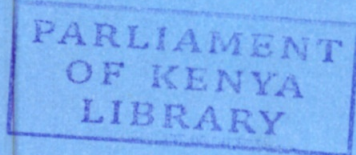


REPUBLIC OF KENYA



*Enhancing Accountability*



**REPORT**

25/09/24  
S.M.L

Asela

**OF**

**THE AUDITOR-GENERAL**

**ON**

**MURANG'A LEVEL 5 HOSPITAL**

**FOR THE YEAR ENDED  
30 JUNE, 2022**

**COUNTY GOVERNMENT OF MURANG'A**



OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
REGISTRY  
05 AUG 2024  
RECEIVED



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## **MURANGA Level 5 HOSPITAL (Muranga County Government)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

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

**Muranga Level 5 Hospital (Muranga County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022**

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**Muranga Level 5 Hospital (Muranga County Government)**  
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**1. Acronyms & Glossary of Terms**

*Provide a list of all acronyms and glossary of terms used in the preparation of this report e.g.*

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

**2. Key Entity Information and Management**

**(a) Background information**

Murang’a level five Hospital is a level (5) hospital established under gazette on 2<sup>nd</sup> March 1973, gazette notice No. 598 and is domiciled in Murang’a County under the Health Department. The hospital is governed by a Board of Management.

**(b) Principal Activities**

The principal activity/mission/ mandate of the hospital is

To be a healthy, productive and nationally competitive county

Mission

To deliberately build a progressive and sustainable technologically driven evidence based and client centred health system for accelerated attainment of the highest standard of health for all citizens of Murang’a County.

**(c) Key Management**

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

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

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2022 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Medical Superintendent	<b>DR.LEONARD GIKERA</b>
2.	Head of supply chain	<b>JOSEPH GITHUI</b>
3.	Administrator	<b>JEDIDAH MURIGU</b>
4.	Nursing Officer	<b>JOSEPH NGANDO</b>

**Fiduciary Oversight Arrangements**

- Clinical Research and Standards Committee.
- Audit committee
- Risk Committee
- County Assembly

**Muranga Level 5 Hospital (Muranga County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022**

- Parliamentary committees
- Other oversight committees

**Key Entity Information and Management (continued)**

**(e) Murang'a level five Hospital Headquarters**

P.O. Box 69-10200  
MURANG'A, KENYA

**(f) Murang'a level five Hospital Contacts**

Muranga hospital road  
Telephone: (+254) 726715863  
E-mail: murangahospital@gmail.com  
Website:

**(g) Murang'a level five Hospital y Bankers**

Kenya Commercial Bank  
Muranga Branch  
Muranga referral hospital Fif

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

**(j) County Attorney**

P.O. Box. 52-10200  
Murang'a, Kenya

**Muranga Level 5 Hospital (Muranga County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022**


**3. The Board of Management**

The board was not appointed at this period of reporting.

**Muranga Level 5 Hospital (Muranga County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022**

**4. Key Management Team**

<b>Ref</b>	<b>Management</b>	<b>Details</b>
1.	DR. Florence Kagwaini	Medical Superintendent
2.	Emily Nduku	Head of supply chain:
3.	Jedidah Murigu	Administrator
4.	Alice Gitahi	Nursing Officer
5.	Elias Karuku	Head of Finance

  
.....

**Name**

**Medical superintendent**

**Muranga Level 5 Hospital (Muranga County Government)**  
***Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022***

**Muranga Level 5 Hospital (Muranga County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022**

**5. Report of The Medical Superintendent**

Murang'a County Referral Hospital is strategically located in Township location, Kiharu Constituency, and is approximately 200m from Murang'a Town just next to Medical Training College (MTC) Murang'a Campus, and sits on a land of approximately 20 hectares. It is the regional County referral hospital and serves other neighboring counties namely; Kirinyaga, Embu, Nyeri and Machakos.

