

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

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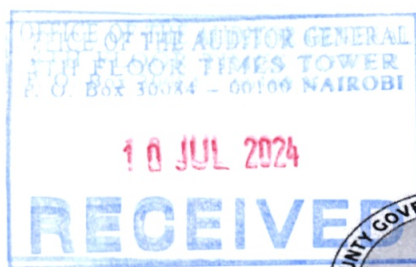
THE AUDITOR-GENERAL

ON

MARSABIT LEVEL 5 HOSPITAL

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

COUNTY GOVERNMENT OF MARSABIT



**MARSABIT LEVEL 5 HOSPITAL
(County Government of Marsabit)**

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)**

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Marsabit Level Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

Table of Contents

1. Acronyms & Glossary of Terms	ii
2. Key Entity Information and Management.....	iii
3. The Board of Management.....	vii
4. Key Management Team	viii
5. Chairman’s Statement/County Health Executive Statement.....	x
6. Report of The Medical Superintendent/Chief Executive Officer.....	xi
7. Statement of Performance Against Predetermined Objectives	xv
8. Corporate Governance Statement.....	xxii
9. Management Discussion and Analysis.....	xxii
10. Environmental And Sustainability Reporting.....	xxix
11. Report of The Board of Management/Office of County Health Executive.....	xxxii
12. Statement of Board of Management’s Responsibilities.....	xxxii
13. Report of the Independent Auditor (specify entity name).....	xxxiii
14. Statement of Financial Performance for The Year Ended 30 June 2023.....	1
15. Statement of Financial Position As At 30 th June 2023	3
16. Statement of Changes in Net Asset for The Year Ended 30 June 2023	5
17. Statement of Cash Flows for The Year Ended 30 June 2023	6
18. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 Jun 2023	8
19. Notes to the Financial Statements	11
20. Appendices	57

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.

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

2. Key Entity Information and Management

(a) Background information

The County of Marsabit has a total area of 70,961.2Km² and occupies the extreme part of Northern Kenya. It has an international boundary with Ethiopia to the North, borders Turkana to the west, Isiolo and Samburu County to the South and Wajir County to the East. It lies between latitude 02^o 45^o North and 04^o 27^o North and longitude 37^o 57^o East and 39^o 21^o East.

Most of the county constitutes an extensive plain lying between 300m and 900m above the sea level, sloping gently towards the south east. The plain is bordered to the west and north by hills and mountain ranges and is broken by volcanic cones and calderas. The most notable topographical features of the county are: Ol Donyo Ranges (2066m above sea level) in the South West, Mt. Marsabit (1865m above sea level) in the Central part of the county, Hurri Hills (1685m above sea level) in the North Eastern part of the county, Mt. Kulal (2235m above sea level) in North West and the mountains around Sololo- Moyale escarpment (up to 1400m above sea level) in the North East.

Marsabit County Referral hospital is situated in Marsabit town Headquarters in Marsabit County in upper eastern region of Kenya, 277kilometers from Isiolo County on Nairobi, Isiolo –Ethiopia highway. The hospital was started as a dispensary in 1930s and now it's a full-fledged level 5 hospital and has a catchment area of 20,174 people. It serves clients from within and surrounding sub- counties e.g. clients from Laisamis Sub-county, North Horr Sub-county and Moyale Sub-County who prefer to come to the facility for treatment. It is the only referral center in the County. This facility provides preventive, curative and promotive health services and has a bed capacity of 120 beds and 5 incubators. The hospital has many stakeholders including: NASCOP, Population and Health Integrated Assistance plus (APHIA plus) Eastern, UNICEF, WFP (provision of food supplements to the malnourished clients), and other government ministries.

(b) Principal Activities

Vision

An efficient and high quality health care system that is accessible, equitable and affordable for Marsabit County population.

Marsabit Level Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

Mission

To promote and participate in the provision of integrated and high quality, promotive, preventive, curative and rehabilitative health care services to all Marsabit County population.

Goal

The goal of the department of health is to attain the highest possible standards of health that are responsive to its needs of the population.

(c) Key Management

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

- County Department of Health
- Health County Executive. This includes the CECM Health and Chief Officer Medical services.
- County Health Management Team-CHMT
- Hospital Management Team -HMT
- Accounting Officer/ Chief Executive officer
- Medical superintendent
- Management

(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.	Chief Executive Officers	Kussu Abduba/Liban Suke
2.	Head of finance	Kobia Kithela
3	Health Administrative Officer	Muthomi Marete
4.	Head of supply chain	Anthony Kimani
5	Nursing Officer in-Charge	Sarah Kabale
6	Laboratory Manager	Hassan Godana
7	Human Resource Officer	Abdulahi halakhe
8	Clinical Officer In charge	Bonsa Doti
9	Dentist	Dr Nurr Jillo Buke
10	Pharmacy in Charge	Masse Abdi
11	Health Records and information Officer	Catherine Ngei

(Include all positions regarded as top management in your hospital).

(e) Fiduciary Oversight Arrangements

[Here, provide a high-level description of the key fiduciary oversight arrangements covering (say)]

Marsabit County Referral Hospital has clear oversight strategy as detailed below. The Hospital Management team is involved in day to day activities of the Hospital in terms of service delivery by availing necessary support to the staff of the Hospital. They make sure the necessary resources are availed which include drugs and non-pharms, laboratory reagents and any other essentials required for the running of the Hospital. The HMT prepares budgets and the budgets are approved by the Executive and in turn the Executive give Authority to Incur Expenditure (AIEs). The Hospital has established a Cost Sharing Committee.

Key Entity Information and Management (continued)

(f) Entity Headquarters

County Health Executive
P.O. Box 5-60500
Marsabit, Town
Kenya

(g) Entity Contacts

Telephone: (+254) 720841604, (+254) 720921826
E-mail: Marsabithospital@gmail.com, Marsabithospital@yahoo.com
Website: www.go.ke

(h) Entity Bankers

Kenya Commercial Bank, Marsabit Branch.

(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

Flavia Gikone
P.O. Box. 384- 60500
Marsabit, Kenya





3. The Board of Management

NB. The Hospital has no existing Board of Directors .The names were forwarded to be gazetted.
The Health County Executive oversees the operationalization of the Hospital activities.
The Executives includes the following Offices.

- 1) Office of the CECM, Health.
- 2) Office of the Chief Officer, Medical Services.

Ref	Directors	Details
1.	Director 1 <i>(Insert each Director's passport-size photo and name, and key profession/academic qualifications)</i>	
2.	Director 2	
3.	Director 3	
4.	Director 4/Alternate	
5.	MED SUP	
6.	Entity Secretary	

4. Key Management Team

Ref	Management	Details
	<i>(Insert each key manager's passport-size photo and name, and key profession/academic qualifications)</i>	Indicate the main area of responsibility – without details
1.	Kussu Abduba (Degree in HSM, Diploma in KRCHN) 	Chief Executive Officer (Appointed as CEO in February 2023) Former CEO (Liban suke)
2.	Dr Arero Duba (Degree in Medicine and Surgery)	Medical Superintendent
3.	Muthomi Marete (Diploma Business Administration) 	Senior HAO
4.	Kobia Kithela CPA (K) , Bcom, Finance Option) 	Chief Accountant
5.	Sarah Kabale (KRPN) 	Nursing Officer In-charge

Marsabit Level Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

6.	Hassan Godana (Diploma in laboratory technology)	Laboratory manager
<i>(Note: The Med sup and the Entity Secretary will feature both under the 'Board' and 'Management'.)</i>		

(Note: The Med sup and the Entity Secretary will feature both under the 'Board' and 'Management'.)

5. Health County Executive Committee Member (CECM) Statement on behalf of Board Chairman.

Marsabit County Referral Hospital was operation in the last one financial year 2022-2023.

As a going concern entity, the hospital will continue rendering services to Marsabit County residents and its environs in the long run.

During the period, the Hospital has been able to offer services which are affordable, accessible and acceptable and in line with its Vision and Mission. Its core mandate or mission is to promote and participate in the provision of integrated and high quality, promotive, preventive, curative and rehabilitative health care services to all Marsabit County population.

During the year, there has been increase in revenue collection, as detailed in the financial reports.

There was also a tremendous increase in the number of patients who visited the Hospital both Outpatient and Inpatient.

In terms of commodity supplies, The County procured drugs and non-pharmaceuticals of Kshs 38,266,842.0. Also utility bills of 5,544,833 and food and rations expenses were paid during the year.

The hospital received and commissioned Oxygen plant which was donated by USAID. To this end, the continued oxygen shortage across the County is a thing of the past.

The Hospital has a prudent financial management strategy which as seen accountability of the Hospital resources.

The main dream ahead, is to make Marsabit Level 5 Hospital a Level 6 Hospital.

Grace Galmo
.....

28/9/2023
.....

Name

Date

CECM- HEALTH SERVICES.

Disclosure: The Hospital has no existing Board of Directors .The names were forwarded to be gazetted.

The Health County Executive oversees the operationalization of the Hospital activities.

The Executives includes the following Offices.

- 3) Office of the CECM, Health.**
- 4) Office of the Chief Officer, Medical Services.**

6) Report of the Chief executive Officer

Marsabit County Referral Hospital is driven by 7 Health pillars:

1) Health service delivery

During the financial year ended, access to service delivery was optimal with patients seeking to our facility across the county. We have only one ambulance which is functional and no utility vehicle.

The hospital has critical committees which includes among others:

- i) IPC committee
- ii) Quality management committee
- iii) Drug and therapeutic committee

We are committed to patient safety and wellbeing in line with our professionalism and integrity.

2) Health workforce

The following is a list of all health workers by cadre.

STAFF ESTABLISHMENT

Facility Name	Cadre	In Post	Ideal No.
MARSABIT C.R. H	CONSULTANTS	8	12
MARSABIT C.R. H	Medical Officers	2	12
MARSABIT C.R. H	Dentist	1	2
MARSABIT C.R. H	Pharmacist	1	3
MARSABIT C.R. H	Pharmaceutical technologist	8	10
MARSABIT C.R. H	Clinical officers	19	25
MARSABIT C.R. H	Specialized RCOs	7	10

Marsabit Leve Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

MARSABIT C.R. H	Nursing staff	85	200
MARSABIT C.R. H	Radiographer	5	8
MARSABIT C.R. H	Dental technologist	0	0
MARSABIT C.R. H	Laboratory technologists	18	30
MARSABIT C.R. H	Laboratory technician	2	6
MARSABIT C.R. H	Nutritionist	9	12
MARSABIT C.R. H	Clerical officers	6	10
MARSABIT C.R. H	Clerk/cashier	0	3
MARSABIT C.R. H	Hospital Accountant	2	2
MARSABIT C.R. H	General attendants	9	65
MARSABIT C.R. H	Drivers	10	5
MARSABIT C.R. H	cateress	1	2
MARSABIT C.R. H	Cooks	0	6
MARSABIT C.R. H	Watchmen	contracted	15
MARSABIT C.R. H	Store attendant	2	3
MARSABIT C.R. H	Health Administrative Officer	2	2
MARSABIT C.R. H	Health records and information officer	8	10
MARSABIT C.R. H	Community Oral Health Officer	4	6
MARSABIT C.R. H	Physiotherapist	4	6
MARSABIT C.R. H	Occupational Therapist	3	5
MARSABIT C.R. H	Orthopaedic trauma technician	1	3
MARSABIT C.R. H	Mortuary attendant	1	2
MARSABIT C.R. H	CHAs	15	18
Total		233	493

Disclosure:

Cashiers, Revenue clerks, Cooks are employed on temporary basis. The hospital has 14 cashiers/revenue clerks.

