

REPUBLIC OF KENYA



*Enhancing Accountability*

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**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

DATE 24/09/24  
TABLED BY M.L.  
COMMITTEE  
Abdirahman

**BAMBA SUB-COUNTY LEVEL 4 HOSPITAL**

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

**COUNTY GOVERNMENT OF KILIFI**

OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
REGISTRY

21 JUN 2024

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**BAMBA SUBCOUNTY HOSPITAL**  
**Level 4 HOSPITAL**  
**(Kilifi County Government)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

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



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*Bamba Subcounty Hospital  
Kilifi County Government*

*Annual Report and Financial Statements For The Year Ended 30<sup>th</sup> June 2022*

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## **I.Key Entity Information and Management**

### **(a) Background information**

Bamba sub-county is level 4 hospital which is located in coast region, Kilifi county, Ganze sub county, Bamba ward, mtsarawatsastu location. The hospital is near Bamba shopping centre along Bamba Kaloleni road.60km from Kilifi and 41 km from mariakani.it has approximately 4 acres of land .It was started as a dispensary in 1968 opened by mzee Jomo Kenyatta in 1978 it was upgraded to a health centre in2009 it become a subdistrict hospital until 2014 due to devolution it was upgraded to Bamba subcounty hospital.

**(b) Principal Activities**The Vision A healthy and productive population in Kilifi county.Mission To provide quality healthcare services that are accessible, acceptable, sustainable, and equitable visible to the population of Kilifi county and beyondCore valuesThe main mandate of BSCH is to provide curative, preventive, promotive and rehabilitative health services. It offers specialized clinical services in various disciplines. It facilitates training for medical students.

### **(c) Key Management**

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

- County department of health
- Board of Management
- Accounting Officer/ Medical Superintendent
- Hospital Management Team

### **(d) Fiduciary Management**

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

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No.	Designation	Name
1.	Medical Superintendent	Michael Furaha
2.	Head of finance	Elizabeth Karisa
3.	Head of supply chain	MwachiroMwatata
4.	Administrator	Julius Fondo
5.	Nursing officer in charge	Jeremiah Fondo

**(e) Fiduciary Oversight Arrangements**

**i. The County Assembly**

The County assembly, pursuant to the constitution of Kenya, 2010 and the County Government Act, 2012 under Article 8(1) has fiduciary oversight role over the execution of the functions of the County Government, it approves the budget and expenditure of the County Government in accordance with article 207 of the constitution of Kenya. It also approves the borrowings of the County Government in accordance of the constitution 212 of the Constitution of Kenya 2010.

**ii. The Controller of budget**

The controller of budget has fiduciary oversight role of the County Government under article 22(5) of the Constitution of Kenya, 2010 by approving withdrawal from the public funds only when satisfied that it is authorized by law.

**iii. County executive committee**

The County Executive Committee exercise executive authority in accordance with the constitution and county legislation.

**iv. Internal Auditor Department**

The internal Audit Department of the County Government of Kilifi ensure that the internal control exist and are adhered to. The internal Audit reports to the county Audit Committee.

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**(f) Entity Headquarters**

P.O. Box 8 -80114  
Ganze–Mariakani Bamba road  
Bamba, KENYA

**(f) Entity Contacts**

Email. [Bambasubcounty2015@gmail.com](mailto:Bambasubcounty2015@gmail.com)  
Contact.0700825937

**(g) Entity Bankers**

Cooperative Bank  
Kilifi branch  
P.O.Box96-80108  
Kilifi.

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

**(j) County Attorney**


Kilifi Plaza  
Hospital Road  
P.O Box 519-80108

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Kilifi, Kenya


**11. The Board of Management**

I. Ref	Management	Details
1	<p>Mr. Edward Yongo</p> 	<p><b>Chairman</b></p> <p>MR Edward being the Chairman of Management, Bamba Sub County Hospital, worked as a teacher until his retirement. He was also privileged to study Bachelor of Education (Arts option) and was awarded a Degree 20th June 2012</p> <p>His capacity to serve the community within and outside Granze Sub County to acquire sufficient medical services through the Board of Management as the Chairman.</p>



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2	 <p>Mrs. Alice Loyeima</p>	<p>Vice Chair</p> <p>Mrs. Alice works at the Board of Management as the vice Chairperson, serving the Community of Ganze Sub County as we earmarked improved service delivery at the Bamba Sub County Hospital. She was privileged to do Kenya Certificate of Secondary Education. Alongside my other teammates of the Board, we have a role in making sure sufficient and efficient services are provided within the facility through with limited resources.</p>
3	 <p>Mr. Daniel Nkonyo</p>	<p>Member</p> <p>He was appointed as a Board Member of Bamba Sub County Hospital on the capacity of person living with disability. He has done Kenya Certificate of Secondary Education in the year 2003. He dedicates his sincere service delivery to the community of Ganze Sub County for this period as a Board member of Bamba Sub-County Hospital.</p>


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4	 Mr. Rashid Jefwa	Member  A board member of Bamba sub county hospital in Ganza sob county. He did his Kenya certificate of secondary education in the year 2006. He was privileged to do a certificate in ICT at Junda ICT Centre, he also did certificate in plant operator in the year 2021. He is dedicated to make sure the community in Ganza sub county hospital get efficient services.
5	 Mr. Morris Mutoro	Member  Mr Mutoro did his certificate at East African Certificate in Education in the year 1976. He has sufficient skills to render to the community through his membership of Board of Management of Bamba Sub County Hospital in Ganza Sub County.
6	Mrs. Alice Dzame	Member  Mrs. Alice is Board Member of Bamba Sub-County Hospital. She did her Kenya Certificate of Secondary Education in the year 1991. She is determined to transform the facility alongside his fellow Board Members to the level four hospital status both infrastructure wise and manpower.

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7	<p>Mrs. Dorothy Mwangolo</p> 	<p>Member</p> <p>Mrs Dorothy is a Board Member of Bamba Sub County Hospital, being a level four Hospital in Ganze Sub County. She did her secondary school examination in the year 1999. It's my sincere hope that we as Board of Management will have the zeal dedicated towards the Community of Ganze Sub County in getting sufficient services.</p>



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8	<p>Mr. Gedion Katana</p> 	<p>Member</p> <p>I am a Board member at Bamba sub county hospital in Ganze sub county. I did my Kenya Certificate of secondary education in the year 1999.</p> <p>I am therefore determined to execute services as a board member of Bamba sub county hospital with much zeal.</p>
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**III Management Team**

Ref	Management	Details
1.	 <p>Michael Furaha MD Degree</p>	Medical superintendent
2.	 <p>Julius Fondo-Administrator for over 20yrs</p>	Administrator
3.	 <p>Jeremiah Fondo -Degree in nursing</p>	Nursing officer in charge
4.	Elizabeth Karisa B.COM (Finance )	Head of finance

	 <p>Mwachiro Mwatata - Diploma in supply chain</p>	
5.		Head of procurement

**IV. Chairman's Statement**

BSCH main mandate is providing curative, preventive, promotive and rehabilitative health services. it offers specialized clinical services in various disciplines. BSCH being a centre of healthcare delivery is always set and ready for the dynamic healthcare and environmental changes.

Future plans of the hospital are to establish 300 bed capacity, conduct surgeries, to build a mortuary and others. It is in this regard that I have the pleasure to present the BSCH financial statements for 2021/2022 ending 30<sup>th</sup> June 2022. The financial statements present the financial performance of the fund in relation to ensuring affordable and quality healthcare.

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BSCH started the year's operations on a positive outlook, but because it covering a huge population continued to realize huge flow of patients from neighbouring ward These circumstances had an adverse impact on the performance of the hospital, as most of these patients are poor and not able to pay their bills leading high waivers.

The HMB and hospital management is striving to position the hospital as the lead health service provider in the region, seek increased visibility, resource mobilization and allocation in line with the status of a teaching referral& research hospital. It will further seek to win the support of local leaders with a goal of boosting the image of the hospital and improving its relations with the political leadership and public at large. (Improve linkage with private players and other public healthcare providers in the whole region and beyond.

The overwhelming need and challenges provide opportunities for strategic thinking about the future of the hospital's brand. It shaped the change process that the Board of Management approved to upgrade the hospital to a full level 4 hospital to secure a sustainable future. The Board made radical decisions to restructure and rationalize the hospital's core business centres to optimize their performance. It fast-tracked the process by bringing in a qualified consultant to jumpstart the process of giving the hospital full autonomy towards its operations which is now under implementation by the Management.

To consolidate its mandate as a level 4 hospital and realize its vision and mission, BSCH will implement a set of priority activities organized around the following eight key strategic choices in the period set in this strategic plan:

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1. Clinical services and products
2. Healthcare financing and sustainability
3. Quality improvement
4. Human resource development
5. Infrastructure development
6. Leadership and governance
7. Health information

Mr.Edward Yongo

Chairperson

Board of Management

30 June 2022

## **V. Report of the Chief Executive Officer**

BSCH exists and operates within a broader socioeconomic and political context. The understanding of this environment is critical in enabling the hospital to position itself to take advantage of emerging opportunities and deal with threats. Of fundamental importance in this environment is government policy. As a public hospital, BSCH is governed by the policies and regulations set forth by both the National and County government departments responsible for health services

The hospital, having been commissioned in 1968, has seen a lot of development by the county government providing more funds to improve the in-patient capacity and outpatient facilities to its present state. The main mandate of BSCH is to provide curative, preventive, promotive and rehabilitative health services. It offers specialized clinical services in various disciplines. It serves as a centre for research activities, training for medical students. The hospital has 67 staff and has outsourced Security services

The hospital's revenue is derived from Facility improvement funds (FIF), County grants, and donors. During this financial year the hospital has realized great improvement of revenue compared to the last financial 2020/2021 however last financial year may have not been a good base for comparison as *BSCH* was one of the hospital piloting universal healthcare.

