Auditor-General. This was contrary to Regulation 64(1) of the Public Finance Management (County Governments) Regulations, 2015 which requires the Accounting Officer or receiver of revenue or collector of revenue to prepare a quarterly report not later than the 15th day after the end of the quarter.

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

4. Managed Equipment Services - Unutilized Medical Equipment

The statement of financial position reflects Nil balance on respect of property, plant and equipment as disclosed in Note 31 to the financial statements. Physical inspection done in April, 2024 revealed a number of high value medical equipment which were not being used by the Hospital, these were, Autoclave (Pressure Steams Sterilizer), Mobile trolley, Video copy processor, X-Ray film illuminator, Theater light(installed) and X-ray machine.

In the circumstances, the value for money on unutilized/idle equipment could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the 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. Failure to Maintain Comprehensive Asset Register

The statement of financial position reflects Nil balance on respect to property, plant and equipment. However, review of records provided for audit revealed that the Hospital did not maintain comprehensive asset register which would include details of cost of assets, depreciation rates for land and buildings, the terms on which it is held, with reference to the conveyance, address, area, dates of acquisition, disposal or major change in use, capital expenditure, lease hold terms, maintenance contracts and other pertinent management details. This was contrary to Regulation 170(1) of the Public Procurement and Asset Disposal Regulations, 2020 which provides that an Accounting Officer of a procuring entity shall be responsible for maintaining a register of assets under his or her control or possession.

In the circumstances, the effectiveness of internal controls on management of assets could not be confirmed.

2. Expired Medical Supplies

The statement of financial position reflects inventory balance of Kshs.2,775,028 as disclosed in Note 30 to the Financial Statements. Physical verification of inventories revealed expired and phased out drugs with undetermined value which were stored in a room in the theatre area of the Hospital. Further, it was noted that disposal of expired drugs had not taken place since 2016.

In the circumstances, the effectiveness on internal controls over management and issuance of medical supplies could not be confirmed.

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

Responsibilities of Management and the Board of Management

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

In preparing the financial statements, Management is responsible for assessing the Hospital's ability to continue to sustain its services, disclosing, as applicable, matters

related to sustainability of services 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not

reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of appropriate basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Hospital's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Hospital to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Hospital to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 June, 2024

Kauwi Hospital (Kitui County Government)**Revised Annual Report and Financial Statements for The Year Ended 30th June 2023****14. Statement of Financial Performance for The Year Ended 30 June 2023**

Description	Notes	2022/23	2021/22
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6	6,978,629	6,168,645
In- kind contributions from the County Government	7	87,978,795.85	-
Grants from donors and development partners	8	-	-
Transfers from other Government entities	9	-	-
Public contributions and donations	10	-	-
		94,957,424.85	6,168,645
Revenue from exchange transactions			
Rendering of services- Medical Service Income	11	7,624,580	7,485,630
Revenue from rent of facilities	12	-	-
Finance /Interest Income	13	-	-
Other income (<i>specify</i>)	14	-	-
Revenue from exchange transactions		7,624,580	7,485,630
Total revenue		102,582,003.85	13,654,275
Expenses			
Medical/Clinical costs	15	2,150,571	2,297,147
Employee costs	16	2,011,136	1,747,800
Board of Management Expenses	17	-	-
Depreciation and amortization expense	18	-	-
Repairs and maintenance	19	362,229	795,063
Grants and subsidies	20	-	-
General expenses	21	2,501,060	1,881,115
Finance costs	22	-	-
Salaries paid In-Kind		78,437,174.85	
Pharms and Non-Pharms Dispensed to Patients		6,676,593	-
Transfer to Kitui County Revenue Account		7,624,580	7,485,630
Total expenses		99,763,344.85	14,206,755

Other gains/(losses)			
Gain on disposal of non-Current assets	23	-	-
Unrealized gain on fair value of investments	24	-	-
Medical services contracts Gains/Losses	25	-	-
Impairment loss	26	(-)	(-)
Gain on foreign exchange transactions		-	-
Total other gains/(losses)		-	-
Net Surplus for the year		2,818,660	(552,480)

(The notes set out on pages 10 to 50 form an integral part of the Annual Financial Statements.)

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

.....
**Major(Rtd) Boniface
Nganda
Chairman
Board of Management**

.....
**CPA Winnie Mue
Head of Finance
ICPAK No: 28941**

.....
**Dr. Winfred Muange
Medical Superintendent**

Statement of Financial Position as of 30th June 2023

Description	Notes	2022/23	2021/22
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	27	157,216.28	4,023.15
Receivables from exchange transactions-NHIF Claims	28	3,842,705	4,987,212
Receivables from non-exchange transactions	29	-	-
Inventories	30	2,775,028	-
Total Current Assets		6,774,949.28	4,991,235.15
Non-current assets			
Property, plant, and equipment	31	-	-
Intangible assets	32	-	-
Investment property	33	-	-
Total Non-current Assets		-	-
Total assets		6,774,949.28	4,991,235.15
Liabilities			
Current liabilities			
Trade and other payables	34	2,423,670	1,581,510
Refundable deposits from customers/Patients	35	-	-
Provisions	36	-	-
Finance lease obligation	37	-	-
Current portion of deferred income	38	-	-
Current portion of borrowings	39	-	-
Total Current Liabilities		2,423,670	1,581,510
Non-current liabilities			
Provisions	36	-	-
Non-Current Finance lease obligation	37	-	-
Non-Current portion of deferred income	38	-	-
Non - Current portion of borrowings	39	-	-
Service concession liability	40	-	-
		-	-
Total Non-current liabilities		-	-
Total Liabilities		2,423,670	1,581,510

Kauwi Sub County Hospital (Kitui County Government)
Revised Annual Report and Financial Statements for The Year Ended 30th June 2023

Description	Notes	2022/23	2021/22
		Kshs	Kshs
Net assets		4,351,279.28	3,409,725.15
Revaluation reserve		-	-
Accumulated surplus/Deficit		2,822,683.15	-
Capital Fund		1,528,596.13	-
		-	-
Total Net Assets and Liabilities		6,774,949.28	3,409,725.15

(The notes set out on pages 10 to 50 form an integral part of the Annual Financial Statements.)