The hospital was established in 1950s under the title of Natives Civil Hospital, Fort Hall. Later in 1962, was handed over to the Ministry of Health during the last stages of colonial government and has grown from being a Native Civil Hospital into a County Referral Hospital with a bed capacity of 270 and 58 cots. Currently the hospital is in the process of expanding the bed capacity through construction of a new hospital block that will have an additional 100 beds when completed, with additional operational theatres, casualty and radiology centres. The construction of the hospital block is funded by the county government and is assessed to be at this level currently;

- Walling of first floor has started.
- Fabricating of windows done awaiting approval from engineer for continuation
- Other minor repairs including fixing of brown out bulbs, plumbing among others works in other departments as need arises

The hospital management is led by a hospital board and the hospital management team in consultation with the county management including CECM, Chief Officers, the Director and County Health Management Team (CHMT) in order to realize the vision and the mission in place by H.E the Governor and National government policy and guidelines.

The hospital's catchment population in Murang'a and the neighboring counties is growing. This population growth has led to increased need of critical health services in Murang'a county referral hospital which is

**Muranga Level 5 Hospital (Muranga County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022**

known for offering quality health services. In maternity services for example, the hospital records about 380 successful deliveries per month with a client flow of 600-800 clients per day and the increment expected to grow in the near future.

The institution has 11 wards for inpatient, two OPD blocks, Casualty, Pharmacy, Laboratory, Radiology department, MCH, Physiotherapy, Dental, Mortuary, Maintenance Unit, Records and Information department, CCC block and one Administration block. The hospital also has a 25 bed capacity Intensive Care Unit (ICU) that serves the region, and was almost over-run with patients during the Covid-19 pandemic. The hospital also made commendable progress by establishing the CT-Scan and MRI centers to add to the previously established Renal unit and maternity theatre.

Murang'a level 5 hospital serves as the county referral hospital, and has capacity to attend referral patients from within the county and the neighbouring counties. The hospital offers both curative and preventive services and notably, the flow of patients has been increasing with time owing to improved services. It is run by a cohesive, highly trained, committed and specialized human resource team of over 600 health care providers, firmly anchored on the pillars of teamwork, self-sacrifice, collaboration, high rated services and evidence based practices.

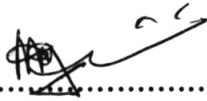
Currently, the hospital offers internship for Doctors, Nurses and Clinical officers and provides clinical placement for students from Murang'a Medical Training College and institutions that offer training in health sciences. The Hospital has set precedence in residential mentorship, successfully demonstrating that knowledge can still be acquired at minimal cost and with significant benefits to the facilities. We also have regular Continuous Medical Education Education in the facility to ensure healthworkers are up to date with current medical practices.

Through support from the stakeholders, the hospital is among the four centres of excellence created by CHS in the region in collaboration with the hospital management. Centres of Excellence were originally

**Muranga Level 5 Hospital (Muranga County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022**

created with the objective of developing ideal or close to ideal diagnostic, treatment and preventive services in resource-limited settings while serving as centres of learning. In this case, it offers more diverse and senior staff mix that allows for enhanced diagnostic, treatment and prevention services, efficient management systems and structured monitoring and evaluation services. This is achieved through creating competent teams, providing training and commodities, and service integration.

During the year through intervention of County government, we have been able to digitalize revenue collections that has in turn increased the amount collected when compared with previous years the same period.



.....

**Name**

**Secretary to the Board**

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

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

The Board of Management is responsible for the preparation and presentation of the Murang'a level five Hospital 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 Murang'a level five Hospital; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board of Management accepts responsibility for the Murang'a level five Hospital financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and . The Board members are of the opinion that the Murang'a level five Hospital financial statements give a true and fair view of the state of Murang'a level five Hospital transactions during the financial year ended June 30, 2023, and of the Murang'a level five Hospital financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Murang'a level five Hospital, which have been relied upon in the preparation of the Murang'a level five Hospital financial statements as well as the adequacy of the systems of internal financial control.

