

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

PARLIAMENT  
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LIBRARY

REPORT

OF

THE AUDITOR-GENERAL

ON

KENDU BAY SUB-COUNTY HOSPITAL

FOR THE YEAR ENDED

30 JUNE, 2022

COUNTY GOVERNMENT OF HOMA BAY

24/09/24

M.K.

Abdirahman



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**KENDU BAY SUB COUNTY HOSPITAL  
(Homa- Bay County Government)**



**ANNUAL REPORT AND FINANCIAL  
STATEMENTS**



**FOR THE YEAR ENDED 30 JUNE 2022**

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

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

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

Kendu Bay County Hospital is a level (4) hospital established under gazette notice number 786 and domiciled in Homa Bay County under the Department of Health Services. A Board of Management governs the hospital.

### **(b) Principal Activities**

The principal activity/mission/ mandate of the *hospital* is to

- i. Provide affordable and accessible universal health coverage
- ii. To modernize infrastructure, machinery and equipment
- iii. To attain financial sustainability
- iv. To strengthen human resource capability
- v. To develop facility health management information system

#### **Vision**

An efficient and high quality health care system that is accessible, equitable and affordable for every Kenyan.

#### **Mission.**

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

#### **Mandate**

To provide conducive environment that enhance active participation in the provision of high quality medical care services.

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

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

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

Hospital Management Team

**(d) Fiduciary Management**

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

| No. | Designation                   | Name                          |
|-----|-------------------------------|-------------------------------|
| 1.  | Medical Superintendent        | Dr. Bobfelix Ochieng Odhiambo |
| 2.  | Health Administrative Officer | Mr. Benard Gichaba            |
| 3.  | Director Nursing Services     | Mr. Jack Magara Juma          |
| 4.  | Head of finance/Accountant    | Mr. Rutus Osare               |
| 5.  | Laboratory Manager            | Mr. Calvince Odhiambo         |
| 6.  | Pharmacist In-charge          | Mr. Phanuel Otieno            |
| 7.  | Clinical Officer In-charge    | Mr. Ernest Omollo             |
| 8.  | Head of supply chain          | Mrs Dinah Odiembo             |

**(e) Fiduciary Oversight Arrangements**

Increasingly, hospitals and health systems, along with the individuals serving on their committees and governing boards, are seeing the need for prudent oversight of their organizations. Due to a rising number of lawsuits, trustees need to ensure that their organizations are taking proactive steps to protect their organizations and themselves. Kendu Bay County Hospital, being a government entity has formed various committees to ensure robust fiduciary oversight.

**I. Quality Improvement Team**

Quality Improvement Team (QIT) is a team taking lead to implement quality improvement activities. Group of multi skilled employee charged with responsibilities of improving processes or services. The team include top and middle management members to coordinate initial planning and implementation.

The members include;

|                       |                           |               |
|-----------------------|---------------------------|---------------|
| Mr. Calvince Odhiambo | Lab Manager               | – Chairperson |
| Mr. Ernest Omolio     | Records officer in-charge | – Secretary   |
| Dr. Odira Wycliffe    | (Medical Doctor)          | -Member       |
| Mrs. Cecilia Okoth    | (Nurse)                   | - Member      |
| Mrs. Cynthia Larry    | (Nurse)                   | -Member       |
| Mrs. Lucy Nyowino     | (Nurse)                   | - Member      |

## **II. Emergency Response Team**

Hospital Emergency Response Teams (HERT) is comprised of multi disciplines and specialties that activate and respond during emergencies. The team is responsible for Security of the hospital facility and grounds. Registration, patient tracking, triage, treatment, decontamination, detection & monitoring and movement of patients into the facility or on to other definitive medical care. The members are;

|                       |                        |              |
|-----------------------|------------------------|--------------|
| Dr. Wycliffe Odira    | Medical Doctor         | -Chairperson |
| Mr. Cavin Mimba       | Pharmtech              | -Member      |
| Dr. Oduor Vincent     | Medical Doctor         | -Member      |
| Mrs Judith Awuor      | Physiotherapist        | - Member     |
| Dr. Bobfelix Odhiambo | Medical Superintendent | -Member      |
| Mr. Benard Gichaba    | Hospital Administrator | - Member     |
| Mr. Ernest Omolo      | Record Officer         | - Member     |
| Mrs. Dinah Odiembo    | Supply Chain Assistant | - Member     |
| Mr. Kenneth Ogutu     | Biomed                 | -Member      |

## **III. Medicines and Therapeutic Committee**

The Medicines and Therapeutics Committee (MTC) is a multidisciplinary committee responsible for overseeing policies and procedures related to all aspects of medicines and other HPT use. Medicines and therapeutics committees (MTCs) is formed in the hospital to improve

prescribing and dispensing processes of medicines. Its importance appears in different aspects such as drug selection process, cost-effectiveness, and control of drug losses. Altogether, MTCs have shown an important role in promoting, controlling and educating activities of rational drug use. This is mostly manifested in demonstrating how the presence of MTCs in hospitals would improve patient's health outcomes and decrease overall drug expenditures.

The members;

|                        |                            |               |
|------------------------|----------------------------|---------------|
| Dr. Bob felix Odhiambo | Medical Superintendent     | – Chairperson |
| Mr. Cavin Mimba        | Pharmtech                  | – Secretary   |
| Dr. Odira Wycliffe     | Medical Officer            | - Member      |
| Mr. Jack Magara        | Director Nursing in charge | - Member      |
| Mr. Marvin Wendo       | Accountant                 | - Member      |
| Mr. Calvins Odhiambo   | Lab Manager                | - Member      |
| Mr. Gichaba Benard     | Hospital Administrator     | - Member      |

#### **IV. Billing and Waiver Committee**

The billing and waiver committee is responsible for tracking patient bills to ensure that correct bills are paid and those unable to pay are waived in line with the government policy. The members are;

|                     |                 |               |
|---------------------|-----------------|---------------|
| Mr. Jack Magara     | Nursing Officer | – Chairperson |
| Mr. Marvin Wendo    | Accountant      | – Secretary   |
| Mr. Gichaba Benard  | Administrator   | - Member      |
| Mr. Wycliffe Obunga | Social Worker   | - Member      |

**V. Maternal and Perinatal Death and Surveillance Response (MPDSR)**

MPDSR is a committee that ensures that deaths of mothers or babies during pregnancy, childbirth and post-natal period are notified, information is collected, causes reviewed and responses identified to prevent unnecessary deaths in future. The members are;

|                      |                 |               |
|----------------------|-----------------|---------------|
| Dr. Ochola Tobias    | Medical Officer | – Chairperson |
| Mr. Lucy Ochiel      | Nurse           | – Secretary   |
| Mr. Jack Magara      | Nurse           | - Member      |
| Mr. Ernest Omollo    | Records officer | - Member      |
| Mr. Calvins Odhiambo | Lab Manager     | - Member      |
| Mrs. Cynthia Larry   | Nurse           | - Member      |
| Mr. Cavin Mimba      | Pharmtech.      | - Member      |

**VI. Hospital Management Committee**

Oversight roles and resource mobilization to the facility

**VII. Hospital Management Team**

Runs the facility through ensuring that all procedures are adhered to through monthly HMT meetings

**VIII. Hospital finance Committee**

Goes through departmental budget proposals and ensure the allocations are done putting into consideration priorities

**(f) Entity Headquarters**

P.O. Box 469-40300

Homa Bay, KENYA

**Entity Contacts**

Telephone: (254) 2038617565/55

E-mail: [governorsofficehomabaycounty.go.ke](mailto:governorsofficehomabaycounty.go.ke)

Website: [www.Homa Bay.go.ke](http://www.Homa Bay.go.ke)