CASUALS STAFF

Due to acute shortage of subordinate staff the hospital has 76 casual staff who are paid by the Department of Health services. Also the Hospital engages Locum Doctors and Nurses due to staff shortage across the County, both skilled and non-skilled casuals.

3) Health products

The Hospital receives drugs from KEMSA through the County Government. Subsequently, we also purchase emergency drugs and some non-pharmaceutical from local supplier. The KEMSA fill rate is approximately 45% of the total orders.

4) Health care financing

The source of revenue for the hospital are:

- i) Facility improvement fund
- ii) UHC
- iii) NHIF capitations

These funds are managed by the HMT and approved by the Executives (Chief Officer of health services and CECM health).

5) Leadership and management

The Hospital is managed by Hospital Management team (HMT). There is need for all members of this team to undergo senior management courses (SMC)

6) Health management Information System

We have automated all health services in the hospital including cash management. The hospital has area local network and Fibre which helps in efficient communication

7) Infrastructure

We have recently installed an Oxygen plant which is functional. The Institution has these key blocks or building.

- i) Mother and child complex
- ii) CT scan Centre
- iii) X-ray

Marsabit Leve Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023


- iv) Wards
- v) Laboratory complex
- vi) Theatre
- vii) Dental

ASSETS

MARSABIT COUNTY REFERRAL HOSPITAL						
S/NO	CATEGORY OF ASSET	NO.	STATUS	OWNERSHIP DOCUMENTS	REMARKS	
1	LAND	15.3 ACRES	OCUPIED	TITLE DEED	NO PROCESSED(no title deed)	
	ii STAFF HOUSING	30	OCUPIED	RECORDS	4 CONDEMNED	
	ii BUILDINGS	17	OCUPIED		VARIOUS UNITS, WARD, OFFICES	
2	MOTOR VEHICLES	0				
3	PLANT AND EQUIPMENTS	210	SERVICABLE	RECORDS	ASSORTED MEDICAL EQUIPMENT	
4	FURNITURE AND FITTINGS	247	USERBLE	RECORDS	ASSORTED	
5	ICT EQUIPMENTS	42	USERBLE	RECORDS	SOME NEED REPLACEMENT	

Marsabit Leve Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

6	Oxygen plant (new)	1	new	donation	functional
7	INTANGIBLE ASSETS	MEDBOS S (1)	IN USE	RECORDS	NEEDS UPGRADING


 Name
 Chief Executive Officer Sign
 Date: 28/9/23

7. Statement of Performance Against Predetermined Objectives

Department of Health services has develops its annual work plans based on the above Health pillars /Themes/Issues. Assessment of the performance against its annual work plan is done on a quarterly basis. Marsabit County Referral Hospital used the department work plan in its operations. We have adapted some of the pillars from the Health department as below.

1.1.1 Health Sector Catchment Population for the County

Marsabit County had an improved outpatient utilization rate of 79% compared to the previous year which was at 61.9%, meaning that the residents made at least 1.0 out-patient visits per year, the improvement could have been as a result of new health facilities which were operationalized by the County Government, although the ideal utilization of Outpatient visits are supposed to be 3.0 visits per person per year.

Table 1: County population and Utilization

	Sub-County/Sub national level	Population for FY FY X-1	Number of New + Revisits Outpatients (past 12 months) FY X-1	Outpatient U Number of v per FY
	(A)	(B)	(C)	(D) = C
1	Laisamis sub county	107,226	44066	41
2	Moyale sub county	159,153	180737	114
3	North Horr sub county	132,660	50219	38
4	Saku Sub county	83,856	104210	124
	County	482,893	379232	79

1.0. CHAPTER ONE: OVERALL SITUATIONAL PERFORMANCE ANALYSIS AND TARGETS

1.1 Major Causes of Morbidity and Mortality

Table 2: Under 5 Years top Ten Commonest Outpatient Health Conditions

	Condition (In order of priority relevance to the county)	Occurrence (Quantitative)	Proportion of total
1	Upper Respiratory Tract Infections	43423	35.6
2	Diarrhoea with no dehydration	17633	14.4
3	Pneumonia	6476	5.3
4	Tonsilitis	5042	4.1
5	Diseases of the skin	4148	3.4
6	Lower Respiratory Tract Infections	3816	3.1
7	Diarrhoea with some dehydration	3357	2.8
8	Tested for Malaria	3246	2.7
9	Intestinal worms	2695	2.2
10	Eye Infections	2658	2.2

Table 3: Over 5 Years Top Ten Commonest Outpatient Health Conditions

	Condition (In order of priority relevance to the county)	Occurrence (Quantitative)	Proportion of total cases
1	Upper Respiratory Tract Infections	56181	23.6
2	Diarrhoea	18091	7.6
3	Urinary Tract Infections	17938	7.5
4	Pneumonia	12953	5.5

Marsabit Level Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

5	Diseases of the skin	9697	4.1
6	Other Lower Respiratory tract infections	7311	3.1
7	Arthritis, Joint pains etc.	5677	2.4
8	Intestinal worms	5410	2.3
9	Eye Infections/Conditions	4609	1.9
10	Other injuries	3980	1.7

Table 4: Analysis of the County Health Department (SWOT analysis)

<p>Strengths</p> <ol style="list-style-type: none"> 1.Existence of County stakeholders‘ forum 2.Availability of skilled personnel 3.County budget allocations 4.Well established HMIS 5.Existing community units 6. Improved infrastructure 	<p>Weaknesses</p> <ol style="list-style-type: none"> 1.Inadequate trained health personnel 2.Inadequate health facilities 3.Inadequate and delayed disbursement of funds 4.Inadequate blood for emergency transfusion 5.Frequent stock out on drugs and non-pharms 6.Poor health seeking behavior and poor treatment adl 7. Insecurity
<p>Opportunities</p> <ol style="list-style-type: none"> 1.Availability of CBOs and NGOs working in the county; 2.Increased Government support through funding 3.Political goodwill 4.Public participation 	<p>Threats</p> <ol style="list-style-type: none"> 1.Poverty and illiteracy 2. Retrogressive cultural practices e.g. early marriages 3.Drug abuse; 4.Cultural barriers in SGBV case resolutions (kan courts) 5.Emerging and re-emerging conditions eg Covid 6.Drought resulting to persistent malnutritions 7. Pastoralism

Table 5: Infrastructure per Level (Only input functional infrastructure)

Infrastructure	Number Available by Provider Type FY X-1				Number projected by Provider Ty	
	Level 5	Level 4	Level 3	Level 2	Level 5	Level 4
1. Total Number of Facilities	1	6	30	89	3	10
2. Total Number of health facility beds	150	262	150	89	200	292
3. Number of Cancer treatment centers *	1	0	0	0	0	0

Marsabit Level Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

	Infrastructure	Number Available by Provider Type FY X-1				Number projected by Provider Type	
		Level 5				Level 5	
4.	Number of ICU Beds	3	6	0	0	6	10
5.	Number of HDU Beds	3	4	0	0	6	8
6.	Number of Renal Beds	5	0	0	0	8	4
7.	Number of Delivery Beds	2	12	30	89	6	24
8.	Number of Maternity Beds	24	35	30	0	30	40
9.	Number Operating Theatres	3	5	0	0	4	6
10.	Number of facilities Providing MRI services	0	0	0	0	2	4
11.	Number of facilities Providing CT-Scan Services	1	1	0	0	2	3
12.	Number of facilities providing basic X-Ray services	1	2	0	0	2	6
13.	Number of facilities providing Ultra Sound services	1	5	0	0	2	10
14.	Number of facilities with Tertiary Laboratories (Class C or D)	1	0	0	0	2	0
15.	Number of facilities with Secondary Laboratory Services (Class B)	1	6	0	0	2	0
16.	Number of facilities with Basic Laboratory Services (Class A)	1	6	20	0	2	0

Table 6: Health infrastructure density

Infrastructure	Baseline X-1	Targets X+1
Number of Health facilities per 10,000 population	2	3
Number of Hospital Beds per 10,000 population	99	120
Number of ICU beds per 100,000 population	2	4

2.0. CHAPTER TWO: ANALYSIS OF COUNTY DEPARTMENT OF HEALTH INVESTMENTS, ACHIEVEMENTS AND TARGETS

Marsabit Level Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

Out of 9 county flagship projects, three are in progress as indicated in the table below. Of the seven health centres to be upgraded to hospitals, two are in progress.