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

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

### **Approval of the financial statements**

The Hospital's financial statements were approved by the Board on 02/09/2022 and signed on its behalf by:

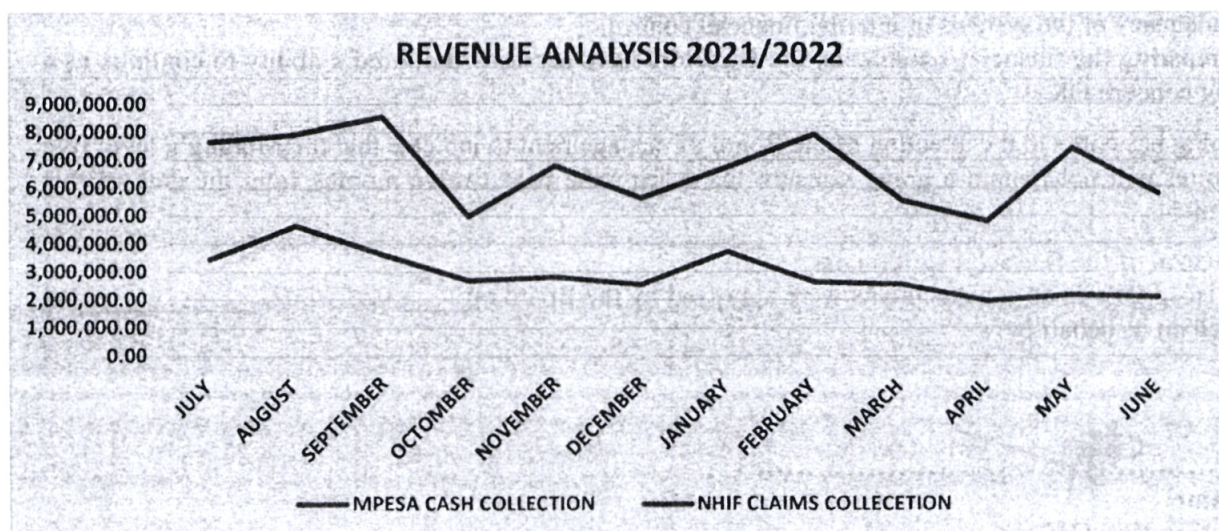
  
.....  
**Name:**  
**Accounting Officer**

**Muranga Level 5 Hospital (Muranga County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022**

**7. Management Discussion and Analysis**

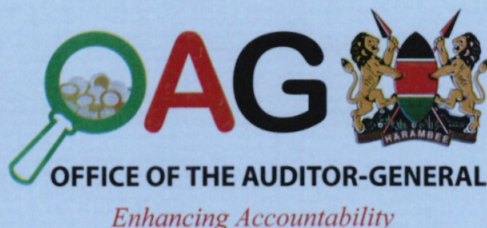
Revenue Analysis.

S/NO.	MONTH	MPESA CASH COLLECTION	NHIF CLAIMS COLLECETION
		YEAR 2021/2022	YEAR 2021/ 2022
1	JULY 2021	3,450,565.00	4,188,600.00
2	AUGUST 2021	4,652,364.00	3,279,980.00
3	SEPTEMBER 2021	3,612,814.00	4,927,700.00
4	OCTOBER 2021	2,688,309.00	2,286,100.00
5	NOVEMBER 2021	2,809,638.00	3,986,900.00
6	DECEMBER 2021	2,536,865.00	3,101,100.00
7	JANUARY 2022	3,709,399.00	3,044,100.00
8	FEBRUARY 2022	2,625,167.00	5,293,700.00
9	MARCH 2022	2,532,190.00	3,016,700.00
10	APRIL 2022	1,954,539.00	2,844,000.00
11	MAY 2022	2,166,633.00	5,244,300.00
12	JUNE 2022	2,081,061.00	3,721,100.00
	<b>TOTAL</b>	<b>34,819,544.00</b>	<b>44,934,280.00</b>



# REPUBLIC OF KENYA

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

## **REPORT OF THE AUDITOR-GENERAL ON MURANG'A LEVEL 5 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2022 - COUNTY GOVERNMENT OF MURANG'A**

### **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 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 purposes.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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 under 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 Murang'a Level 5 Hospital - County Government of Murang'a set out on pages 1 to 18, which comprises the statement

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*Report of the Auditor-General on Murang'a Level 5 Hospital for the year ended 30 June, 2022 – County Government of Murang'a*

of financial position as at 30 June, 2022, and the statement of financial performance, 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 Murang'a Level 5 Hospital – County Government of Murang'a as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with the Health Act, 2017, the County Governments Act, 2012, the International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Non-Disclosure of Donated Drugs**

The statement of financial performance reflects a Nil balance of grants from donors and development partners. However, data from Kenya Medical Supplies Authority (KEMSA) revealed that the hospital received donations and program commodities drugs worth Kshs.40,081,939 and Universal Health Coverage of Kshs.607,392 which were not disclosed in the financial statements.

