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REPORT

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THE AUDITOR-GENERAL

ON

WANGIGE LEVEL 4 HOSPITAL

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

COUNTY GOVERNMENT OF KIAMBU

Issued 30th June 2022



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

17 OCT 2022

RECEIVED

WANGIGE LEVEL 4 HOSPITAL
County Government of Kiambu

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2022

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

*Wangige Level 4 Hospital County Government of Kiambu
Annual Report and Financial Statements for The Year Ended 30th June 2022*

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*Wangige Level 4 Hospital County Government of Kiambu
Annual Report and Financial Statements for The Year Ended 30th June 2022*

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I. Key Entity Information and Management

(a) Background information

Wangige Hospital is a level 4 hospital established under gazette notice number 3616 and is domiciled in Kiambu County under the Health Department. The hospital is governed by a Board of Management.

(b) Principal Activities

The principal activity mandate of the hospital is to provide health services, create an enabling environment regulate and set standards and policy for health service delivery.

Vision

An efficient effective and high quality health care system that is accessible and affordable for every person in Kiambu County

Mission

To provide health services that is equitable, accessible and accountatable to the people of Kiambu County through participatory Leadership

Core objective

Preventive and promote health services
Curative and rehabilitative health service

Key Management

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

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

(c) Fiduciary Management

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

No.	Designation	Name
1.	Medical Superintendent	Dr Bruce .O. Semo
2.	Head of finance	Francis N Kagwi
3.	Head of supply chain	Ann Muthoni Gichini
4.	Administrative officer	Susan Muthoni Gatei
5.	Nursing service manager	Jane Mwangi
6.	Pharmacist in charge	Dr Samuel Maina Kamau
7.	Head Laboratory services	Nicholas Muvea

(d) **Fiduciary Oversight Arrangements**

1. **Human Resource Committee:** - Comprises Med Supt, HAO, NSM, Lab In Charge, Pharmacist in charge, Accountant. This team is responsible for Reviewing, continuously assessing and planning the human resource component Of the hospital.
2. **Procurement Committee:**- Comprises Of med Supt, HAO, NSM, Procurement Officer and Accountant responsible for procurement processes in the hospital.
3. **Quality improvement team:** - Comprises of Pharmacist in charge, Lab in charge, NSM, Procurement and HAO. This committee is in charge of ensuring the hospital Offers high standards of quality on each front.
4. **Advisory Committee:** - Comprises of Med Supt, HAO, NSM, This Committee is in charge of staff training, staff appraisal or sanctioning staff according to Performance.
5. **Data Review Committee:** - Comprises of HRIO, Med supt, Pharmacist I/C, Lab I/C. This committee is in charge of ensuring data presented is accurate Verifiable and presented in a timely manner
6. **Infection prevention Control Committee:**- Comprises Public health officer, HAO, NSM, Pharmacist i/c, Lab I/C. In charge of ensuring the health safety of staff And patients with regards to the environment.
7. **Medicine and therapeutic committee:** - in charge of audit of drugs reaction and advice the acquisition of Essential drugs

- (e) **Headquarters**
Wangige Level 4 Hospital
P.O. Box 178-00127
Kitsuru road
KABETE, Kenya

- (f) **Contacts**
Telephone: (+254) 748293903
E-mail: wangigehospital@gmail.com
Website: www.kiambu.go.ke




- (g) **Bankers**
Family Bank Kenya (Wangige branch)
Kenya Commercial Banks (kikuyu branch)
Co-op bank Kenya

- (h) **Independent Auditors**
Auditor General
Office of Auditor General
Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya



- (i) **Principal Legal Adviser**
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

- (j) **County Attorney**
P.O. Box. 2344-0900
Kiambu, Kenya




II. The Board of Management

Ref	Directors	Details
1.	 <p>Charles Edward Kabetu (Dr) Chairman to the board</p>	<p>Key Qualification:- Master medicine Anaesthesia Age:- 66years Work Experience:- 40 years</p>
2.	<p>Richard Gitau Ngugi</p>	<p>Age:- Key Qualification: Work Experience</p>
3.	 <p>Alice Njeri Nganga</p>	<p>Age:-51 Years Key Qualification:-Marketing Work Experience:-30Years</p>
4.	 <p>Amos Gitungo Kaja</p>	<p>Age:61 Years Key Qualification:-Sales &Marketing Work Experience:-38 Years</p>





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<p>5.</p>	 <p>Rachael Nyanbura Nyonyo</p>	<p>Age:-65 Years Key Qualification:-Nurse Work Experience:-42years</p>
<p>6.</p>	 <p>Bruce O Semo (Dr) Secretary to the board</p>	<p>Age:-39 Year Key Qualification:-Master OBGY Work Experience:-12 Years</p>


III. Management Team

Ref	Management	Details
1.	 Dr. Bruce O. semo- MBCHB MMED (OBS&GYNAE)	Medical Superintendent Work Experince-11 Years
2.	 Susan Gatei- B.com-Human Resource/Dip in Administration	Head of Administration Work Experience:-11 yrs.
3.	 Jane Mwangi -BSC-Nursing/Diploma Comm.Nursing	Nursing Service Manager Work Experience-30Years

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4.	 CPA Francis N. Kagwi- B.Comm-Finance/CPA K	Head Of Finance Work Experience-19 Years
5.	 Anne W. Gichini- Diploma --Supply Chain Management	Head Of Supply Chain Work Experience-15 years
6.	 Dr. Samuel K Maina- Bachelor in Pharmacy-	Head of Pharmacy Work Experience-8Years
7.	 Nicholas M Musyoki- Bachelor in medical Lab Science	Head of Laboratory services Age:- 40yrs Experience:- 11 Years in medical services - Kiambu

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8.	 <p>Joyce Kerubo Sitima- BSC-Clinical Medicine</p>	<p>-RCO Work Experience-11 Years</p>

IV. Chairman's Statement



It is my pleasure to present the Hospital's 2021/22 annual report and Financial Statements. The Board of Management is proud of the achievements realized by the hospital in this period, where the board has interacted with the team in year 2021/22 in its two time sittings.

I am particularly impressed by the "can do attitude" of staff coupled with their commitment to delivering the best possible service to patients.

Regulatory environment

Management and operations of the hospital is guided by the existing legal, policy, and institutional frameworks that govern health sector to ensure efficient and effective delivery of services in the Hospital.

Sector Alignment

The Hospital's operations are also influenced by various global, regional and national strategies aimed at promoting, restoring, and maintaining the Health care service delivery. The agenda aims to provide Affordable healthcare for all households through NHIF scheme.

Acknowledgement

On behalf of the Board, I would like to thank all our stakeholders especially the Health department, The Kiambu County and development partners for the support they continue to accord the hospital without which our achievements would not have been realized. Finally, I strongly believe that our strategy and the staff in place will consistently drive our growth in the future as has been the case over the years.

Dr. Charles Edward Kabetu
MBS, MBCHB MMED ANAESTHESIA
Chairperson
Board of Management

Report of the Chief Executive Officer



I am pleased to present the Hospital's annual report and financial statements for the year 2021/22. The report highlights the hospitals operational and financial performance as well as our strategic direction. It's a great team driven by a will to provide highest quality of care and ensure customer satisfaction. The service providers have formed an organization with seamless cog wheels running to provide a health Service that is equitable, accessible and accountable to the people of Kiambu County. This is the most Important asset that has driven the accomplishments recounted in this report that I provide to you- the **Health workforce.**

We have a variety of disciplines working together and guided by personal, social and ethical principles. This, coupled with adherence to the civil servants code of ethics, has driven Wangige sub- County Hospital to be a model level four hospital providing highest standard of healthcare. The past one year has been marked by great strides in all pillars of healthcare by aligning our Activities to the Kiambu county strategic plan. We have ensured that we remain accountable to the County Health Management Team and taken advantage of their reports as a benchmark to improve our Service delivery. Despite constant exposure to continuous challenges, we have remained enthusiastic on Service provision and remained focused on realizing our primary goal.