**(g) Entity Contacts**

P.O. Box 47 - 40301

Kendu Bay

Kendu Bay Road

KENYA

Telephone: (+254)712918117

E-mail: mohkenduhospital@gmail.com

**(h) Entity Bankers**

Co-operative Bank of Kenya

P.O Box 30084-00100

Homa Bay, Kenya

**(i) Independent Auditors**

Auditor General

Office of Auditor General

Anniversary Towers, Institute Way

P.O. Box 30084

GPO 00100

**Nairobi, Kenya**

**(j) Principal Legal Adviser**

The Attorney General

State Law Office

Harambee Avenue


P.O. Box 40112

City Square 00200

**Nairobi, Kenya**

## The Board of Management

| No. | Directors   | Details  |
|-----|---|--|
| 1.  | <br>Mr. Moses O. Migele<br>Board Chairperson | Mr. Moses Migele is fairly 65years and a seasoned administrator having worked as a principal in various secondary schools.<br>Education: Bachelors of Education  |
| 2.  | <br>Mr. Zacharia Zaid<br>Member              | Mr. Zacharia Zaid is a financial expert and chair of the Finance and General Purpose Committee<br>Education: Dip in Human Resource                               |
| 3.  | <br>Mrs. Esther Orito<br>Member             | Seasoned administrator spanning many years in the public service. She is currently the Sub county administrator, Kendu Bay South<br>Education: Cert in Nurse Aid |
| 4.  | <br>Mr. Alidade Mboya<br>Member            | Member of the Board representing people with disability<br>Education: Bachelor of Education  |
| 5.  | <br>Dr. Bobfelix Odhiambo                  | Medical Superintendent of the hospital<br>Education: Bachelor of Medicine, Bachelor Surgery (MBBS)   |

|    |  |   |
|----|--|---|
| 6. | <br>Mr. George Omollo Wigwa<br>Member | Sub County Public Health Officer<br>Education: Bachelor of Science in Public Health |
|----|--|---|

## II. Management Team

| Ref | Management   | Details                       |
|-----|--|-------------------------------|
| 1.  | Dr. Bobfelix O chieng Odhiambo<br>Medical Superintendent & Hospital Management Team<br>Chairperson (HMT) | Medical Superintendent        |
| 2.  | Mr. Benard Gichaba   | Health Administrative Officer |
| 3.  | Mr. Jack Magara  | Nursing Officer In- Charge    |
| 4.  | Mr. Marvin Wendo   | Accountant                    |
| 5.  | Mr. Cavin Mimba  | Pharmtech                     |
| 6.  | Mr. Calvins Odhiambo   | Lab Manager                   |
| 7.  | Mr. Phaniel Otieno   | Records officer In-Charge     |
| 8.  | Mr. Wycliffe Obunga  | Social worker                 |
| 9.  | Mrs. Judith Awuor  | Physiotherapist               |
| 10. | Mrs. Millicent Obango  | Secretary                     |
| 11. | Mr. Kenneth Ogutu  | Biomed                        |
| 12. | Mr. Ernest Omollo  | Clinical officer In- Charge   |
| 13. | Mrs. Vidah Awuor   | Nutritionist                  |
| 14. | Mr. Dancun Odiva   | Public Health Officer         |

### **III. Chairman's Statement**

It is my pleasure to present to you the Annual Report and Financial Statements of Kendu Bay County Hospital for the financial year ended 30 June 2022. The Board of Management is proud of the achievements realized by the hospital in this period towards "Offering high quality and integrated medical care services that are affordable and accessible". Considering the scale and complexity of operations of this hospital, 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. The Kenyan Constitution 2010 under the Bill of Rights provides the right to the highest attainable standard of health including reproductive health care and emergency medical treatment.

In addition, the Health Act 2016 establishes a unified health system that coordinates the inter-relationship between the national government and county government health systems, provides for regulation of health care services and health care service providers, health products and health technologies for connected purposes. It also provides for Health financing; Research; E-Health; Human organs and tissue transplant; Traditional and alternative medicine; Mental; Environmental and Public health; Standards of health; Reproductive health; and Emergency treatment. With this in mind, and the strategic placement of Kendu Bay County Hospital in the health sector, the Board is committed to ensure continued quality service delivery to the citizens.

#### **Sector Alignment**

At the National level, universal healthcare (UHC) is one of the big four agenda. The agenda aims to provide affordable healthcare for all households through NHIF scheme. The Kenya Vision 2030 aims at creating a globally competitive and prosperous country by providing a high quality of life for all its citizens. Under the social pillar, the overall goal of the Health Sector is to provide equitable, affordable and quality healthcare to all citizens.

#### **Acknowledgement**

On behalf of the Board, I would like to thank all our stakeholders especially the County Government of Homa Bay, Ministry of Health, National Hospital Insurance Fund and development partners for the support

they continue to accord the hospital without which our achievements would not have been realized. As we move into a new year, I would like to express my gratitude to Kendu Bay County Hospital staff, specialists, team leaders and the Board, who take such pride in their work, and who exemplify our hospital's mission and values each day. 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 year

**Mr. Moses O. Migele**



**Chairman – Kendu Bay Sub- County Hospital Board of Management**

## **V. Report of the Chief Executive Officer/Medical Superintendent**

I am pleased to present the Hospital's annual report and financial statements for the year 2021/2022. The report highlights the hospitals operational and financial performance as well as our strategic direction.

### **Operational Performance**

The hospital provides specialized healthcare services. To meet our patients' needs, we have specialists in surgical and gynecology disciplines of medical practice who ensure our customers receive safe, timely, equitable, efficient, effective and patient-centered services. In 2021/2022 the hospital attended to 5,110 patients of whom 820 were inpatients. This was an increase of 4% outpatients and 5% inpatients attendance in comparison to the previous financial year. During the year, the surgical team successfully demonstrated clinical effectiveness by reduction of mortality rate.

### **Financial Review**

In order to meet the cost of operations and maintenance, the hospital relies on internally generated revenue, the largest component being cost-sharing revenue. During the year under review, the hospital generated Kshs. 15,381,157.00 Million against a target of Kshs. 18,250,500 Million. This is a reduction of 7.8% below the previous year's internally generated revenue.

**Dr. Bobfelix Ochieng Odhiambo**

  
**Medical Superintendent**

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

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

Kendu Bay County Hospital has Five Objectives within the current CIDP of the Homa Bay County Government they are as follows;

### **OBJECTIVES;**

1. To offer quality healthcare services under one roof in a most effective and efficient for the satisfaction of the customer.
2. Modernize infrastructure machinery and equipment.
3. To attain financial sustainability
4. To strengthen the human resource capacity.
5. To develop the facility health management information system.