The revenue collected by Kauwi Hospital was transferred to the Kitui County Revenue Collection Account (KCB Account No. 1140752855) as per the bank standing orders

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

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 Medical Superintendent**

Kauwi Sub County Hospital (Kitui County Government)
Revised Annual Report and Financial Statements for The Year Ended 30th June 2023

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

	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2021	-	556,503.20	-	556,503.20
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	(552,480)	-	(552,480)
Capital/Development grants	-	-	-	-
As at June 30, 2022	-	4,023.15	-	4,023.15
At July 1, 2022	-	4,023.15	-	4,023.15
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	2,818,660	-	153,193
Capital/Development grants	-	-	-	-
At June 30, 2023	-	2,822,683.15	-	157,216.15

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

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 Board of Management**

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**CPA Winnie Mue
 Head of Finance
 ICPAK No: 28941**

.....
**Dr. Winfred Muange
 Medical Superintendent**

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

Description	Note	2022/23 Kshs	2021/22 Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government		6,978,629	6,168,644.95
Grants from donors and development partners		-	-
Transfers from other Government entities		-	-
Public contributions and donations		-	-
Rendering of services- Medical Service Income		7,624,580	7,485,630
Revenue from rent of facilities		-	-
Finance / interest income		-	-
Other receipts(<i>specify</i>)		-	-
Total Receipts		14,603,209	13,654,274.95
Payments			
Medical/Clinical costs		2,150,571	2,297,147
Employee costs		2,011,136	1,747,800
Board of Management Expenses		-	-
Repairs and maintenance		362,229	795,063
Grants and subsidies		-	-
General expenses		2,501,060	1,881,115
Finance costs		-	-
Transfer to County Revenue Account		7,624,580	7,485,630
Total Payments		14,450,016	14,206,755
Net cash flows from operating activities	41	-	-
Cash flows from investing activities			
Purchase of property, plant, equipment, & intangible assets		(-)	(-)
Proceeds from the sale of property, plant, and equipment		-	-
Acquisition of investments		(-)	(-)
Net cash flows used in investing activities		(-)	(-)
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		(-)	(-)
Capital grants received		-	-
Net cash flows used in financing activities		(-)	(-)

Kauwi Sub County Hospital (Kitui County Government)
Revised Annual Report and Financial Statements for The Year Ended 30th June 2023

Net increase/(decrease) in cash and cash equivalents		153,193.13	(552,480.05)
Cash and cash equivalents at 1 July	27	4,023.15	556,503.20
Cash and cash equivalents at 30 June	27	157,216.28	4,023.15

The notes set out on pages 10 to 50 form an integral part of the Annual Financial Statements. The Hospital's financial statements were approved by the Board on _____ and signed on its behalf by:

.....
**Major(Rtd) Boniface
Nganda
Chairman
Board of Management**


.....
**CPA Winnie Mue
Head of Finance
ICPAK No: 28941**


.....
**Dr. Winfred Muange
Medical Superintendent**

17. Statement Of Comparison of Budget and Actual Amounts For The Year Ended 30 June 2023

Description	Original Budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	a	b	c=(a+b)	d	e=(c-d)	f=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	
Revenue						
Transfers from the County Government	6,978,629	-	6,978,629	6,978,629	-	100
Grants from donors and development partners	-	-	-	-	-	-
Transfers from other Government entities	-	-	-	-	-	-
Public contributions and donations	-	-	-	-	-	-
Rendering of services- Medical Service Income	7,624,580	-	7,624,580	7,624,580	-	-
Revenue from rent of facilities	-	-	-	-	-	-
Finance / interest income	-	-	-	-	-	-
Other receipts (<i>specify</i>)	-	-	-	-	-	-
Total income	14,603,209	-	14,603,209	14,603,209	-	100
Expenses						
Medical/Clinical costs	2,150,571	-	2,150,571	2,150,571	-	100
Employee costs	1,811,576	-	1,811,576	1,811,576	-	100
Remuneration of directors	-	-	-	-	-	-
Repairs and maintenance	362,229	-	362,229	362,229	-	100
Transfer to Kitui County Revenue A/c	7,624,580	-	7,624,580	7,624,580	-	-
Grants and subsidies	-	-	-	-	-	-
General expenses	2,501,060	-	2,501,060	2,501,060	-	100
Finance costs	-	-	-	-	-	-

Refunds	-	-	-	-	-	-
Surplus for the period	-	-	-	153,193		-
Total expenditure	14,450,016	-	14,450,016	14,450,016	-	-

The notes set out on pages 10 to 50 form an integral part of the Annual Financial Statements. The Hospital's financial statements were approved by the Board on _____ and signed on its behalf by:

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Major(Rtd) Boniface
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Chairman
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CPA Winnie Mue
Head of Finance
ICPAK No: 28941

.....
Dr. Winfred Muange
Medical Superintendent

18. Notes To the Financial Statements

1. General Information

Kauwi Hospital entity is established by and derives its authority and accountability from PFM Act 2012. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is provision of medical 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

IPSASB deferred the application date of standards from 1st January 2022 owing to Covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

Notes to the Financial Statements (Continued)

i. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.

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

	(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows. <i>(State the impact of the standard to the Entity if relevant)</i>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2023: a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued. <i>(State the impact of the standard to the Entity if relevant)</i>
Other improvements to IPSAS	Applicable 1st January 2023 • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023. <i>State the impact of the standard to the Entity if relevant</i>
IPSAS 43	Applicable 1st January 2025 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

Kauwi Sub County Hospital (Kitui County Government)
Revised Annual Report and Financial Statements for The Year Ended 30th June 2023

	leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. <i>State the impact of the standard to the Entity if relevant</i>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	Applicable 1st January 2025 The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. <i>State the impact of the standard to the Entity if relevant</i>

ii. Early adoption of standards

The entity did not early – adopt any new or amended standards in the year 2022/23

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.

Notes to the Financial Statements (Continued)

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.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.

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 xxx was approved by Board on xxxx. 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 entity recorded nil additional appropriations on the FY 2022/23 budget. The entity'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 actual as per the statement of financial performance has been presented under section *xvi* of these financial statements.

Notes to the Financial Statements (Continued)

c) Taxes

Sales tax/ Value Added Tax

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

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

d) Investment property

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

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of 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.

e) Property, plant and equipment

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

Notes to the Financial Statements (Continued)

f) Leases

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

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

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

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

g) Intangible assets

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

Notes to the Financial Statements (Continued)

h) Research and development costs

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

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

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

i) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Notes to the Financial Statements (Continued)

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or an entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Notes to the Financial Statements (Continued)

Loans and borrowing

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

i) 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.

j) 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.

Notes to the Financial Statements (Continued)

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

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.

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.

k) 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.)*

l) 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.

m) 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.

Notes to the Financial Statements (Continued)

n) 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.

o) 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.

p) 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.

q) 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.

Notes to the Financial Statements (Continued)

r) 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.

s) Comparative figures

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

t) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

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

Notes to the Financial Statements (Continued)

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xxx.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

(Include provisions applicable for your organisation e.g provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).