Infrastructure and equipment

This financial year will be remembered for many reasons in this hospital. Top on the list is the Expansion of service delivery in several departments; the facility has had an upgrade of infrastructure and Procurement of new equipment in several departments supported by the hospital facility improvement Funds, the county government and collaboration with private donors. Despite several challenges, the hospital management team in collaboration with the county health Management team facilitated operationalization of the surgical operating theatre, introduction of a

Radiology department, expansion of service delivery in the laboratory department.

Strengthening of administration through decentralization of roles, coupled with the above developments Has seen great developments in Wangige sub county hospital as will be demonstrated in this report.

Clinical performance

The department of reproductive health has increased its bed capacity from 15 to 30 by

Establishing a ward in the recently developed clinical wards block which is in line with the increased Demand for services and a requirement for all model level 4 hospitals. To increase efficiency and Capacity of services being offered, the hospital for the first time formed a surgical operating theatre and Operationalized the newly constructed operating theatre. Formulation of standards operating protocols Derived from national health policies and guidelines have been undertaken. The facility currently Provides surgical services in the department of reproductive health and has seen several lives saved Through this initiative.

The laboratory services have been expanded; the department has newly procured and installed Laboratory equipment which allows services previously sourced from external service providers to be Offered within the facility.

There is a newly formed department of radiology with a newly installed x-ray machine and Ultrasound machine in place. Once the infrastructure is fully completed, the hospital will be able to Provide extended radiological services. The overall expansion is also taking place in the dental Department which has since seen an extensive revamp and increased demand of services, and the Pharmacy department which has since almost doubled its collections due to efficiency in service delivery.

Human resource and capacity building

The past one year has seen the hospital face great bottlenecks in human resource impacting Negatively in service delivery and slowing down development plans intended to increase quality and Variety of services delivered. The facility has seen a high turnover rate of health care workers in various Departments which not only affects the administrative structure but also the service provision by Withdrawing staff already impacted with skill through the hospitals internal capacity building programs Like continuous medical educations.

Kindly find the breakdown of the health-workers available in the facility against the workload in the Report.

Financial performance

The facility operates through two sources of funds, the NHIF collections from service delivery to Approved patients and FIF collections. During the past financial year, a total of Kes 9 million .was collected from NHIF and Kes 4 million from FIF bringing our total annual collection to Kes 13 million



DR.BRUCE SEMO
MBCHB.MED OBS&GYNAE
Medical Superintendent

V. 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.

Wangige level 4 hospital has 2 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;

Pillar /theme/issue 1: Service Delivery

Pillar/theme/issue 2: Health Financing

Wangige level 4 hospital develops its annual work plans based on the above 2 pillars/Themes/Issue Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The Wangige level 4 hospital achieved its performance targets set for the FY 2021/2022 period for its 7 strategic pillars, as indicated in the diagram below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Service Delivery	Eliminate Communicable conditions Eliminate Non Communicable conditions	-Average length of stay - Bed Turnover	-Immunization -Child health -Screening for communicable conditions -Antenatal Care -Prevention of mother to child HIV transmission -Integrated Vector management - Good hygiene practices - HIV and STI Prevention Control and prevention of	-Reduction in mortality and morbidity rates by 5% - Reduction in number HIV Prevalence. -Reduction in the NCD complications

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			<p>neglected tropical diseases</p> <ul style="list-style-type: none"> - Health promotion and education for NCD -Screening and management for NCD's - public health activates - Health Promotion and education on violence / injuries -Theatre services -OPD/Accident and Emergency Management for injuries 	
Health Financing	Provide essential Medical services	<ul style="list-style-type: none"> -Average waiting time -Medical equipment utilization -Insurance claim processing time 	<ul style="list-style-type: none"> - General Outpatient - Integrated MCH / Family Planning services - Accident and Emergency - Emergency life support - Maternity - New born 	<ul style="list-style-type: none"> -Increase in the number of caesarean sections -Reduction of waiting times For patients. -increased specialised test

			services - Reproductive health - In Patient services - Clinical Laboratory - Specialized laboratory - Imaging - Pharmaceutical	

VI. Corporate Governance Statement

Introduction

Commitment to good corporate governance is fundamental in ensuring sustainable stakeholder value and meeting their expectations. Our structures, procedures and processes are anchored on accountability, transparency, responsibility and fairness which are the tenets of good corporate governance. Through the Board of Management, Wangige level 4 Hospital remains steadfast in complying with statutory requirements and the Code of Governance for State Corporations (Mwongozo Code 2015) among others.

The Board of Management

The Wangige level 4 Hospital Board of Management is constituted in accordance with the Kiambu County Health Service Act 2019 and is composed of five, Independent Non-Executive Directors including the Chairman; and an Executive Director who is the Chief Executive Officer. Constitution of the Board considers diversity in gender, age, ethnicity and culture. In addition, the current Board of Management has diverse skills and experience in the fields of medicine, finance, community development as well as administration. External specialists and independent professional advisors are consulted when need arises.

VII. Management Discussion and Analysis

The management should make use of tables, graphs, pie charts and other descriptive tools to make the information as understandable as possible. The information should show a trend for the last three years. Some of the details to be included under this section are;

Clinical/operational performance

Clinical Performance

Wangige Sub county hospital continues to provide a wide range of healthcare services to, Patients from Kabete and its environs. Services include, specialized outpatient clinics and other clinics like Gynaecological procedures, inpatient care, day care procedures for Surgery, ophthalmology, dental, TB and CCC

The hospital also provides clinical support services that include, laboratory, pharmacy.

The hospital strives to ensure that the clinical services provided are safe, timely, Appropriate, innovative, effective, evidence-based and in line with modern technological Advances. Clinical governance continues to be strengthened to improve patient safety and Ensure quality healthcare. The hospital patient attendance continues to increase despite the Many challenges i.e. budgetary constraints.

Overall patient attendance

Average patient attendance for the year 2021/2022 was

- 44598 Outpatients

-1173 in-Patients with 83% Bed Occupancy Rate

Specialized clinics Attendance

MOPC- 2070

POPC- 135

GOPC- 297

TB- 656

CCC-10881

PSYCHATRIC-734

In-patient admissions

Wangige level 4Hospital admits maternity cases only and day case who requires day care treatment. The Maternity capacity is 28 bed with occupancy Rate of 83%.This Number is deemed to increase with the theatre service that have started coupled by the free maternity programme (Linda Mama)

Clinical effectiveness

This is the application of the best knowledge, derived from Clinical experience, research,

Mentorship and patient preferences to achieve optimum processes and outcomes of Care for the patients. This involves deliberate actions and frameworks of informing Changing and monitoring and evaluation of clinical practice.

Patient Safety

The Facility has embarked on all aspects of patient safety which is an integral component of Health service delivery. The hospital is focused to reduce hospital acquired infections and Medical errors, reduction of falls and occurrence of venous thrombosis.