Kendu Bay Sub County Hospital develops its annual work plans based on the above 5 objectives. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The County Hospital achieved its performance targets set for the FY 2021/2022 period for its strategic pillars, as indicated in the table below:

|  |  |  |  |  |
|--|--|--|--|--|
| <p>Pillar- To Provide Integrated Accessible and Quality Healthcare Services Through Effective and Efficient Infrastructure, Training Research and Partnership.</p> | <p><b>1. To offer quality Health Services under one roof in a most effective and efficient to the satisfaction of the customer.</b></p> <p><b>2. Modernise infrastructure, machinery and equipment</b></p> | <p><b>-To reduce referrals to other facilities.</b></p> <p><b>-To diversify range of services offered by RCH.</b></p> <p><b>-To fast-track efficiency and staff satisfaction with modern facility.</b></p> <p><b>-To develop an infrastructure master plan.</b></p> <p><b>-Fully equip the facility.</b></p> | <p><b>-Establish quality healthcare standards. (accreditation)</b></p> <p><b>-Strengthen client follow up mechanism and systems (Referral clinics established).</b></p> <p><b>-Strengthen partnership with communities, public and private sectors.</b></p> <p><b>-Initiate provider driven insurance.</b></p> <p><b>-To develop a master plan.</b></p> <p><b>-Obtain equipment and maintain through the MESS program.</b></p> | <p><b>-Improved quality of healthcare.</b></p> <p><b>-Expanded client base.</b></p> <p><b>-Improved facility reputation.</b></p> <p><b>-Strengthened partnership with communities, public and private sector.</b></p> <p><b>-Investor identified by the county government to help with development of master plan.</b></p> |
|--|--|--|--|--|

|  |   |  |  |   |
|--|---|--|--|---|
|  | <p><b>3. To attain financial sustainability</b></p> | <p><b>-Cost rationalization.</b><br/><b>Institutionalize resource mobilization.</b><br/><b>-Enhance internal control mechanism.</b><br/><b>-Diversification of revenue generation streams.</b></p> <p><b>-Staff retention.</b><br/><b>Full potential and optimal</b></p> | <p><b>Conduct market survey for costing of commodities during the tendering process.</b><br/><b>-Incorporating various modes of revenue generation cash, N.H.I.F, BORESHA, Edu Afya.</b><br/><b>-Upgrade health instruction software to improve internal control and hence revenue collection.</b></p> | <p><b>MESS programme under the National Government operation.</b></p> <p><b>-All our clients are able to receive services irrespective of mode of healthcare financing.</b></p> |
|--|---|--|--|---|

|  |  |   |   |  |
|--|--|---|---|--|
|  | <p><b>4. To strengthen the human resource capacity.</b></p>                | <p>utilization of staff.<br/>-To enhance Hospital performance by training and motivation of staff.<br/>-Upscale leadership and management for increased performances.<br/>-Focus on partnership with other Health Service Providers for technical support.<br/><br/>-Up scaling quick and efficient service delivery.</p> | <p>Keep staff informed of any development in the hospital through circulars and holding regular meetings. Holding weekly continuous medical education. Staff appraisal system in place. Collaborating with external Orthopaedic surgeons for provision of Orthopaedic services.</p> | <p>Improved service delivery. Improved staff retention.</p>      |
|  | <p><b>5. To develop facility Health Management Information System.</b></p> | <p>-ICT systems in place.<br/>-Build staff ICT capacity.</p>  | <p>-Upgrade ICT systems.<br/>-Build staff ICT capacity by training.</p>   | <p>-Efficient data collection, management and dissemination.</p> |

|  |  |  |  |  |
|--|--|--|--|--|
|  |  | <b>-Improve<br/>access to ICT<br/>materials.</b> | <b>-Improve<br/>access to IEC<br/>materials.</b> | <b>-Improved<br/>diagnosis and<br/>treatment.<br/>-Improved<br/>access to<br/>relevant health<br/>infrastructure<br/>and data.</b> |
|--|--|--|--|--|

## **VII. Corporate Governance Statement**

The facility holds quarterly board meetings with sub-committee meetings as need may arise. The sub committees include

### **i. Finance and General Purpose Sub Committee**

Members are:

|                    |               |
|--------------------|---------------|
| Mr. Gabby Oyundi   | - Chairperson |
| Mr. Adelide Mboya  | - Member      |
| Mr. Gichaba Benard | - Member      |
| Mr. Marvin Wendo   | - Member      |

### **ii. Curative Sub Committee**

Members are:

|                  |            |
|------------------|------------|
| Mr. Jack Magara  | - Chairman |
| Mr. Joseph Ondu  | - Member   |
| Mrs. Esther Oito | - Member   |
| Dr. Sarah Awino  | - Member   |

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

The management used tables to make the information as understandable as possible. The information does not show a trend for the previous years because this is the first time the management is preparing financial statement.

### **Clinical Performance**

Kendu Bay Sub County Hospital continues to provide a wide range of highly specialized healthcare services to Kenyans, patients from Homabay County and across the counties. Specialized services include, specialized outpatient clinics, inpatient care, day care procedures for surgery, ENT, ophthalmology, dental amongst other services. The hospital also provides clinical support services that include laboratory, pharmacy and radiology.

### **Overall patient attendance**

The average patient attendance for the year 2021/2022 was 5,880 out patients and 1,230 in-patients. There was a sharp decline in the outpatient attendance of 31% and 20% in the in-patients in the year 2020/ 21. This was attributed to the effect of the prolonged industrial action (both nurses and doctor's strike).

### **Average Length of Stay**

The average length of stay (ALOS) is an indicator of efficiency in the provision of inpatient health care in the hospital. Generally, the average length of stay in the hospital has been falling (between 2020/21 to 2021/22).

### **Bed occupancy rate.**

In the year 2020/21, the bed occupancy rate averaged 92%. This was attributed to the specialized and quality healthcare services offered in the hospital that attracts clients from across the region and beyond. The other side of this is overstretching of the hospital facilities and congestion of patients in the wards. It is notable that there was a decline in FY 2021/22 because of the industrial action by various cadres of health workers that disrupted healthcare delivery in the hospital.

### **Mortality Rate**

During the period under review, the death rate averaged 10%. This is attributed to the critically ill patients referred to and managed in the hospital.

**Dr. Bobfeli Ochieng Odhiambo**

  
**Medical Superintendent**

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

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

### ***Sustainability strategy and profile***

The top management especially the accounting officer refers to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure.

#### ***I) Environmental performance***

The organization has environmental policy in the county environment department guiding the organisation. The hospital also manages its waste within the facility through public health in collaboration with department of environment. The during the year the facility has did maintenance for the existing incinerator.

#### ***II) Employee welfare***

The hospital implements policies guiding the hiring process and whether they take into account the gender ratio, whether they take in stakeholder engagements and how often they are improved. It also ensures that employees are supported in improving skills and managing careers, appraisal and reward systems. The organisation has in place policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA.)

#### ***III) Market place practices-***

##### ***a) Responsible competition practice.***

The organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition, and respect for competitors by competitively awarding contract.

##### ***b) Responsible Supply chain and supplier relations***

The management maintains good business practices, and treats its own suppliers responsibly by honouring contracts and respecting payment practices.

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

The hospital maintains ethical marketing practices.

#### **IV) Corporate Social Responsibility / Community Engagements**

The hospital management has from time to time provided waiver to patients who are not able to pay hospital bills as well as mortuary bills based on investigations and report done by social services department as stated in the waiver policy.

#### **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 entity are (continue to be)

- vi. Provide affordable and accessible universal health coverage
- vii. To modernize infrastructure, machinery and equipment
- viii. To attain financial sustainability
- ix. To strengthen human resource capability
- x. To develop facility health management information system

#### **Results**

The results of the entity for the year ended June 30 are set out on page 1-53

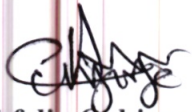
#### **Board of Management**

The members of the Board who served during the year are shown on page viii. During the year 2021/22 no board member retired/ resigned and none was appointed.

**Auditors**

The Auditor General is responsible for the statutory audit of the Kendu Bay County Hospital in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 nominated by the Auditor General to carry out the audit of the Kendu Bay County Hospital for the year 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. Bobfelix Ochieng Odhiambo**

**Secretary of the Board**

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

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

The Board of Management is responsible for the preparation and presentation of the hospital financial statements, which give a true and fair view of the state of affairs of the hospital for and as at the end of the financial year ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the hospital; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board of Management accepts responsibility for the hospital's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Board members are of the opinion that the hospital's financial statements give a true and fair view of the state of Kendu Bay Sub County Hospital's transactions during the financial year ended June 30, 2022, and of the hospital's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the hospital, which have been relied upon in the preparation of the hospital's financial statements as well as the adequacy of the systems of internal financial control.