In the circumstances, the accuracy and completeness of the grants from donors and development partners balance could not be confirmed.

#### **2. Unconfirmed Inventory Balance**

The statements of financial position reflect a Nil inventory balance. However, the annual stock take was not conducted to confirm the closing balances of inventories as at 30 June, 2022. Further, the stock cards were not provided for audit review.

In the circumstances, the valuation, accuracy, and completeness of the inventory balance could not be confirmed.

#### **3. Variances in Receivables from Exchange Transactions**

The statement of financial position reflects receivables from exchange transactions balance of Kshs.8,965,400 as disclosed in Note 6 to the financial statements. The amount relates to dues from the National Health Insurance Fund (NHIF) whose records indicate a balance of Kshs.10,944,528 resulting to an unexplained variance of Kshs.1,979,128. Further, the amount has been outstanding for more than twelve (12) months while the contract between the Hospital and NHIF indicates the period to pay genuine claims is within 30 days of submission.

In the circumstances, the accuracy, completeness and recoverability of the trade receivables balance of Kshs.8,965,400 could not be confirmed.

#### **4. Failure to Maintain Fixed Asset Register**

The statement of financial position and Note 7 to the financial statements reflects balances of Kshs.155,897,456 in respect to property, plant and equipment. However, it was noted that Management did not maintain fixed asset register to control its assets. This is contrary to Regulation 136(1) of the Public Finance Management (County Government) Regulations, 2015 which states that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws. In addition, there was no evidence to show that the fund has ever evaluated its assets to ascertain the correct market values.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.155,897,456.

#### **5. Variance in Trade and Other Payables**

The statement of financial position and note 8 to the financial statements reflects Kshs.17,588,450 balance for trade and other payables. The Kenya Medical Supplies Authority (KEMSA) information indicates the hospital owed KEMSA Kshs.31,005,583. However, the hospital did not disclose the figure in the statement of financial position.

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

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Murang'a Level 5 Hospital Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in my professional 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.

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

#### **Conclusion**

As required by Article 229(6) of the Constitution and based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Report 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. Budget Imbalance**

The statement of comparison of budget and actual amounts reflects the final revenue budget amount of Kshs.35,919,544 and the final expenditure budget amount of Kshs.1,084,985 resulting to a budget imbalance of Kshs. (34,834,559). This was contrary to Regulation 31(c) of the Public Finance Management (County Governments) Regulations, 2015 which states that budget revenue and expenditure appropriation shall be balanced.

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

**2. Deficiencies in Implementation of Universal Health Coverage**

Review of the Hospital records and interviews on verification of services offered, equipment used and medical specialists in the Hospital at the time of audit revealed that the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits by five hundred and eight six (586) staff requirements or 72% of the authorized establishment.

<b>Mandatory Requirements</b>	<b>Level 5 Standard Requirements</b>	<b>Hospital staff</b>	<b>Variance</b>	<b>Percentage</b>
Medical Officers	50	16	34	68
Dental Officers	30	4	26	87
radiographers	23	7	16	70
Nutrition and Dietetics Officers	38	6	32	84
Registered Clinical Officers	83	31	52	63
Physiotherapist	17	7	10	59
Kenya Registered Community Health Nurses	578	162	416	72
<b>Total</b>	<b>819</b>	<b>233</b>	<b>586</b>	<b>72</b>

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

<b>Mandatory Requirements</b>	<b>Level 5 Standard Requirements</b>	<b>Hospital Equipment</b>	<b>Shortage</b>	<b>Percentage Deficit (%)</b>
Functional Theatres - Maternity, General, Orthopedic, Pediatric, ENT, Dental and Ophthalmology	7	2	5	71
Maternity Department Ward for Six Delivery Coaches	6	3	3	50
New Born Unit with Ten (10) Incubators	10	4	6	60
New Born Unit with six HDU Cots	6	0	6	100
New Born Unit cots	40	25	15	38
Seven (7) Operating Theatres	7	2	5	71
Beds	500	257	243	49

The deficiencies contravened 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, Management was in breach of the law.