Table 7: Health Sector Flagship Projects

	Project	Estimated cost	Year of Onset	Level of completion
1.	KMTC	200,000,000	2018	Incomplete
2.	Sololo Level 4 Hospital	400,000,000	2019	Incomplete
3.	Establish Fully Equipped Cancer Centre	100,000,000	Not yet	N/A
4.	County Warehouse with Cold Chain Facilities & Nutrition supplies	50,000,000	Not yet	N/A
5.	Health Department Administration Block	50,000,000	Not yet	N/A
6.	Upgrading of 7 Health Centres to Hospitals	140,000,000	2018/2019	Incomplete
7.	New Modern and Equipped Paediatric Ward in all Sub County Hospitals	50,000,000	Not yet	N/A
8.	Establish Fully Equipped Trauma Centre	100,000,000	Not yet	N/A
9.	Multimodality Cancer Screening Mobile Unit	100,000,000	Not yet	N/A

2.1 Organization of Service Delivery

(Provide a Narrative summary of Health investments, key achievements, and Targets)

Table 8: Health Service Delivery and Quality

	Intervention	Level I	Level II	Level III
1.	Number of target primary care networks		91	
2.	Number of functional primary care networks (PCNs)		91	30
3.	No of community units linked to PCN		48	25
4.	No of people referred from community unit to health facility			88
5.	% of clients referred from the community unit reaching the facility			
6.	No of outreaches held from facility to community		78	22
7.	Number of facilities conducting at least one outreaches a month from facility to the community		65	30

Marsabit Leve Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

	Intervention	Level I	Level II	Level III
8.	No of Community dialogue days held	375		
9.	No. of counties implementing National Action Plan for Health Security			
10.	Health Emergency Operations Centre (EOCs) in the country			
11.	Operational Ambulance command center			
12.	No of facilities inspected at least once in two years by the independent regulatory authority for quality standards		13	6
13.	No of existing laboratories accredited		0	0
14.	Proportion of hospitals with functional facility quality improvement team (QIT)		0	0
15.	Number of clinical audit meetings		91	30
16.	No of Maternal Mortality meetings to be held in the next 12 months		91	30
17.	Number of outbreaks investigated within 48 hours			

2.2 Distribution of Tracer Health Infrastructure Elements

Table 9: Infrastructure per Level (Only input functional infrastructure)

Infrastructure	Number Available by Provider Type FY X-1 Level 5				Number projected by Provider Type FY X Level 5	
	Level 5	Level 4	Level 3	Level 2	Level 5	Level 4
17 Total Number of Facilities	1	6	30	89	3	10
18 Total Number of health facility beds	150	262	150	89	200	292

Marsabit Level Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

Infrastructure	Number Available by Provider Type FY X-1				Number projected by Provider Ty	
	Level 5				Level 5	
19 Number of Cancer treatment centers *	1	0	0	0	0	0
20 Number of ICU Beds	3	6	0	0	6	10
21 Number of HDU Beds	3	4	0	0	6	8
22 Number of Renal Beds	5	0	0	0	8	4
23 Number of Delivery Beds	2	12	30	89	6	24
24 Number of Maternity Beds	24	35	30	0	30	40
25 Number Operating Theatres	3	5	0	0	4	6
26 Number of facilities Providing MRI services	0	0	0	0	2	4
27 Number of facilities Providing CT-Scan Services	1	1	0	0	2	3
28 Number of facilities providing basic X-Ray services	1	2	0	0	2	6
29 Number of facilities providing Ultra Sound services	1	5	0	0	2	10
30 Number of facilities with Tertiary Laboratories (Class C or D)	1	0	0	0	2	0
31 Number of facilities with Secondary Laboratory Services (Class B)	1	6	0	0	2	0
32 Number of facilities with Basic Laboratory Services (Class A)	1	6	20	0	2	0

Table 10: Health infrastructure density

Infrastructure	Baseline X-1	Targets X+1
Number of Health facilities per 10,000 population	2	3
Number of Hospital Beds per 10,000 population	99	120
Number of ICU beds per 100,000 population	2	4

2.3 Distribution of Health Workforce

(Provide a narrative of HRH availability, distribution, motivation, trainings and key challenges)

Table 11: Health workforce Indicators and Targets

Indicator	Achievement FY X-1	Target FY X+1
Core Health Worker density per 10,000 Population (Nurses, Doctors, RCOs)		
Number of Doctors per population ratio (per 10,000 population)	1	2
Number of Nurses per population ratio (per 10,000 population)	1	15
Overall technical staff density (number per 10,000 population)	2	10
Density of community health volunteers (per 5 000 population)	3	1:150
Number of CHVs in the country	908	
Number of Health workers trained on Health Management system		
Staff attrition rate (%)	3%	5%

8. Corporate Governance Statement

Disclosure:

The hospital has no established Board in place. Plan are underway to gazette the Board members. Already Names have been forward.

9. Management Discussion and Analysis Clinical/operational performance

MCRH CLINICS/OPD ATTENDANCE 2022/2023

Marsabit Leve Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

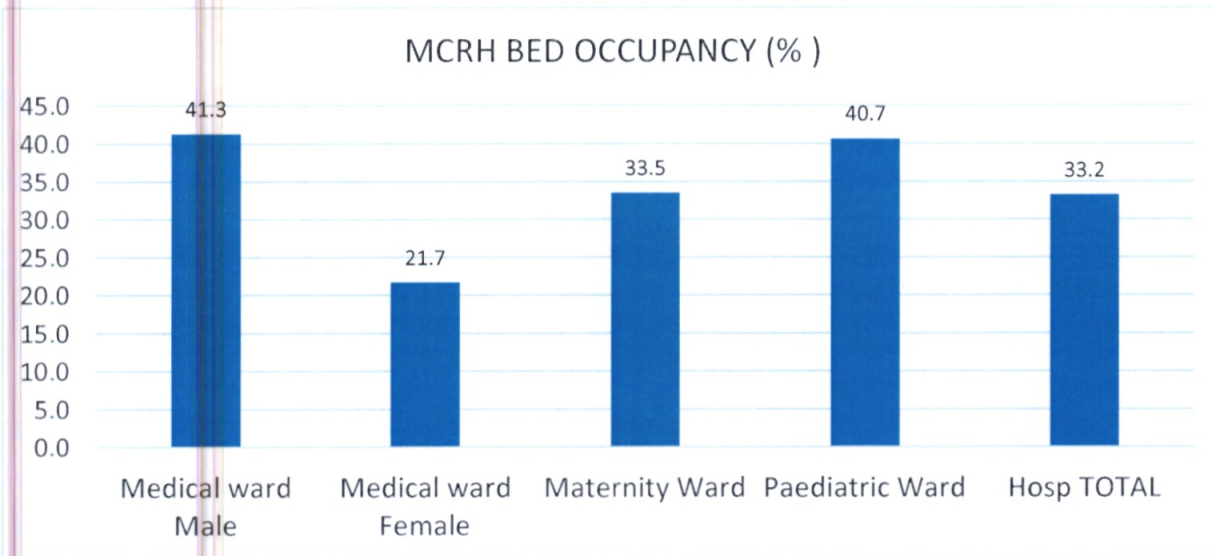
Data name	Jul to Sep 2022	Oct to Dec 2022	Jan to Mar 2023	Apr to Jun 2023	TOTAL ATTENDANCE JUL 2022 TO JUN 2023
ANC Attendance	1017	1001	959	877	3854
CWC Attendance	1392	1192	1561	1529	5674
Dental Clinic Attendance	368	223	472	305	1368
ENT Clinic Attendance	0	0	0	0	0
Eye Clinic Attendance	2193	881	347	454	3875
FP Attendance	231	247	256	253	987
Renal Clinic	71	52	35	0	158
Medical Clinic Attendance	0	0	0	0	0
OPD Casualty attendance	195	260	185	279	919
OPD attendance	6834	6157	7379	6810	27180
Obstetrics/Gynaecology Attendance	0	0	0	0	0
Orthopaedic Clinic Attendance	43	33	42	89	207
PNC Attendance	349	339	353	359	1400
Paediatrics attendances	0	0	0	0	0
Physiotherapy Attendance	256	328	389	374	1347
Psychiatry Attendance	0	0	0	0	0
STI Attendance	0	0	0	0	0
Surgical Clinics attendances	0	0	0	0	0
TB and Leprosy attendance	35	45	47	30	157

HEALTH ADMINSTRATIVE STATISTICS

	Beds	ABD	Admission	Discharges	Transfers In	Transfers Out	No. Deaths	Absconders	Occupied Bed Days	% Occupancy	Average length of stay
Medical ward Male	31	11315	486	384	48	23	37	6	4673	41.3	11.1
Medical ward Female	33	12045	364	319	23	17	33	1	2612	21.7	7.4

Marsabit Level Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

Maternity Ward	42	15330	1484	1493	64	6	3	1	5140	33.5	3.4
Paediatric Ward	16	5840	399	328	28	9	31	8	2375	40.7	6.6
TOTAL	122	44530	2733	2524	163	55	104	16	14800	33.2	5.6



Marsabit County Refferal Hospital		
	Facility Maternal Mortality Ratio	Facility Based Perinatal Mortality Rate (per 1000 Births)
Jul 2022 to Jun 2023	291.1	40.5

Financial performance that includes: -

Marsabit Level Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

- **Source of revenue**
 - 1) Facility Improvement fund
 - 2) Nhif Re-imburement

MARSABIT HOSPITAL INCOME AND EXPENDITURE REPORT FOR F/Y 2022-2023

Description/ Item code	Total (Kshs)		G.TOTAL (Kshs)
	nhif/uhc	fif	
Renal drugs			-
medical gases	530,000.00	200,000.00	730,000.00
emergency drugs	2,682,809.00	1,179,670.00	3,862,479.00
kitchen gases	720,000.00	590,000.00	1,310,000.00
water and sewerage	1,262,410.00	430,000.00	1,692,410.00
non-pharms	6,973,000.00	1,527,745.00	8,500,745.00
fuel and lubricants	1,023,000.00		1,023,000.00
laboratory reagents	2,533,300.00	300,000.00	2,833,300.00
maintenance of buildings	1,367,130.00	625,000.00	1,992,130.00
staff/maternity patient tea	272,000.00		272,000.00
sanitary and cleaning	1,758,180.00	97,000.00	1,855,180.00
stationary	619,855.00	50,000.00	669,855.00
telephone and airtime	242,000.00	70,000.00	312,000.00
catering	2,038,260.00	120,000.00	2,158,260.00
X-ray supplies	310,000.00		310,000.00
dental supplies	1,322,430.00		1,322,430.00
training	120,000.00		120,000.00
electricity			-

Marsabit Level Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

contingency	2,881,710.00	855,965.00	3,737,675.00
security services	1,943,619.00		1,943,619.00
maintenance of office equipment			-
cleaning services	1,291,000.00		1,291,000.00
renal patient food	1,980,910.00		1,980,910.00
travel and accommodation		190,000.00	190,000.00
purchase of computers			-
cancer clinic supplies	30,000.00		30,000.00
casual wages	1,255,000.00	2,035,000.00	3,290,000.00
patients files	201,650.00		201,650.00
water tracking	1,700,000.00	300,000.00	2,000,000.00
physiotherapy supplies	20,000.00	90,000.00	110,000.00
eye fee medical camp	130,455.00		130,455.00
community pharmacy	363,000.00		363,000.00
computer accessories	133,000.00		133,000.00
occupational therapy supplies	40,000.00		40,000.00
eye clinic drugs	50,000.00		50,000.00
pho supplies		253,000.00	253,000.00
laboratory accreditation		250,000.00	250,000.00
world kidney day expenses		300,000.00	300,000.00
transfers (uhc funds)	8,600,000.00		8,600,000.00
departmental priorities	6,000,000.00		6,000,000.00
TOTAL	50,394,718.00	9,463,380.00	59,858,098.00

Marsabit Level Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

bank charges	35,925.00	12,159.00	48,084.00
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expenditure for f/y 2022-2023

item	Amount (Kshs)
drugs and non-pharms	6,173,665.00
laboratory reagents/supplies	3,571,542.00
x-ray supplies	3,170,376.00
sanitary and cleaning	2,322,000.00
cleaning services	1,175,000.00
food and rations- renal	1,860,610.00
fuel and lubricants	500,000.00
stationary	714,455.00
security services	1,536,515.00
catering	2,446,489.00
water and sewerage/tracking	1,522,000.00
dental supplies	849,530.00
maintenance of buildings	215,170.00
occupational therapy supplies	40,000.00
computers and accessories	100,000.00
other operating expense	24,789,500.00
UHC transfers	8,600,000.00

Marsabit Level Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

Totals	59,586,852.00

Note: The amount of Nhif Claims in the FS of Ksh 44,812,403.00. This is after the end of year adjustments. The total revenue collected from Medboss system was Kshs 13,016,860.00 and is report in the FS on accrual basis. In kind contributions from county Government was Kshs 45,088,838.00

Kness Abdulaziz
.....
Name 
Chief Executive Officer
Date *28/9/23*

10. Environmental And Sustainability Reporting

i) Sustainability strategy and profile

The Hospital main mandate is to offer curative, preventive and rehabilitative health care services to Marsabit county residents and its environs. The institution is a going concern entity with hope of providing services in the long run.