Nothing has come to the attention of the Board of management to indicate that the hospital will not remain 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<sup>th</sup> September 2022 and signed on its behalf by:



**Moses O. Migele**  
**Chairperson**  
**Board of Management**



**Dr. Bobfelix Ochieng Odhiambo**  
**Accounting Officer**

# REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



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

## **REPORT OF THE AUDITOR-GENERAL ON KENDU BAY SUB-COUNTY HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2022 - COUNTY GOVERNMENT OF HOMA BAY**

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### **Qualified Opinion**

I have audited the accompanying financial statements of Kendu Bay Sub-County Hospital - County Government of Homa Bay set out on pages 1 to 51, which comprise of the

statement of financial position as at 30 June, 2022 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended 30 June, 2022 and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kendu Bay Sub-County Hospital - County Government of Homa Bay 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 comply with the Public Finance Management Act, 2012, the County Governments Act, 2012 and the Health Act, 2017.

### **Basis of Qualified Opinion**

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

The statement of financial position reflects property, plant and equipment balance of Kshs.1,738,020 as disclosed in Note 34 to the financial statements. However, the supporting schedule indicating the description of assets, their location and values were not provided for audit.

Further, the ownership documents for land were not provided for audit.

In the circumstances, the completeness and ownership of property, plant and equipment balance of Kshs.1,738,020 could not be confirmed.

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

#### **Key Audit Matters**

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

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

#### **Conclusion**

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

And Effectiveness in Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

## **Basis for Conclusion**

### **1. Presentation of the Financial Statements**

Section 81(3) of the Public Financial Management Act, 2012 requires an Accounting Officer of a National Government entity to prepare financial statements in a format that complies with the relevant accounting standards prescribed by the Public Sector Accounting Standard Board (PSASB). However, review of the financial Statements submitted for audit on 24 April, 2023 revealed the following unsatisfactory issues:

- i) The table of contents does not include section on Board of Management which is highlighted at page ix to x.
- ii) The Key Management Team requires passport size photos, key profession, academic qualifications, age, work experience and whether director is independent Executive or alternative.
- iii) The financial statements have not been signed by an officer who has ICPAK registration number as required.

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

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

The statement of financial position reflects balances of Kshs.1,738,020 in respect to property, plant and equipment as disclosed in Note 34 to the financial statements. However, it was noted that the Hospital does not maintain fixed asset register to control its assets. This is contrary to Regulation 136(1) of the Public Finance Management (County Governments) Regulations, 2015 which states that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws. In addition, there was no evidence to show that the Hospital has ever evaluated its assets to ascertain the correct market values.

In the circumstances, the existence of an effective mechanism to safeguard assets could not be confirmed and Management was in breach of the regulations.

### **3. Failure to Dispose Unserviceable Assets**

The statement of financial position reflects Kshs1,738,020 balance on property, plant and equipment. However, field verification revealed unserviceable assets that have not been disposed of and the same remain unutilized. This was contrary to the Public Procurement and Assets Disposal Act, 2015 Section 164(1) which states that the employee in charge of unserviceable, obsolescent, obsolete or surplus assets shall bring

the matter to the attention of the Disposal Committee through the Head of the Procurement Function.

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

#### 4. Deficiencies in Implementation of Universal Health Coverage (UHC)

Review of Hospital records and interviews on verification of services offered, equipment used and medical specialists in the Hospital at the time of audit revealed that the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits by eighty-one (81) staff requirements or 80% of the authorized establishment.

The details are as shown in the table below:

| Staff Requirements                       | Level standard | Number in Hospital | Variance  | Percentage % |
|--|----------------|--------------------|-----------|--------------|
| Medical Officers                         | 16             | 3                  | 13        | 81           |
| Anaesthesiologists                       | 2              | 0                  | 2         | 100          |
| General Surgeons                         | 2              | 0                  | 2         | 100          |
| Gynaecologists                           | 2              | 0                  | 2         | 100          |
| Paediatrics                              | 2              | 0                  | 2         | 100          |
| Radiologists                             | 2              | 0                  | 2         | 100          |
| Kenya Registered Community Health Nurses | 75             | 17                 | 58        | 77           |
| <b>Total</b>                             | <b>101</b>     | <b>20</b>          | <b>81</b> | <b>80</b>    |

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

| Service                                  | Level Hospital Standard | Actuals in the Hospital | Variance | Percentage % |
|--|-------------------------|-------------------------|----------|--------------|
| Beds                                     | 150                     | 51                      | 99       | 66           |
| Resuscitaire (2 in Labor & 1 in Theatre) | 3                       | 1                       | 2        | 33           |

| Service   | Level Hospital Standard | Actuals in the Hospital | Variance | Percentage % |
|---|-------------------------|-------------------------|----------|--------------|
| New born unit incubators                                | 5                       | 3                       | 2        | 40           |
| New Born Unit Cots                                      | 5                       | 2                       | 3        | 60           |
| Functional ICU Beds                                     | 6                       | 0                       | 6        | 100          |
| High Dependency Unit (HDU) Beds                         | 6                       | 0                       | 6        | 100          |
| Renal Unit with at least 5 Dialysis Machines            | 5                       | 0                       | 5        | 100          |
| Two Functional Operational Theatres-Maternity & General | 2                       | 0                       | 2        | 100          |

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

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

#### **5. Irregular Engagement of Casual Workers**

The statement of financial performance reflects employee costs amount of Kshs.1,541,500 casuals and contractual staff as disclosed in Note 17 to the financial statements. It was noted that Management engaged casual workers for more than three months. This was contrary to the County Public Service Human Resource Manual, May, 2013 Section B. 16(1) which states that (1) Casual workers shall be engaged only on urgent short-term tasks with the approval of the County Public Service Board and they shall not be engaged for more than three months, as stipulated in the Employment Act, 2007.

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

#### **6. Lack of Quarterly Revenue Reports**

The statement of financial performance reflects Kshs.1,548,955 in relation to the rendering of services-medical income as disclosed in Note 12 to the financial statements. However, the Hospital did not provide evidence to show that the reports were prepared and submitted the same to the County Treasury with a copy to the Auditor-General as per the requirement of Regulation 64. (1) of the Public Finance Management County Governments Regulations, 2015 which requires the Accounting Officer or receiver of

revenue or collector of revenue to prepare a quarterly report not later than the 15th day after the end of the quarter.

In the circumstances, Management was in breach of the law

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

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management And Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

#### **1. Lack of Audit Committee and Internal Audit Unit**

Review of documents and processes revealed the Hospital did not have audit committee or an internal audit function. This is contrary to Section 155(1) of the Public Finance Management Act, 2012

In the circumstances, the effectiveness of the overall internal control system and risk management by the Hospital could not be confirmed

#### **2. Lack of Risk Management Policy**

During the year under review, the Hospital did not have a Risk or Disaster Management Policy in place contrary to Regulation 158(1) of the Public Finance Management (County Governments) Regulations, 2015 which states that the Accounting Officer shall ensure that a County Government entity develops risk management strategies, which include fraud prevention mechanism; and that the County government entity develops a system of risk management and internal controls that build robust business operations.

In the circumstances, it was not possible to confirm the effectiveness of the internal controls, risk management and governance of Hospital.

### **3. Inhabitable Infrastructure**

Review of Public Health Officer report on inspection of the Hospital OPD and Administration Block reference P/INS/VOL.(13) 01 dated 1st October, 2019 indicated that the outpatient department block and administration block did not meet the minimum public health requirements therefore the two block were condemned and were to remain closed.

Ministry of Health through letter referenced: KSCH/GC/01/19 dated 3 October, 2019 issued a seven days' notice for vacation of the outpatient block and the Hospital administration or Ministry of Health to provide a safe alternative for service delivery and that no officer shall be held responsible for damages caused upon expiry of the notice.