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 Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### Basis for Conclusion

#### 1. Inadequate Hospital Management Board

The statement of financial performance reflects a Nil balance in respect of board expenses. Review of records revealed that appointment of the Hospital board members

is not staggered since all eight (8) members of the Board including the Chairperson and independent members were appointed on 11 October, 2022 posing a challenge in succession planning. Further, the Board did not have an approved work plan/calendar for meetings. A Board work plan sets out the activities planned for each financial year and covers the timings for regular board meetings and those of the committees available and any special meeting convened during the year.

In the circumstances, effectiveness of the governance measures put in place could not be confirmed.

## **2. Expiry of Medical Supplies**

The statement of financial position reflects Nil inventory balance. Review of pharmacy records revealed that drugs worth Kshs.965,000 had expired in the facility.

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

## **3. Doubtful Sustainability of Service Delivery**

The report of the Medical Superintendent indicated that the Hospital serves as the County Referral Hospital and has the capacity to attend to referral patients within the County and neighbouring Counties. Further, the report indicated the hospital records 380 (three hundred and eighty) successful deliveries in a month with a patient flow of 600-800 per day. However, the hospital recorded a total expenditure of Kshs.1,084,985 during the financial year. It is not clear how the hospital was able to offer the services to the patients as disclosed in the report.

In the circumstances, the effectiveness of internal controls on service delivery 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 the 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 control, risk management and governance.

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

related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Hospital or to cease its operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the Hospital 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 manner.

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

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

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

In addition to the audit of the financial statements, a compliance review is planned and performed to express a conclusion with limited assurance as to 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 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. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

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 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 controls would not necessarily disclose all matters in the internal controls 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 controls 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 controls may not prevent or detect misstatements and instances of noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

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

16 July, 2024

*Muranga Level 5 Hospital (Muranga County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022*

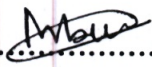
**8. Statement of Financial Performance for The Year Ended 30 June 2022**


Description	Note	30 June 2022
		Kshs
<b>Revenue from non-exchange transactions</b>		
Transfers from the County Government	1	1,100,000
In- kind contributions from the County Government		-
Grants from donors and development partners		-
Transfers from other Government entities		-
Public contributions and donations		-
		<b>1,100,000</b>
<b>Revenue from exchange transactions</b>		
Rendering of services- Medical Service Income	2	34,819,544
Revenue from rent of facilities		-
Finance /Interest Income		-
Miscellaneous Income		-
<b>Revenue from exchange transactions</b>		<b>34,819,544</b>
<b>Total revenue</b>		<b>35,919,544</b>
<b>Expenses</b>		
Medical/Clinical costs	3	946,900
Employee costs		-
Board of Management Expenses		-
Depreciation and amortization expense		-
Repairs and maintenance		-
Grants and subsidies		-
General expenses	4	138,085
Finance costs		-
<b>Total expenses</b>		<b>1,084,985</b>
<b>Other gains/(losses)</b>		
Gain/Loss on disposal of non-Current assets		-


**Muranga Level 5 Hospital (Muranga County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022**

Description	Note	30 June 2022
		Kshs
Unrealized gain on fair value of investments		-
Medical services contracts Gains/Losses		-
Impairment loss		-
Gain on foreign exchange transactions		-
<b>Total other gains/(losses)</b>		-
<b>Net Surplus / (Deficit) for the year</b>		<b>34,834,559</b>

*(The notes set out on pages 9 to 18 form an integral part of the Annual Financial Statements.)*

  
 .....  
**Chairman**

  
 .....  
**Head of Finance**  
**ICPAK No:**

  
 .....  
**Medical Superintendent**

**Muranga Level 5 Hospital (Muranga County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022**

**9. Statement of Financial Position As At 30<sup>th</sup> June 2022**

Description	Note	30 June 2022
		Kshs
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	5	34,834,559
Receivables from exchange transactions	6	8,965,400
Receivables from non-exchange transactions		-
Inventories		-
<b>Total Current Assets</b>		<b>43,799,959</b>
<b>Non-current assets</b>		
Property, plant, and equipment	7	155,897,456
Intangible assets		-
Investment property		-
<b>Total Non-current Assets</b>		<b>155,897,456</b>
<b>Total assets</b>		<b>199,697,415</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	8	17,588,450
Refundable deposits from customers/Patients		-
Provisions		-
Finance lease obligation		-
Current portion of deferred income		-
Current portion of borrowings		-
Social Benefits		-
<b>Total Current Liabilities</b>		<b>17,588,450</b>
<b>Non-current liabilities</b>		
Provisions		-
Non-Current Finance lease obligation		-
Non-Current portion of deferred income		-
Non - Current portion of borrowings		-
Service concession liability		-
Social Benefits		-