To sustain the operations of the hospital, AWP's have been developed based on the seven key Health pillars which are geared to providing health care services to our clients.

Availability of resources is limited but strategies have been put in place to avail emergency medical care and making sure the all operations of the hospital are carried on daily basis.

ii) Environmental performance

The Institution has in place Infection Prevention Committee which is involved in infection control and waste dispose management. The Institution is situated in a clean environment and we have been involved in tree planting, beautification of the environment by planting flowers in the hospital compound.

Clean water has been availed to the Hospital staff quarters and this has improved hygiene among the staff.

The waste disposal is essential. The Hospital has an Incinerator which burns all medical waste products.

The existence of a placenta pit helps in disposal of placentas and this helps to prevent infections.

iii) Employee welfare

The Hospital is not an employer. The county Government is involve in Employees. However, the Hospital engages staff on casual basis due to shortages being experienced at the County level

We are also in the process of establishing a staff welfare to deal with family issues effecting the staff.

iv) Market place practices-

a) Responsible competition practice.

The Institution being a non-profit making Organization, is not in competition. The core mandate of the Hospital is to provide affordable, accessible and acceptable health care services to the clients.

b) Responsible Supply chain and supplier relations

The Hospital is a Procurement entity. The Institution has suppliers who supply the necessary goods and services for the smooth running of its activities.

We have maintained a good relationship with our suppliers by prompt payments, and honouring credit agreements.

c) Responsible marketing and advertisement

The Hospital is non-profit making Organization hence marketing and advertisement is not the applicable.

d) Product stewardship

Health care is the backbone of life. Without Health care services many deceases could cause many fatalities. The Hospital is geared in providing affordable, accessible and acceptable health care services to the clients. Availability of essential drugs is necessary so that no patient misses treatment. Also other medical services like laboratory services, radiology services, dental and theatre are very vital in health care provision.

v) Corporate Social Responsibility / Community Engagements

Over the years, we have been involved in conducting free medical camps as below

Activity	Venue	Cost
1) Eye free medical camp	Marsabit hospital	134,455/=
2) World Kidney day celebrations	Marsabit hospital	300,000/=
3) World AIDs day celebrations	Marsabit hospital	120,000/=

11. Report of The Board of Management/ Office of the County Health Executive

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

Disclaimer: The hospital has no Board. Plans are underway to establish the Board.

Principal activities

The principal activities of the entity are:

- 1) Provision of health care services
- 2) Staff welfare
- 3) Infection Prevention Control (IPC)
- 4) Customer centric
- 5) Social Responsibility activities
- 6) Prudent Financial Management
- 7) Integrity and Accountability

Results

The results of the entity for the year ended June 30th 2023 are set out on pages 1 to pages 58 of this document.

Board of Management

During the year, 2022/2023 there was no board in place.

NB: Since the Hospital has no Board in place, The County Health Executive oversee the operations of the Hospital.

The Executive is responsible for oversight until a Board is established.

Auditors

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

Disclaimer: The Hospital has no Board in place as at the date of signing.

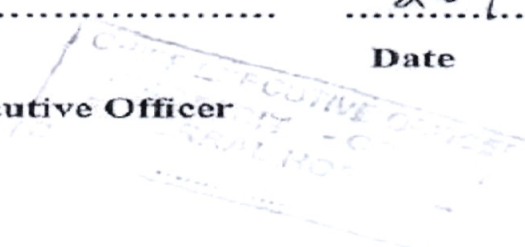
KUSSU ABDUBA

28/9/2023

Name

Date

Chief Executive Officer



12. Statement of Board of Management's Responsibilities/County Health Executives

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

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

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

Nothing has come to the attention of the Board of management to indicate that the *Hospital* will not remain to provide services to the public 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 Health County Executive on 28/09/2023 and signed on its behalf by:

GRACE GALMO

Name:

CECM

County Health Executive

KUSSU ABDUBA

Name:

Chief Executive Officer

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON MARSABIT LEVEL 5 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2023 – COUNTY GOVERNMENT OF MARSABIT

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 that the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Marsabit Level 5 Hospital – County Government of Marsabit set out on pages 1 to 57, which comprise of the

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Marsabit Level 5 Hospital – County Government of Marsabit 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, the Health Act, 2017 and the Marsabit County Health Services Act, 2016.

Basis for Qualified Opinion

1. Failure to Disclose Salaries and Wages as In-Kind Contributions from County Government

The statement of financial performance reflects an amount of Kshs.45,088,838 in respect of in-kind contributions from the county government which, as disclosed in Note 7 to the financial statements, excludes salaries and wages. However, the Hospital's staff salaries amounting to Kshs.4,135,045 were paid on behalf of the Hospital by the county and should have been disclosed as part of revenue.

In the circumstances, the accuracy and completeness of the in-kind contributions from county government of Kshs.45,088,838 could not be confirmed.

2. Unsupported Inventories Balance

The statement of financial position reflects Kshs.4,855,709 in respect of inventories. However, the balance was not supported with annual stock take and bin cards for each store item. Further, the inventories balance could not be generated from the Electronic Medical Records systems which also includes inventory for pharmaceuticals.

In the circumstances, the existence, accuracy and completeness of inventories balance could not be confirmed.

3. Unsupported Expenditure on Casuals

The statement of financial performance and, as disclosed in Note 16 to the financial statements, reflects an amount of Kshs.4,135,045 in respect to payment of wages to seventy (74) casuals. However, documentation supporting the expenditure and information on how these casuals were engaged, was not provided.

In the circumstances, the accuracy and completeness of the payment to casuals of Kshs.4,135,045 could not be confirmed.

4. Variances in Revenue from Rendering Services

The statement of financial performance reflects Kshs.13,016,860 in respect of rendering of services – medical services income as disclosed in Note 11 to the financial statements. However, the amount does not include National Health Insurance Fund (NHIF) reimbursement of Kshs.32,452,000 reflected in the NHIF records revealed resulting to an unexplained variance of Kshs.32,452,000.

In the circumstances, the accuracy and completeness of revenue from rendering services of Kshs.13,016,860 could not be confirmed.

5. Non-Disclosure of Property, Plant and Equipment Balance

The statement of financial position reflects Nil property, plant and equipment balance. However, review of Hospital records and physical verification revealed various assets including land, buildings, motor vehicles, furniture, computers and equipment which were not disclosed in the financial statements. Further, the ownership documents for land were not provided for audit.

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

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Marsabit Level 5 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 judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

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. Lack of an Approved Budget

The statement of financial performance reflects actual receipts and payments for the year of Kshs.102,918,101 and Kshs.106,132,851, respectively. However, no supporting documents were provided to show that annual estimates relating to the year under review were prepared and approved by the Hospital's Board or Management Committee. This was a contravention of the requirements of Section 7(i) of the Marsabit County Health Services Act, 2016 which states, *inter alia*, that the Hospital Committee shall be responsible for approving estimates before submission to the Executive Member (of Health).

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

2. Inadequacies in Universal Health Care as per Kenya Quality Health model

Review of records provided revealed that the Hospital had significant deficit in staff, essential services and hospital equipment and machines as tabulated below:

S/No.	Category	Recommended by the Kenya Quality Model for Health	In-Post	Deficit	Deficit %
1.	Medical Officers	50	2	48	96
2.	Anesthesiologists	7	1	6	86
3.	Surgeons	4	0	4	100
4.	Gynaecologists	4	0	2	100
5.	Paediatrics	4	0	2	100
6.	Radiologists	4	0	2	100
7.	Kenya Registered Community Health Nurses	75	15	60	80
8.	Pediatric Services	1	0	1	100
9.	Radiology Services	1	0	1	100
10.	Renal Services / Dialysis	1	0	1	100
11.	Chemotherapy	1	0	1	100
12.	Clinical Pharmacy	1	0	1	100
13.	ICU Beds	12	5	7	58
14.	HDU Beds	12	0	12	100

In the circumstances, the Hospital was not operating at the desired levels as anticipated by the Universal Health Coverage under Kenya Quality Health Model.

3. Failure to Bank all Cash Collections Intact

Review of revenue records revealed that during the year under review the Hospital's revenue collection amounted to Kshs.13,016,860 while revenue banked amounted to Kshs.9,498,299 as computed from the bank statements thus leaving a balance of Kshs.3,518,561 which represents expenditure at source. Failure to bank all collections intact is contrary to Regulation 63(4) of the Public Finance Management (County Governments) Regulations, 2015 which states that, all public moneys collected by a receiver of revenue or collector of revenue or collected and retained by a county government entity, shall be paid into the designated bank accounts of the county government and shall not be used by any public officer in any manner between the time of their receipts and payment into the bank except as provided by law..

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

4. Late Submission of Financial Statements

The Management of Marsabit Level 5 Hospital submitted the financial statements for the year ended 30 June, 2023 to the Office of the Auditor-General on 02 November, 2023, more than a month after the statutory deadline of 30 September, 2023 contrary to Section 149(2)(k) of the Public Finance Management Act, 2012 which states, inter alia, that an accounting officer shall, in respect of the entity concerned, not later than three months after the end of each financial year, prepare annual financial statements for that financial year and submit them to the Auditor-General for audit, with a copy to the County Treasury.

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

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

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, 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 Establish Hospital's Board of Management

Review of the financial statements indicates that the Hospital's Board of Management was not in place. This is against the provisions of Section 5(1) of the Marsabit County Health Services Act, 2016, which states that, there are established Hospital Management Boards and Rural health facility committees whose composition and functions are as prescribed in this Act.

In the circumstances, the Hospital is not likely to deliver effective services to the citizens due to lack of oversight.