Public works report referenced: T&I/BIR/31//3/(10) dated 8 October, 2019 recommended that the outpatient block right wing with major and several cracks be pulled down with the board of survey reports and the wall with the crack in the administration block be pulled down and rebuilt.

However, as at the time of audit exercise the outpatient block was in use and converted to the non-pharmaceuticals store and the administration block was also in use by the facility administration

In the circumstances, the effectiveness of the overall internal control system and risk management by the Hospital could not be confirmed.

### **4. Stock-Outs of Essential Medical Supplies**

The statement of financial position reflects inventory balance of Kshs.292,241 as disclosed in Note 33 to the financial statements. Review of the Hospital stock cards for controlling stores indicated that the Hospital experienced stock out of medical supplies.

In the circumstances, the effectiveness of internal controls on the management of pharmaceutical and non-pharmaceutical inventory to achieve the Hospital mandate could not be confirmed.

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

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

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

In preparing the financial statements, Management is responsible for assessing the Hospital ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management is aware of the intention 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 comply with the authorities which govern them and that public resources are applied in an effective way.

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

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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and 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 controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal 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 Fund's policies and procedures may deteriorate.

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

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

19 June, 2024

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

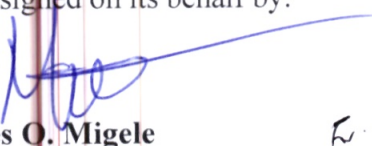
| Description  | Notes | 2021/22<br>Kshs      |
|--|-------|----------------------|
| <b>Revenue from non-exchange transactions</b>      |       |                      |
| Transfers from the County Government               | 6     | 00.00                |
| In- kind contributions from the County Government  | 7     | 3,125,713.00         |
| Grants from donors and development partners        | 8     | 00.00                |
| Transfers from other Government entities           | 9     | 00.00                |
| Public contributions and donations                 | 10    | 00.00                |
|  |       | <b>3,125,713.00</b>  |
| <b>Revenue from exchange transactions</b>          |       |                      |
| Rendering of services- Medical Service Income      | 12    | 1,548,955.00         |
| Revenue from rent of facilities                    | 13    | 00.00                |
| Finance /Interest Income                           | 14    | 00.00                |
| Other income ( <i>specify</i> )                    | 15    | 13,832,202.00        |
|  |       | <b>15,381,157.00</b> |
| <b>Total revenue</b>                               |       | <b>18,506,870.00</b> |
| <b>Expenses</b>                                    |       |                      |
| Medical/Clinical costs                             | 16    | 13,413,272.00        |
| Employee costs                                     | 17    | 1,541,500.00         |
| Board of Management Expenses                       | 18    | 282,000.00           |
| Depreciation and amortization expense              | 19    | 542,343.75           |
| Repairs and maintenance                            | 20    | 1,022,098.00         |
| Grants and subsidies                               | 21    | 00.00                |
| General expenses                                   | 22    | 5,114,485.00         |
| Finance costs                                      | 23    | 00.00                |
| In – Kind contributions from the County Government | 7     | 3,125,713.00         |
| <b>Total expenses</b>                              |       | <b>25,041,411.75</b> |
| <b>Other gains/(losses)</b>                        |       | 00.00                |
| Gain on disposal of non-Current assets             | 24    | 00.00                |

**Kendu Bay County Hospital (Homa Bay County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022**

|  |    |                       |
|--|----|-----------------------|
| Unrealized gain on fair value of investments             | 25 | 00.00                 |
| Medical services contracts Gains/Losses                  | 26 | 00.00                 |
| Impairment loss  | 27 | 00.00                 |
| <b>Total other gains/(losses)</b>                        |    |                       |
| <b>Net Surplus for the year</b>                          |    | <b>(6,534,541.75)</b> |
| Attributable to:   |    | 00.00                 |
| Surplus/(deficit) attributable to minority interest      |    | 00.00                 |
| Surplus attributable to owners of the controlling entity |    | 00.00                 |
|  |    |                       |

(The notes set out on pages 10 to 54 form an integral part of the Annual Financial Statements.)

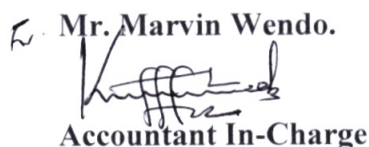
The Hospital's financial statements were approved by the Board on 30<sup>th</sup> September 2022 and signed on its behalf by:




**Mr. Moses O. Migele**

**Chairman**

**Board of Management**

  
**Mr. Marvin Wendo.**  
**Accountant In-Charge**

  
**Dr. Bobielix Ochieng**  
**Odhiambo**  
**Medical Superintendent**

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

| Description                                 | Notes     | 2021/22<br>Kshs     |
|---|-----------|---------------------|
| <b>Assets</b>                               |           |                     |
| <b>Current assets</b>                       |           |                     |
| Cash and cash equivalents                   | <b>29</b> | 660,888.00          |
| Receivables from exchange transactions      | <b>31</b> | 1,185,600.00        |
| Receivables from non-exchange transactions  | <b>32</b> | 00.00               |
| Inventories                                 | <b>33</b> | 292,241.00          |
| <b>Total Current Assets</b>                 |           | <b>1,851,229.00</b> |
| <b>Non-current assets</b>                   |           |                     |
| Property, plant, and equipment              | <b>34</b> | 1,738,020.00        |
| Intangible assets                           | <b>35</b> | 20,000.00           |
| Investment property                         | <b>36</b> | 00.00               |
| <b>Total Non-current Assets</b>             |           | <b>1,758,020.00</b> |
| <b>Total assets</b>                         |           | <b>3,609,249.00</b> |
| <b>Liabilities</b>                          |           |                     |
| <b>Current liabilities</b>                  |           |                     |
| Trade and other payables                    | <b>37</b> | 4,089,779.00        |
| Refundable deposits from customers/Patients | <b>38</b> | 00.00               |
| Provisions                                  | <b>39</b> | 00.00               |
| Finance lease obligation                    | <b>40</b> | 00.00               |
| Current portion of deferred income          | <b>41</b> | 00.00               |
| Current portion of borrowings               | <b>42</b> | 00.00               |
| <b>Total Current Liabilities</b>            |           | <b>4,089,779.00</b> |
| <b>Non-current liabilities</b>              |           |                     |
| Provisions                                  | <b>43</b> | 00.00               |
| Non-Current Finance lease obligation        | <b>44</b> | 00.00               |
| Non-Current portion of deferred income      | <b>45</b> | 00.00               |
| Non - Current portion of borrowings         | <b>46</b> | 00.00               |
| Service concession liability                | <b>47</b> | <b>00.00</b>        |
| <b>Total Non-current liabilities</b>        |           | <b>00.00</b>        |

|   |  |                     |
|---|--|---------------------|
| <b>Total Liabilities</b>                |  | <b>4,089,779.00</b> |
| <b>Net assets</b>                       |  | <b>(480,531.00)</b> |
| Revaluation reserve                     |  |                     |
| Accumulated surplus/Deficit             |  | (6,534,542.00)      |
| Capital Fund                            |  | 6,054,011.00        |
| <b>Total Net Assets and Liabilities</b> |  | <b>(480,531.00)</b> |

*(The notes set out on pages 10 to 54 form an integral part of the Annual Financial Statements.)*

The Hospital's financial statements were approved by the Board on 30<sup>th</sup> September 2023\_ and signed on its behalf by:

**Mr. Moses O. Migele**  
**Chairman**

**Board of Management**

**Mr. Marvin Wendo**  
  
**Accountant-In- Charge**

**Dr. Bobfelx Ochieng**  
**Odhiambo**  
**Medical Supritendent**

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

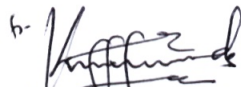
|                                | Revaluation reserve | Accumulated surplus/Deficit | Capital Fund | Total             |
|--------------------------------|---------------------|-----------------------------|--------------|-------------------|
| <b>As at July 1, 2020</b>      |                     |                             |              | <b>00.00</b>      |
| Revaluation gain               |                     |                             |              | <b>00.00</b>      |
| Surplus/(deficit) for the year |                     |                             |              | 00.00             |
| Capital/Development grants     |                     |                             |              | 00.00             |
| <b>As at June 30, 2021</b>     |                     |                             |              | <b>00.00</b>      |
|                                |                     |                             |              | 00.00 up          |
| <b>At July 1, 2021</b>         |                     |                             |              | <b>335,694.00</b> |
| Revaluation gain               |                     |                             |              | 00.00             |
| Surplus/(deficit) for the year |                     |                             |              | <b>324,194.00</b> |
| Capital/Development grants     |                     |                             |              |                   |
| <b>At June 30, 2022</b>        |                     |                             |              | <b>660,888.00</b> |

*(The notes set out on pages 10 to 54 form an integral part of the Annual Financial Statements.)*

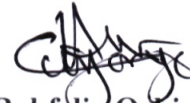
The Hospital's financial statements were approved by the Board on 30<sup>th</sup> September 2022\_ and signed on its behalf by:



**Mr. Moses O. Migele**  
**Chairman**  
**Board of Management**



**Mr. Marvin Wendo**  
**Accountant In-Charge**  
**ICPAK No:**



**Dr. Bobfelix Ochieng**  
**Odhiambo**  
**Medical Superintendent**

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

| Description   | Note | 2021/22<br>Kshs      |
|---|------|----------------------|
| <b>Cash flows from operating activities</b>                 |      |                      |
| <b>Receipts</b>   |      |                      |
| Transfers from the County Government                        |      | 00.00                |
| Grants from donors and development partners                 |      | 00.00                |
| Transfers from other Government entities                    |      | 00.00                |
| Public contributions and donations                          |      | 00.00                |
| Rendering of services- Medical Service Income               | 12   | 1,548,955.00         |
| Revenue from rent of facilities                             |      | 00.00                |
| Finance / interest income                                   |      | 00.00                |
| Other Incomes   | 15   | 12,615,737.00        |
| <b>Total Receipts</b>                                       |      | <b>14,164,692.00</b> |
| <b>Payments</b>   |      |                      |
| Medical/Clinical costs                                      | 16   | 7,365,758.00         |
| Employee costs  | 17   | 1,169,500.00         |
| Board of Management Expenses                                | 18   | 282,000.00           |
| Repairs and maintenance                                     | 19   | 937,000.00           |
| Grants and subsidies  |      | 00.00                |
| General expenses  | 20   | 4,085,240.00         |
| Finance costs   |      | 00.00                |
| <b>Total Payments</b>                                       |      | <b>13,839,498.00</b> |
| <b>Net cash flows from operating activities</b>             |      | <b>325,194.00</b>    |
| <b>Cash flows from investing activities</b>                 |      | 00.00                |
| Purchase of property, plant, equipment, & intangible assets |      | 00.00                |
| Proceeds from the sale of property, plant, and equipment    |      | 00.00                |
| Acquisition of investments                                  |      | 00.00                |
| <b>Net cash flows used in investing activities</b>          |      | <b>00.00</b>         |
| <b>Cash flows from financing activities</b>                 |      | 00.00                |
| Proceeds from borrowings                                    |      | 00.00                |
| Repayment of borrowings                                     |      | 00.00                |
| Capital grants received                                     |      | 00.00                |
| <b>Net cash flows used in financing activities</b>          |      | <b>00.00</b>         |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |      | <b>325,194.00</b>    |

**Kendu Bay County Hospital (Homa Bay County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022**

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|  |           |                   |
|--|-----------|-------------------|
| Cash and cash equivalents at 1 July 2021         |           | 335,694.00        |
| <b>Cash and cash equivalents at 30 June 2022</b> | <b>29</b> | <b>660,888.00</b> |

*(IPSAS 2 allows an entity to present the cash flow statement using the direct or indirect method but encourages the direct method. PSASB also recommends the use of direct method of cash flow preparation).*

The notes set out on pages 10 to 54 form an integral part of the Annual Financial Statements. The Hospital's financial statements were approved by the Board on \_30<sup>th</sup> September 2023 and signed on its behalf by:

**Mr. Moses O. Migele**  
**Chairman**  
**Board of Management**

**Mr. Marvin Wendo**  
  
**Accountant In-charge**  
**ICPAK No:**

**Dr. Bobfelix Ochieng**  
**Odhiambo**  
**Medical Superintendent**

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 |
|---|-------------------|--------------|-------------------|----------------------------|------------------------|------------------|
|   | <b>a</b>          | <b>B</b>     | <b>c=(a+b)</b>    | <b>d</b>                   | <b>e=(c-d)</b>         | <b>f=d/c%</b>    |
|   | <b>Kshs</b>       | <b>Kshs</b>  | <b>Kshs</b>       | <b>Kshs</b>                | <b>Kshs</b>            |                  |
| <b>Revenue</b>                                |                   |              |                   |                            |                        |                  |
| Transfers from the County Government          | 00.00             | 00.00        | 00.00             | 00.00                      | 00.00                  |                  |
| Grants from donors and development partners   | 00.00             | 00.00        | 00.00             | 00.00                      | 00.00                  |                  |
| Transfers from other Government entities      | 00.00             | 00.00        | 00.00             | 00.00                      | 00.00                  |                  |
| Public contributions and donations            | 00.00             | 00.00        | 00.00             | 00.00                      | 00.00                  |                  |
| Rendering of services- Medical Service Income | 3,000,000.00      | 00.00        | 3,000,000.00      | 1,548,955.00               | 1,451,045              | 51.63%           |
| Revenue from rent of facilities               | 00.00             | 00.00        | 00.00             | 00.00                      | 00.00                  |                  |
| Finance / interest income                     | 00.00             | 00.00        | 00.00             | 00.00                      | 00.00                  |                  |
| Other receipts ( <i>specify</i> )             | 23,000,000.00     | 00.00        | 23,000,000.00     | 13,832,202.00              | 9,167,798.00           | 60.14%           |
| <b>Total income</b>                           | <b>26,000,000</b> | <b>00.00</b> | <b>26,000,000</b> | <b>15,381,157.00</b>       | <b>10,618,843.00</b>   | <b>59.16%</b>    |
| <b>Expenses</b>                               |                   |              |                   |                            | 00.00                  |                  |
| Medical/Clinical costs                        | 15,000,000.00     | 00.00        | 15,000,000.00     | 13,413,272.00              | 1,586,728.00           | 89.42%           |
| Employee costs                                | 3,000,000.00      | 00.00        | 3,000,000.00      | 1,541,500.00               | 1,458,500.00           | 51.38%           |
| Remuneration of directors                     | 300,000.00        | 00.00        | 300,000.00        | 282,000.00                 | 18,000.00              | 94.00%           |
| Repairs and maintenance                       | 1,700,000.00      | 00.00        | 1,700,000.00      | 1,022,098.00               | 677,902.00             | 60.12%           |
| Grants and subsidies                          | 00.00             | 00.00        | 00.00             | 00.00                      | 00.00                  | 00.00            |
| General expenses                              | 6,000,000.00      | 00.00        | 6,000,000.00      | 5,114,485.00               | 885,515.00             | 85.24%           |
| Finance costs                                 | 00.00             | 00.00        | 00.00             | 00.00                      | 00.00                  |                  |
| <b>Surplus for the period</b>                 | <b>00.00</b>      | <b>00.00</b> | <b>00.00</b>      | <b>(5,992,198.00)</b>      | <b>5,992,198.00</b>    |                  |
| <b>Capital expenditure</b>                    |                   |              |                   |                            |                        |                  |

***Budget notes***

1. The difference between actual receipts and budgeted for medical costs is over 40% due to the in-kind contribution by the Homa Bay County Government which has not been included as a direct cost.