**Muranga Level 5 Hospital (Muranga County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022**

Description	Note	30 June 2022
		Kshs
Total Non-current liabilities		-
Total Liabilities		17,588,450
Net assets		<u>182,108,965</u>
Revaluation reserve		-
Accumulated surplus/Deficit		34,834,559
Capital Fund		147,274,406
Total Net Assets and Liabilities		<u>182,108,965</u>

**10. Statement of Changes in Net Asset for The Year Ended 30 June 2022**

	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2020	0	0	0	0
Revaluation gain	0	0	0	0
Surplus/(deficit) for the year	0	0	0	0
Capital/Development grants	0	0	0	0
As at June 30, 2021	0	0	0	0
At July 1, 2021	0	0	0	0
Revaluation gain	0	0	0	0
Surplus/(deficit) for the year	0	34,834,559	0	34,834,559
Capital/Development grants	0	0	147,274,406	147,274,406
At June 30, 2022	0	34,834,559	147,274,406	<u>182,108,965</u>

(The notes set out on pages 9 to 23 form an integral part of the Annual Financial Statements.)

The Hospital's financial statements were approved by the Board on 30<sup>th</sup> July, 2024 and signed on its behalf by:

  
 .....  
**Chairman**

  
 .....  
**Head of Finance**  
 ICPAK No:

  
 .....  
**Medical Superintendent**

**Muranga Level 5 Hospital (Muranga County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022**

**11. Statement of Cash Flows for The Year Ended 30 June 2022**

Description	Note	30 June 2022
		Kshs
<b>Cash flows from operating activities</b>		
<b>Receipts</b>		
Transfers from the County Government	1	1,100,000
Grants from donors and development partners		-
Transfers from other Government entities		-
Public contributions and donations		-
Rendering of services- Medical Service Income	2	34,819,544
Revenue from rent of facilities		-
Finance / interest income		-
Miscellaneous receipts( <i>specify</i> )		-
<b>Total Receipts</b>		<b>35,919,544</b>
<b>Payments</b>		
Medical/Clinical costs	3	946,900
Employee costs		-
Board of Management Expenses		-
Repairs and maintenance		-
Grants and subsidies		-
General expenses	4	138,085
Finance costs		-
Refunds paid out		-
<b>Total Payments</b>		<b>1,084,985</b>
<b>Net cash flows from operating activities</b>		<b>34,834,559</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant, equipment & intangible assets		(-)
Proceeds from the sale of property, plant, and equipment		-
Acquisition of investments		(-)
<b>Net cash flows used in investing activities</b>		<b>(-)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings		-
Repayment of borrowings		(-)

**Muranga Level 5 Hospital (Muranga County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022**

Description	Note	30 June 2022
		Kshs
Capital grants received		-
<b>Net cash flows used in financing activities</b>		<b>(-)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>-</b>
Cash and cash equivalents as at 1 July		-
<b>Cash and cash equivalents as at 30 June</b>		<b>34,834,559</b>

*(PSASB has now prescribed the direct method of cashflow presentation for all entities under the IPSAS Accrual basis of accounting).*