Kauwi Sub County Hospital (Kitui County Government)
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6. Transfers From The County Government

Description	2022/23	2021/22
	KShs	KShs
Unconditional grants		
Operational grant	-	-
Level 5 grants	-	-
Other grants	-	-
	-	-
Conditional grants		
User fee forgone	-	-
Transforming health services for Universal care project (THUCP)	-	-
DANIDA	-	-
Wards Development grant	-	-
Paediatric block grant	-	-
Administration block grant	-	-
Laboratory grant	-	-
Total government grants and subsidies	-	-

Notes to the Financial Statements (Continued)

6 Transfers from the County Government

Name of the Entity sending the grant	Amount recognized to Statement of financial performance KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund: KShs	Total grant income during the year KShs	Total 2021/22 KShs
Kitui County/Rec/0001076201	600,000.00	-	-	600,000.00	600,000.00
Kitui County/Rec/0001077069	600,000.00	-	-	600,000.00	600,000.00
Kitui County/Rec/0001078024	600,000.00	-	-	600,000.00	600,000.00
Kitui County/Rec/0001078976	600,000.00	-	-	600,000.00	600,000.00
Kitui County/Rec/0001080588	600,000.00	-	-	600,000.00	365,340.00
Kitui County/Rec/0001080587	600,000.00	-	-	600,000.00	600,000.00
Kitui County/Rec/0001082216	600,000.00	-	-	600,000.00	600,000.00
Kitui County/Rec/0001083540	600,000.00	-	-	600,000.00	600,000.00
Kitui County/Rec/0001084270	600,000.00	-	-	600,000.00	-
Kitui County/Rec/0001085452	600,000.00	-	-	600,000.00	600,000.00
Kitui County/Rec/0001087197	478,629.00	-	-	478,629.00	600,000.00
Kitui County/Rec/000X	500,000.00	-	-	500,000.00	403,304.95
Total	6,978,629.00			6,978,629.00	6,168,644.95

(Ensure that the amount recorded above as having been received from the County fully reconciles to the amount recorded by the amount recorded as transferred by the County. An acknowledgement note/receipt should be raised in favour of the sending County Government. The details of the reconciliation have been included under appendix IV).

7. In Kind Contributions from The County Government

Description	2022/23 KShs	2021/22 KShs
Salaries and wages	78,437,174.85	-
Pharmaceutical and Non-Pharmaceutical Supplies	9,541,621	-
Medical supplies-Drawings Right (KEMSA)	-	-
Utility bills	-	-
Total grants in kind	87,978,795.85	-

Kauwi Sub County Hospital (Kitui County Government)

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(These include payments made directly by the County Governments for staff salaries and medical drugs. These should be recorded both as income and expense for completeness of financial statements)

8. Grants From Donors and Development Partners

Description	2022/23	2021/22
	KShs	KShs
Cancer Centre grant- DANIDA	-	-
World Bank grants	-	-
Paediatric ward grant- JICA	-	-
Research grants	-	-
Other grants (<i>specify</i>)	-	-
Total grants from development partners	-	-

Notes to the Financial Statements (Continued)

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	Total 2021/22
	KShs	KShs	KShs	KShs	KShs
Donor e.g., DANIDA	-	-	-	-	-
JICA	-	-	-	-	-
World Bank	-	-	-	-	-
Total	-	-	-	-	-

9. Transfers From Other Government Entities

Description	2022/23	2021/22
	KShs	KShs
Transfer from National Government (Ministry of Health)	-	-
Transfer from xxx National Government	-	-
Transfer from xxx Institute	-	-
Total Transfers	-	-

10. Public Contributions and Sponsorships

Description	2022/23	2021/22
	KShs	KShs
Public donations	-	-
Donations from local leaders	-	-
Donations from religious bodies	-	-
Donations from other intergovernmental organisations and individuals	-	-
Other donations (specify)	-	-
Donations in kind-amortised	-	-
Total donations and sponsorships	-	-

(Provide brief explanation of each item of revenue)

Kauwi Sub County Hospital (Kitui County Government)
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Notes to the Financial Statements (Continued)

10 (a) Reconciliations of amortised grants

Description	2022/23	2021/22
	KShs	KShs
Balance unspent at beginning of year	-	-
Current year receipts	-	-
Amortised and transferred to revenue	-	-
Conditions to be met – remain liabilities	-	-

11. Rendering of Services-Medical Service Income

Description	2022/23	2021/22
	KShs	KShs
Pharmaceuticals	747,630	626,250
Non-Pharmaceuticals	-	-
Laboratory	573,970	476,830
Radiology	-	-
NHIF	5,133,600	5,284,450
Theatre	-	-
Out Patient Department	443,930	446,160
EDU Afya	99,500	39,000
Fee for service	26,500	6,000
Nutrition service	-	-
Injections and Consultation	510,450	551,200
Exemptions	-	750
In patient	59,000	54,970
Paediatrics services	-	-
Farewell home services	-	-
Other medical services income	-	-
Total revenue from the rendering of services	7,624,580	7,485,630

This revenue was transferred to Kitui County Revenue Account as per the existing standing orders

Kauwi Sub County Hospital (Kitui County Government)
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Notes to the Financial Statements (Continued)

12. Revenue From Rent of Facilities

Description	2022/23	2021/22
	KShs	KShs
Residential property	-	-
Commercial property	-	-
Total Revenue from rent of facilities	-	-

(Provide brief explanation for this revenue)

13. Finance /Interest Income

Description	2022/23	2021/22
	KShs	KShs
Cash investments and fixed deposits	-	-
Interest income from short- term/ current deposits	-	-
Interest income from Treasury Bills	-	-
Interest income from Treasury Bonds	-	-
Interest from outstanding loans	-	-
Total finance income	-	-

14. Other Income

Description	2022/23	2021/22
	KShs	KShs
Insurance recoveries	-	-
Income from sale of tender	-	-
Services concession income	-	-
Sale of goods (water, publications, containers etc)	-	-
Total other income	-	-

Kauwi Sub County Hospital (Kitui County Government)
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Notes to the Financial Statements (Continued)

15. Medical/ Clinical Costs

Description	2022/23	2021/22
	KShs	KShs
Dental costs/ materials	-	-
Laboratory chemicals and reagents	-	-
Public health activities	-	-
Food and Ration	819,750	893,255
Uniform, clothing, and linen	-	-
Dressing and Non-Pharmaceuticals	12,390	-
Pharmaceutical supplies	-	11,450
Health information stationery	-	-
Reproductive health materials	-	-
Sanitary and cleansing Materials	90,080	432,560
Purchase of Medical gases	-	-
X-Ray/Radiology supplies	-	25,000
Other medical related clinical costs (<i>fuel</i>)	6,8351	934,882
Total medical/ clinical costs	2,150,571	2,297,147