2. Ineffective Internal Audit Arrangements

Review of the Hospital's governance system revealed that it relied on the Internal Audit Unit of the Marsabit County Executive since it had not established its own unit. However, during the year under review, the Internal Audit Unit did not carry out any audits on the operations of the Hospital. This was contrary to Regulation 153(1)(a) of the Public Finance Management (County Governments) Regulations, 2015 which states that Internal auditors shall review and evaluate budgetary performance, financial management, transparency and accountability mechanisms and processes in county government entities, including County Assembly.

In the circumstances, the Hospital could not benefit from the independent assurance over its financial reporting and risk management processes.

3. Lack of Policy Documents

During the financial year under review, the Hospital did not have a risk management strategy in place and therefore, had no approved processes and guidelines on how to mitigate operational, legal and financial risks. Consequently, Management did not perform formal risk assessments on all key financial risk areas such as cash, revenue and expenditure. Further, it was noted that the Management lacked a disaster recovery plan/business continuity plan and therefore crucial information may never be recovered in the event of a disaster. In addition, the hospital was operating without an approved waiver policy to show proper guidelines and procedures on waiver and therefore the effectiveness and sufficiency of the controls could not be confirmed.

In the circumstances, the Hospital may not achieve its desired objectives where crucial policy documents are non-existent.

4. Unsupported Banking Arrangements

During the year under review, the Hospital operated a bank account which also received deposits on behalf of Saku Public Health Office. The operating arrangements between the Hospital and Saku Public Health Office were not provided. Equally, there was no confirmation as to how much was indeed collected on behalf of Saku Public Health Office and how it was spent.

In the circumstances, there is a risk of comingling of funds which may cause confusion on which facility owns which funds and which may lead to loss of Hospital's funds.

5. Lack of a Procurement Unit

Review of the Hospital's procurement system revealed that the Hospital lacked a procurement unit responsible for overseeing procurement activities. Further, there was no evidence provided to confirm that the supplies were inspected on receipt and subsequently utilized. In addition, the Hospital did not prepare annual procurement plan during the year under review.

In the circumstances, the Hospital is likely to mismanage public resources where it lacks a professional procurement unit.

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

Responsibilities of the Management and the Board of Management

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

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

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

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

The Board of Management is responsible for overseeing the Hospital's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to 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 materials 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 control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism 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 the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Hospital's ability to continue 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

17 July, 2024

Marsabit Level Five (5) Hospital (Marsabit County Government)
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	Note	FY 2022/2023	FY 2021/2022
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6	0	5,923,725.00
In-kind contributions from the County Government	7	45,088,838.00	9,123,724.00
Grants from donors and development partners	8	0	0
Transfers from other Government entities	9	44,812,403.00	21,229,530.00
Public contributions and donations	10		0
Revenue from non-exchange transactions		89,901,241.00	36,769,979.00
Revenue from exchange transactions			
Rendering of services- Medical Service Income	11	13,016,860.00	11,042,295.00
Revenue from rent of facilities	12	0	0
Finance /Interest Income	13	0	0
Miscellaneous Income	14	0	0
Revenue from exchange transactions		13,016,860.00	11,042,295.00
Total revenue		102,918,101.00	47,319,274.00
Expenses			
Medical/Clinical costs	15	62,677,928.00	14,805,084.00
Employee costs	16	4,135,045.00	3,429,220.00
Board of Management Expenses	17	0	0
Depreciation and amortization expense	18	0	0
Repairs and maintenance	19	1,478,072.00	3,265,437.00
Grants and subsidies	20		0
General expenses	21	37,841,806.00	24,681,002.00
Finance costs	22	0	
Total expenses		106,132,851.00	46,180,743.00
Other gains/(losses)		(3,214,750.00)	1,138,531.00
Gain/Loss on disposal of non-Current assets	23	0	0

Marsabit Level Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

Description	Note	FY 2022/2023	FY 2021/2022
		Kshs	Kshs
Unrealized gain on fair value of investments	24	0	0
Medical services contracts Gains/Losses	25	0	0
Impairment loss	26	0	0
Gain on foreign exchange transactions		0	0
Total other gains/(losses)			0
Net Surplus / (Deficit) for the year		(3,214,750.00)	1,138,531.00

(The notes set out on pages 1 to 55 form an integral part of the Annual Financial Statements.)

The Hospital's financial statements were approved by the Health County Executive on 28/9/23 and signed on its behalf by:

Erano Galmo

CECM

Health Services

Date: 28/9/23

Kobia Kithela

Chief Accountant

ICPAK No: 22906

Date: 28/9/23

Kusan Abdulla

Chief Executive Officer

Date: 28/9/23



Comparative FY refers to the financial year preceding the current year.



Marsabit Level Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

15. Statement of Financial Position As At 30th June 2023

Description	Note	FY 2022/2023	FY 2021/2022
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	27	513,411.15	2,790,696.15
Receivables from exchange transactions	28	4,542,350.00	3,051,470.00
Receivables from non-exchange transactions	29	0	0
Inventories	30	4,855,709.00	5,871,604.00
Total Current Assets		9,911,470.15	11,713,770.15
Non-current assets		0	
Property, plant, and equipment	31	0	0
Intangible assets	32	0	0
Investment property	33	0	0
Total Non-current Assets		0	
Total assets		9,911,470.15	11,713,770.15
Liabilities			
Current liabilities			
Trade and other payables	34	6,188,675.00	4,776,225.00
Refundable deposits from customers/Patients	35	0	0
Provisions	36	0	0
Finance lease obligation	37	0	0
Current portion of deferred income	38	0	0
Current portion of borrowings	39	0	0
Social Benefits	41	0	0
Total Current Liabilities		6,188,675.00	4,776,225.00
Non-current liabilities		0	
Provisions	36	0	0
Non-Current Finance lease obligation	37	0	0
Non-Current portion of deferred income	38	0	0

Marsabit Level Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

Description	Note	FY 2022/2023	FY 2021/2022
		Kshs	Kshs
Non - Current portion of borrowings	39	0	0
Service concession liability	40	0	0
Social Benefits	41	0	0
Total Non-current liabilities		0	0
Total Liabilities		6,188,675.00	4,776,225.00
Net assets		3,722,795.15	6,937,545.15
Revaluation reserve		0	0
Accumulated surplus/Deficit		(2,076,219.00)	1,138,531.00
Capital Fund		5,799,014.15	5,799,014.15
Represented by:		3,722,795.15	0
Total Net Assets and Liabilities		9,911,470.15	11,713,770.15

(The notes set out on pages 1 to 55 form an integral part of the Annual Financial Statements.)

The Hospital's financial statements were approved by the Health County Executive on 28/9/23 and signed on its behalf by:



Kosra Kithela
 Chief Accountant
 ICPAK No: 22906
 Date: 28/9/23

Knessa Abdulu
 Chief Executive Officer
 Date: 28/9/23

ASSETS: NB, All assets belong to the County Government of Marsabit and they are reported in the County Financial statements. Plans are under way to separate the Hospital assets from the County assets. Also assets are not valued to give the book value. We will engage a Government valour to carry out valuation exercise of all hospital assets.

Marsabit Level Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

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

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2021	0	0	0	0
Revaluation gain	0	-	-	0
Surplus/(deficit) for the year	-	1,138,531.00	-	1,138,531.00
Capital/Development grants/reserves	-	-	5,799,014.15	5,799,014.15
As at June 30, 2022	0	1,138,531.00	5,799,014.15	6,937,545.15
At July 1, 2022	0	1,138,531.00	5,799,014.15	6,937,545.15
Revaluation gain	0	-	-	
Surplus/(deficit) for the year	-	(3,214,750.00)	-	(3,214,750.00)
Capital/Development grants	-	-		0
At June 30, 2023	0	(2,076,219.00)	5,799,014.15	3,722,951.15

(Note:

- For items that are not common in the financial statements, the entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.
- Prior year adjustments should have an elaborate note describing what the amounts relate to. In such instances, a restatement of the opening balances needs to be done.)

The Hospital's financial statements were approved by the Health County Executive on 28/9/23 and signed on its behalf by:

Grace Kalms

CECM
Health Services

Date: 28/9/23
20 SEP 2023

Kobira Kithela

Chief Accountant
ICPAK No:

Date: 28/9/23

Kuesu Abdur

Chief Executive Officer

Date: 28/9/23



Marsabit Level Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

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

Description	Note	FY2022/ 2023	FY 2021/2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government	6	0	5,923,725.00
In-kind contribution from County Government	7		
Grants from donors and development partners		0	0
Transfers from other Government entities	9	51,921,523.00	26,687,250.00
Public contributions and donations	10	0	
Rendering of services- Medical Service Income	11	13,016,860.00	11,042,295.00
Revenue from rent of facilities		0	0
Finance / interest income		0	0
Miscellaneous receipts(<i>specify</i>)		0	0
Total Receipts		64,938,383.00	43,653,270.00
Payments			
Medical/Clinical costs	15	23,133,923.00	11,263,254.00
Employee costs	16	4,135,045.00	3,429,220.00
Board of Management Expenses		0	0
Repairs and maintenance	19	1,478,072.00	3,251,202.00
Transfer to other Hospitals	9	8,600,000.00	0
General expenses	21	29,868,628.00	23,460,842.00
Finance costs		0	0
Refunds paid out		0	0
Total Payments		67,215,668.00	41,404,518.00
Net cash flows from operating activities	42	(2,277,285.00)	2,248,752.00
Cash flows from investing activities			
Purchase of property, plant, equipment & intangible assets		(0)	(0)
Proceeds from the sale of property, plant, and equipment		0	0
Acquisition of investments		(0)	(0)
Net cash flows used in investing activities		0	(0)
Cash flows from financing activities			
Proceeds from borrowings		0	0
Repayment of borrowings		(0)	(0)

Marsabit Level Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

Capital grants received		0	0
Net cash flows used in financing activities		0	0
Net increase/(decrease) in cash and cash equivalents			0
Cash and cash equivalents as at 1 July	27	2,790,696.15	541,944.15
Cash and cash equivalents as at 30 June	27	513,411.15	2,790,696.15

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

The Hospital's financial statements were approved by the Health County Executive on 28/9/23 and signed on its behalf by:

Grace Kaluo

CECM
Health Services

Date: 28/9/23

Kosia Kithela

Chief Accountant
ICPAK No:

Date: 28/9/23

Kusau Abdulh

Chief Executive Officer

Date: 28/9/23

CPA KOSIA KITHELA
CHIEF ACCOUNTANT
MARSABIT COUNTY GENERAL HOSPITAL
Date:

CHIEF EXECUTIVE OFFICER
MARSABIT - COUNTY
GENERAL HOSPITAL
Date:



Comparative refers to the financial year preceding the current year.