Operating revenue increased from Sh.1,722,905 to Sh.3,482,671. The number of patients' admissions increased by 14.63% while the Mortality rate dropped from 10.6% to 10.6%. The key drivers of our revenue included Pharmacy, Laboratory, Maternity, Bed fees, surgical fees and Radiology, which contributed to the total revenue.

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The total expenditures during the period amounted to Kshs. 11,492,458 representing 85.23% total approved budget. Top drivers of the budget were medical drugs, Staff remunerations, non-pharmaceuticals, daily subsistence allowance, Laboratory, Contracted Services among others. High Utilization rate realized.

This plan intends to sustain a competitive business like orientation to achieve improved client satisfaction, financial sustainability, and infrastructure development that reflects modern standards in medical practice.

The strategy is characterized by both Growth and social responsibility and transformative initiatives that will see the hospital grow to become the best hospital in Eastern central Africa.

The HMB and hospital management realized great achievement in terms of revenue generation, which has grown compared to the previous financial year 2020/2021, infrastructural development such as renovations of various wards i.e., changing x-ray room to a ward. and Human resource development. We were able to carry out Successful outreaches, which benefited many of our patients across the whole location leading to an overall increment in our revenue performance.

BSCH based on the population that its serves is faced with a lot of challenges ranging from Global issues, financial constraints, inadequate human resource, environmental challenges, infrastructural i.e. dilapidated buildings, and technological growth that the hospital have to adopt in order to succeed in the healthcare service delivery.

Modern Technology transformation is one of the pillars of the Strategic Plan. The hospital has embarked on this journey to increase operational efficiencies, enhance customer experience through consistent and patient-focused service delivery and informed decision-making aided by business intelligence.

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I take this opportunity to express my sincere gratitude and appreciation to the Ministry of health, county government of Kisumu, development partners, stakeholders, management and staff for their continued support, which made us, achieves these results.

I look forward to your continued support in the year 2022/2023.

**Dr David Mulewa**  
**Chief Executive Officer**

## **VI Statement of Performance Against Predetermined Objectives**

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

*BSCH* has eight strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY 2021- FY 2022. These strategic pillars/ themes/ issues are as follows;

1. Clinical services and products
2. Healthcare financing and sustainability
3. Quality improvement
4. Human resource development
5. Infrastructure development
6. Leadership and governance
7. Health information

*BSCH* develops its annual work plans based on the above *Eight* pillars/Themes/Issues. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The *Hospital* achieved its performance targets set for the FY 2021/2022 period for its eight strategic pillars, as indicated in the diagram below:

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Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Clinical Services Delivery and Infrastructural development	<ul style="list-style-type: none"> <li>To Establish and enhance good clinical governance</li> </ul>	<ul style="list-style-type: none"> <li>Hospital Drug formulary in place</li> <li>No of stock-out tracer drugs</li> <li>No of prescription reviewed</li> <li>Updated SOPs</li> <li>No of Pharma covigilance conducted</li> </ul>	<ul style="list-style-type: none"> <li>Rational use of Medications</li> <li>Rational use of blood and blood products</li> <li>Provision of Health products</li> <li>Monthly Clinical Audits and mortality Meetings</li> </ul>	<ul style="list-style-type: none"> <li>Hospital Drug formulary in place.</li> <li>%Reduction in morbidity and mortality.</li> </ul>
	<ul style="list-style-type: none"> <li>To strengthen Emergency Preparedness</li> </ul>	<ul style="list-style-type: none"> <li>Training reports</li> <li>Committee Minutes</li> </ul>	<ul style="list-style-type: none"> <li>Train staff on Emergency preparedness.</li> <li>Form Emergency Preparedness Committee</li> <li>Conduct Annual Emergency Drill</li> </ul>	<ul style="list-style-type: none"> <li>Staff Trained</li> <li>Committee is in existence.</li> <li>Two Emergency drills conducted.</li> </ul>
	<ul style="list-style-type: none"> <li>To Expand work space through infrastructural</li> </ul>	<ul style="list-style-type: none"> <li>Completion Certificates</li> <li>Project Committee Evaluation Report.</li> </ul>	<ul style="list-style-type: none"> <li>To complete radiology building</li> <li>To complete radiotherapy</li> </ul>	<ul style="list-style-type: none"> <li>Radiology building</li> <li>Farewell home 100%</li> </ul>

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	Development	<ul style="list-style-type: none"> <li>• Survey Reports</li> </ul>	<p>Centre.</p> <ul style="list-style-type: none"> <li>• To complete the new farewell home</li> <li>• To construct and complete orthopaedic burns ward</li> <li>• Construction of modern kitchen.</li> <li>• Installation of kitchen LPG Gas</li> </ul>	<p>complete</p> <ul style="list-style-type: none"> <li>• Orthopaedic burns unit 100%complete</li> <li>• Modern kitchen 35% complete</li> <li>• Kitchen LPG gas 100% complete</li> </ul>
	<ul style="list-style-type: none"> <li>• To ensure Quality Diagnostic Services</li> </ul>	<ul style="list-style-type: none"> <li>• Registers</li> <li>• Survey reports</li> <li>• Client satisfaction report</li> <li>• EMR</li> </ul>	<ul style="list-style-type: none"> <li>• Expand the scope of 24 hours specialized services</li> <li>• Introduce new specialized Services</li> <li>• Adhere to Quality Standards</li> </ul>	<ul style="list-style-type: none"> <li>• CT Scan and MRI done on call 24 hours</li> <li>• UECs Culture sensitivity etc done 24 hours</li> <li>• EEG, ECG AND ECHO introduced and working 24 hours.</li> </ul>
Healthcare Financing and Sustainability	<ul style="list-style-type: none"> <li>• Facilitate prudent Financial Management</li> </ul>	<ul style="list-style-type: none"> <li>• Financial Reports</li> <li>• % increase in Resource allocation to departments</li> </ul>	<ul style="list-style-type: none"> <li>• Provide E and M-Payment</li> <li>• Strengthen use of financial and procurement policies and guidelines</li> </ul>	<ul style="list-style-type: none"> <li>• M-payment at the Linkage Stage</li> <li>• Financial and procurement policies and guidelines in place</li> </ul>

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Quality Improvement	<ul style="list-style-type: none"> <li>Enhance Continuous Quality Improvement</li> <li>Enhance customer care services</li> </ul>	<ul style="list-style-type: none"> <li>Training Reports</li> <li>Customer care desks</li> <li>Minutes of the change Agents</li> </ul>	<ul style="list-style-type: none"> <li>Training of staff on KQMH</li> <li>Customer care desks</li> <li>Minutes of the change Agents</li> </ul>	<ul style="list-style-type: none"> <li>More than 100 Staff trained and its continuous</li> <li>Three customer desks introduced at outpatient, at the entrance &amp; Casualty</li> <li>Monthly meeting for change Agents Achieved.</li> </ul>
Human Resource	<ul style="list-style-type: none"> <li>Improved performance management</li> </ul>	<ul style="list-style-type: none"> <li>Human Resource Department established and functional</li> </ul>	<ul style="list-style-type: none"> <li>Establish Human Resource Department</li> <li>Conduct Quarterly and Annual Staff Appraisal</li> </ul>	<ul style="list-style-type: none"> <li>Human Resource Department functional</li> <li>Staff Appraisals Done</li> </ul>
	<ul style="list-style-type: none"> <li>To develop Staff</li> </ul>	<ul style="list-style-type: none"> <li>% staff trained</li> <li>Training Needs Report</li> <li>Key Compete</li> </ul>	<ul style="list-style-type: none"> <li>Carry out and Implement training Needs Assessment</li> <li>Training of Staff on specialized Areas</li> </ul>	<ul style="list-style-type: none"> <li>Training needs Identified</li> <li>Staffs Trained on neurosurgical,</li> </ul>