Antimicrobial stewardship

The hospital has antimicrobial stewardship committee which has published guidelines on Use of antimicrobials in the hospital.

Sponsorships and Partnership

The Facility has continued to partner with UoN crisp, that Support CCC Services, Cap TLD supporting Tb Programme and has continued to maintain

Financial performance

Revenue sources

The Hospital revenue comprises of grants from the County Government, fee charged for services rendered, public contributions and donations, grants from development partners. During the year under review, revenue grew by 11% from Kshs.11 million reported in the FY 2020/21 to Kshs.13 million.

Utilisation of funds

The revenue generated during the period was utilized to fund hospital expenditure that totalled Kshs.13 million.

VIII. Environmental And Sustainability Reporting

Wangige level Hospital exists to transform lives by being efficiency, transparency and accountable offering highest attainable standard of Care. Our Mission (*To provide health services that is equitable, accessible and accountatable to the people of Kiambu County through participatory Leadership*) is what guides us to deliver our strategy, putting the client 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

As a level 4 hospital, we recognize that we must conduct our operations in a manner that considers the environmental and social impact to ensure the success and longevity of the operations. We are committed to being transparent, candid and open about our operation in order to capture the cosmopolitan population of Wangige-Kabete and its environment by identifying and putting into perspective the concept of improving the quality of life for people and communities across the sub-county whilst the MDG: 2030Agenda for sustainable Development of all UN member state which Kenya is part off.

ii) Environmental performance

We intend to construct the modern incinerator and our infection prevention committee is vibrant to ensure all protocol of waste management if adhered to the latter we also have ash pit which we pu the ash from the chamber due to lack of incinerator we don't burn sharps but take them to Kiambaa sub-county.

iii) Employee welfare

Employees are encouraged and supported to continually build on their skills and knowledge. The hospital invests heavily in learning and development program for employees. These include CMEs on leadership, management and technical competencies relevant to each employee. We also offer a tuition program (Through County) for employees seeking to further educate or advance themselves through formal programs relating to their current or prospective jobs

Hiring is on competitive basis and fair recruitment looking out for Gender balance and following all applicable laws of the land with regards to employment. Workers are provided with PPE and

other prospective materials to minimize exposure and injury at the Hospital. The Hospital is Occupational Safety and Health Act of 2007, (OSHA.)

iv) Market place practices-

Maintaining a sustainable supply chain Our Commitment Wangige Hospital has several suppliers that supply good and services Through COG -Kiambu-Framework. We ensure our own reputation as service provider is always a top priority. For that reason, we are focused on ensuring our suppliers comply with best practice and adhere to our contract agreement for all services and goods supplied.

a) Responsible competition practice.

We as the facility ensure competitive, equal and fair opportunity for all groups of people through adhering to Public Procurement and Assets Disposal Act

b) Responsible Supply chain and supplier relations

The Hospital maintains good business practices, and treats its own suppliers responsibly by honouring contracts and respecting payments practices, the management team applies the principal of first in supplies - first payment .The facilities also has a very vibrant receiving and acceptance committee.

c) Responsible marketing and advertisement

Through The Recently Gazetted Hospital Board the Facility reach out to the community through them, the Health Promotion Office and the primary Health workers (CHAs n CHVs). We maintain the transparency culture, protection of Hospital Data and ensure patient and staff welfare is paramount.

d) Product stewardship

Patients are given the utmost respect and privacy

v) Corporate Social Responsibility / Community Engagements

In reaches and outreaches for the most vulnerable patients and clothing the abandoned childrens.The facility also undertake the Covid -19 Vaccination to the villages when the campaign stopped.

IX. 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 hospital's affairs.

Principal activities

The principal activities of the Wangige Hospital board of management are

1. Responsible for ensuring that the hospital mission is clearly stated and that the hospitals operations and board priorities are driven by the hospital's mission.
2. Strategic planning -it is the responsibility of the board to ensure that the hospital operates within the framework of a long-term vision and goals.
3. The board has the ultimate responsibility for the financial viability of the hospital.
4. All board members shall be the ambassadors and advocates of the hospital and can represent the hospital publicly on special occasions with the consent of the board.
5. The hospital Governing board shall oversee the overall financial activity of the hospital and make certain that appropriate internal controls are in place.
6. Monitor and strengthen service delivery.
7. Ensure legal and Ethical integrity.
8. Ensure human resource planning and development.
9. Ensure hospital compliance with environmental regulations.

Results

The results of the Wangige Hospital for the year ended 30th June 2022 are set out on page

Board of Management

The members of the Board who served during the year are shown on page (VII)

Auditors

The Auditor General is responsible for the statutory audit of the Wangige Hospital in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year/period ended June 30, 2022 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

DR.BRUCE SEMO
MBCHB.MED OBS&GYNAE
Medical Superintendent

X. Statement of Board of Management's Responsibilities

Section 164 of the Public Finance Management Act, 2012 and Kiambu County Health Act 2019 requires the Board of Management to prepare financial statements in respect of that Wangige Hospital, which give a true and fair view of the state of affairs of the Wangige Hospital at the end of the financial year/period and the operating results of the Wangige Hospital for that year/period. The Board of Management is also required to ensure that the Wangige Hospital keeps proper accounting records which disclose with reasonable accuracy the financial position of the Wangige Hospital. The council members are also responsible for safeguarding the assets of the Wangige Hospital.

The Board of Management is responsible for the preparation and presentation of the Wangige Hospital financial statements, which give a true and fair view of the state of affairs of the Wangige Hospital 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 Wangige 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 Wangige Hospital financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Kiambu County Health Act 2019. The Board members are of the opinion that the Wangige Hospital financial statements give a true and fair view of the state of Wangige Hospital transactions during the financial year ended June 30, 2022, and of the Wangige Hospital financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Wangige Hospital, which have been relied upon in the preparation of the Wangige Hospital 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 Wangige Hospital will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Hospital's financial statements were approved by the Board on 30/06/2022 and signed on its behalf by:

.....



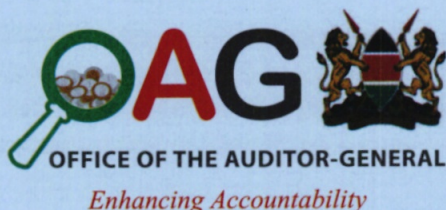
.....

Name: Dr. Charles Edward Kabetu
MBS, MBCHB MMED ANAESTHESIA
Chairperson
Board of Management

Name: DR. BRUCE SEMO
MBCHB. MED OBS & GYNAE
Accounting Officer

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HEADQUARTERS
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON WANGIGE LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2022 – COUNTY GOVERNMENT OF KIAMBU

PREAMBLE

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

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

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

Adverse Opinion

I have audited the accompanying financial statements of Wangige Level 4 Hospital set out on pages 1 to 51, which comprise of the statement of financial position as at 30 June, 2022, the statement of financial performance, the statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual

amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of Wangige Level 4 Hospital as at 30, June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and do not comply with the Public Finance Management Act, 2012, County Governments Act, 2012 and the Health Act, 2017.