Marsabit Level Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of Variance
	a	b	c=(a+b)	d	e=(c-d)	f=e/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	
Revenue						
Transfers from the County Government (In-kind)	50,866,842.00.00	0.00	50,866,842.00	45,088,838.00	5,778,004.00	11.36%
Grants from donors and development partners	0	0	0	0	0	
Transfers from other Government entities	52,430,643.00	0.00	52,430,643.00	44,812,403.00	7,182,240.00	14.53%
Public contributions and donations	0	0	0	0	0	
Rendering of services- Medical Service Income	15,600,000.00	0.00	15,600,000.00	13,016,860.00	2,583,140.00	16.56%
Revenue from rent of facilities	0	0	0	0	0	
Finance / interest income	0	0	0	0	0	
Miscellaneous receipts (<i>specify</i>)	0	0	0	0	0	
Total income	118,897,485.00	0.00	118,897,485.00	102,918,101.00	15,979,384.00	13.44%
Expenses						
Medical/Clinical costs	78,136,000.00	0.00	78,136,000.00	62,677,928.00	15,458,072.00	19.78%
Employee costs	7,200,000.00	0.00	7,200,000.00	4,135,045.00	3,064,955.00	42.57%
Remuneration of directors	0	0	0	0	0	
Repairs and maintenance	3,920,000.00	0.00	3,920,000.00	1,478,072.00	2,241,928.00	62.29
Grants and subsidies		0.00				0
General expenses	29,575,000.00	0.00	29,575,000.00	37,841,806.00	(8,266,806.00)	-27.96
Finance costs	0	0	0	0	0	
Refunds	0	0	0	0	0	
Surplus/deficit for the period	66,485.00	0.00	66,485.00	(3,214,750.00)	3,281,235.00	
Capital expenditure	Nil	Nil	Nil	Nil	Nil	

Marsabit Level Five (5) Hospital (Marsabit County Government)
 Annual Report and Financial Statements for The Year Ended 30th June 2023

Sue Galwa.....

Lesia Kithera.....

Musa Redwan.....

CECM
 Health Services

Chief Accountant
 ICPAK No:

Chief Executive Officer



1. *Please provide an explanation of differences between actual and budgeted amounts (any over/90% under) IPSAS 24.14 cases: (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.*

Budget Notes

- j) Transfer from other entities are NHIF claims reimbursement. We projected an increase of 2,000,000 in terms of NHIF reimbursement.
- ii) Revenue projection relate to medical income which is Kshs 1,300,000 per month totalling to KSh 15,600,000 annually.
- iii) In kind contributions are KEMSA drugs, Non-pharmaceutical, renal reagents, food and rations and utility bills (Electricity)
 It is projected the County will buy drugs worth Ksh30Million, food and rations of Kshs 9,866,000 and pay utility bills of KSh 9million.
 The projection is based on the ideal situation of the needs of the hospital.
- iv) Contributions in kind are treated as income and also as an expenses.
- v) This Hospital raises 40% to 50% of the projected budgets. The deficit is supposed to be funded by the County Government.
- vii) Medical/clinical cost increased by KSh 51,408,858 due to in-kind contributions from county Government which such as kemsa drugs, food and rations and purchase of medical supplies by own source revenue.

Disclaimer: The Hospital is not in full compliance with IPSAS. We are gearing towards full compliance in subsequent audits.

19. Notes to the Financial Statements

1. General Information

Marsabit Level 5 Hospital entity is established by and derives its authority and accountability from Health Act. The entity is wholly owned by the Marsabit County Government and is domiciled in Marsabit County in Kenya.

The entity's principal activity is to offer high quality health care services that is accessible, equitable and affordable for Marsabit County population and its environs.

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 7,9,15,16,19,20,21,25. 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.

Disclaimer: The Hospital is not in full compliance with IPSAS. We are gearing towards full compliance in subsequent audits.

3. Adoption of New and Revised Standards

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

Standard	Effective date and impact
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • 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. <p><i>(The Hospital will adopt the standard as where appropriate)</i></p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>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:</p>

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

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

Standard	Effective date and impact
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>(The Hospital will adopt the standard as where appropriate)</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires:-</p> <ol style="list-style-type: none"> i. Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: ii. Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. <p><i>(The Hospital will adopt the standard as where appropriate)</i></p>

iii) Early adoption of standards FY. Year 2023

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (The financial statements are prepared on accrual basis.*

The Hospital is in full compliance of IPSAS but it's gearing to being full compliant.

4. Summary of Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other Government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

Notes to the Financial Statements (Continued)

b. Budget information

The original budget for FY 2023 was approved by Board/Executive in July 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.. 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 actuals as per the statement of financial performance has been presented on page 8 of these financial statements.

c. Taxes

Sales tax/ Value Added Tax

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

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

Notes to the Financial Statements (Continued)

d. Investment property

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

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

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

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

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

Notes to the Financial Statements (Continued)

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Notes to the Financial Statements (Continued)

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

Notes to the Financial Statements (Continued)

j. Inventories

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

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

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

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

k. Provisions

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

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

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

Notes to the Financial Statements (Continued)

l. Social Benefits

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

m. Contingent liabilities

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

n. Contingent assets

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

o. Nature and purpose of reserves

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

p. Changes in accounting policies and estimates

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

Notes to the Financial Statements (Continued)

q. Employee benefits

Retirement benefit plans

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

r. Foreign currency transactions

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

s. Borrowing costs

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

t. Related parties

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

Notes to the Financial Statements (Continued)

u. Service concession arrangements

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

v. Cash and cash equivalents

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

w. Comparative figures

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

x. Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

Notes to Financial Statements Continued

6. Transfers from the County Government

Description	FY 2022/2023	FY 2021/2022
	KShs	KShs
Unconditional grants		
Operational grant		
Level 5 grants		
Unconditional development 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		

6 b 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	Comparative Period
				2022/2023	2021/2022
				KShs	KShs
Marsabit County Government	0	0	0	0	5,923,725.00
Total	0	0	0	0	5,923,725.00

(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 xxx).

*Amount recognised in the statement of financial performance should be the recurrent grant and the development grant to the extent that there are no conditions attached. Total of column 1 should tie to note 6(the part on unconditional grants).

Notes to Financial Statements Continued

7. In Kind Contributions from The County Government

Description	FY 2022/2023	FY 2021/2022
	KShs	KShs
Salaries and wages	0	0
Medical supplies-Drawings Rights (KEMSA)	4,422,005.00	0
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)	30,322,000.00	0
Utility bills (Electricity expenses)	5,544,833.00	9,123,724.00
Food and Rations	4,800,000.00	0
Total grants in kind	45,088,838.00	9,123,724.00

(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	FY 2022/2023	FY 2021/2022
	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		

(Provide brief explanation for this revenue)

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

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

Notes to Financial Statements Continued

9. Transfers From Other Government Entities

Description	FY 2022/2023	FY 2021/2022
	KShs	KShs
Transfer from National Government (Ministry of Health)	0	0
Transfer from National Hospital Insurance fund	44,812,403.00	21,229.530.00
Total Transfers	44,812,403.00	21,229.530.00
Reconciled as follows		
Transfer from National Government – NHIF		
Less: Opening Receivables	51,921,523	
Less : Transfers not meant for Marsabit Hospital	3,051,470	
Add: Closing Year Receivables	8,600,000	
	4,542,350	
Closing Balance	44,812,403	21,229,530

Marsabit County had opted for the UHC Funds to be received in the Marsabit Level 5 Hospital and then transferred to the other Level IV Hospitals being Kalacha, Moyale and Laisamis hence the portrayed accounting

10. Public Contributions and Donations

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

(Provide brief explanation for this revenue)

10) Reconciliations of amortised grants

Description	FY 2022/2023	FY 2021/2022
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Marsabit Level Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

	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	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Pharmaceuticals	755,240.00	769,795.00
Non-Pharmaceuticals		
Laboratory	1,957,750.00	2,129,400.00
Radiology	3,018,700.00	2,454,400.00
Orthopedic and Trauma Technology	9500.00	12,200.00
Theatre	1,007,250.00	466,750.00
Accident and Emergency Service		
Anesthesia Service		
Ear Nose and Throat service		
Nutrition service		
Cancer centre service		
Dental services		614,800.00
Reproductive health		
Paediatrics services		
Farewell home services		
Other medical services income(inpatient)	6,696,650.00	5,043,970.00
Refunds	(428,230.00)	(449,020.00)
Total revenue from the rendering of services	13,016,860.00	11,042,295.00

(Other medical services fee relates to other charges not listed above and should be specified)

12. Revenue From Rent of Facilities

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Residential property		
Commercial property		
Total Revenue from rent of facilities		

(Provide brief explanation for this revenue)

13. Finance /Interest Income

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

(Provide brief explanation for this revenue)

14. Miscellaneous Income

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

(NB: All income should be classified as far as possible in the relevant classes and miscellaneous income should be used to recognise income not elsewhere classified).

15. Medical/ Clinical Costs

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Dental costs/ materials	849,530.00	247,810.00
Laboratory chemicals and reagents	3,669,542.00	690,304.00
Public health activities		183,000.00
Food and Ration (in kind contribution)	4,800,000.00	0
Food and Ration	1,860,610.00	0
Uniform, clothing, and linen		0
Dressing and Non-Pharmaceuticals (KEMSA)		8,807,430.00
Pharmaceutical and non-pharmaceuticals	45,357,070.00	2,085,660.00
Health information stationery		

Marsabit Level Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

Reproductive health materials		0
Sanitary and cleansing Materials	2,435,200.00	1,715,850.00
Purchase of Medical gases	495,600.00	480,000.00
Other medical gases		183,000.00
X-Ray/Radiology supplies	3,170,376.00	10,765,400.00
Cancer clinic supplies		0
Occupational therapy supplies	40,000.00	0
Other medical related costs(medical supplies)		595,030.00
Total medical/ clinical costs	62,677,928.00	14,805,084.00
Adjustments for Cash Flow statements		
Drugs in Kind	(34,744,005)	(3,541,830)
Expenditure in Food and Ration	(4,800,000)	
Balance to Cash flow statement	23,133,923.00	11,263,254.00

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

16. Employee Costs

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Salaries, wages, and allowances	4,135,045.00	3,429,220.00
Contributions to pension schemes	0	0
Service gratuity	0	0
Performance and other bonuses	0	0
Staff medical expenses and Insurance cover	0	0
Group personal accident insurance and WIBA	0	0
Social contribution	0	0
Other employee costs (<i>specify</i>)	0	0
Employee costs	4,135,045.00	3,429,220.00

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

17. Board of Management Expenses

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Chairman's Honoraria		
Sitting allowance		
Mileage		
Insurance expenses		
Induction and training		

Marsabit Level Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

Travel and accommodation allowance		
Airtime allowances		
Total		

18. Depreciation and Amortization Expense

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Property, plant and equipment		
Intangible assets		
Investment property carried at cost		
Total depreciation and amortization		

19. Repairs And Maintenance

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Property- Buildings	762,522.00	1,231,606.00
Medical equipment	615,550.00	274,295.00
Office equipment	0	0
Furniture and fittings	0	0
Computers and accessories	100,000.00	160,000.00
Motor vehicle expenses	0	1,599,536.00
Maintenance of civil works	0	0
Total repairs and maintenance	1,478,072.00	3,265,437.00
Adjusted for Cash flow statements		
Actual Cash payments		3,251,202.00
Accrued expenses		14,235.00
Total Repairs and Maintenance Costs	1,478,072.00	3,265,437.00

20. Grants And Subsidies

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Community development and social work	0	0
Education initiatives and programs	0	0
Free/ subsidised medical camp	0	0
Disability programs	0	0
Free cancer screening	0	0
Social benefit expenses	0	0
Other grants and subsidies(<i>UHC transfers</i>)	0	0

Marsabit Level Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

Total grants and subsidies	0	0
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Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42.
Disclosure: UHC for 4th quarter was funded in July 2022.