The notes set out on pages 10 to 54 form an integral part of the Annual Financial Statements. The Hospital's financial statements were approved by the Board on 30<sup>th</sup> September 2022 and signed on its behalf by:



**Mr. Moses Migele**

**Chairman  
Board of Management**



**Mr. Marvin Wendo**

**Accountant In-Charge**



**Dr. Bobfelix Ochieng Odhiambo**

**Medical Superintendent**

## **XVII. Notes To the Financial Statements**

### **1. General Information**

Kendu Bay Sub County Hospital entity is established by and derives its authority and accountability from County Government Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is Provide affordable and accessible universal health coverage.

### **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 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 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 1<sup>st</sup> January 2022 owing to Covid19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1<sup>st</sup> January 2023.

*Notes to the Financial Statements (Continued)*

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

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

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

|  |   |
|--|---|
|  | The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.  |
| IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations | <p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</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> |

**ii. Early adoption of standards**

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

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Transfers from other Government entities**

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

*Notes to the Financial Statements (Continued)*

**Revenue from exchange transactions**

**Rendering of services**

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

**Sale of goods**

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

**Interest income**

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

**Dividends**

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

**Rental income**

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

*Notes to the Financial Statements (Continued)*

**b) Budget information**

Board approved the original budget for FY 2021/22. 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 reallocation of funds on the FY 2021 budget following the Board's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actual as per the statement of financial performance has been presented under section of xvii these financial statements.

*Notes to the Financial Statements (Continued)*

**c) Taxes**

**Sales tax/ Value Added Tax**

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

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

**d) Investment property**

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

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

**e) Property, plant and equipment**

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

It's important to **note** that Plant, Property and Equipment recognized in this financial report include estimated values of the old buildings and actual cost of two buildings constructed in the recent past, depreciated at 2.5% and a photocopier acquired during the year at 33.3% The values of other equipment including land could not be ascertained, therefore not included in the Financial statements. This is because most of the equipment were donated/ transferred by National Government. The management need time and other resources to carry out valuation of the other equipment, land and buildings. ICT and Medical equipment included were acquired prior to end of financial year therefore will be depreciated in the next year. The List of equipment attached; **annex vii**

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

#### **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.

#### **f) 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. The intangible asset relates to upgrade of the Software (Hospital Information Management System) which is a work in progress and has been

partially paid. No amortization has been provided because it is still work in progress. *Notes to the Financial Statements (Continued)*

**g) 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.

**h) Financial instruments**

**Financial assets**

**Initial recognition and measurement**

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments

or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

**Loans and receivables**

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

*Notes to the Financial Statements (Continued)*

**Held-to-maturity**

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

**Impairment of financial assets**

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

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

**Financial liabilities**

**Initial recognition and measurement**

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

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

*Notes to the Financial Statements (Continued)*

**Loans and borrowing**

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

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

**i) Inventories**

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

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

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

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

**j) Provisions**

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

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

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

**Contingent liabilities**

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

**Contingent assets**

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

**k) Nature and purpose of reserves**

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

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

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

**m) Employee benefits**

**Retirement benefit plans**

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

*Notes to the Financial Statements (Continued)*

**n) Foreign currency transactions**

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

**o) Borrowing costs**

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

**p) Related parties**

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

**q) Service concession arrangements**

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

*Notes to the Financial Statements (Continued)*

**r) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and 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.

This is the first time the management is preparing financial statements therefore there are no comparative figures for the previous year

**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).Note that the values of old buildings included in these financial statements are estimated and correct values will be adjusted accordingly upon property valuation is done.

*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

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.

No provision has been made in these financial statements.

**6. Transfers From The County Government**

| Description   | 2021/22<br>KShs |
|---|-----------------|
| <b>Unconditional grants</b>                                     |                 |
| Operational grant   | <b>00.00</b>    |
| Level 5 grants  | 00.00           |
| Other grants  | 00.00           |
|   | <b>00.00</b>    |
| <b>Conditional grants</b>                                       |                 |
| User fee forgone  | 00.00           |
| Transforming health services for Universal care project (THUCP) | 00.00           |
| DANIDA  | 00.00           |
| Wards Development grant   | 00.00           |
| Paediatric block grant  | 00.00           |
| Administration block grant                                      | 00.00           |
| Laboratory grant  | 00.00           |
| <b>Total government grants and subsidies</b>                    | <b>00.00</b>    |

*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<br>KShs | Amount deferred under deferred income<br>KShs | Amount recognised in capital fund. | Total grant income during the year | Total 2020/21 |
|--------------------------------------|---|---|------------------------------------|------------------------------------|---------------|
|                                      |   |   | KShs                               | KShs                               | KShs          |
| Homa Bay County Government           | 00.00   | 0.00  | 0.00                               | 00.00                              | 00.00         |
| <b>Total</b>                         | <b>00.00</b>  | <b>00.00</b>                                  | <b>00.00</b>                       | <b>00.00</b>                       | <b>00.00</b>  |

**7. In Kind Contributions from The County Government**

| Description                                    | 2021/22<br>KShs     |
|--|---------------------|
| Salaries and wages                             | 00.00               |
| Pharmaceutical and Non-Pharmaceutical Supplies | 593,544.00          |
| Medical supplies-Drawings Rights (KEMSA)       | 2,532,169.00        |
| Utility bills                                  | 00.00               |
| <b>Total grants in kind</b>                    | <b>3,125,713.00</b> |

*(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<br>KShs |
|---|-----------------|
| Cancer Centre grant- DANIDA                   | 00.00           |
| World Bank grants                             | 00.00           |
| Paediatric ward grant- JICA                   | 00.00           |
| Research grants                               | 00.00           |
| Other grants ( <i>specify</i> )               | 00.00           |
| <b>Total grants from development partners</b> | <b>00.00</b>    |

*(Provide brief explanation for this revenue)*

*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                   | 00.00   | 00.00                                 | 00.00                              | 00.00                              | 00.00         |
| JICA                                 | 00.00   | 00.00                                 | 00.00                              | 00.00                              | 00.00         |
| World Bank                           | 00.00   | 00.00                                 | 00.00                              | 00.00                              | 00.00         |
| <b>Total</b>                         | <b>00.00</b>  | <b>00.00</b>                          | <b>00.00</b>                       | <b>00.00</b>                       | <b>00.00</b>  |

**9. Transfers From Other Government Entities**

| Description  | 2021/22      |
|--|--------------|
|  | KShs         |
| Transfer from National Government (Ministry of Health) | 00.00        |
| Transfer from National Hospital                        | 00.00        |
| Transfer from Institute                                | 00.00        |
| Other transfer from department of health               | 00.00        |
| <b>Total Transfers</b>                                 | <b>00.00</b> |

**10. Public Contributions and Donations**

| Description  | 2021/22      |
|--|--------------|
|  | KShs         |
| Public donations   | 00.00        |
| Donations from local leadership                                  | 00.00        |
| Donations from religious institutions                            | 00.00        |
| Donations from other international organisations and individuals | 00.00        |
| Other donations( <i>specify</i> )                                | 00.00        |
| Donations in kind-amortised                                      | 00.00        |
| <b>Total donations and sponsorships</b>                          | <b>00.00</b> |

*Notes to the Financial Statements (Continued)*

**11 (a) Reconciliations of amortised grants**

| Description                                      | 2021/22      |
|--|--------------|
|  | KShs         |
| <b>Balance unspent at beginning of year</b>      | 00.00        |
| Current year receipts                            | 00.00        |
| Amortised and transferred to revenue             | 00.00        |
| <b>Conditions to be met – remain liabilities</b> | <b>00.00</b> |