**Muranga Level 5 Hospital (Muranga County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022**

**12. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 Jun 2022**

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	a	b	c=(a+b)	d	e=(c-d)	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Revenue</b>						
Transfers from the County Government	1,100,000	-	1,100,000	1,100,000	-	100%
Grants from donors and development partners	-	-	-	-	-	%
Transfers from other Government entities	-	-	-	-	-	%
Public contributions and donations	-	-	-	-	-	%
Rendering of services- Medical Service Income	34,819,544	-	34,819,544	34,819,544	-	100%
Revenue from rent of facilities	-	-	-	-	-	%
Finance / interest income	-	-	-	-	-	%
Miscellaneous receipts ( <i>specify</i> )	-	-	-	-	-	%
<b>Total income</b>	<b>35,919,544</b>	-	<b>35,919,544</b>	<b>35,919,544</b>	-	%
<b>Expenses</b>	-	-	-	-	-	
Medical/Clinical costs	946,900	-	946,900	946,900	-	100%
Employee costs	-	-	-	-	-	%
Remuneration of directors	-	-	-	-	-	%
Repairs and maintenance	-	-	-	-	-	%
Grants and subsidies	-	-	-	-	-	%
General expenses	138,085	-	138,085	138,085	-	100%
Finance costs	-	-	-	-	-	%
Refunds	-	-	-	-	-	%
<b>Surplus for the period</b>	<b>34,834,559</b>		<b>34,834,559</b>	<b>34,834,559</b>		%
<b>Capital expenditure</b>	-	-	-	-	-	%

**Muranga Level 5 Hospital (Muranga County Government)  
Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022**

**Budget notes**

1. Provide an explanation of differences between actual and budgeted amounts (any over/ 90% under) IPSAS 24.14
2. Provide an explanation of changes between the original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)
3. Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis, statement of financial performance is accrual) provide a reconciliation.)

**7. Notes to the Financial Statements**

**1. General Information**

Murang'a level five Hospital entity is established by and derives its authority and accountability from 2012 Act. The entity is wholly owned by the Murang'a County Government and is domiciled in Murang'a County in Kenya. The entity's principal activity is to offer health care services with equity to all residents of Murang'a County At Large.

**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 Murang'a level five Hospital accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note the financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Murang'a level five Hospital. The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

### **Trade and other receivables**

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

#### **a. 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.

**b. 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.

**C. 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.

**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)

**Muranga Level 5 Hospital (Muranga County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022**

**Notes to Financial Statements Continued**

**1. Transfers from the County Government**

Description	30 June 2022
	KShs
<b>Unconditional grants</b>	
Operational grant	1,100,000
Level 5 grants	-
Unconditional development grants	-
Other grants	-
	-
<b>Conditional grants</b>	
User fee forgone	-
Transforming health services for Universal care project (THUCP)	-
DANIDA	-
Wards Development grant	-
Paediatric block grant	-
Administration block grant	-
Laboratory grant	-
<b>Total government grants and subsidies</b>	<b>1,100,000</b>

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

Description	30 June 2022
	Kshs
Clinics	1,075,923
Dental	365,605
Labaratory	3,596,858
Morgue	3,297,410
Others	5,665,139
Pharmacy	3,206,880
Radiology	5,393,547
Ward s	12,218,177
<b>Total revenue from the rendering of services</b>	<b>34,819,544</b>

**Muranga Level 5 Hospital (Muranga County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022**

**3. Medical/ Clinical Costs**

Description	30 June 2022
	Kshs
Dental costs/ materials	-
Laboratory chemicals and reagents	-
Public health activities	-
Food and Ration	386,900
Uniform, clothing, and linen	-
Dressing and Non-Pharmaceuticals	-
Pharmaceutical supplies	-
Health information stationery	-
Reproductive health materials	-
Sanitary and cleansing Materials	-
Purchase of Medical gases	560,000
X-Ray/Radiology supplies	-
Other medical related clinical costs ( <i>specify</i> )	-
<b>Total medical/ clinical costs</b>	<b>946,900</b>

*The amount per item was drawn from main health expenditure at the end of the financial year under review*

**4. General Expenses**

Description	30 June 2022
	Kshs
Advertising and publicity expenses	-
Catering expenses	15,885
Waste management expenses	-
Insecticides and rodenticides	-
Audit fees	-
Bank charges	-
Conferences and delegations	-
Consultancy fees	-
Contracted services	-
Electricity expenses	-
Fuel and Lubricants	-
Insurance	-
Research and development expenses	-