16. Employee Costs

Description	2022/23	2021/22
	KShs	KShs
Salaries, wages, and allowances	1,785,176	1,643,400
Contributions to pension schemes	-	-
Service gratuity	-	-
Performance and other bonuses	-	-
Staff medical expenses and Insurance cover -NHIF	37,800	-
Group personal accident insurance and WIBA	-	-
Social contribution -NSSF	188,160	104,400
Other employee costs (<i>Specify</i>)	-	-
Employee costs	2,011,136	1,747,800

Notes to the Financial Statements (Continued)

17. Board of Management Expenses

Description	2022/23	2021/22
	KShs	KShs
Chairman's Honoraria	-	-
Sitting allowance	-	-
Mileage	-	-
Insurance expenses	-	-
Induction and training	-	-
Travel and accommodation allowance	-	-
Airtime allowances	-	-
Total	-	-

18. Depreciation And Amortization Expense

Description	2022/23	2021/22
	KShs	KShs
Property, plant and equipment	-	-
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	-	-

19. Repairs And Maintenance

Description	2022/23	2021/22
	KShs	KShs
Property- Buildings	222,629	426,763
Medical equipment	-	-
Office equipment	-	-
Furniture and fittings	-	-
Computers and accessories	-	-
Motor vehicle expenses	139,600	368,300
Maintenance of civil works	-	-
Total repairs and maintenance	362,229	795,063

Kauwi Sub County Hospital (Kitui County Government)
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Notes to the Financial Statements (Continued)

20. Grants And Subsidies

Description	2022/23	2021/22
	KShs	KShs
Community development and social work	-	-
Education initiatives and programs	-	-
Free/ subsidised medical camp	-	-
Disability programs	-	-
Free cancer screening	-	-
Other grants and subsidies(<i>specify</i>)	-	-
Total grants and subsidies	-	-

21. General Expenses

Description	2022/23	2021/22
	KShs	KShs
Advertising and publicity expenses	-	-
Catering expenses	-	-
Waste management expenses	-	-
Insecticides and rodenticides	-	-
Audit fees	-	-
Bank charges	10,580	3,000
Conferences and delegations	-	-
Consultancy fees	-	-
Contracted services	-	63,510
Electricity expenses	168,180	265,900
Insurance	-	-
Research and development expenses	-	-
Travel and accommodation allowance	155,200	-
Legal expenses	-	-
Licenses and permits	-	-
Courier and postal services	-	-
Printing and stationery	1,790,100	1,257,203
Hire charges	-	-
Rent expenses	-	-
Water and sewerage costs	287,000	173,070
Skills development levies	-	-
Telephone and mobile phone services	90,000	57,200
Internet expenses	-	-

Kauwi Sub County Hospital (Kitui County Government)**Revised Annual Report and Financial Statements for The Year Ended 30th June 2023**

Description	2022/23	2021/22
	KShs	KShs
Staff training and development	-	-
Subscriptions to professional bodies	-	-
Subscriptions to newspapers periodical, magazines, and gazette notices	-	-
Library books/Materials	-	-
Parking charges	-	-
Total General Expenses	2,501,060	1,881,115

22. Finance Costs

Description	2022/23	2021/22
	KShs	KShs
Borrowings (amortized cost)	-	-
Finance leases (amortized cost)	-	-
Interest on Bank overdrafts/Guarantees	-	-
Interest on loans from commercial banks	-	-
Total finance costs	-	-

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

Description	2022/23	2021/22
	KShs	KShs
Property, plant, and equipment	-	-
Intangible assets	-	-
Other assets not classified as above	-	-
Total gain on sale of assets	-	-

24. Unrealized Gains/Losses on Investments

Description	2022/23	2021/22
	KShs	KShs
Investment in equity instruments	-	-
Total gain	-	-

Notes to the Financial Statements (Continued)

25. Medical Services Contracts Gains /Losses

Description	2022/23	2021/22
	KShs	KShs
Comprehensive care contracts with NHIF	-	-
Non- Comprehensive contracts care with NHIF	-	-
Linda Mama Program	-	-
Waivers and Exemptions	-	-
Total Gain/Loss	-	-

26. Impairment Loss

Description	2022/23	2021/22
	KShs	KShs
Property, plant, and equipment	-	-
Intangible assets	-	-
Total impairment loss	-	-

27. Cash And Cash Equivalents

Description	2022/23	2021/22
	KShs	KShs
Current accounts	157,216.28	4,023.15
On - call deposits	-	-
Fixed deposits accounts	-	-
Cash in hand	-	-
Others(<i>specify</i>)- Mobile money	-	-
Total cash and cash equivalents	157,216.28	4,023.15

Notes to the Financial Statements (Continued)

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

Description		2022/23	2021/22
Financial institution	Account number	KShs	KShs
a) Current account			
Co-operative Bank of Kenya	01141303838301	157,216.15	4,023.15
Co-operative Bank of Kenya	01141303838300	0.13	-
Sub- total		157,216.28	4,023.15
b) On - call deposits			
Kenya Commercial bank		-	-
Equity Bank – etc		-	-
Sub- total		-	-
c) Fixed deposits account			
Bank Name		-	-
Sub- total		-	-
d) Others(specify)			
cash in hand		-	-
Mobile money- Mpesa, Airtel money		-	-
Sub- total		-	-
Grand total		157,216.28	4,023.15

28. Receivables From Exchange Transactions

Description	2022/23	2021/22
	KShs	KShs
NHIF Claims	3,812,705	4,987,212
Rent receivables	-	-
Other exchange debtors	-	-
Less: impairment of debtors	-	(-)
Total receivables	3,812,705	4,987,212

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Notes to the Financial Statements (Continued)

29. Receivables From Non-Exchange Transactions

Description	2022/23	2021/22
	KShs	KShs
Transfers from the County Government	-	-
Undisbursed donor funds	-	-
Other debtors (<i>non-exchange transactions</i>)	-	-
Less: impairment allowance	-	(-)
Total	-	-

30. Inventories

Description	2022/23	2021/22
	KShs	KShs
Pharmaceutical supplies	1,486,496	-
Maintenance supplies	-	-
Food supplies	-	-
Linen , clothing supplies and other non-pharmaceuticals	1,318,532	-
Cleaning materials supplies	-	-
General supplies	-	-
Less: provision for impairment of stocks	(-)	(-)
Total	2,775,028	-

Kauwi Sub County Hospital (Kitui County Government)

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Notes to the Financial Statements (Continued)

31. Property, Plant and Equipment

								Capital Work in progress	Total
								Shs	Shs
Cost									
At 1 July 2021	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Transfer adjustments	-	-	(-)	-	-	-	-	-	(-)
At 30 th June 2022	-	-	-	-	-	-	-	-	-
At 1 July 2022	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Impairment	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Transfer adjustments	-	-	-	-	-	-	(-)	(-)	-
At 30 th June 2023	-	-	-	-	-	-	-	-	-
Depreciation and impairment									
At 1 July 2021	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	-	-	-	-	-	-	-	-
Disposals	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Impairment	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