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				nephrology, <ul style="list-style-type: none"> <li>• Introduction of cos esca training</li> </ul>
	<ul style="list-style-type: none"> <li>• Staff Motivation</li> </ul>	<ul style="list-style-type: none"> <li>• Staff Satisfaction Report</li> <li>• Client Satisfaction</li> <li>• Minutes</li> </ul>	<ul style="list-style-type: none"> <li>• Staff Recognition, rewards and Sactions</li> <li>• Annual Staff Party</li> <li>• Improving The staff Levels</li> <li>• Staff involvement on decision making</li> <li>• Remuneration</li> </ul>	<ul style="list-style-type: none"> <li>• All staffs awarded at an annual staff party</li> <li>• Annual staff party was done successfully</li> <li>• All Staffs are involved in decision making through various committees, HMT, Departmental meeting, staff meeting days,</li> </ul>
Leadership and Governance	<ul style="list-style-type: none"> <li>• Enhance policy dissemination and implementation</li> </ul>	<ul style="list-style-type: none"> <li>• %Increase in hospital performance</li> <li>• No of staff Meetings</li> <li>• No of HMB meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Monthly staff meeting</li> <li>• Quarterly Board meeting</li> <li>• Implementation of strategic plan</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly board meetings Achieved with Few Special Meetings</li> </ul>
	<ul style="list-style-type: none"> <li>• Enhanced Leadership and</li> </ul>	<ul style="list-style-type: none"> <li>• Management Audit Report</li> <li>• Board of Survey report</li> </ul>	<ul style="list-style-type: none"> <li>• Capacity Building for board ,senior and middle level</li> </ul>	<ul style="list-style-type: none"> <li>• Capacity building done to all level of</li> </ul>

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	Governance Capacity		managers <ul style="list-style-type: none"> <li>Develop and implement internal controls</li> </ul>	management <ul style="list-style-type: none"> <li>Internal controls developed and continuous</li> </ul>
	<ul style="list-style-type: none"> <li>Networking and Collaboration</li> </ul>	<ul style="list-style-type: none"> <li>No of meetings held with partners</li> <li>No of stakeholders identified</li> <li></li> </ul>	<ul style="list-style-type: none"> <li>Mapping of stakeholders</li> <li>Exchange and Benchmarking program</li> <li>Consultative meetings with partners and stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Several Meetings Held</li> <li>Several stakeholders such as world vision Japan bank,harm access etc Identified</li> </ul>
Medical products, Vaccines and Technology	<ul style="list-style-type: none"> <li>Strengthen coordinate and manage medical products supply chain</li> <li>Enhance ethical research activities</li> </ul>	<ul style="list-style-type: none"> <li>% reduction on stock outs</li> <li>HMIS report</li> <li>Bin cards</li> <li>Complete registers</li> <li>Sops in place.</li> </ul>	<ul style="list-style-type: none"> <li>Annual Forecasting</li> <li>Prepare monthly and Annual Report</li> <li>Develop SOPs for inventory management</li> <li>Prepare documentation of services provided</li> </ul>	<ul style="list-style-type: none"> <li>Forecasting done</li> <li>Annual and monthly reports done</li> <li>Stock outs reduced by 30%</li> <li>SOPs already developed and functional</li> </ul>
	<ul style="list-style-type: none"> <li>Timely provision of health products</li> </ul>	<ul style="list-style-type: none"> <li>Client Satisfaction</li> <li>Availability of Products</li> <li>% of reduction in stock-out</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening of procurement process</li> <li>Implementation of procurement</li> </ul>	<ul style="list-style-type: none"> <li>Procurement plan in place and functioning</li> <li>Reduction in stock out</li> </ul>

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			plan • Strengthen Commodity Management cycle	by approximately 30%
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## **VII Corporate Governance Statement**

BSCH Board of Management is responsible for the corporate governance of the Hospital and is accountable to Ministry of Health, County department of health Kilifi County for ensuring that the Hospital complies with the laws and the highest standards of corporate governance and business ethics. The Board members attach great importance to the need to conduct the business and operations of the Hospital with integrity and in accordance with generally accepted corporate practice and endorse the internationally developed principles of good corporate governance.

The Board of Management is composed of non-executive members elected by the governor of Kilifi County. The Appointed Board of Management to be held accountable and responsible for the efficient and effective governance of the hospital. Members of the Board have a range of skills and experience and each brings an independent judgment and considerable knowledge to the Board's discussions. The board term is two years renewal subject to performance.

Summarized below are the key roles and responsibilities of the Board

- Approve and adopt strategic plans and annual budgets, set objectives and review key risk and performance areas.
- Resource Mobilization
- Determine overall policies and processes to ensure integrity of the Hospital's management of risk and internal contracts; and
- Review at regular meetings Management's performance against approved budget.

The full Board meets at least 4 times a year and the Chairperson has bi-weekly meetings/Consultations with the Chief Executive Officer. The Board members are given appropriate and timely information so that they can maintain full and effective control over strategic, financial, operational and compliance issues. Except for direction and guidance on general policy, the Board has delegated authority for conduct of day-to-day business to the Chief Executive Officer. The Board nonetheless retains responsibility for establishing

Non-Executive Members provide services to the hospital to which they are entitled to an allowances the allowance is paid as per the government of Kenya allowance circulars.

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Board Remuneration :

Designation	Amount
Chairman	4,500
Vice chairman	2,500
Secretary	2,500
Members	2,500

Committees of the Board

The Board has four standing committees, which meet regularly under the terms of reference set by the Board. The standing committees are as follows:

- Development and infrastructure sub committee
- Grievance handling sub- committee
- Finance sub -committee
- Disciplinary sub committee

### **VIII. Management Discussion and Analysis**

The considerations in restructuring an organization are effective coordination of roles and responsibilities to avoid overlap and duplication of roles and effort; clear accountability for results; enhanced teamwork and effective communication; and career development for staff. Appropriate structures also allow the organization to resource and sustain essential skills and expertise in the organization.

The overall leadership and governance of BSCH will be vested in the Hospital Management Board. The Board members are appointed in accordance with the policies of the County Government of Kilifi the day-to-day management of the hospital is vested on the Chief Executive Officer.

The Chief Executive Officer will be assisted in performing the functions of his or her position by the county health management Team (CHMT), and the Hospital Management Team (HMT). The HMT is made up of the divisional heads and heads of departments.

The overall annual performance is as illustrated below

**Clinical/operational performance**  
**Summary table:**

	FY 2019-2020	FY 2020-2021	FY 2021-2022
Bed capacity	19	21	21

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<b>Patient Attendance: Inpatient and Out-patient</b>	OPD Visits	25500	16869	34,247
	Admissions	1,687	1219	1,676
<b>Accident and Emergency (Casualty) attendance</b>		0	0	0
<b>Specialised Clinics attendance</b>		1292	1256	1560
<b>Average Length of Stay (In-patients) in Days</b>		4days	2days	3Days
<b>Bed Occupancy rate</b>		24.3%	16%	22/%
<b>Mortality rate</b>		5.3%	7.4%	5.4%
<b>Surgical Theatre utilization</b>	Major	0	8	70
	Minor	0	0	42
	Circumcision	0	0	0
	<b>Total</b>		<b>8</b>	<b>112</b>
<b>Maternity (Total Deliveries)</b>		<b>1287</b>	1044	1281

**Tables and Charts:**

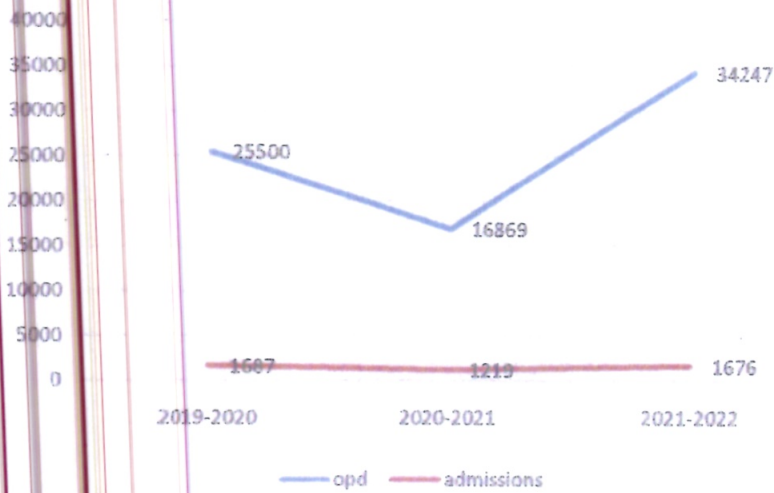
**Bed Capacity**

	<b>FY 2019-2020</b>	<b>FY 2020-2021</b>	<b>FY 2021-2022</b>
<b>Available Beds</b>	19	21	21

The number of Beds reduced in the financial year 2021/2022 due to closure of the COVID 19 Isolation Ward.