**Muranga Level 5 Hospital (Muranga County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022**

Description	30 June 2022
	Kshs
Travel and accommodation allowance	-
Legal expenses	-
Licenses and permits	-
Courier and postal services	-
Printing and stationery	122,200
Hire charges	-
Rent expenses	-
Water and sewerage costs	-
Skills development levies	-
Telephone and mobile phone services	-
Internet expenses	-
Staff training and development	-
Subscriptions to professional bodies	-
Subscriptions to newspapers periodical, magazines, and gazette notices	-
Library books/Materials	-
Parking charges	-
<b>Total General Expenses</b>	<b>138,085</b>

**5. Cash And Cash Equivalentents**

Description	30 June 2022
	KShs
Current accounts	-
On - call deposits	-
Fixed deposits accounts	-
Cash in hand	-
Others	-
<b>Total cash and cash equivalentents</b>	

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

Muranga Level 5 Hospital (Muranga County Government)  
Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022

Notes to the Financial Statements (Continued)

(a). Detailed Analysis of Cash and Cash Equivalents

Description		30 June 2022
Financial institution	Account number	KShs
<b>a) Current account</b>		
Kenya Commercial bank		-
Equity Bank, etc		-
<b>Sub- total</b>		-
<b>b) On - call deposits</b>		
Kenya Commercial bank		-
Equity Bank – etc		-
<b>Sub- total</b>		-
<b>c) Fixed deposits account</b>		
Bank Name		-
<b>Sub- total</b>		-
<b>d) Others(specify)</b>		-
cash in hand		-
Mobile money- Mpesa, Airtel money		-
<b>Sub- total</b>		-
<b>Grand total</b>		-

6.Receivables From Exchange Transactions

Description	30 June 2022
	KShs
Medical services receivables	8,965,400
Rent receivables	-
Other exchange debtors	-
Less: impairment allowance	-
<b>Total receivables</b>	<b>8,965,400</b>

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

**Muranga Level 5 Hospital (Muranga County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022**

**3. Property, Plant and Equipment**

Description	Land	Buildings and Civil works	Mot or vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Ksh
<b>Cost</b>								
At 1 July 2020	35,000,000	120,897,456	-	-	-	-	-	155,897,456
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-	189,155,188
<b>At 30<sup>th</sup> Jun 2021</b>	35,000,000	120,897,456	-	-	-	-	-	155,897,456
At 1 July 2021	35,000,000	120,897,456	-	-	-	-	-	155,897,456
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-
<b>At 30<sup>th</sup> Jun 2022</b>	35,000,000	120,897,456	-	-	-	-	-	155,897,456
<b>Depreciation and impairment</b>								
At 1 July 2020	-	-	-	-	-	-	-	-
Depreciation for the year	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
<b>At 30 June 2021</b>	-	-	-	-	-	-	-	-
At July 2021	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Transfer/adjustment	-	-	-	-	-	-	-	-

**Muranga Level 5 Hospital (Muranga County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022**

Description	Land	Buildings and Civil works	Mot or vehi cles	Furni ture, fitting s, and office equipm ent	ICT Equipm ent	Plant and medical equipm ent	Capital Work in progre ss	Total
	Kshs	Kshs	Ksh s	Kshs	Kshs	Kshs	Kshs	Ksh
At 30 <sup>th</sup> June 2022	-	-	-	-	-	-	-	-
Net book values								
At 30 <sup>th</sup> Jun 2021	-	-	-	-	-	-	-	-
At 30 <sup>th</sup> Jun 2022	35,000,000	120,897,456	-	-	-	-	-	155,897,456

**8.Trade and other payables**

Description	FY 2021/2022
	KShs
Electricity	1,815,033
Water	14,687,958
Food stuff	1,085,459
<b>Total Trade payables</b>	<b>17,588,450</b>

**8. Appendices**

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

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

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

**Guidance Notes:**

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

.....  
  
**Accounting Officer**

**Muranga Level 5 Hospital (Muranga County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022**

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**Appendix 1: Schedule for expenses**

<b>S.NO</b>	<b>PAYEE</b>	<b>PV NO.</b>	<b>AMOUNT</b>
1	Cetradin Global Ltd	07672	560,000
2	Bananaland Associates	30510	61,900
3	Mbochwa holdings Ltd	6868	100,000
5	Ngewa Stores	3151	225,000
6	One in one	00048	15,885
7	Juliah carolyne wanjiku	26590	122,200
	<b>TOTAL</b>		<b>1,084,985</b>