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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 30 June 2022	-	-	-	-	-	-		-
At July 2022	-	-	-	-	-	-		-
Depreciation	-	-	-	-	-	-		-
Disposals	(-)	(-)	(-)	(-)	(-)	(-)		(-)
Impairment	(-)	(-)	(-)	(-)	(-)	(-)		(-)
Transfer/adjustment		-	-	-	-	-	(-)	(-)
At 30 th June 2023	-	-	-	-	-	-	-	-
Net book values								
At 30 th June 2022	-	-	-	-	-	-	-	-
At 30 th June 2023	-	-	-	-	-	-	-	-

Note:

- 1. The County Government of Kitui is in the process of valuing its assets and their exact value will be reported in due course.*
- 2. During the year, there was nil addition and disposal of fixed assets.*

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Notes to the Financial Statements (Continued)

32. Intangible Assets-Software

Description	2022/23	2021/22
	KShs	KShs
Cost		
At beginning of the year	-	-
Additions	-	-
Additions-Internal development	-	-
Disposal	(-)	(-)
At end of the year	-	-
Amortization and impairment		
At beginning of the year	-	-
Amortization for the period	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	-	-

33. Investment Property

Description	2022/23	2021/22
	KShs	KShs
At beginning of the year	-	-
Additions	-	-
Fair value gain	-	-
Depreciation (<i>where investment property is at cost</i>)	(-)	(-)
At end of the year	-	-

34. Trade And Other Payables

Description	2022/23	2021/22
	KShs	KShs
Trade payables	-	-
Employee dues	-	-
Third-party payments (<i>unremitted payroll deductions</i>)	199,560	-
Audit fee	-	-
Pending Bills	2,224,110	1,581,510
Total trade and other payables	2,423,670	1,581,510

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Revised Annual Report and Financial Statements for The Year Ended 30th June 2023

Notes to the Financial Statements (Continued)

35. Refundable Deposits from Customers/Patients

Description	2022/23	2021/22
	KShs	KShs
Medical fees paid in advance	-	-
Credit facility deposit	-	-
Rent deposits	-	-
Others (<i>specify</i>)	-	-
Total deposits	-	-

36. Provisions

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

37. Finance Lease Obligation

Description	2022/23	2021/22
	Kshs	Kshs
Current Lease obligation	-	-
Long term lease obligation	-	-
Total	-	-

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Notes to the Financial Statements (Continued)

38. Deferred Income

Description	2022/23	2021/22
	KShs	KShs
Current Portion	-	-
Non-Current Portion	-	-
Total	-	-

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

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

39. Borrowings

Description	2022/23	2021/22
	KShs	KShs
Balance at beginning of the period	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the year	(-)	(-)
Repayments of domestic borrowings during the year	(-)	(-)
Balance at end of the period	-	-

Notes to the Financial Statements (Continued)

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

Description	2022/23	2021/22
	KShs	KShs
Current Obligation	-	-
Non-Current Obligation	-	-
Total	-	-

40. Service Concession Arrangements

Description	2022/23	2021/22
	KShs	KShs
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	(-)	-
Net carrying amount	=	=
Service concession liability at beginning of the year	-	-
Service concession revenue recognized	(-)	(-)
Service concession liability at end of the year	=	=

41. Cash Generated from Operations

	2022/23	2021/22
Surplus for the year before tax	KShs	KShs
Adjusted for:		
Depreciation	-	-
Non-cash grants received	(-)	(-)
Impairment	-	-
Gains and losses on disposal of assets	(-)	(-)
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Working Capital adjustments		
Increase in inventory	(-)	(-)
Increase in receivables	(-)	(-)
Increase in deferred income	-	-
Increase in payables	-	-
Increase in payments received in advance	-	-
Net cash flow from operating activities	-	-

Notes to the Financial Statements (Continued)

42. Financial Risk Management

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

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

(i) Credit risk

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

Notes to the Financial Statements (Continued)

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2021				
Receivables from exchange transactions	-	-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
At 30 June 2023	-	-	-	-
Receivables from exchange transactions	-	-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The entity has nil significant concentration of credit risk.

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

(ii) Liquidity risk management

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

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

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	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2022				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2023	-	-	-	-
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

(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.

Notes to the Financial Statements (Continued)

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

a) Foreign currency risk

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

	KShs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2022			
Financial assets (investments, cash, debtors)	-	-	-
Liabilities	-	-	-
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

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.

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

Notes to the Financial Statements (Continued)

Foreign currency sensitivity analysis

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

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
20xx			
Euro	10%	-	-
USD	10%	-	-
20xx		-	-
Euro	10%	-	-
USD	10%	-	-

Interest rate risk

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

Management of interest rate risk

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

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.

Notes to the Financial Statements (Continued)

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:

	2022/23	2021/22
	Kshs	Kshs
Revaluation reserve	-	-
Retained earnings	-	-
Capital reserve	-	-
Total funds	-	-
	-	-
Total borrowings	-	-
Less: cash and bank balances	(-)	(-)
Net debt/ (<i>excess cash and cash equivalents</i>)	-	-
Gearing	-%	-%

43. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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Notes to the Financial Statements (Continued)

- i) The National Government;
- ii) The Parent Ministry;
- iii) Xxx;
- iv) Xxx;
- v) Xxx;
- vi) Key management;
- vii) Board of directors;

Description	2022/23	2021/22
	Kshs	Kshs
Transactions with related parties		
a) Services offered to related parties		
Services to xxx	-	-
Sales of services to xxx	-	-
Total	-	-
	-	-
b) Grants from the Government	-	-
Grants from County Government	-	-
Grants from the National Government Entities	-	-
Donations in kind	-	-
Total	-	-
	-	-
c) Expenses incurred on behalf of related party	-	-
Payments of salaries and wages for xxx employees	-	-
Payments for goods and services for xxx	-	-
Total	-	-
	-	-
d) Key management compensation	-	-
Directors' emoluments	-	-
Compensation to the medical Sup	-	-
Compensation to key management	-	-
	-	-
Total	-	-

Notes to the Financial Statements (Continued)

44. 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)

45. Contingent Liabilities

Contingent liabilities	2022/23	2021/22
	Kshs	Kshs
Court case xxx against the company	-	-
Bank guarantees in favour of subsidiary	-	-
Total	-	-

46. Capital Commitments

Capital Commitments	2022/23	2021/22
	Kshs	Kshs
Authorised For	-	-
Authorised And Contracted For	-	-
Total	-	-

47. Events After The Reporting Period

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

48. Ultimate And Holding Entity

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

49. Currency

The financial statements are presented in Kenya Shillings (Kshs).