Basis for Adverse Opinion

1.0 Inaccuracies in the Financial Statements

Review of the financial statements of the Hospital for the year under review revealed the following inaccuracies:

- i. The statement of financial position reflects total net assets and liabilities of Kshs. 10,156,467 which differed with the recomputed balance of Kshs. 3,169,763 resulting in unexplained variance of Kshs. 6,986,704.
- ii. The statement of cash flow reflects other receipts (bank balance) of Kshs.2,690,975 which is excluded from statement of performance and financial position resulting to unreconciled balance of Kshs.2,690,975.
- iii. Additionally, the statement of cash flows reflects total payments of Kshs.5,869,325 while the statement of financial performance reflects total payments of Kshs.123,849,313 resulting to unexplained variance of Kshs.117,979,988.

In the circumstances, the accuracy and fair statement of the financial statements for the year ended 30 June, 2022 could not be confirmed.

2.0 Unsupported Revenue from Non-Exchange Transactions

2.1 Transfers from County Government

The statement of financial performance reflects transfers from County Government of Kshs.9,075,099 as disclosed in Note 6 to the financial statements. Included in the amount is Kshs.2,507,272 which was not recorded in the cash book, bank statement nor supported by Authority to Incur Expenditure (AIE). In addition, the amount excludes Kshs.941,931 recorded in cash book and bank statement as receipts from the County Government of Kiambu.

In the circumstances, the accuracy and completeness of transfers from the county government of Kshs.9,075,099 for the year ended 30 June, 2022 could not be confirmed.

2.2 In-Kind Contribution from County Government

The statement of financial performance reflects in-kind contribution from County Government amounting to Kshs.108,111,099 as disclosed in Note 7 to the financial statements in respect of employee salaries and wages paid directly by the County Government of Kiambu. However, the payroll for the hospital employees was not provided for audit review.

In the circumstance, the accuracy and fair statement of in-kind contributions from the County Government of Kshs.108,111,099 for the year ended 30 June, 2022 could not be confirmed.

3.0 Revenue from Exchange transactions

3.1 Unsupported Rendering of Services-Medical Service Income

The statement of financial performance reflects Nil balance in respect to revenue from exchange transactions. However, Note 11 to the financial statements reflects a balance of Kshs.13,134,338 resulting in unexplained variance of Kshs.13,134,338. Further, analysis of the hospital revenue collection system revealed a total revenue collection of Kshs.21,327,024, out of which, only Kshs.9,075,099 or 40% was disbursed to the hospital.

In the circumstances, the accuracy rendering of services-medical services income could not be confirmed.

3.2 Unaccounted for NHIF and Linda Mama Funds

The statement of financial performance reflects Nil balance in respect to revenue from exchange transactions. Records provided for audit reflected a total of Kshs.14,733,240 in respect of NHIF and Linda Mama reimbursements. However, only Kshs.11,148,592 was transferred to Kiambu County Facility Improvement Fund resulting to unexplained variance of Kshs.3,584,648. Further, despite the NHIF bank account having been in operation during the year it was not used for the reimbursements.

In the circumstances, the accuracy and fair statement of rendering of services of Nil balance for the year ended 30 June, 2022 could not be confirmed.

4.0 Unsupported Expenditure Balances

The statement of financial performance reflects total expenses amounting to Kshs.123,849,313. However, supporting schedules for the expenditures were not provided for audit as detailed below:

Particulars	Financial Statement Amount (Kshs.)	Supporting Schedule Amount (Kshs.)	Variance (Kshs.)
Medical /Clinical Cost	9,482,677	0	9,482,677
Employee Cost	111,758,141	0	111,758,141
Repairs and Maintenance	1,073,482	0	1,073,482
General Expenses	1,535,013	0	1,535,013
Medical services contracts	36,420	0	36,420
Gains/Losses			

In the circumstances, the accuracy, completeness total expenses amounting to Kshs.123,849,313 could not be confirmed.

5.0 Unexplained Variances in Cash and Cash Equivalents Balance

The statement of financial position reflects cash and cash equivalent balance of Kshs.5,897,335 as disclosed in Note 27 to the financial statements. However, the cash book reflects a balance of Kshs.14,330 resulting to unexplained variance of Kshs.5,883,005. Further, the bank reconciliation statement includes unrepresented cheques totalling Kshs.5,883,005, out of which Kshs.1,493,254 were in respect of payments made after the closure of the financial year.

In the circumstances, the accuracy and completeness of cash and cash equivalents of Kshs.5,897,335 as at 30 June, 2022 could not be confirmed.

6.0 Unsupported Receivables from Exchange Transactions

The statement of financial position reflects receivables from exchange transactions balance of Kshs.2,340,738 as disclosed in Note 28 to the financial statements. However, a detailed supporting schedule indicating names of vendors, service or goods supplied and amount owed was not provided for audit review.

In the circumstance, the accuracy and completeness receivables from exchange transactions balance of Kshs.2,230,738 as at 30 June, 2022 could not be confirmed.

7.0 Unsupported Inventories Balance

The statement of financial position reflects inventories balance of Kshs.1,918,394 as disclosed in Note 30 to the financial statements. However, a detailed supporting schedule indicating description of inventory, quantity in stock, cost or valuation was not provided for audit review.

In the circumstance, the accuracy and valuation of inventories balance of Kshs.1,918,394 as at 30 June, 2022 could not be confirmed.

8.0 Unsupported Trade and other Payables Balance

The statement of financial position reflects trade and other payables balance of Kshs.3,493,352 as disclosed in Note 34 to the financial statements. However, a detailed supporting schedule indicating names of vendors, service or goods supplied and amount payable was not provided for audit review.

In the circumstance, the accuracy and fair statement of trade and other payables balance of Kshs.3,493,352 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Wangige 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 adverse opinion.

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects a revenue budget of Kshs.9,075,099 and an expenditure budget of Kshs.123,849,313 against actual revenue and expenditure of Kshs.9,075,099 and Kshs.123,849,313 respectively. However, the approved budget was not provided for audit review.

In the circumstances, the legality of the budget could not be confirmed.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse Opinion Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1.0 Errors in Presentation and Disclosure in the Financial Statements

Review of the financial statements prepared and submitted for audit revealed the following anomalies: -

- i. The chairman's report on page xii is not signed.
- ii. Management discussion and analysis on page xix includes a guiding note as part of the statement.
- iii. Report of the board of management on page xxv is not signed.
- iv. Pages 2,4,5,7 and 9 are not signed by chairperson to the Board of Management.
- v. The balances in the statement of cash flows are not referenced by way of Notes to the financial statements.
- vi. The deficit for the year is not reflected in the statement of changes in net assets.

In the circumstances, Management did not comply with the presentation and disclosure requirements of International Public Sector Accounting Standards Board (IPSASB).

2.0 Late Remittance of Statutory Contributions

The statement of financial performance reflect employee costs amounting to Kshs.111,758,141. As disclosed in Note 16 to the financial statement, the amount includes Kshs.3,647,042 in respect to casual wages. The casual wages amount include statutory deductions of NSSF of Kshs.32,800 and NHIF of Kshs.112,850 all totalling to Kshs.145,650, which were remitted to the respective institutions after their due dates. This was contrary to Section 27(1) of the National Social Security Fund Act, 2013 and Section 16 of the NHIF Act 2012 which requires the deductions to be remitted to both Funds within the due dates.

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

3.0 Unremitted Pay As You Earn (PAYE)

Analysis of the payroll revealed that Management was yet to remit Pay As You Earn (PAYE) deductions totalling Kshs.58,599 recovered from casual employees' wages during the year under review contrary to Section 37 of the Income Tax Act 2014 which requires the tax to be remitted on or before the tenth day of the month following the recovery.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the

financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, because of the significance of the matters discussed in the Basis for Adverse Opinion, Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

1.0 Inconsistencies in Revenue Collection Systems

Review of the hospital's information management system revealed that Kshs.14,639,224 in revenue was collected in respect of rendering of services. However, the Hospital records reflected Kshs.15,207,927 resulting in unreconciled variance of Kshs.568,703. In addition, revenue collection account and Mpesa statements for the Kshs.14,639,224 receipts were not provided for audit.