Patient Attendance: OPD Visits and Inpatient Admissions

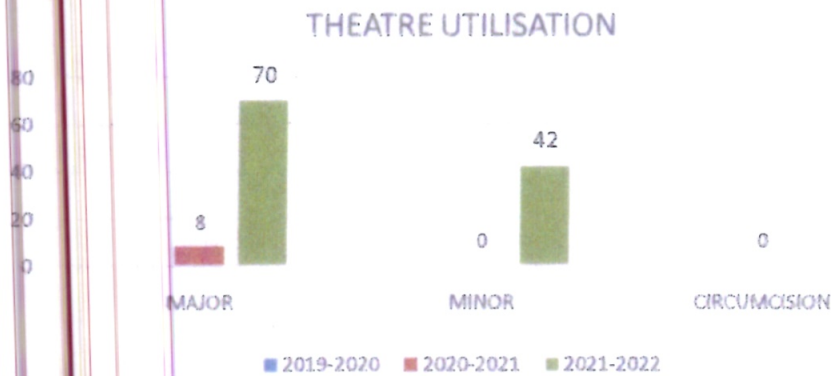
**OPD VISITS AND ADMISSIONS**



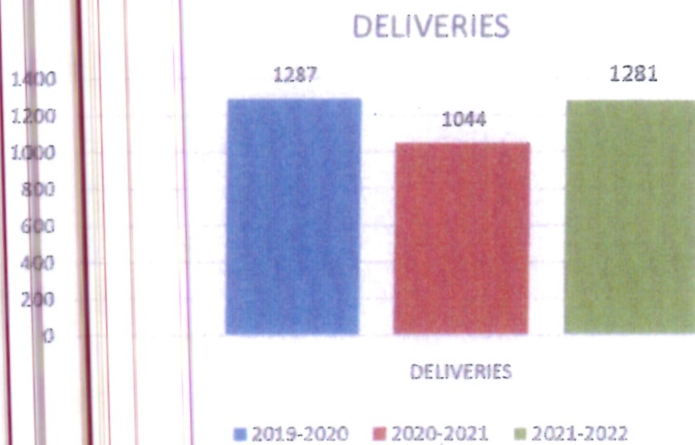
**Specialised Clinics attendance**



**Average Length of Stay**



9 Maternity (Total Deliveries)



**Note:**

Figures are low generally between the year 2020 and 2021 due to the COVID 19 pandemic that affected service delivery at the facility.

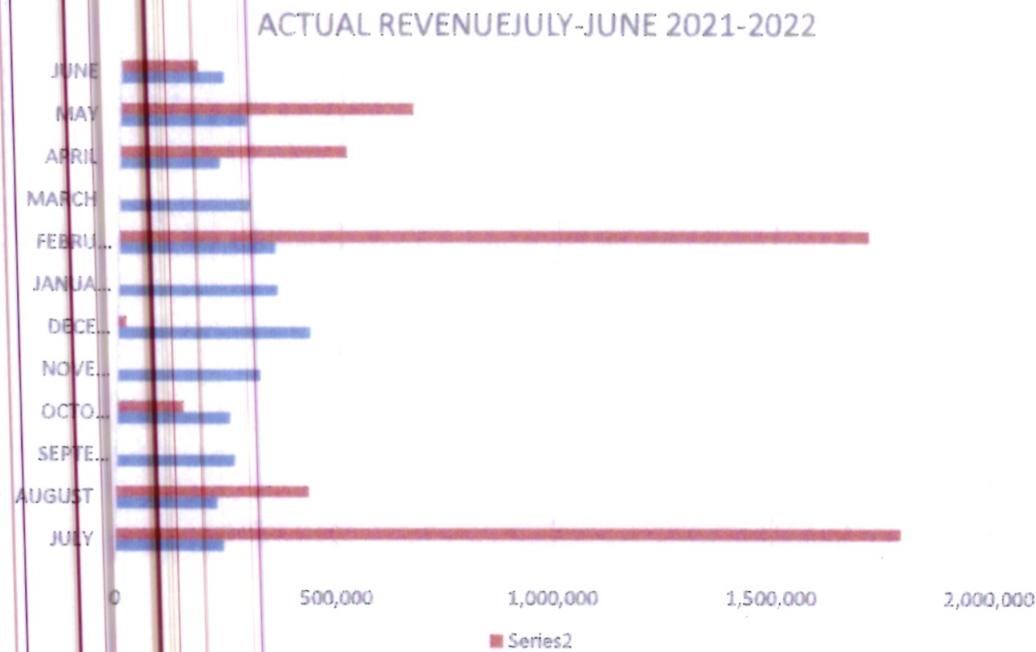
**Sponsorships and partnerships**

- World Vision
- StawishaPwani
- The Kenya Red Cross

**Financial performance that includes**

- revenue sources,
- utilisation of funds etc

**ANALYSIS OF REVENUE FY 2021/2022**



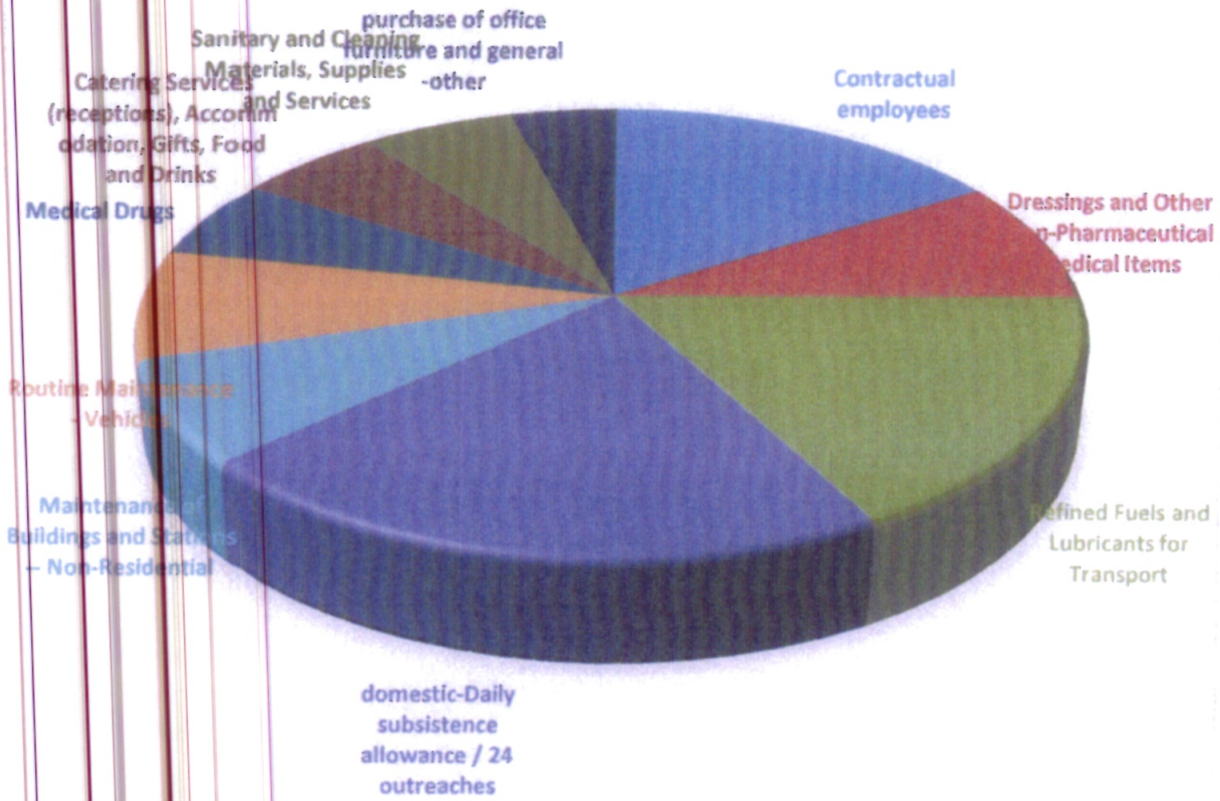
**FACILITY EXPENDITURE FY 2021/2022**

<b>EXPENDITURE</b>				
<b>ITEM CODE</b>	<b>ITEM DESCRIPTION</b>	<b>APPROVED ESTIMATES</b>	<b>EXPENDITURE/PAYMENTS</b>	<b>BALANCE</b>
		<b>FY 2021/2022</b>	<b>FY 2021/2022 Q1, Q2 AND Q3</b>	
2210201	Telephone, Telex, Facsimile and Mobile Phone Services	220,000.00	194,000.00	26,000.00
2210202	Internet Connections	150,000.00	87,500.00	62,500.00
2110201	Contractual employees	1,412,920.00	1,384,331.98	28,588.02
2110202	Contracted labour	260,000.00	201,100.00	58,900.00
2211005	Chemical Gases	50,000.00	-	50,000.00
2210502	Publishing & Printing Services	330,000.00	278,300.00	51,700.00
2210801	Catering Services (receptions), Accommodation,			

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	Gifts, Food and Drinks	730,000.00	491,825.00	238,175.00
2210802	Boards, Committees, Conferences and Seminar	347,080.00	217,100.00	129,980.00
2211001	Medical Drugs	500,000.00	486,750.00	13,250.00
2211002	Dressings and Other Non-Pharmaceutical Medical Items	870,000.00	764,790.00	105,210.00
2211004	Fungicides, Insecticides and sprays	300,000.00	189,750.00	110,250.00
2211008	Laboratory Materials, Supplies and Small Equipment	456,711.00	316,775.00	139,936.00
2211025	Purchase of rehabilitative supplies	160,000.00	43,500.00	116,500.00
2211101	General Office Supplies (papers, pencils, forms, small office equipment	430,098.00	357,087.00	73,011.00
2211102	Supplies and Accessories for Computers and Printers	410,000.00	350,499.00	59,501.00
2211103	Sanitary and Cleaning Materials, Supplies and Services	600,000.00	520,260.00	79,740.00
2211201	Refined Fuels and Lubricants for Transport	1,560,000.00	1,468,542.00	91,458.00
2211204	Other Fuels (wood, charcoal, cooking gas etc?)	260,000.00	174,000.00	86,000.00
2220105	Routine Maintenance - Vehicles	720,000.00	673,909.00	46,091.00
2220205	Maintenance of Buildings and Stations -- Non-Residential	700,000.00	629,440.00	70,560.00
2220210	Maintenance of Computers, Software, and Networks	250,000.00	155,999.00	94,001.00
2211301	Bank Services, commission and charges	7,000.00	2,890.00	4,110.00
2210303	domestic-Daily subsistence allowance / 24 outreaches	1,889,800.00	1,815,100.00	74,700.00
3111111	purchase of ICT networking & communication Equipment	200,000.00	159,100.00	40,900.00
3111001	purchase of office furniture and general - other	390,000.00	377,050.00	12,950.00
3110902	Purchase of household & institutional appliances	279,933.00	152,860.00	127,073.00
	<b>TOTAL</b>	<b>13,483,542.00</b>	<b>11,492,457.98</b>	<b>1,991,084.02</b>

**TOP 10 EXPENDITURE FY 2021/2022**



## **IX. Environmental and Sustainability Reporting**

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

### *i) Sustainability strategy and profile*

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

Introduction of new services such as general surgery services, outreach clinic services, services etc.