19. Appendices

APPENDIX I: Progress on Follow Up Of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Trade and Other Payables older than 2 years	Older payables have been partly paid	Partly Resolved	30 th June 2024
2.	Non - Compliance with requirements in Universal Health Care	The County Ministry of Health and Sanitation is working on the compliance	Not Resolved	Unknown
3.	Inventories - Pharmaceuticals and Non-pharmaceuticals: Inadequate storage facilities	The County Ministry of Health and Sanitation is planning to construct a storage facility for drugs	Not Resolved	Unknown
4.	Lack of Entity Asset Information-No Asset ownership documents	Asset ownership documents are held in the Office of the County Secretary and are available for verification	Resolved	-
5.	Lack of Risk Management Policy	The County Ministry of Health and Sanitation is working towards developing a risk management policy	Not Resolved	Unknown

Guidance Notes:

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

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

.....
Dr. Winfred Muange
Accounting Officer

APPENDIX II: Projects Implemented by The Entity Projects

Projects implemented by the Hospital Funded by development partners

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

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

Note: There were no donor funded projects carried out in the Financial Year 2022/23

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APPENDIX III: Inter-Entity Confirmation Letter

Kauwi Hospital

Kitui County

The *Kitui County* wishes to confirm the amounts disbursed to you as at 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by Kauwi Hospital as at 30 th June 2023							
Reference Number	Date Disbursed	Amounts Disbursed by Kitui County (KShs) as at 30th June 2023				Amount Received by [beneficiary entity] (KShs) as at 30 th June 2022 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
Kitui County/Rec/0001076201	17 th Aug 2022	600,000.00	-	-	600,000.00	600,000.00	0
Kitui County/Rec/0001077069	19 th Sep 2022	600,000.00	-	-	600,000.00	600,000.00	0
Kitui County/Rec/0001078024	24 th Oct 2022	600,000.00	-	-	600,000.00	600,000.00	0
Kitui County/Rec/0001078976	21 st Nov 2022	600,000.00	-	-	600,000.00	600,000.00	0
Kitui County/Rec/0001080588	23 rd Dec 2022	600,000.00	-	-	600,000.00	365,340.00	234,660.00
Kitui County/Rec/0001080587	31 st Jan 2023	600,000.00	-	-	600,000.00	600,000.00	0
Kitui	1 st Feb		-	-		600,000.00	0

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County/Rec/0001082216	2023	600,000.00			600,000.00		
Kitui	13 th March		-	-			
County/Rec/0001083540	2022	600,000.00			600,000.00	600,000.00	0
Kitui	30 th March		-	-			
County/Rec/0001084270	2023	600,000.00			600,000.00		600,000
Kitui	28 th April		-	-			
County/Rec/0001085452	2023	600,000.00			600,000.00	600,000.00	0
Kitui	9 th June		-	-			
County/Rec/0001087197	2023	478,629.00			478,629.00	600,000.00	(121,371.00)
Kitui County/Rec/000X	3 rd July		-	-			
	2023	500,000.00			500,000.00	403,304.95	96,695
Total		<u>6,978,629.00</u>	=		<u>6,978,629.00</u>	<u>6,168,644.95</u>	809,984.05

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

Head of Accountants department of beneficiary entity:

Name Hinnie Mae Sign He Date 20/5/24

APPENDIX IV Reporting of Climate Relevant Expenditures

Name of the Organization

Telephone Number

Email Address

Name of Medical Supp/MD/Head

Name and contact details of contact person (in case of any clarifications)

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

Note: There was nil climate related reporting during FY 2022/23

APPENDIX V Disaster Expenditure Reporting Template

Date:						
Entity						
Period to which this report refers (FY)	Year				Quarter	
Name of Reporting Officer						
Contact details of the reporting officer:	Email				Telephone	
Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments

Note: There was no disaster related expenditure during the FY 2022/23

APPENDIX VI: Pending payables

**County Government of Kitui
Kauwi Sub County Hospital
Pending payables as at 30th June 2023**

S.NO	PAYEE	DESCRIPTION	DATE	LSO/LPO NO.	AMOUNT
1	ALPHETEC GEN. SUPPLIERS	MAINTANANCE	3/27/2019	3286559	14,660.00
2	ALPHETEC GEN. SUPPLIERS	EQUIPMENT	4/9/2019	3286567	97,500.00
3	ALPHETEC GEN. SUPPLIERS	GEN. OFFI. SUPPLIES	4/24/2019	3286586	140,700.00
4	DNM FURNITURE AND GEN.	MAINTANANCE	5/2/2019	1646767	53,980.00
5	PHILSAMDO TRADEWISE	PRINTING &PUBLISHING	7/12/2019	3311920	19,500.00
6	MERIC SUPLIES LTD	REFINED FUEL	12/3/2019	3311939	300,000.00
7	SYUKI GEN. CONTRACTORS	OTHER FUELS	1/8/2020	3284381	36,750.00
8	BETTER PHASE LTD	OTHER FUELS	4/15/2020	3284254	20,000.00
9	BETTER PHASE LTD	OTHER FUELS	6/26/2020	3284274	20,000.00
10	BETTER PHASE LTD	OTHER FUELS	7/26/2020	3284275	20,000.00
11	MUTONGUNI HIGHWAY	FURNITURES	7/1/2020	3284272	40,000.00
12	JOSANE GEN. SUPPLIERS	GEN. OFFI. SUPPLIES	3/11/2021	3284299	134,000.00
13	JOSANE GEN. SUPPLIERS	GEN. OFFI. SUPPLIES	3/11/2021	3284300	7,660.00
14	PHILSAMDO TRADEWISE	STATIONERY	5/6/2021	1403925	145,700.00
15	PHILSAMDO TRADEWISE	PRINTING &PUBLISHING	11/8/2021	3171957	33,500.00
16	VALLEYCREST LTD	HOSPITAL SANITATION	10/3/2019	3311930	2,800.00
17	KASINGA VENTURES	FOOD & RATIONS	8/29/2019	3311926	7,500.00
18	SHAKYM ENTERPRISE	OTHER FUELS	9/12/2019	3311927	14,000.00
19	BETTER PHASE LTD	MAINTANANCE	2/8/2021	3284297	16,090.00
20	SWAYTEAMS INVESTMENTS	GEN. OFFI. SUPPLIES	10/9/2019	3284252	16,800.00
21	VALLEYCREST LTD	FOOD & RATIONS	10/3/2019	3311929	19,800.00
22	GADMULATYALINK LTD	OTHER FUELS	1/18/2021	3284284	20,080.00