In the circumstances, the reliability of internal controls designed in the revenue collection could not be confirmed during the period under review.

2.0 Receipting System

Review of the receipting systems revealed that, a thermal printer used for generation of electronic receipts was not integrated to the collection systems and was manually triggered. Further, the receipts were not serially numbered or reconciled with the Mpesa transactions. Further, hospital charges and tariffs were not mapped to the in the hospital's information management system.

In the circumstances, the reliability of internal controls designed in the revenue collection could not be confirmed during the period under review.

3.0 Management of Pharmaceuticals and Non-pharmaceuticals

Review of procurement records revealed that the hospital procured, received and recorded pharmaceuticals products in the stock control cards at the stores. However, examination of the drug stock control cards revealed that batch numbers and expiry date for the drugs were not captured in the bin cards. As a result, the First Expiry First Out (FEFO) stock control method was not applied leading to expiry of drugs.

In the circumstances, the reliability of internal controls designed for effective stock control management for pharmaceuticals and non-pharmaceuticals could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance are 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 control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution.

My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

13 October, 2023

*Wangige Level 4 Hospital County Government of Kiambu
Annual Report and Financial Statements for The Year Ended 30th June 2022*

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

Description	Notes	2021/22 Kshs	2020/21 Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6	9,075,099	-
In-kind contributions from the County Government	7	108,111,099	-
Grants from donors and development partners	8	-	-
Transfers from other Government entities	9	-	-
Public contributions and donations	10	-	-
		117,186,198	-
Revenue from exchange transactions			
Rendering of services- Medical Service Income	11	-	-
Revenue from rent of facilities	12	-	-
Finance /Interest Income	13	-	-
Other income (<i>specify</i>)	14	-	-
Revenue from exchange transactions		-	-
Total revenue		117,186,198	-
Expenses			
Medical/Clinical costs	15	9,482,677	-
Employee costs	16	111,758,141	-
Board of Management Expenses	17	-	-
Depreciation and amortization expense	18	-	-
Repairs and maintenance	19	1,073,482	-
Grants and subsidies	20	-	-
General expenses	21	1,535,013	-
Finance costs	22	-	-
Total expenses		123,849,313	-
Other gains/(losses)			
Gain on disposal of non-Current assets	23	-	-
Unrealized gain on fair value of investments	24	-	-

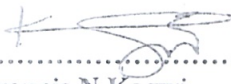
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Medical services contracts Gains/Losses	25	36,420	-
Impairment loss	26	-	-
Gain on foreign exchange transactions		-	-
Total other gains/(losses)		-	-
Net Gain for the year		(6,663,115)	-
Attributable to:			
Surplus/(deficit) attributable to minority interest		-	-
Surplus attributable to owners of the controlling entity		-	-
		-	-

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

The Hospital's financial statements were approved by the Board on 30/06/2022 and signed on its behalf by:

.....
Dr Charles E Kabetu
Chairman
Board of Management


.....
Francis N Kagwi
Head of Finance
ICPAK No:10023


.....
Dr Bruce O Semo
Medical Superintendent

Wangige Level 4 Hospital (County Government of Kiambu)
Annual Report and Financial Statements for The Year Ended 30th June 2022

XIII. Statement of Financial Position as of 30th June 2022

Description	Notes	2021/22 Kshs	2020/21 Kshs
Assets			
Current assets			
Cash and cash equivalents	27	5,897,335	-
Receivables from exchange transactions	28	2,340,738	-
Receivables from non-exchange transactions	29	-	-
Inventories	30	1,918,394	-
Total Current Assets		10,156,467	-
Non-current assets			
Property, plant, and equipment	31	-	-
Intangible assets	32	-	-
Investment property	33	-	-
Total Non-current Assets		-	-
Total assets		10,156,467	-
Liabilities			
Current liabilities			
Trade and other payables	34	3,493,352	-
Refundable deposits from customers/Patients	35	-	-
Provisions	36	-	-
Finance lease obligation	37	-	-
Current portion of deferred income	38	-	-
Current portion of borrowings	39	-	-
Total Current Liabilities		3,493,352	-
Non-current liabilities			
Provisions	36	-	-
Non-Current Finance lease obligation	37	-	-
Non-Current portion of deferred income	38	-	-
Non - Current portion of borrowings	39	-	-
Service concession liability	40	-	-
Total Non-current liabilities		-	-
Total Liabilities		3,493,352	-

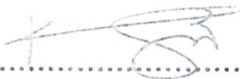
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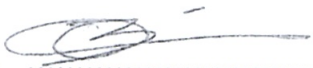
Description	Notes	2021/22	2020/21
		Kshs	Kshs
Net assets			
Revaluation reserve		-	-
Accumulated surplus/Deficit		(6,663,115)	-
Capital Fund		-	-
		-	-
Total Net Assets and Liabilities		(10,156,467)	-

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

The Hospital's financial statements were approved by the Board on 30/06/22 and signed on its behalf by:

.....
Dr Charles E Kabetu
Chairman
Board of Management


.....
Francis N Kagwi
Head of Finance
ICPAK No:10023


.....
Dr Bruce O Semo
Medical Superintendent

Wangige Level 4 Hospital (County Government of Kiambu)
Annual Report and Financial Statements for The Year Ended 30th June 2022

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


	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2020	-	-	-	-
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	-	-	-
Capital/Development grants	-	-	-	-
As at June 30, 2021	-	-	-	-
At July 1, 2021	-	-	-	-
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	-	-	-
Capital/Development grants	-	-	-	-
At June 30, 2022	-	-	-	-

(Note:


1. The entity has not revalued its net asset as at 30th June 2022.

The Hospital's financial statements were approved by the Board on 30/06/22 and signed on its behalf by:

.....
Dr Charles E Kabetu
 Chairman
 Board of Management



Francis N Kagwi
 Head of Finance
 ICPAK No:10023



Dr Bruce O Semo
 Medical Superintendent

*Wangige Level 4 Hospital (County Government of Kiambu)
Annual Report and Financial Statements for The Year Ended 30th June 2022*

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


Description	Note	2021/22 Kshs	2020/21 Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government		9,075,685	-
Grants from donors and development partners		-	-
Transfers from other Government entities		-	-
Public contributions and donations		-	-
Rendering of services- Medical Service Income		-	-
Revenue from rent of facilities		-	-
Finance / interest income		-	-
Other receipts(<i>bank balance</i>)		2,690,975	-
Total Receipts		11,766,660	-
Payments			
Medical/Clinical costs		1,855,415	-
Employee costs		2,448,695	-
Board of Management Expenses		-	-
Repairs and maintenance		554,488	-
Grants and subsidies		-	-
General expenses		1,010,763	-
Finance costs		-	-
Refunds paid out		-	-
Total Payments		5,869,325	-
Net cash flows from operating activities		5,897,335	-
Cash flows from investing activities			
Purchase of property, plant, equipment, & intangible assets		(-)	-
Proceeds from the sale of property, plant, and equipment		-	-
Acquisition of investments		(-)	-
Net cash flows used in investing activities		(-)	-
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		(-)	-
Capital grants received		-	-
Net cash flows used in financing activities		(-)	-