Public Private Partnership

Upgrading the hospital facilities such as wards to get more funding

Enhancing Client satisfaction through quality service care

Bringing on board more financial institutions i.e. lobbying for more engagement with other insurance firms

### *ii) Environmental performance*

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

Successes

- We are having colour-coded bins [receptacles] at all generation points in the departments.
- There are segregation posters alongside the receptacles to guide in the segregation of waste.
- The general cleanliness of the organization is well maintained both indoors and grounds.

Challenges

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

### *iii) Employee welfare*

Hiring process involves bringing new employees on board. This is the mandate of the County Public Service Board reference made from the Public Service Commission Human Resource Manual and procedures May 2016, mentioned in section B which provides the rules governing recruitment and appointment of new officers.

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

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

Performance management system is a process conducted by the employer to identify areas of weakness and support the individuals in order to get better results. It's an annual exercise intended to provide employees with clear understanding of job expectations, regular feedback on performance, advice and steps for improving performance, rewards for good performance and actions for poor performance. It helps to measure performance and ultimately the achievement of intended results for the organization.

The Human Resource Manual procedures also provides for guidelines and standards for the prevention and protection of officer against accidents and occupational hazards arising at the work place. It provides for guidelines, procedures and modalities for the administration and payment of compensation for work related injuries and accidents contracted while and in the course of employment.

*iv) Market place practices-*

*a) Responsible competition practice.*

This is effectively done through proper use of the instituted internal committees to help minimize anticorruption

*b) Responsible Supply chain and supplier relations*

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

***c) Responsible marketing and advertisement***

Effectively done through the use of public address system and the community health workers.

Corporate social responsibility/community engagement

***d) Corporate Social Responsibility / Community Engagements***

Support the community through outreach programs by providing much needed services.

Organization of free medical camps

Based on assessment, patients have reduced medical cost including waivers given by the hospital.

## **X. Report of The Board of Management**

The Board members submit their report together with the Audited Financial Statements for the year ended June 30, 2022, which show the state of the Bamba sub county hospital affairs.

### **Principal activities**

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

### **Results**

The results of the entity for the year ended June 30 are set out on page 1 to 9

### **Board of Management**

The members of the Board who served during the year are shown on page xxx to xxxii.

### **Auditors**

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

By Order of the Board

By Order of the Board

Dr. Michael Furaha

*SECRETARY OF THE BOARD*

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

Section 164 of the Public Finance Management Act, 2012 requires the Board of Management to prepare financial statements in respect BSCH, 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 entity for that year/period. The Board of Management is also required to ensure that the BSCH keeps proper accounting records, which disclose with reasonable accuracy the financial position of the entity. The council members are also responsible for safeguarding the assets of the entity.

The Board of Management is responsible for the preparation and presentation of the BSCH's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the 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 BSCH'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 BSCH's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2022 and of the entity's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Hospital, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

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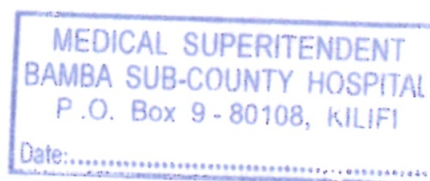
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**Approval of the financial statements**

The Hospital's financial statements were approved by the Board on 16/08/2022 and signed on its behalf by:

.....  
Name: EDWARD YONDO  
Chairperson  
Board of Management

.....  
Name: DR. MICHAEL FURAH  
Accounting Officer



# REPUBLIC OF KENYA



*Enhancing Accountability*

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P.O. Box 30084-00100  
NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON BAMBA SUB-COUNTY LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2022 – COUNTY GOVERNMENT OF KILIFI

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### PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal control, 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 Bamba Sub-County Level 4 Hospital - County Government of Kilifi set out on pages 1 to 41, which comprise of the

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*Report of the Auditor-General on Bamba Sub-County Level 4 Hospital for the year ended 30 June, 2022 – County Government of Kilifi*

statement of financial position as at 30 June, 2022, and statement of financial performance, statement of changes in net assets, statement of cash flows, 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 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 Bamba Sub County level 4 Hospital – County Government of Kilifi as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012, the County Governments Act, 2012 and the Health Act, 2017.

### **Basis for Qualified Opinion**

#### **1. Unsupported Property, Plant and Equipment**

The statement of financial position reflects balances of Kshs.374,430 in respect to property, plant and equipment as disclosed in Note 10 to the financial statements. However, the detailed schedule indicating the asset description, location, cost or valuation and relevant documentations for additions during the year was not provided for audit. In addition, although the statement of financial performance reflects Kshs.83,270 in respect to depreciation, the Hospital did not disclose the depreciation policy including the rates adopted. In addition, the Hospital occupies four (4) acres of land whose title deed was not provided for audit.

In the circumstances, the accuracy and completeness of property, plant and equipment balance of Kshs.374,430 could not be confirmed.

#### **2. Undisclosed Receivables from National Hospital Insurance Fund (NHIF)**

The statement of financial position reflects receivables from non-exchange transactions of Kshs.224,712 as disclosed in Note 9 to the financial statements. However, review of documents maintained at the Hospital revealed that claims due amounting to Kshs.7,483,550 from NHIF have not been disclosed in the financial statements. Further, the contract between the Hospital and NHIF indicates that the period for settlement of genuine claims is within 30 days of submission. However, supporting schedules for claims provided for audit verification do not indicate how long the claims had been outstanding.

In the circumstances, the accuracy and completeness of receivables balance of Kshs.224,712 could not be confirmed.

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.15,652,792 and Kshs.13,544,288 respectively, resulting to an under-funding of Kshs.2,108,504 or 13.5% of the budget. Similarly, the Hospital spent Kshs.14,718,758 against an approved budget of Kshs.15,652,792 resulting to an under-performance of Kshs.934,034 or 6% of the budget.

The under-funding and under absorption of the budget affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

### **Key Audit Matter**

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, and based on the audit procedures performed, except for the matter 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**

#### **Deficiencies in Implementation of Universal Health Coverage (UHC)**

Review of Hospital records and interviews on verification of services offered, equipment used and medical specialists in the Hospital at the time of audit revealed that the Hospital

did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits by 84 staff requirements or 83% of the authorized establishment as analyzed below;

<b>Staff Requirements</b>	<b>Level 4 Standard</b>	<b>Number in Hospital</b>	<b>Variance</b>	<b>Percentage %</b>
Medical Officers	16	1	15	94
Anesthesiologists	2	2	0	0
General Surgeons	2	0	2	100
Gynecologists	2	0	2	100
Pediatrics	2	0	2	100
Radiologists	2	0	2	100
Kenya Registered Community Health Nurses	75	14	61	21
<b>Total</b>	<b>101</b>	<b>17</b>	<b>84</b>	<b>83</b>

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

<b>Service</b>	<b>Level 4 Standard</b>	<b>Number in Hospital</b>	<b>Variance</b>
Intensive Care Unit Beds	6	0	6
High Dependence Unit (HDU) Beds	6	0	6
Beds	50	12	38
Pediatric Beds	30	0	30
Antenatal /Postnatal Beds	60	9	51
Labor Ward-Delivery Beds	3	2	1
General Xray Machine	1	1	New and Stalled since 2021
New Born Incubators	5	2	3
Medical Fridge for The Pharmacy	1	0	1
Dental Chair	1	0	1
Utility Vehicle	1	0	1
Mortuary Cold Room	1	0	1

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

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

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

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

### Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, and 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. Ineffective Governance by the Board of Management

Review of the Board operations and activities during the year under review revealed that the Hospital's Board operated without an approved charter or an approved work plan contrary to Section 1.1 1 and Section 1.9 of Mwongozo Code of Governance which requires the Board of Directors to develop and adopt a Board Charter which defines the roles, responsibilities and functions of the Board. Further, the Board's sub - committees including risk management and audit committee, finance/infrastructure/human resource and service delivery and general performance were not operational as at the time of audit.

In addition, as at the time of the audit in April 2024, the board members had not been issued with official appointment letters having been gazetted on 3 June,2022 more than one (1) year after gazettelement.