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23	VALLEYCREST LTD	OTHER FUELS	10/28/2019	3311935	33,000.00
24	SHAKYM ENTERPRISE	OTHER FUELS	4/3/2019	3286566	44,000.00
25	MARYMELI CONSOLIDATED	OTHER FUELS	5/30/2019	3311906	44,000.00
26	VALLEYCREST LTD	FOOD & RATIONS	10/3/2019	3311928	50,640.00
27	MUTONGUNI HIGHWAY	FOOD & RATIONS	3/4/2021	3284298	72,300.00
28	BETTER PHASE LTD	FOOD & RATIONS	4/15/2021	1403924	74,500.00
29	BETTER PHASE LTD	FOOD & RATIONS	6/9/2021	1403929	82,050.00
30	HARBYTECH TRADEWISE	STATIONERY	6/7/2023	2537785	97,000.00
31	JOPHIL AGENCIES LTD	FOOD & RATIONS	6/6/2023	2537783	71,800.00
32	HARVESTERS SUPERMARKET	FOOD & RATIONS	2/3/2023	2537770	40,000.00
33	KNICKY AUTOMAX	MAINTANANCE OF VEHI	3/7/2023	1646772	38,800.00
34	K.P.L.C	ELECTRICITY	6/30/2023		370,000.00
35	KITWASCO LTD	WATER	6/30/2023		25,000.00
36	NSSF	NSSF			74,760.00
	TOTALS				2,298,870.00

APPENDIX VII: In-kind contribution-pharms and non pharms

**IN-KIND CONTRIBUTION
PHARMACEUTICALS AND NON-PHARMACEUTICAL
FOR YEAR 2022/2023**

DATE	NAME	INVOICE NO.	AMOUNT
14/10/2022	KEMSA	EMB-2-016894-2022/2023	166,861.00
19/10/2022	KEMSA	EMB-2-017037-2022/2023	1,388,464.00
19/10/2022	KEMSA	EMB-2-016572-2022/2023	235,270.00
21/10/2022	KEMSA	EMB-2-016707-2022/2023	156,480.00
15/11/2022	MEDS	430544	1,330.00
15/11/2023	MEDS	430540	2,981,123.00
3/12/2023	MEDS	434432	382,547.00
22/12/2023	MEDS	4393	119,272.00
31/3/2023	KEMSA	2-00688-2022/2023	2,190.00
21/3/2023	KEMSA	2-028557	405,231.00
20/3/2023	KEMSA	2-020518	2,284,384.00
31/5/2023	MEDS	471548	1,416,035.00
31/5/2023	MEDS	471700	2,434.00
TOTAL			9,541,621.00

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Inventory as at 30th June 2023

PHARMACEUTICAL ITEMS	Description	Presentation	Quantity	Unit price	Total Value
atorvastatin 20mg		30s	10	59.00	590.00
Acyclovir Tablets - 400mg	ANTIVIRAL MEDICINES- ANTI HERPES	Pack of 10s	10	86.00	860.00
Amoxicillin Capsules 500mg	ANTIBIOTICS & OTHER ANTIBACTERIALS	100s in Blisters	865	550.00	475,750.00
Amoxicillin Tablet 250mg Dispersible, Scored	ANTIBIOTICS & OTHER ANTIBACTERIALS	Pack of 100s	292	350.00	102,200.00
Amoxycillin/Clavulanic Dispersible Tablets 228.5mg	ANTIBIOTICS & OTHER ANTIBACTERIALS	Pack of 10s	15	250.00	3,750.00
augmentin 625mg			80	300.00	24,000.00
dexamethasone injection		Ampoule	10	16.00	160.00
Azithromycin 500mg	ANTIBIOTICS & OTHER ANTIBACTERIALS	Pack of 3s	50	52.00	2,600.00
cetirizine 10mg		100s	90	56.00	5,040.00
Clotrimazole Cream - 1%		tube	910	15.00	13,650.00
Co-Trimoxazole tabs 480mg	ANTIBIOTICS & OTHER ANTIBACTERIALS	100s in Blisters	87	150.00	13,050.00
Co-Trimoxazole tabs 334mg	ANTIBIOTICS & OTHER ANTIBACTERIALS	100'S In Blisters	9	334.00	3,006.00
inj fluphenazine		Ampoule			

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			95	7.00	665.00
flucloxacillin capsules 500mg		100s	40	735.00	29,400.00
Flucloxacillin Capsules 250mg	ANTIBIOTICS & OTHER ANTIBACTERIALS	100s in Blisters	7	400.00	2,800.00
tramadol injection		Ampoule	200	350.00	70,000.00
Hydrochlorothiazide Tablets 25Mg	ANTIHYPERTENSION MEDICINES	100s in Blisters	69	48.00	3,312.00
Ibuprofen Tablets - 200mg	NON OPIOIDS & NSAIDS	100s in Blisters	930	100.00	93,000.00
carvedilol 6.25mg		28s	60	61.00	3,660.00
Losartan Potassium 50Mg +Hydrochlorothiazide 12.5 Mg Tablets	ANTIHYPERTENSION MEDICINES	Pack Of 30S	73	60.00	4,380.00
Metformin Tablets 500Mg (Pack of 30s)	ORAL HYPOGLYCAEMIC AGENTS	Pack Of 30S	598	40.00	23,920.00
cytotec		pack of 30s	300	127.00	38,100.00
Metronidazole Tablets 200mg		100s	747	127.00	94,869.00
Nystatin Suspension - 100 000IU/ml			30	30.00	900.00
Omeprazole Capsules 20Mg (100s in Blisters)	ANTIACID/ANTIULCER MEDICINES	100s in Blisters	170	200.00	34,000.00
Paracetamol Tablets 500mg (100s in Blisters)	NON OPIOIDS & NSAIDS	100s in Blisters	925	122.00	112,850.00
hydrocortone ointment		tubes	765	18.00	13,770.00

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Penicillin Benzyl Injection 5MU	ANTIBIOTICS & OTHER ANTIBACTERIALS	Vial	50	45.00	2,250.00
Ibuprofen Syrup 100mg/5ml, 60ml	NON OPIOIDS & NSAIDS	60ml Bottle	750	30.00	22,500.00
Metronidazole Suspension - 200Mg/5Ml	ANTIPROTOZOAL MEDICINES- ANTIAMOEBIASIS	100ml	500	45.00	22,500.00
ky gel lubricant		tube	21	50.00	1,050.00
azithromycin suspension		bottle	1,232	52.00	64,064.00
Nystatin Suspension - 100 000iu/ml	TOPICAL ANTI-INFECTIVE MEDICINES	30mL	82	50.00	4,100.00
Co-Pack Of 4 Satchets of Low Osmolarity ORS (500mL Formulation) + 10 Tablets of Dispersible Zinc Sulphate Tablets 20mg	ELECTROLYTES	Co-Pack	255	38.00	9,690.00
Paracetamol Suspension 120mg/5ml	NON OPIOIDS & NSAIDS	60mL Bottle	400	27.00	10,800.00
Salbutamol Nebulizing Solution - 5mg/mL 10ml	ANTI ASTHMATICS AND DRUGS FOR COPD	10 mL Vial	5	200.00	1,000.00
flucloxacillin suspension 125/5ml		bottle	100	43.00	4,300.00
normal saline nasal drops		bottle	180	61.00	10,980.00
Adrenaline Injection - 1mg/ml	ANTI ALLERGICS & MEDICINE USED IN ANAPHYLAXIS	Ampoule	100	20.00	2,000.00