Wangige Level 4 Hospital (County Government of Kiambu)
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Description	Note	2021/22	2020/21
		Kshs	Kshs
Net increase/(decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at 30 June	27	5,897,335	-
Cash and cash equivalents at 30 June	27	5,897,335	-

The Hospital's financial statements were approved by the Board on 30/06/22 and signed on its behalf by:

.....
Dr Charles E Kabetu
 Chairman
 Board of Management



Francis N Kagwi
 Head of Finance
 ICPAK No:10023



Dr Bruce O Semo
 Medical Superintendent

Wangige Hospital (County Government of Kiambu)
Annual Report and Financial Statements for The Year Ended 30th June 2022

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	a	b	c=(a+b)	d	e=(c-d)	f=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	
Revenue						
Transfers from the County Government	9,075,099	-	9,075,099	9,075,099	-	0%
Grants from donors and development partners	-	-	-	-	-	%
Transfers from other Government entities	-	-	-	-	-	%
Public contributions and donations	-	-	-	-	-	%
Rendering of services- Medical Service Income	-	-	-	-	-	%
Revenue from rent of facilities	-	-	-	-	-	%
Finance / interest income	-	-	-	-	-	%
Other receipts (<i>specify</i>)	-	-	-	-	-	%
Total income	-	-	-	-	-	%
Expenses						
Medical/Clinical costs	9,482,677	-	9,482,677	9,482,677	-	0%
Employee costs	111,758,141	-	111,758,141	111,758,141	-	0%
Remuneration of directors	-	-	-	-	-	%
Repairs and maintenance	1,073,482	-	1,073,482	1,073,482	-	0%
Grants and subsidies	-	-	-	-	-	%
General expenses	1,535,013	-	1,535,013	1,535,013	-	0%
Finance costs	-	-	-	-	-	%
Refunds	-	-	-	-	-	%
Surplus for the period	-	-	-	-	-	%


Wangige Level 4 Hospital (County Government of Kiambu)
 Annual Report and Financial Statements for The Year Ended 30th June 2022

Capital expenditure	-	-	-	-	-	%
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The notes set out on pages x to xx form an integral part of the Annual Financial Statements.

The Hospital's financial statements were approved by the Board on 30th June 2022 and signed on its behalf by:

.....
 Dr Charles E Kabetu
 Chairman
 Board of Management



 Francis N Kagwi
 Head of Finance
 ICPAK No:10023



 Dr Bruce O Semo
 Medical Superintendent

XVII. Notes To the Financial Statements

1. General Information

Wangige level 4 hospital entity is established by and derives its authority and accountability from health Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kiambu County. The entity's principal activity is to provide health services, create an enabling environment regulate and set standards and policy for health service delivery.

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 42 the financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *entity*.

The financial statements have been prepared in accordance with the PFM Act, and Kiambu county Government Health and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

Notes to the Financial Statements (Continued)

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

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p><i>(State the impact of the standard to the Entity if relevant)</i></p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ol style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and

*Wangige Level 4 Hospital (County Government of Kiambu)
Annual Report and Financial Statements for The Year Ended 30th June 2022*

Standard	Effective date and impact:
	<p>(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.</p> <p><i>(State the impact of the standard to the Entity if relevant)</i></p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p><i>(State the impact of the standard to the Entity if relevant)</i></p>
<p>Other improvements to IPSAS</p>	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p> <p><i>State the impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 43</p>	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This</p>

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

ii. Early adoption of standards

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

4. Summary Of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other Government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (*cash, goods, services, and property*) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

Notes to the Financial Statements (Continued)

Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Dividends

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

Rental income

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

Notes to the Financial Statements (Continued)

b) Budget information

The original budget for FY2021/2022 was approved by Board on August 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 nil on the FY 2021/2022 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

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 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.

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.

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.

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

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

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 has not created or maintains reserves

l) Changes in accounting policies and estimates

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

m) Employee benefits

Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the

Current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump-sum payments or increased future contributions on a proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

Notes to the Financial Statements (Continued)

n) Foreign currency transactions

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

o) Borrowing costs

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

p) Related parties

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

q) Service concession arrangements

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

Notes to the Financial Statements (Continued)

r) Cash and cash equivalents

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

s) Comparative figures

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

t) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

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

Notes to the Financial Statements (Continued)

Useful lives and residual values

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

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

Provisions

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

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

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

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6. Transfers From The County Government

Description	2021/22	2020/21
	KShs	KShs
Unconditional grants		
Operational grant	-	-
Level 5 grants	-	-
Other grants	-	-
	-	-
Conditional grants		
User fee forgone	-	-
Transforming health services for Universal care project (THUCP)	-	-
DANIDA	-	-
Wards Development grant	-	-
Paediatric block grant	-	-
Administration block grant	-	-
Laboratory grant	-	-
Total government grants and subsidies	-	-

Notes to the Financial Statements (Continued)

6 Transfers from the County Government

Name of the Entity sending the grant	Amount recognized to Statement of financial performance KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year	Total 2020/21
			KShs		
Kiambu County Government	-	-	-	9,075,685	-
Total	-	-	-	9,075,685	-

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

7. In Kind Contributions from The County Government

Description	2021/22	2020/21
	KShs	KShs
Salaries and wages	108,111,099	-
Pharmaceutical and Non-Pharmaceutical Supplies	-	-
Medical supplies-Drawings Rights (KEMSA)	-	-
Utility bills	-	-
Total grants in kind	108,111,099	-

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

8. Grants From Donors and Development Partners

Description	2021/22	2020/21
	KShs	KShs
Cancer Centre grant- DANIDA	-	-
World Bank grants	-	-
Paediatric ward grant- JICA	-	-
Research grants	-	-
Other grants (specify)	-	-
Total grants from development partners	-	-

No grants from donor and development partner were received in this financial year ending 2022

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Notes to the Financial Statements (Continued)

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

Name of the Entity sending the grant	Amount recognized to Statement of financial performance	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Total 2020/21
	KShs	KShs	KShs	KShs	KShs
Donor e.g., DANIDA	-	-	-	-	-
JICA	-	-	-	-	-
World Bank	-	-	-	-	-
Total	-	-	-	-	-

9. Transfers From Other Government Entities

Description	2021/22	2020/21
	KShs	KShs
Transfer from National Government (Ministry of Health)	-	-
Transfer from xxx National Hospital	-	-
Transfer from xxx Institute	-	-
Total Transfers	-	-

10. Public Contributions and Donations

Description	2021/22	2020/21
	KShs	KShs
Public donations	-	-
Donations from local leadership	-	-
Donations from religious institutions	-	-
Donations from other international organisations and individuals	-	-
Other donations(<i>specify</i>)	-	-
Donations in kind-amortised	-	-
Total donations and sponsorships	-	-

(No grants from donor and development partner were received in this financial year ending 2022)

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Notes to the Financial Statements (Continued)

10 (a) Reconciliations of amortised grants

Description	2021/22	2020/21
	KShs	KShs
Balance unspent at beginning of year	-	-
Current year receipts	-	-
Amortised and transferred to revenue	-	-
Conditions to be met – remain liabilities	-	-