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

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

Review of the stores records on pharmaceuticals and non-pharmaceuticals revealed that three hundred and sixty-two (362) units of various drugs worth Kshs.160,266 had expired.

In the circumstances, the effectiveness of internal controls on the management of pharmaceuticals and non-pharmaceuticals could not be confirmed.

## **3. Unutilized Government Hospital Equipment**

Review of the fixed asset register maintained at the facility and physical verification revealed that, an X-ray and an autoclave machine both valued at Kshs.3,250,000 were lying idle and unutilized. In addition, seven (7) machines valued at Kshs.7,073,900 were neglected and beyond repair.

In the circumstances, value for money of Kshs.10,323,900 in respect of Hospital equipment could not be confirmed.

## **4. Incomplete Projects**

Physical inspection of the Hospital's projects conducted in the month of April 2024 revealed that the construction of a radiology building and facility perimeter wall of undisclosed values had stalled with no contractor on site. Further, details of the project, including procurement documents and payments on the contracts were not provided for audit.

In the circumstances, the effectiveness of project management within the Hospital could not be confirmed.

## **5. Lack of Risk Management Framework**

During the year under review, the Hospital operated without a documented risk management policy framework. Further, there was no evidence of risk identification, risk assessment and evaluation of likelihood of risk occurrence and its impact on entities' operation. In addition, review of records revealed that the Hospital, was operating without human resource policy and procedures manual, finance and accounting manual, assets management policy, transport management policy, IT policy, disaster recovery plan and backup and retention strategy.

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

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

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

### **Responsibilities of Management and the Board of Management**

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

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

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

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

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

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

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 governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal controls components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

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

ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Hospital to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Hospital to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control 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 Gathuru CBS  
**AUDITOR-GENERAL**

**Nairobi**

**01 July, 2024**

*Bamba Subcounty Hospital  
Kilifi County Government  
Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022*

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


	Note	FY2021/2022 KShs	FY2020/2021 KShs
<b>Revenue from non-exchange transactions</b>			
Transfers from county government	1	13,544,288	-
<b>Total revenue</b>		<b>13,544,288</b>	<b>-</b>
<b>Expenses</b>			
Medical/ Clinical Costs	2	2,208,325	-
Employee costs	3	1,585,432	-
Board of Management Expenses	4	217,100	-
Depreciation and amortization expense	5	83,270	-
General Expenses	6	6,629,151	-
Repair and Maintenance	7	3,323,389	-
<b>Total expenses</b>		<b>14,046,667</b>	<b>-</b>
<b>Surplus/( deficit) for the period</b>		<b>(502,379)</b>	<b>-</b>

The Hospital's financial statements were approved by the Board on 16/06/2022 and signed on its behalf by:

*Bamba Subcounty Hospital  
Kilifi County Government*


*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022*

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.....  
EDWARD YINZOD.....

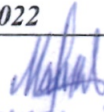
Chairman

Board of Management

  
.....  
ELIZABETH KARISA.....

Head of Finance

ICPAK No:

  
.....  
DR. MICHAEL FURAHA.....

Medical Superintendent

MEDICAL SUPERITENDENT  
BAMBA SUB-COUNTY HOSPITAL  
P.O. Box 9 - 80108, KILIFI  
Date:.....

*Bamba Subcounty Hospital  
 Kilifi County Government  
 Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022*

**XIV. Statement of Financial Position as of 30<sup>th</sup> June 2022**

	Note	FY2021/2022 KShs	FY2020/2021 KShs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	2,008,937	-
Receivables from Non exchange transactions	9	224,712	-
<b>Total Current Assets</b>		<b>2,233,649</b>	<b>-</b>
<b>Non-current assets</b>			
Property, plant, and equipment	10	374,430	-
<b>Total Non-current Assets</b>		<b>374,430</b>	
<b>Total assets</b>		<b>2,608,079</b>	
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	11	307,494	-
<b>Total liabilities</b>		<b>307,494</b>	<b>-</b>
<b>Net assets</b>			
Accumulated surplus		2,300,586	-
<b>Total net assets and liabilities</b>		<b>2,608,079</b>	<b>-</b>

The Hospital's financial statements were approved by the Board on 16/08/2022 and signed on its behalf by:

*Bamba Subcounty Hospital  
Kilifi County Government  
Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022*

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*[Signature]*  
DUMIS KONGO

Chairman  
Board of Management

*[Signature]*  
ELIZABETH KATISA

Head of Finance  
ICPAK No:

*[Signature]*  
DR. MICHAEL FURAHHA

Medical Superintendent

MEDICAL SUPERITENDENT  
BAMBA SUB-COUNTY HOSPITAL  
P.O. Box 9 - 80108, KILIFI  
Date:.....

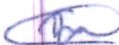
**XV. Statement of Changes in Net Asset for The Year Ended 30 June 2022**


	Accumulated surplus	Total
	KShs	KShs
Balance as at 1 July 2020	2,802,965	2,802,965
Surplus/(deficit) for the period	-	-
Balance as at 30 June 2021	2,802,965	2,802,965
Balance as at 1 July 2021	2,802,965	2,802,965
Surplus/(deficit) for the period	(502,379)	-
Balance as at 30 June 2022	2,300,586	2,802,965

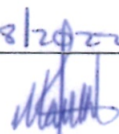
**Bamba Subcounty Hospital**  
**Kilifi County Government**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022**

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The Hospital's financial statements were approved by the Board on 16/08/2022 and signed on its behalf by:

  
.....  
EDWARD YONZU

  
.....  
ELIZABETH KARISA

  
.....  
MR. MICHAEL FURAHA

Chairman  
Board of Management

Head of Finance  
ICPAK No:

Medical Superintendent

MEDICAL SUPERITENDENT  
BAMBA SUB-COUNTY HOSPITAL  
P.O. Box 9 - 80108, KILIFI  
Date:.....

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

	Note	FY2021/2022 KShs	FY2020/2021 KShs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from county government	1	13,319,576	-
<b>Total Receipts</b>		<b>13,319,576</b>	<b>-</b>
<b>Payments</b>			
<b>Cash flows from operating activities</b>			
Medical/ Clinical Costs	2	2,208,325	
Employee costs	3	1,585,432	
Board of Management Expenses	4	217,100	
General Expenses	5	5,927,291	
Repair and Maintenance	6	3,323,389	
<b>Total Payments</b>		<b>13,261,537</b>	<b>-</b>
<b>Net cash flows from operating activities</b>		<b>58,039</b>	<b>-</b>
<b>cashflow from investing activities</b>			
purchase of property plant and equipment		(457,700)	
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(399,661)</b>	<b>-</b>
Cash and cash equivalents at 1 JULY		2,408,598	-
<b>Cash and cash equivalents at 30 JUNE</b>	<b>7</b>	<b>2,008,937</b>	<b>- 1</b>

The notes set out on pages 10 to 55 form an integral part of the Annual Financial Statements. The Hospital's financial statements were approved by the Board on 16/08/2022 and signed on its behalf by:

**Bamba Subcounty Hospital**  
**Kilifi County Government**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022**

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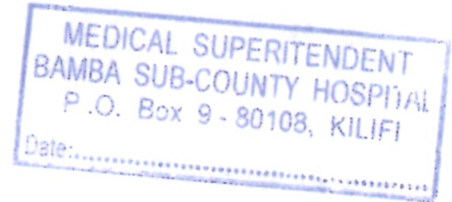
~~ETA~~  
ELIZABETH KARISA

~~Michael~~  
Dr. MICHAEL FURATHA

Chairman  
Board of Management

Head of Finance  
ICPAK No:

Medical Superintendent





**Bamba Subcounty Hospital**  
**Kilifi County Government**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022**


**XVII. Statement Of Comparison of Budget and Actual Amounts For The Year Ended 30 June 2022**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilisation
	2022	2022	2022	2022	2022	2022
	KShs	KShs	KShs	KShs	KShs	
<b>Revenue</b>						
Transfers from County Govt & FIF Revenue	3,041,098	9,882,444	15,652,792	13,544,288	2,108,504	87%
<b>Total income</b>	<b>3,041,098</b>	<b>9,882,444</b>	<b>15,652,792</b>	<b>13,544,288</b>	<b>2,108,504</b>	<b>87%</b>
<b>Expenses</b>						
Medical/ Clinical Costs	681,000	2,265,644	2,946,644	2,208,325	738,319	75%
Employee costs	872,920	800,000	1,672,920	1,585,432	87,488	95%
Board of Management Expenses	247,080.00	100,000	347,080	217,100	129,980	63%
General Expenses	730,098	3,586,800	6,607,398	6,629,151	(21,753)	100%
Repair and Maintenance	510,000	3,130,000	3,640,000	3,640,000	-	100%
Acquisition of assets			438,750	438,750		
<b>Total expenditure</b>	<b>3,041,098</b>	<b>9,882,444</b>	<b>15,652,792</b>	<b>14,718,758</b>	<b>934,034</b>	<b>94%</b>
Surplus for the period	-	-	-	(1,174,470)	1,174,470	#DIV/0!