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Ceftriaxone Injection Im/lv - 1g	ANTIBIOTICS & OTHER ANTIBACTERIALS	Vial	260	39.00	10,140.00
Gentamicin Injection - 20mg- 10mg/mL 2ml Amp	ANTIBIOTICS & OTHER ANTIBACTERIALS	Ampoule	5,000	10.00	50,000.00
Dextrose - 5% With Euro Cap/ Collapsible Bag	ELECTROLYTES	500mL	280	80.00	22,400.00
Dextrose - 5% bottle	ELECTROLYTES	500mL	40	30.00	1,200.00
flucloxacillin inj 500mg			370		-
Lignocaine Hydrochloride Injection - 2%	LOCAL ANAESTHETICS	30mL Vial	255	50.00	12,750.00
Magnesium Sulphate Injection - 50%	SEDATIVES/ANXIOLYTIC S & ANTICONVULSANTS	Ampoule	10	15.00	150.00
Phenobarbital (Phenobarbitone) Sodium Injection 30mg/ml - 1ml Ampoule	SEDATIVES/ANXIOLYTIC S & ANTICONVULSANTS	Ampoule	15	20.00	300.00
furosemide injection		Ampoule	1,330	7.00	9,310.00
Phytomenadione Injection (Vitamin K) 10mg/mL (0.2 Ampoule)-Paediatric	MEDICINES AFFECTING COAGULATION	Ampoule	65	20.00	1,300.00
Sodium Chloride/Normal Saline Solution - 0.9% Nipple Head Bottle	ELECTROLYTES	500ml	140	66.00	9,240.00
valproic acid tabs 200mg		100's	5	250.00	1,250.00
Sodium Lactate Solution With Euro Cap/ Collapsible Bag	ELECTROLYTES	500mL	180	66.00	11,880.00
Paracetamol Suppositories 125mg	NON OPIOIDS & NSAIDS	Pack of 10s			

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			5	20.00	100.00
Silver Sulphadiazine Cream - 1%	TOPICAL ANTI- INFECTIVE MEDICINES	250Gm Jar	12	80.00	960.00
TOTAL					1,456,496.00
NON -PHARMACEUTICAL ITEMS					
Autoclaving Tape - ¾ (19Mm X 50M)	TAPES	Roll	25	218.00	5,450.00
Bandages Cotton Crepe Ridged/Wrinkled Elastic- 5Cm X 4.5M Bp	SURGICAL DRESSINGS	piece	1,445	13.00	18,785.00
Bandages Cotton L/Woven Bp - 7.5Cm X 4.5M	SURGICAL DRESSINGS	piece	107	29.00	3,103.00
Surgical Blades Size 23, S.S/C.S. On Disp Bp Handle	SURGICAL BLADES	Pack X 10S	14	196.00	2,744.00
Nasal Prongs For Oxygen Delivery - Neonatal Size	RESUSCITARE	Piece	53	15.00	795.00
latex examination gloves		50pairs	40	750.00	30,000.00
Infusion Giving Sets With Air Inlet	ADMINISTRATION SETS	Box Of 10S	1,280	219.00	280,320.00
Wooden Tongue Depressor 140Mmx19Mm	SPATULAS	Pack X 100Pcs	3	300.00	900.00
Suction Catheters With Regulatory Valve - Size 8 FG	SUCTION CATHETERS	Dozen	1,154	10.00	11,540.00
Stock Control Cards	MEDICAL STATIONARY	Piece			

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			500	10.00	5,000.00
Cord Clamp (Umbilical)	MATERNITY SUPPLIES	Pack of 20s	110	87.00	9,570.00
Maternity Pads (Towels)	MATERNITY SUPPLIES	Pack X 10S	155	148.00	22,940.00
Diapers (Midi) Paediatric	BABY DIAPERS	Pack of 10s	80	234.00	18,720.00
Gloves Latex Examination Disposable Medium	GLOVES	Pack of 50 Pairs	40	750.00	30,000.00
Gloves Surgeon - Size 7.5 Sterile	GLOVES	Pack of 50 Pairs	47	2,340.00	109,980.00
I.V. Cannulaes - 16G	CANNULAS	Piece	2,200	16.00	35,200.00
I.V. Cannulaes - 18G	CANNULAS	Piece	630	18.00	11,340.00
I.V. Cannulaes - 20G	CANNULAS	Piece	300	16.00	4,800.00
I.V. Cannulaes - 24G	CANNULAS	Piece	2,640	20.00	52,800.00
i.V Cannulaes	CANNULAS	Piece	1,915	17.00	32,555.00
Polythene Bags / Liners Black - 30 Litres	COLOUR CODED BINS	Pack Of 100S	2,460	56.00	137,760.00
Polythene Bags / Liners Red - 30 Litres	COLOUR CODED BINS	Pack Of 100S	2,000	40.00	80,000.00
Needles Disposable G23	NEEDLES	Pack of 100s	23	150.00	3,450.00
Suture Polyglycolic No 2/0, 75cm ½C 31mm RBN (Synthecon Brand)	SUTURES	Dozen	3	750.00	2,250.00

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Syringes 2Pc- 2mL Rup With G23 Needle X 1	SYRINGES	Pack Of 100S	315	620.00	195,300.00
Syringes 2Pc - 5mL Rup With G 21Needle X 11/2	SYRINGES	Pack Of 100S	294	670.00	196,980.00
Syringes 60mL without Needle, Short Nozzle (Concentric)	SYRINGES	Piece	10	250.00	2,500.00
zinc Oxide Strapping - Size 7.5Cm X 4.5M Bpc		Piece	11	90.00	990.00
Syringes A D- Fixed Dose Of 0.5 mL With 23 G Needle	SYRINGES	Pack of 100s	3	1,500.00	4,500.00
Pregnacy Test Kit	LABORATORY DIAGNOSTIC EQUIPMENT	Pack of 50	14	115.00	1,610.00
Urine Containers (Plastic)	SAMPLE COLLECTION CONTAINERS	Pack of 1000s	19	350.00	6,650.00
TOTAL					1,318,532.00
GRAND TOTAL					2,775,028.00