11. Rendering of Services-Medical Service Income

Description	2021/22	2020/21
	KShs	KShs
Pharmaceuticals	2,973,243	-
Non-Pharmaceuticals	-	-
Laboratory	1,942,700	-
Radiology	353,700	-
Orthopedic and Trauma Technology	-	-
Theatre	-	-
Accident and Emergency Service	-	-
Anesthesia Service	-	-
Ear Nose and Throat service	2,400	-
Nutrition service	6,400	-
Cancer centre service	-	-
Dental services	39,600	-
Reproductive health	5,146,750	-
Paediatrics services	-	-
Farewell home services	-	-
Other medical services income	2,669,545	-
Total revenue from the rendering of services	13,134,338	-

(Other medical services fee relates to other charges not listed above)

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Notes to the Financial Statements (Continued)

12. Revenue From Rent of Facilities

Description	2021/22	2020/21
	KShs	KShs
Residential property	-	-
Commercial property	-	-
Total Revenue from rent of facilities	-	-

(There was no revenue income from rent of facilities)

13. Finance /Interest Income

Description	2021/22	2020/21
	KShs	KShs
Cash investments and fixed deposits	-	-
Interest income from short- term/ current deposits	-	-
Interest income from Treasury Bills	-	-
Interest income from Treasury Bonds	-	-
Interest from outstanding debtors	-	-
Total finance income	-	-

(There was no revenue income from finance/interest income)

14. Other Income

Description	2021/22	2020/21
	KShs	KShs
Insurance recoveries	-	-
Income from sale of tender	-	-
Services concession income	-	-
Sale of goods (water, publications, containers etc.)	-	-
Total other income	-	-

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

Notes to the Financial Statements (Continued)

15. Medical/ Clinical Costs

Description	2021/22	2020/21
	KShs	KShs
Dental costs/ materials	-	-
Laboratory chemicals and reagents	1,419,817	-
Public health activities	-	-
Food and Ration	753,030	-
Uniform, clothing, and linen	-	-
Dressing and Non-Pharmaceuticals	3,124,170	-
Pharmaceutical supplies	476,165	-
Health information stationery	2,950,121	-
Reproductive health materials	-	-
Sanitary and cleansing Materials	437,810	-
Purchase of Medical gases	167,714	-
X-Ray/Radiology supplies	23,850	-
Other medical related clinical costs (<i>specify</i>)	-	-
Total medical/ clinical costs	9,482,677	-

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

16. Employee Costs

Description	2021/22	2020/21
	KShs	KShs
Salaries, wages, and allowances	108,111,099	-
Contributions to pension schemes	-	-
Service gratuity	-	-
Performance and other bonuses	-	-
Staff medical expenses and Insurance cover	-	-
Group personal accident insurance and WIBA	-	-
Social contribution	-	-
Other employee costs (<i>specify</i>)	3,647,042	-
Employee costs	111,758,141	-

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

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Notes to the Financial Statements (Continued)

17. Board of Management Expenses

Description	2021/22	2020/21
	KShs	KShs
Chairman's Honoraria	-	-
Sitting allowance	-	-
Mileage	-	-
Insurance expenses	-	-
Induction and training	-	-
Travel and accommodation allowance	-	-
Airtime allowances	-	-
Total	-	-

18. Depreciation And Amortization Expense

Description	2021/22	2020/21
	KShs	KShs
Property, plant and equipment	-	-
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	-	-

19. Repairs And Maintenance

Description	2021/22	2020/21
	KShs	KShs
Property- Buildings	111,964	-
Medical equipment	388,940	-
Office equipment	30,000	-
Furniture and fittings	-	-
Computers and accessories	130,000	-
Motor vehicle expenses	412,578	-
Maintenance of civil works	-	-
Total repairs and maintenance	1,073,482	-

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Notes to the Financial Statements (Continued)

20. Grants And Subsidies

Description	2021/22	2020/21
	KShs	KShs
Community development and social work	-	-
Education initiatives and programs	-	-
Free/ subsidised medical camp	-	-
Disability programs	-	-
Free cancer screening	-	-
Other grants and subsidies(<i>specify</i>)	-	-
Total grants and subsidies	-	-

21. General Expenses

Description	2021/22	2020/21
	KShs	KShs
Advertising and publicity expenses	-	-
Catering expenses	130,000	-
Waste management expenses	-	-
Insecticides and rodenticides	-	-
Audit fees	-	-
Bank charges	10,000	-
Conferences and delegations	-	-
Consultancy fees	-	-
Contracted services	280,000	-
Electricity expenses	100,000	-
Insurance	-	-
Research and development expenses	-	-
Travel and accommodation allowance	84,070	-
Legal expenses	-	-
Licenses and permits	-	-
Courier and postal services	56,000	-
Printing and stationery	491,127	-
Hire charges	-	-
Rent expenses	-	-
Water and sewerage costs	150,000	-
Skills development levies	-	-
Telephone and mobile phone services	213,816	-
Internet expenses	20,000	-

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Annual Report and Financial Statements for The Year Ended 30th June 2022

Description	2021/22	2020/21
	KShs	KShs
Staff training and development	-	-
Subscriptions to professional bodies	-	-
Subscriptions to newspapers periodical, magazines, and gazette notices	-	-
Library books/Materials	-	-
Parking charges	-	-
Total General Expenses	1,535,013	-

22. Finance Costs

Description	2021/22	2020/21
	KShs	KShs
Borrowings (amortized cost) *	-	-
Finance leases (amortized cost)	-	-
Interest on Bank overdrafts/Guarantees	-	-
Interest on loans from commercial banks	-	-
Total finance costs	-	-

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

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

Description	2021/22	2020/21
	KShs	KShs
Property, plant, and equipment	-	-
Intangible assets	-	-
Other assets not capitalised (<i>specify</i>)	-	-
Total gain on sale of assets	-	-

24. Unrealized Gain On Fair Value Investments

Description	2021/22	2020/21
	KShs	KShs
Investments at fair value	-	-
Total gain	-	-

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Notes to the Financial Statements (Continued)

25. Medical Services Contracts Gains /Losses

Description	2021/22	2020/21
	KShs	KShs
Comprehensive care contracts with NHIF	-	-
Non- Comprehensive contracts care with NHIF	-	-
Linda Mama Program	-	-
Waivers and Exemptions	36,420	-
Total Gain/Loss	36,420	-

Note: waiver is for non-Kenyan citizen (mothers)

26. Impairment Loss

Description	2021/22	2020/21
	KShs	KShs
Property, plant, and equipment	-	-
Intangible assets	-	-
Total impairment loss	-	-

Note: Subject to county evaluation.