The notes set out on pages 10 to 55 form an integral part of the Annual Financial Statements. The Hospital's financial statements were approved by the Board on 16/08/2022 and signed on its behalf by:

  
Edward Yonzio  
 Chairman  
 Board of Management

  
ELIZABETH KARISA  
 Head of Finance  
 ICPAK No:

  
DR. MICHAEL FWAMBA  
 Medical Superintendent

MEDICAL SUPERITENDENT  
 RAMBA SUB-COUNTY HOSPITAL  
 P.O. Box 9 - 80108, KILIFI  
 Date: .....

**XVIII. Notes to the Financial Statements**

**1. General Information**

BSCH entity is established by and derives its authority and accountability from PFM Act. The entity is wholly owned by the Kilifi County Government and is domiciled in Kilifi. The entity's principal activity is to provide quality and affordable preventive, promotive, rehabilitative and curative health services in Kilifi.

**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 xvii. 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 2012, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

**1. Adoption of New and Revised Standards**

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

**Adoption of New and Revised Standards**

***Bamba Subcounty Hospital  
Kilifi County Government  
Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022***

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IPSASB deferred the application date of standards from 1<sup>st</sup> January 2022 owing to Covid19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1<sup>st</sup> January 2023.

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Kilifi County Government  
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*Notes to the Financial Statements (Continued)*

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

Standard	Effective date and impact:
<p><b>IPSAS 41:</b> Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2023:</b></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"> <li>• 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;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• 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.</li> </ul>
<p><b>IPSAS 42:</b> Social Benefits</p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></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>

**Bamba Subcounty Hospital**  
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	<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>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p><b>Applicable: 1st January 2023:</b></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>
Other improvements to IPSAS	<p><b>Applicable 1<sup>st</sup> January 2023</b></p> <ul style="list-style-type: none"> <li>• <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i></li> </ul> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> <li>• <i>IPSAS 39: Employee Benefits</i></li> </ul> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> <li>• <b>IPSAS 29: Financial instruments: Recognition and Measurement</b></li> </ul> <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1<sup>st</sup> January 2023.</p>
IPSAS 43	<b>Applicable 1<sup>st</sup> January 2025</b>

**Bamba Subcounty Hospital  
Kilifi County Government  
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	<p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liability</p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>S</p>

**i. Early adoption of standards**

The entity did not early – adopt any new or amended standards in the year 2021-2022

**3. 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.

*Bamba Subcounty Hospital  
Kilifi County Government  
Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022*

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*Notes to the Financial Statements (Continued)*

**Revenue from exchange transactions**

**Rendering of services**

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

**Sale of goods**

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

**Interest income**

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

**Dividends**

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

**Rental income**

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

*Bamba Subcounty Hospital  
Kilifi County Government  
Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022*

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*Notes to the Financial Statements (Continued)*

**b) Budget information**

The original budget for Board approved FY 2021/2022 on 01/07/2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of xxx on the FY xxx budget following the Board's approval. 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 under section xxx of these financial statements.

**c) Taxes**

**Sales tax/ Value Added Tax**

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

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

**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 derecognition. 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

*Bamba Subcounty Hospital  
Kilifi County Government  
Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022*

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maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

*Notes to the Financial Statements (Continued)*

**f) Leases**

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

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

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

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

**g) Intangible assets**

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

*Notes to the Financial Statements (Continued)*

**h) Research and development costs**

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

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

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

**i) Financial instruments**

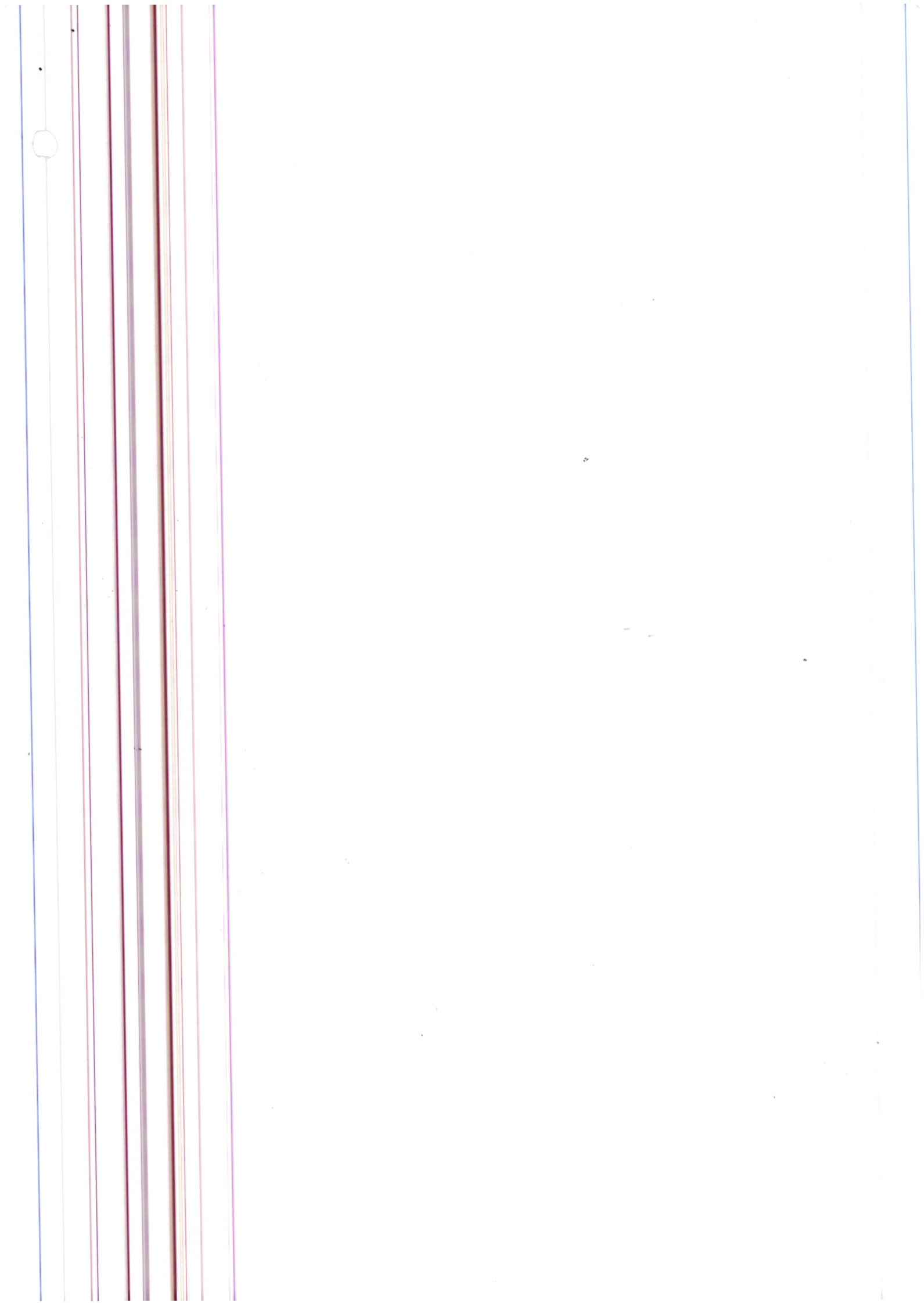
**Financial assets**

**Initial recognition and measurement**

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

**Loans and receivables**

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





*Notes to the Financial Statements (Continued)*

**Held-to-maturity**

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

**Impairment of financial assets**

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

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

**Financial liabilities**

**Initial recognition and measurement**

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

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

**Loans and borrowing**

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

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

**i) Inventories**

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

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

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

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

**j) Provisions**

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

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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.

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*Notes to the Financial Statements (Continued)*

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

**Contingent liabilities**

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

**Contingent assets**

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

**k) Nature and purpose of reserves**

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

**l) Changes in accounting policies and estimates**

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

**m) Employee benefits**

**Retirement benefit plans**

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The

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defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump-sum payments or increased future contributions on a proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

*Notes to the Financial Statements (Continued)*

**n) Foreign currency transactions**

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

**o) Borrowing costs**

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

**p) Related parties**

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

**q) Service concession arrangements**

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

*Notes to the Financial Statements (Continued)*

**r) Cash and cash equivalents**

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

**s) Comparative figures**

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

**t) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2022.

**4. 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)

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**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.