21. General Expenses

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Advertising and publicity expenses		
Catering expenses	2,687,429.00	1,175,395.00
Waste management expenses(cleaning services)	1,175,000.00	1,245,000.00
Insecticides and rodenticides		0
Audit fees		0
Bank charges	48,355.00	13,588.00
Conferences and delegations(free medical camps)		0
Consultancy fees		0
Contracted services(security services)	1,536,515.00	981,932.00
Electricity expenses	5,544,833.00	5,900,000.00
Fuel and Lubricants		0
Insurance		0
Research and development expenses		0
Travel and accommodation allowance		0
Legal expenses		0
Licenses and permits		0
Courier and postal services		0
Printing and stationery	836,685.00	1,003,799.00
Hire charges		0
Rent expenses		0
Water and sewerage costs	1,890,817.00	1,088,995.00
Other operating expenses	23,933,515.00	13,188,083.00
Telephone and mobile phone services	188,657.00	84,210.00
Internet expenses		0
Staff training and development		0
Subscriptions to professional bodies		0
Subscriptions to newspapers periodical, magazines, and gazette notices		0
Library books/Materials		0
2Parking charges		0
Total General Expenses	37,841,806.00	24,681,002.00
Adjusted for Statement of Cash Flows		
Accrued Operating Expenses	(2,428,345.00)	(1,220,842.00)

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Settled Electricity Bill	(5,544,833.00)	
Balance to Statement of Cash Flows	29,868,628.00	23,460,842.00

22. Finance Costs

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

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

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

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

24. Unrealized Gain On Fair Value Investments

Description	FY 2022/2023	FY 2021/2022
	KShs	KShs
Investments at fair value		
Total gain		

25. Medical Services Contracts Gains /Losses

Description	FY 2022/2023	FY 2021/2022
	KShs	KShs
Comprehensive care contracts with NHIF-uhc	0.00	0.00
Non- Comprehensive contracts care with NHIF	0.00	0.00
Linda Mama Program	0.00	0.00
Waivers and Exemptions	0.00	0.00
Total Gain/Loss	0.00	0.00

Marsabit Level Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

26. Impairment Loss

Description	FY 2022/2023	FY 2021/2022
	KShs	KShs
Property, plant, and equipment		
Intangible assets		
Total impairment loss		

27. Cash And Cash Equivalents

Description	FY 2022/2023	FY 2021/2022
	KShs	KShs
Current accounts	441,183.15	2,739,101.15
On - call deposits	0	0
Fixed deposits accounts	0	0
Cash in hand	59,685.00	51,595.00
Others(<i>specify</i>)- Mobile money	12,543.00	0
Total cash and cash equivalents	513,411.15	2,790,696.15

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

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

Description		FY 2022/2023	FY 2021/2022
Financial institution	Account number	KShs	KShs
a) Current account			
Kenya Commercial bank	1102656240	605.40	2,124,732.40
Kenya Commercial bank	1145056148	433,614.50	607,279.50
Kenya Commercial bank	1153165007	6,963.25	7089.25
Equity Bank, etc		0	
Sub- total		441,183.15	2,739,101.15
b) On - call deposits			
Kenya Commercial bank		0	
Equity Bank – etc			
Sub- total			
c) Fixed deposits account			
Bank Name			

*Marsabit Level Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023*

Sub- total			
d) Others(specify)			
cash in hand		59,685.00	51,595.00
Mobile money- Mpesa, money		12,543.00	
Sub- total		72,228.50	2,790,696.15
Grand total		513,411.15	2,790,696.15

28. Receivables From Exchange Transactions

Description	FY 2022/2023	FY 2021/2022
	KShs	KShs
Medical services receivables(nhif)	4,542,350.00	3,051,470.00
Rent receivables		
Other exchange debtors		
Less: impairment allowance		
Total receivables	4,542,350.00	3,051,470.00

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

Analysis of Receivables From Exchange Transactions

Description	FY 2022/2023		FY 2021/2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	4,542,350.00	%	3,051,470.00	%
Between 1- 2 years		%		%
Between 2-3 years		%		%
Over 3 years		%		%
Total (a+b)	4,542,350.00	%	3,051,470.00	%

29. Receivables From Non-Exchange Transactions

Description	FY 2022/2023	FY 2021/2022
	KShs	KShs
Transfers from the County Government		
Undisbursed donor funds		
Other debtors (<i>non-exchange transactions</i>)		

Marsabit Level Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

Less: impairment allowance		
Total		

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

Analysis of Receivables From Non-Exchange Transactions

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

30. Inventories

Description	FY 2022/2023	FY 2021/2022
	KShs	KShs
Pharmaceutical and Non-pharms supplies	4,855,709.00	5,871,604.00
Maintenance supplies		
Food supplies		
Linen and clothing supplies		
Cleaning materials supplies		
General supplies		
Less: provision for impairment of stocks		
Total	4,855,709.00	5,871,604.00

Marsabit Level Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

Notes to the Financial Statements (Continued)

31. Property, Plant and Equipment

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Cost								
At 1 July 2021 (previous year)								
Additions								
Disposals								
Transfers/adjustments								
At 30th Jun 2022								
At 1 July 2022 (current year)								
Additions								
Disposals								
Transfer/adjustments								
At 30th Jun 2023								
Depreciation and impairment								
At 1 July 2021 (previous year)								
Depreciation for the year								
Disposals								
Impairment								
At 30 June 2022								

Marsabit Level Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

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

Notes to the Financial Statements (Continued)

32. Intangible Assets-Software

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

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

Marsabit Level Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

Notes to the Financial Statements (Continued)

34. Trade and other Payables

Description	FY 2022/2023		FY 2021/2022	
	KShs		KShs	
Trade payables	6,188,675.00		4,776,225.00	
Employee dues				
Third-party payments (e.g. unremitted payroll deductions)				
Audit fee				
Doctors' fee				
Total trade and other payables	6,188,675.00		4,776,225.00	
Ageing analysis:	Current FY	% of the Total	Compa rative FY	% of the total
Under one year		%		%
1-2 years		%		%
2-3 years		%		%
Over 3 years		%		%
Total		%		%

35. Refundable Deposits from Customers/Patients

Description	FY 2022/2023		FY 2021/2022	
	KShs		KShs	
Medical fees paid in advance				
Credit facility deposit				
Rent deposits				
Others (refunds)	0		0	
Total deposits	0		0	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year		%		%
1-2 years		%		%
2-3 years		%		%
Over 3 years		%		%
Total		%		%

Notes to the Financial Statements (Continued)

36. Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	KShs	KShs	KShs	KShs
Balance at the beginning of the year				
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	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Current Lease obligation		
Long term lease obligation		
Total		

38. Deferred Income

Description	FY 2022/2023	FY 2021/2022
	KShs	KShs
Current Portion		
Non-Current Portion		
Total		

Marsabit Level Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

Notes to the Financial Statements (Continued)

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

Description	National government	International funders/ donors	Public contributions and donations	Total
Balance b/f				
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	FY 2022/2023	FY 2021/2022
	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		

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

Description	FY 2022/2023	FY 2021/2022
	KShs	KShs
Current Obligation		
Non-Current Obligation		
Total		

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

Notes to the Financial Statements (Continued)

40. Service Concession Arrangements

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

41. Social Benefit Liabilities

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

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

Marsabit Level Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

Notes to the Financial Statements (Continued)

42. Cash Generated from Operations

Description	FY 2022/2023	FY 2021/2022
	KShs	KShs
Surplus for the year before tax		
Adjusted for:		
Depreciation	0	0
Non-cash grants received	(0)	(0)
Impairment	0	0
Gains and losses on disposal of assets	(0)	(0)
Contribution to provisions	0	0
Contribution to impairment allowance	0	0
Working Capital adjustments		
Increase in inventory	(0)	(0)
Increase in receivables		(0)
Increase in deferred income		0
Increase in payables		0
Increase in payments received in advance	0	0
Net cash flow from operating activities		

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

Notes to the Financial Statements (Continued)

43. Financial Risk Management

The entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The 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:

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2022 (previous year)				
Receivables from exchange transactions				
Receivables from –non-exchange transactions				
Bank balances				
Total				
At 30 June 2023 (current year)				
Receivables from exchange transactions				
Receivables from –non-exchange transactions				
Bank balances				
Total				

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

Marsabit Level Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

Notes to the Financial Statements (Continued)

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2022				
Trade payables	4,776,225.00	3,784,125.00	992,100.00	4,776,225.00
Current portion of borrowings				
Provisions				
Deferred income				
Employee benefit obligation				
Total	4,776,225.00	3,784,125.00	992,100.00	4,776,225.00
At 30 June 2023				
Trade payables	6,188,675.00	5,196,575.00	992,100.00	6,188,675.00
Current portion of borrowings				
Provisions				
Deferred income				
Employee benefit obligation				
Total	6,188,675.00	5,196,575.00	992,100.00	6,188,675.00

Notes to the Financial Statements (Continued)

(iii) Market risk

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

The 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:

Description	KShs	Other currencies	Total
	Kshs		Kshs
At 30 June 2023			
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.

Marsabit Level Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

Notes to the Financial Statements (Continued)

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

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.

Description	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
2022 (previous year)			
Euro	10%		
USD	10%		
2023 (current year)			
Euro	10%		
USD	10%		

b) Interest rate risk

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The 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.

Notes to the Financial Statements (Continued)

Sensitivity analysis

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

There was no sensitivity analysis carried out during the year.

iv) Capital Risk Management

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

Description	FY 2022/2023	FY 2021/2022
	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	xx%	xx%

Marsabit Level Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

Notes to the Financial Statements (Continued)

44. Related Party Balances

Nature of related party relationships

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

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

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

Description	FY 2022/2023	FY 2021/2022
	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		

Marsabit Level Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Directors' emoluments		
Compensation to the medical Sup		
Compensation to key management		
Total		

45. Segment Information

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

46. Contingent Liabilities

Contingent liabilities	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Court case xxx against the company		
Bank guarantees in favour of subsidiary		
Total		

(Give details)

47. Capital Commitments

Capital Commitments	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Authorised For		
Authorised And Contracted For		
Total		

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

48. Events after the Reporting Period

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

Marsabit Level Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

49. Ultimate and Holding Entity

The entity is a Semi- Autonomous Government Agency under the Department of Health services of County Government of Marsabit. Its ultimate parent is the Government of Kenya.