27. Cash And Cash Equivalentents

Description	2021/22	2020/21
	KShs	KShs
Current accounts	5,897,335.90	-
On - call deposits	-	-
Fixed deposits accounts	-	-
Cash in hand	-	-
Others(<i>specify</i>)- Mobile money	-	-
Total cash and cash equivalentents	5,897,335.90	-

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Notes to the Financial Statements (Continued)

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

Description		2021/22	2020/21
Financial institution	Account number	KShs	KShs
a) Current account			
Kenya Commercial bank	1157562256	5,897,335.90	-
Kenya Commercial bank	1263814220	-	-
Sub- total		5,897,335.90	-
b) On - call deposits			
Kenya Commercial bank		-	-
Kenya Commercial bank		-	-
Sub- total		-	-
c) Fixed deposits account			
Kenya Commercial bank		-	-
Sub- total		-	-
d) Others(specify)			
cash in hand		-	-
Mobile money- M-pesa, Airtel money		-	-
Sub- total		5,897,335.90	-
Grand total		5,897,335.90	-

28. Receivables From Exchange Transactions

Description	2021/22	2020/21
	KShs	KShs
Medical services receivables	2,340,738	-
Rent receivables	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
Total receivables	2,340,738	-

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Notes to the Financial Statements (Continued)

29. Receivables From Non-Exchange Transactions

Description	2021/22	2020/21
	KShs	KShs
Transfers from the County Government	-	-
Undisbursed donor funds	-	-
Other debtors (<i>non-exchange transactions</i>)	-	-
Less: impairment allowance	(-)	(-)
Total	-	-

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

30. Inventories

Description	2021/22	2020/21
	KShs	KShs
Pharmaceutical supplies	-	-
Maintenance supplies	767,357	-
Food supplies	153,473	-
Linen and clothing supplies	-	-
Cleaning materials supplies	306,943	-
General supplies	690,621	-
Less: provision for impairment of stocks	-	-
Total	1,918,394	-

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Notes to the Financial Statements (Continued)

31. Property, Plant and Equipment

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Capital Work in progress	Total
Cost	Shs	Shs	Shs	Shs	Shs	Shs	Shs	Shs
At July 2020	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Transfers/adjustments	-	-	(-)	-	-	-	-	(-)
At 30 th June 2021	-	-	-	-	-	-	-	-
At 1 st July 2021	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Transfer/adjustments	-	-	-	-	-	-	-	-
At 30 th June 2022	-	-	-	-	-	-	-	-
Depreciation and impairment								
At July 2020	-	-	-	-	-	-	-	-
Depreciation for the year	-	-	-	-	-	-	-	-
Disposals	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Impairment	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

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Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Capital Work in progress	Total
At 30 June 2021	-	-	-	-	-	-	-	-
At July 2021	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Disposals	(-)	(-)	(-)	(-)	(-)	(-)	-	(-)
Impairment	(-)	(-)	(-)	(-)	(-)	(-)	-	(-)
Transfer/adjustment		-	-	-	-	-	(-)	(-)
At 30 th June 2022	-	-	-	-	-	-	-	-
Net book values								
At 30 th June 2021	-	-	-	-	-	-	-	-
At 30 th June 2022	-	-	-	-	-	-	-	-

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Notes to the Financial Statements (Continued)

32. Intangible Assets-Software

Description	2021/22	2020/21
	KShs	KShs
Cost		
At beginning of the year	-	-
Additions	-	-
Additions—Internal development	-	-
Disposal	-	(-)
At end of the year	-	-
Amortization and impairment		
At beginning of the year	-	-
Amortization for the period	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	-	-

33. Investment Property

Description	2021/22	2020/21
	KShs	KShs
At beginning of the year	-	-
Additions	-	-
Fair value gain	-	-
Depreciation (where investment property is at cost)	-	(-)
At end of the year	-	-

34. Trade And Other Payables

Description	2021/22	2020/21
	KShs	KShs
Trade payables	3,493,352	-
Employee dues	-	-
Third-party payments (unremitted payroll deductions)	-	-
Audit fee	-	-
Doctors' fee	-	-
Total trade and other payables	3,493,352	-

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Notes to the Financial Statements (Continued)

35. Refundable Deposits from Customers/Patients

Description	2021/22	2020/21
	KShs	KShs
Medical fees paid in advance	-	-
Credit facility deposit	-	-
Rent deposits	-	-
Others (<i>specify</i>)	-	-
Total deposits	-	-

36. Provisions

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

37. Finance Lease Obligation

Description	2021/22	2020/21
	Kshs	Kshs
Current Lease obligation	-	-
Long term lease obligation	-	-
Total	-	-

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Notes to the Financial Statements (Continued)

38. Deferred Income

Description	2021/22	2020/21
	KShs	KShs
Current Portion	-	-
Non-Current Portion	-	-
Total	-	-

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

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

39. Borrowings

Description	2021/22	2020/21
	KShs	KShs
Balance at beginning of the period	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the year	(-)	(-)
Repayments of domestic borrowings during the year	(-)	(-)
Balance at end of the period	-	-

Notes to the Financial Statements (Continued)

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

Description	2021/22	2020/21
Current Obligation	-	-
Non-Current Obligation	-	-
Total	-	-

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

40. Service Concession Arrangements

Description	2021/22	2020/21
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	(-)	-
Net carrying amount	=	=
Service concession liability at beginning of the year	-	-
Service concession revenue recognized	(-)	(-)
Service concession liability at end of the year	=	=

41. Cash Generated from Operations

Surplus for the year before tax	2021/22	2020/21
Adjusted for:		
Depreciation	-	-
Non-cash grants received	-	-
Impairment	-	-
Gains and losses on disposal of assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Working Capital adjustments	-	-
Increase in inventory	-	-
Increase in receivables	-	-
Increase in deferred income	-	-
Increase in payables	-	-
Increase in payments received in advance	-	-
Net cash flow from operating activities	-	-

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

Notes to the Financial Statements (Continued)

42. Financial Risk Management

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

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

(i) Credit risk

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

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Notes to the Financial Statements (Continued)

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2020				
Receivables from exchange transactions	-	-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
At 30 June 2022				
Receivables from exchange transactions	-	-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

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

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 1st July 2021

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

(ii) Liquidity risk management

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

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

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

(iii) **Market risk**

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

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

a) **Foreign currency risk**

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

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

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

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

Foreign currency sensitivity analysis

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

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
2022			
Euro	10%	-	-
USD	10%	-	-
20xx			
Euro	10%	-	-
USD	10%	-	-

Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

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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 0.00. A rate increase/decrease of 5% would result in a decrease/increase in surplus of KShs 0.00

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	-	-
Total funds	-	-
Total borrowings	-	-
Less: cash and bank balances	(-)	(-)
Net debt/ (<i>excess cash and cash equivalents</i>)	-	-
Gearing	-	-

43. Related Party Balances

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of the Wangige Level 4 Hospital, 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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- i) The Kenya Government;
- ii) The Health Ministry;
- iii) The Kiambu County Government
- iv) Key management;
- v) Board of directors;

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

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44. Segment Information

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

45. Contingent Liabilities

Contingent liabilities	2021/22	2020/21
	Kshs	Kshs
No Court case	-	-
Bank guarantees in favour of subsidiary	-	-
Total	-	-

(Give details)

46. Capital Commitments

Capital Commitments	2021/22	2020/21
	Kshs	Kshs
Authorised For	-	-
Authorised And Contracted For	-	-
Total	-	-

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

47. Events After The Reporting Period

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

48. Ultimate And Holding Entity

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

49. Currency

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

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XVIII. Appendices

Appendix 1: Progress on Follow up Of Auditor Recommendations

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

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

Guidance Notes:

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


.....
Accounting Officer

(To be signed by the accounting officer of the Hospital)

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)

Status of Projects completion

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

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

Note: There was no project done by the facility for the year 2021/2022

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 30th 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 th 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 th June 2021 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)		
Total						

Head of Accountants department of beneficiary entity:
Name Francis N Kagwi Sign  Date 30.06.2022

APPENDIX V Reporting of Climate Relevant Expenditures

Name of the Organization

Telephone Number

Email Address

Name of Medical Sup/MD/Head

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

Month	Description	Object	Project	Source of Funds				Implementing Agency
				Government	Private	Donor	Other	

Note: there was no expenditure related to climate change

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 (K.shs.)	Comments

Note: There was no expenditure related to climate change