**NOTES TO THE FINANCIAL STATEMENTS**

**1 Transfers from county government**

Description	FY2021/2022 KShs	FY2020/2021 KShs
<b>Unconditional Grants</b>		
Receipts from FIF	13,361,714	-
Receipts from county treasury	182,574	
<b>Total</b>	<b>13,544,288</b>	<b>-</b>
<b>2 Medical/ Clinical Costs</b>		
Description	FY2021/2022 KShs	FY2020/2021 KShs

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	Sanitary and cleaning Materials	520,260	-
	Dressing and Non-Pharmaceuticals	808,290	-
	Laboratory chemicals and reagents	316,775	-
	Pharmaceutical supplies	486,750	
	Other medical related equipments	76,250	
	<b>Total</b>	<b>2,208,325</b>	<b>-</b>
3	<b>Employee costs</b>		
	<b>Description</b>	<b>FY2021/2022</b>	<b>FY2020/2021</b>
		<b>KShs</b>	<b>KShs</b>
	Salaries, wages, and allowances	1,210,637	-
	Employer Contributions to Compulsory National Social Security Schemes	57,100	-
	Staff medical expenses and Insurance cover	317,695	-
	<b>Total</b>	<b>1,585,432</b>	<b>-</b>
4	<b>Board of Management Expenses</b>		
	<b>Description</b>	<b>FY2021/2022</b>	<b>FY2020/2021</b>
		<b>KShs</b>	<b>KShs</b>
	Sitting allowance	127,500	-
	travel and accomodation allowance	89,600	
	<b>Total</b>	<b>217,100</b>	<b>-</b>
5	<b>Depreciation and amortization</b>		
	<b>Description</b>	<b>FY2021/2022</b>	<b>FY2020/2021</b>
		<b>KShs</b>	<b>KShs</b>
	Depreciation	83,270	-
6	<b>General Expenses</b>		
	<b>Description</b>	<b>FY2021/2022</b>	<b>FY2020/2021</b>
		<b>KShs</b>	<b>KShs</b>
	Telephone and mobile phone services	194,000	-
	Internet expenses	87,500	-
	travel and accomodation	2,410,439	-

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	printing and stationary	635,387	-
	Catering expenses	491,825	-
	insecticides and rodenticides	189,750	-
	other fuel(wood ,charcoal ,cooking gas)	174,000	-
	bank charges	2,890	-
	purchase of households and institutional appliances	152,860	-
	Advertising and publicity expenses	2,290,500	-
	<b>Total</b>	<b>6,629,151</b>	<b>-</b>
7	<b>Repair and Maintenance</b>		
	<b>Description</b>	<b>FY2021/2022</b>	<b>FY2020/2021</b>
		<b>KShs</b>	<b>KShs</b>
	Motor vehicle expenses	2,142,451	-
	computer and accessories	551,498	
	property-Buildings	629,440	
	<b>Total</b>	<b>3,323,389</b>	<b>-</b>
8	<b>Cash and cash equivalents</b>		
	<b>Description</b>	<b>FY2021/2022</b>	<b>FY2020/2021</b>
	Current account	2,008,937	

Description	Account number	FY2021/2022 KShs	FY2020/2021
Current account			
Co-Operative Bank			
KCG BAMBA SUBCOUNTY HOSPITAL HSIF ACCOUNT	1141779145400	2,008,937	
<b>Sub- total</b>		<b>2,008,937</b>	

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	<b>Grand total</b>		2,008,937
9	<b>Receivables from Non exchange transactions</b>		
	<b>Description</b>	<b>FY2021/2022</b>	<b>FY2020/2021</b>
		<b>KShs</b>	<b>KShs</b>
	<b>Current Receivables</b>		
	Transfers from county HSIF Fund	224,712	-
	<b>Total Current receivables</b>	<b>224,712</b>	<b>-</b>
	<b>Description</b>	<b>FY2021/2022</b>	<b>FY2020/2021</b>
10	<b>Property Plant and equipment</b>	457,700	
	Depreciation	(83,270)	
		374,430	
11	<b>Trade and other payables from exchange transactions</b>		
	<b>Description</b>	<b>FY2021/2022</b>	<b>FY2020/2021</b>
		<b>KShs</b>	<b>KShs</b>
	Trade payables	307,494	-
	<b>Total trade and other payables</b>	<b>307,494</b>	<b>-</b>
		<b>FY2021/2022</b>	<b>FY2020/2021</b>
		<b>KShs</b>	<b>KShs</b>
	<b>Cash generated from operations</b>		
	Surplus for the year before tax	(502,379)	-
	<b>Adjusted for:</b>		
	Depreciation	374,430	-
	<b>Working Capital adjustments</b>		
	Increase in inventory	-	-
	Increase in receivables	-	-
	Increase in payables	-	-
	<b>Net cash flow from operating activities</b>		

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	-	-
(The total of this statement should tie to the cash flow section on net cash flows from operating activities)		
<b>11 Related party balances</b>		
<b>a) Related party transactions</b>		
	<b>FY2021/2022</b>	<b>FY2020/2021</b>
	<b>KShs</b>	<b>KShs</b>
Transfers from related parties'	13,544,288	-
Transfers to related parties	-	-
<b>b) Key management remuneration</b>		
	<b>FY2021/2022</b>	<b>FY2020/2021</b>
	<b>KShs</b>	<b>KShs</b>
Board of Members allowances	-	-
Key Management Compensation	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>c) Due from related parties</b>		
	<b>FY2021/2022</b>	<b>FY2020/2021</b>
	<b>KShs</b>	<b>KShs</b>
Due from County Government	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>d) Due to related parties</b>		
	<b>FY2021/2022</b>	<b>FY2020/2021</b>
	<b>KShs</b>	<b>KShs</b>
Due to parent Ministry	-	-
Due to County Government	-	-
Due to Key management personnel	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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12	<b>CHANGES IN RECEIVABLE</b>		
	<b>Description</b>	<b>FY2021/2022</b>	<b>FY2020/2021</b>
		<b>KShs</b>	<b>KShs</b>
	Account receivable as at 1 <sup>st</sup> July 2020	-	-
	Account receivable as at 30th June 2021	224,712	-
	Net changes in account receivables	(224,712)	-
13	<b>CHANGES IN ACCOUNTS PAYABLE</b>		
	<b>Description</b>	<b>FY2021/2022</b>	<b>FY2020/2021</b>
		<b>KShs</b>	<b>KShs</b>
	Accounts Payable as at 1 <sup>st</sup> July 2020	-	-
	Accounts Payable as at 30th June 2021	307,494	-
	Net changes in account Payables	307,494	-

*Notes to the Financial Statements (Continued)*

**5. 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.

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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:

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*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.

**(ii) 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.

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

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

**a) Foreign currency risk**

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

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

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

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

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*Notes to the Financial Statements (Continued)*

**Foreign currency sensitivity analysis**

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

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
<b>20xx</b>			
Euro	10%	xxx	xxx
USD	10%	xxx	xxx
<b>20xx</b>			
Euro	10%	xxx	xxx
USD	10%	xxx	xxx

**Interest rate risk**

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

**Management of interest rate risk**

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

**Sensitivity analysis**

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

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

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

**iv) Capital Risk Management**

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

	2021/22	2020/21
	Kshs	Kshs
Revaluation reserve		
Retained earnings		
Capital reserve		
<b>Total funds</b>		
Total borrowings		
Less: cash and bank balances		
Net debt/ ( <i>excess cash and cash equivalents</i> )		
<b>Gearing</b>		

**6. Related Party Balances**

**Nature of related party relationships**

Entities and other parties related to the entity include those parties who have the ability to exercise control or exercise significant influence over its operating and financial decisions.

Related parties include management personnel, their associates, and close family members.

**Government of Kenya**

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

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

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

Description	2021/22	2020/21
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>a) Services offered to related parties</b>		
Services to xxx	xxx	xxx
Sales of services to xxx	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>
<b>b) Grants from the Government</b>		
Grants from County Government	xxx	xxx
Grants from the National Government Entities	xxx	xxx
Donations in kind	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>
<b>c) Expenses incurred on behalf of related party</b>		
Payments of salaries and wages for xxx employees	xxx	xxx
Payments for goods and services for xxx	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>
<b>d) Key management compensation</b>		
Directors' emoluments	xxx	xxx
Compensation to the medical Sup	xxx	xxx
Compensation to key management	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>

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

**7. 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)*

**8. Contingent Liabilities**

Contingent liabilities	2021/22	2020/21
	Kshs	Kshs
Court case xxx against the company	xxx	xxx
Bank guarantees in favour of subsidiary	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>

*(Give details)*

**9. Capital Commitments**

Capital Commitments	2021/22	2020/21
	Kshs	Kshs
Authorised For	xxx	xxx
Authorised And Contracted For	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>

*(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)*

**10. Events After The Reporting Period**

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

**11. Ultimate And Holding Entity**

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

**12. Currency**

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


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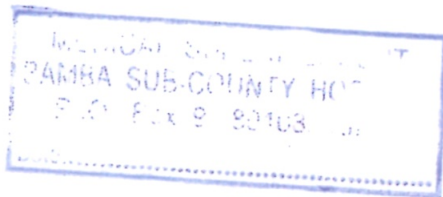
**I. Appendices**

**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)
		First time audit		

  
.....  
**Accounting Officer**  
(To be signed by the accounting officer of the Hospital)



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**APPENDIX II: Projects Implemented by The Entity**

**Projects**

Projects implemented by the Hospital Funded by development partners

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

**Status of Projects completion**

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

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

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**APPENDIX IV: 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 30<sup>th</sup> June 2022 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 [Insert name of beneficiary entity] as at 30 <sup>th</sup> June 2022							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (KShs) as at 30th June 2022				Amount Received by [beneficiary entity] (KShs) as at 30 <sup>th</sup> June 2021 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
<b>Total</b>							

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

**Head of Accountants department of beneficiary entity:**

Name Blizabeta K. O. O. O. Sign [Signature] Date 16/08/2022

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**APPENDIX V Reporting of Climate Relevant Expenditures**

Name of the Organization

Telephone Number

Email Address

Name of Medical Supp/MD/Head

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

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

**APPENDIX VI Disaster Expenditure Reporting Template**

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