50. Currency

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

1. Appendices

Appendix 1: Progress on Follow Up of Auditor Recommendations

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

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

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from the final external audit report that is signed by Management.
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for 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

Appendix II: Projects Implemented by The Entity

Projects

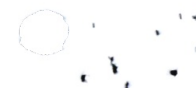
Projects implemented by the Hospital Funded by development partners

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 Oxygen plant		USAID	2023			
2						

Status of Projects completion

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

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



Marsabit Level Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

Appendix III: Inter-Entity Confirmation Letter

[Insert your Letterhead]

[Insert name of beneficiary entity]

[Insert Address]

The *[insert SC/SAGA/Fund name here]* 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 <i>[Insert name of beneficiary entity]</i> as at 30 th June 2023								
Reference Number	Date Disbursed	Amounts Disbursed by <i>[SC/SAGA/Fund]</i> (KShs) as at 30th June 2023				Total (D)=(A+B+C)	Amount Received by <i>[beneficiary entity]</i> (KShs) as at 30 th June 20XX (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)				
Total								

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

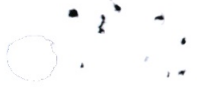
Head of Accounts Department of the beneficiary entity:

Name **Sign** **Date**

Marsabit Level Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

Appendix IV Reporting of Climate Relevant Expenditures

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



Marsabit Level Five (5) Hospital (Marsabit County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

Appendix V: Disaster Expenditure Reporting Template

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

GENERAL LEDGER 2022/2023

Ledger	Date	DR.	CR.	GL Amount
Catering	31-Jul	CB		323,610.00
Catering	30-Sep	CB		319,410.00
Catering	31-Dec	CB		525,930.00
Catering	31-Dec	CB		239,115.00
Catering	31-Jan	CB		120,000.00
Catering	28-Feb	CB		259,410.00
Catering	31-Mar	CB		159,507.00
Catering	30-Apr	CB		220,507.00
Catering	30-Jun	CB		159,000.00
Catering	31-Jul	CB		120,000.00
				2,446,489.00
cleaning services	31-Jul	CB		330,000.00
cleaning services	31-Dec	CB		330,000.00
cleaning services	28-Feb	CB		340,000.00
cleaning services	30-Apr	CB		175,000.00
				1,175,000.00
computer and accessories	30-Apr	CB		100,000.00
				100,000.00
dental supplies	31-Dec	CB		147,430.00
dental supplies	31-Jan	CB		550,000.00
dental supplies	31-Mar	CB		125,000.00
dental supplies	30-Apr	CB		27,100.00
				849,530.00
Drugs and non-pharms	31-Jul	CB		1,200,000.00
Drugs and non-pharms	30-Sep	CB		950,000.00
Drugs and non-pharms	31-Oct	CB		911,000.00
Drugs and non-pharms	31-Dec	CB		500,000.00
Drugs and non-pharms	31-Jan	CB		500,000.00
Drugs and non-pharms	28-Feb	CB		200,000.00
Drugs and non-pharms	31-Mar	CB		200,000.00
Drugs and non-pharms	30-Apr	CB		574,920.00
Drugs and non-pharms	30-Jun	CB		80,000.00
Drugs and non-pharms	31-Jul	CB		597,615.00
Drugs and non-pharms	31-Oct	CB		100,000.00
Drugs and non-pharms	30-Nov	CB		210,130.00
Drugs and non-pharms	28-Feb	CB		150,000.00
				6,173,665.00
Food and rations-renal		CB		235,000.00
Food and rations-renal		CB		557,250.00
Food and rations-renal		CB		366,960.00
Food and rations-renal		CB		314,900.00
Food and rations-renal		CB		259,500.00
Food and rations-renal		CB		127,000.00
				1,860,610.00
Fuel and Lubricants	31-Jul	CB		200,000.00
Fuel and Lubricants	30-Apr	CB		300,000.00
				500,000.00
laboratory reagents/supplies	31-Jul	CB		140,500.00
laboratory reagents/supplies	31-Oct	CB		110,800.00
laboratory reagents/supplies	31-Jan	CB		61,500.00
laboratory reagents/supplies	31-Mar	CB		2,940,942.00
laboratory reagents/supplies	30-Apr	CB		94,500.00
laboratory reagents/supplies	31-Jan			223,300.00
				3,571,542.00
maintenance of buildings	30-Sep	CB		100,800.00
maintenance of buildings	28-Feb	CB		88,370.00
maintenance of buildings	30-Apr	CB		26,000.00
				215,170.00
maintenance of medical equipment		CB		

other operating expenses (FIF)	31-Jul	CB		500,000.00	
other operating expenses (FIF)	31-Aug	CB		438,500.00	
other operating expenses (FIF)	30-Sep	CB		170,000.00	
other operating expenses (FIF)	31-Oct	CB		335,000.00	
other operating expenses (FIF)	30-Nov	CB		545,000.00	
other operating expenses (FIF)	31-Dec	CB		652,000.00	
other operating expenses (FIF)	31-Jan	CB		520,000.00	
other operating expenses (FIF)	28-Feb	CB		600,000.00	
other operating expenses (FIF)	31-Mar	CB		1,422,000.00	
other operating expenses (FIF)	30-Apr	CB		1,085,000.00	
other operating expenses (FIF)	31-May	CB		1,040,000.00	
other operating expenses (FIF)	30-Jun			700,000.00	
				8,007,500.00	
other operating expenses (NHIF)	31-Jul	CB		1,370,000.00	
other operating expenses (NHIF)	31-Aug	CB		616,000.00	
other operating expenses (NHIF)	30-Sep	CB		2,010,000.00	
other operating expenses (NHIF)	30-Nov	CB		1,000,000.00	
other operating expenses (NHIF)	28-Feb	CB		4,650,000.00	
other operating expenses (NHIF)	31-Mar	CB		2,369,000.00	
other operating expenses (NHIF)	30-Apr	CB		2,301,000.00	
other operating expenses (NHIF)	31-May	CB		657,000.00	
other operating expenses (NHIF)	30-Jun	CB		1,809,000.00	
				16,782,000.00	
sanitary and cleaning	31-Jul	CB		395,800.00	
sanitary and cleaning	31-Oct	CB		501,200.00	
sanitary and cleaning	31-Dec	CB		190,000.00	
sanitary and cleaning	28-Feb	CB		382,000.00	
sanitary and cleaning	31-Mar	CB		308,000.00	
sanitary and cleaning	30-Apr	CB		445,000.00	
sanitary and cleaning	30-Jun	CB		100,000.00	
				2,322,000.00	
security services	31-Jul	CB		358,448.00	
security services	Sep-31	CB		415,423.00	
security services	31-Jan	CB		286,644.00	
security services	30-Apr	CB		476,000.00	
				1,536,515.00	
stationaries	31-Jul	CB		174,080.00	
stationaries	30-Sep	CB		62,500.00	
stationaries	30-Dec	CB		166,500.00	
stationaries	31-Mar	CB		189,875.00	
stationaries	30-Apr	CB		71,500.00	
stationaries	30-Nov	CB		50,000.00	
				714,455.00	
water and sewerage	31-Oct	CB		220,000.00	
water and sewerage	31-Dec	CB		290,000.00	
water and sewerage	31-Jan	CB		220,000.00	
water and sewerage	30-Apr	CB		136,000.00	
water and sewerage	31-Mar	CB		350,000.00	
	30-Apr	CB		306,000.00	
				1,522,000.00	
uhc transfers	31-Jul	CB		2,500,000.00	
uhc transfers	31-Oct	CB		2,500,000.00	
uhc transfers	31-Dec	CB		2,000,000.00	
uhc transfers	31-Mar	CB		1,600,000.00	
				8,600,000.00	
Occupational therapy	31-Oct	CB		40,000.00	
X-ray supplies	31-Oct	CB		171,076.00	
X-ray supplies	31-Dec	CB		1,999,300.00	
X-ray supplies	31-Dec	CB		1,000,000.00	
				3,170,376.00	
			Totals	59,586,852.00	-

59,586,852.00 nhif/fif CB

Variance

MARSABIT LEVEL 5 HOSPITAL JOURNALS 2022-2023

	description	Dr	Cr	narrations
Jv 1	maintenance of buildings	400,380.00		being recognition of expenditure at source
	cash		400,380.00	
Jv 2	medical gases	495,600.00		being recognition of expenditure at source
	cash		495,600.00	
Jv 3	water and sewerage	495,230.00		
	cash		495,230.00	being recognition of expenditure at source
Jv 4	stationaries	122,230.00		
	cash		122,230.00	being recognition of expenditure at source
Jv 5	sanitary and cleaning	113,200.00		
	cash		113,200.00	being recognition of expenditure at source
Jv 6	catering	240,940.00		
	cash		240,940.00	being recognition of expenditure at source
Jv 7	casual wages	845,045.00		
	casual wages	3,290,000.00		
	cash		845,045.00	being recognition of expenditure at source
	other operating expenses		3,290,000.00	being casual wages included in other operating exp
Jv 8	laboratory reagents	98,000.00		
	cash		98,000.00	being recognition of expenditure at source
Jv 9	drugs and non pharms	679,070.00		
	cash		679,070.00	being recognition of expenditure at source
Jv 10	telephone and airtime	188,657.00		
	cash		188,657.00	being recognition of expenditure at source
Jv 11	fuel and lubricants	262,522.00		
	cash		262,522.00	being recognition of expenditure at source
Jv 12	other operating expenses	5,670.00		
	cash		5,670.00	being recognition of expenditure at source
Jv 13	revenues	5,257,070.00		recognition of capital fund (opening bal at bank and receivables on 1st july 2021)
	capital fund		5,257,070.00	
Jv 14	revenues	45,088,838.00		
	in kind contribution fro county		45,088,838.00	being recognition of revenue from county not in cash book (drugs ,food rations and electricity)
Jv 15	receivables	4,542,350.00		being recognition of receivables as revenues
	nhif claims(sales)		4,542,350.00	

Jv 16	medical costs	3,760,330.00		being recognition payables . This is nesseciated by movement from cash from accrual basis
	general expenses	2,428,345.00		
	payables		6,188,675.00	
Jv 17	Inventory	2,820,134.00		being prior period drugs donated recognized in the current period
	Donations		2,820,134.00	
	Totals	71,133,611.00	71,133,611.00	