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

| Description   | 2021/22             |
|---|---------------------|
|   | KShs                |
| Pharmaceuticals                                     | 243,312.00          |
| Non-Pharmaceuticals                                 | 843,388.00          |
| Laboratory  | 280,000.00          |
| Radiology   | 00.00               |
| Out- Patient  | 46,000.00           |
| In - Patient  | 85,000.00           |
| Orthopedic and Trauma Technology                    | 00.00               |
| Theatre   | 00.00               |
| Accident and Emergency Service                      | 00.00               |
| Anesthesia Service                                  | 00.00               |
| Ear Nose and Throat service                         | 00.00               |
| Nutrition service                                   | 00.00               |
| Cancer centre service                               | 00.00               |
| Dental services                                     | 00.00               |
| Reproductive health                                 | 00.00               |
| Paediatrics services                                | 00.00               |
| Farewell home services (Mortuary)                   | 00.00               |
| Medical Records                                     | 46,000.00           |
| Physiotherapy                                       | 5,255.00            |
| Occupational Therapy                                | 00.00               |
| Eye Services  | 00.00               |
| Special Clinics                                     | 00.00               |
| Ambulance Services                                  | 00.00               |
| Public Health                                       | 00.00               |
| Other incomes                                       | 00.00               |
| <b>Total revenue from the rendering of services</b> | <b>1,548,955.00</b> |

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*(Other incomes relate to other collection from medical students on attachment)*  
**Notes to the Financial Statements (Continued)**

**13. Revenue from Rent of Facilities**

| Description                                  | 2021/22     |
|--|-------------|
|  | KShs        |
| Residential property                         | 0.00        |
| Commercial property                          | 0.00        |
| <b>Total Revenue from rent of facilities</b> | <b>0.00</b> |

**14. Finance /Interest Income**

| Description  | 2021/22      |
|--|--------------|
|  | KShs         |
| Cash investments and fixed deposits                | 00.00        |
| Interest income from short- term/ current deposits | 00.00        |
| Interest income from Treasury Bills                | 00.00        |
| Interest income from Treasury Bonds                | 00.00        |
| Interest from outstanding debtors                  | 00.00        |
| <b>Total finance income</b>                        | <b>00.00</b> |

**15. Other Income**

| Description   | 2021/22              |
|---|----------------------|
|   | KShs                 |
| Insurance recoveries                                | 13,832,202.00        |
| Income from sale of tender                          | 00.00                |
| Services concession income                          | 00.00                |
| Sale of goods (water, publications, containers etc) | 00.00                |
| <b>Total other income</b>                           | <b>13,832,202.00</b> |

*(NB: The insurance recoveries entail recoveries from NHIF for Linda Mama, Surgical services, National/Civil S.SCH, inpatient and outpatient services offered to Patients with NHIF).*

*Notes to the Financial Statements (Continued)*

**16. Medical/ Clinical Costs**

| Description   | 2021/22<br>KShs      |
|---|----------------------|
| Dental costs/ materials                                 | 00.00                |
| Laboratory chemicals and reagents                       | 1,225,207.00         |
| Public health activities                                | 00.00                |
| Food and Ration   | 00.00                |
| Uniform, clothing, and linen                            | 00.00                |
| Dressing and Non-Pharmaceuticals                        | 6,299,867.00         |
| Pharmaceutical supplies                                 | 2,467,369.00         |
| Health information stationery                           | 00.00                |
| Reproductive health materials                           | 00.00                |
| Sanitary and cleansing Materials                        | 361,000.00           |
| Purchase of Medical gases                               | 00.00                |
| X-Ray/Radiology supplies                                | 00.00                |
| Other medical related clinical costs ( <i>specify</i> ) | 00.00                |
| Purchase of bedding and Linen                           | 40,000.00            |
| Medical Drugs   | 3,019,829.00         |
| <b>Total medical/ clinical costs</b>                    | <b>13,413,272.00</b> |

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

**17. Employee Costs**

| Description                                 | 2021/22<br>KShs     |
|---|---------------------|
| Salaries, wages, and allowances             | 1,124,000.00        |
| Contributions to pension schemes            | 45,500.00           |
| Service gratuity                            | 00.00               |
| Performance and other bonuses               | 00.00               |
| Staff medical expenses and Insurance cover  | 00.00               |
| Group personal accident insurance and WIBA  | 00.00               |
| Social contribution                         | 00.00               |
| Other employee costs ( <i>MARWA STAFF</i> ) | 00.00               |
| Accrued wages                               | 372,000.00          |
| <b>Employee costs</b>                       | <b>1,541,500.00</b> |

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

*Notes to the Financial Statements (Continued)*

**18. Board of Management Expenses**

| Description                        | 2021/22           |
|------------------------------------|-------------------|
|                                    | KShs              |
| Chairman's Honoraria               | 00.00             |
| Sitting allowance                  | 250,000.00        |
| Mileage                            | 00.00             |
| Insurance expenses                 | 00.00             |
| Induction and training             | 00.00             |
| Travel and accommodation allowance | 32,000.00         |
| Airtime allowances                 | 00.00             |
| <b>Total</b>                       | <b>282,000.00</b> |

**19. Depreciation And Amortization Expense**

| Description                                | 2021/22           |
|--|-------------------|
|  | KShs              |
| Property, plant and equipment              | 527,343.75        |
| Intangible assets                          | 15,000.00         |
| Investment property carried at cost        | 00.00             |
| <b>Total depreciation and amortization</b> | <b>542,343.75</b> |

**20.Repairs and Maintenance**

| Description  | 2021/22             |
|--|---------------------|
|  | KShs                |
| Maintenance of Property- Buildings and other civil works | 739,000.00          |
| Medical equipment  | 48,000.00           |
| Office equipment   | 00.00               |
| Furniture and fittings                                   | 00.00               |
| Computers and accessories                                |                     |
| Motor vehicle expenses                                   | 150,000.00          |
| Maintenance of Equipment- Other                          | 00.00               |
| Accrued expense  | 85,098.00           |
| <b>Total repairs and maintenance</b>                     | <b>1,022,098.00</b> |

Notes to the Financial Statements (Continued)

**21.Grants And Subsidies**

| Description                                  | 2021/22<br>KShs |
|--|-----------------|
| Community development and social work        | 00.00           |
| Education initiatives and programs           | 00.00           |
| Free/ subsidised medical camp                | 00.00           |
| Disability programs                          | 00.00           |
| Free cancer screening                        | 00.00           |
| Other grants and subsidies( <i>specify</i> ) | 00.00           |
| <b>Total grants and subsidies</b>            | <b>00.00</b>    |

**22.General Expenses**

| Description                         | 2021/22<br>KShs |
|-------------------------------------|-----------------|
| Advertising and publicity expenses  | 00.00           |
| Catering expenses                   | 65,000.00       |
| Waste management expenses           | 00.00           |
| Insecticides and rodenticides       | 00.00           |
| Audit fees                          | 00.00           |
| Bank charges                        | 11,640.00       |
| Purchase of medical records         | 544,000.00      |
| Conferences and delegations         | 00.00           |
| Contracted services                 | 720,000.00      |
| Contracted services-professional    | 00.00           |
| Electricity expenses                | 630,000.00      |
| Insurance                           | 00.00           |
| Research and development expenses   | 00.00           |
| Travel and accommodation allowance  | 00.00           |
| Legal expenses                      | 00.00           |
| Licenses and permits                | 00.00           |
| Courier and postal services         | 00.00           |
| Printing and stationery             | 18,365.00       |
| General Office Supplies             | 1,357,500.00    |
| Rent expenses                       | 00.00           |
| Water and sewerage costs            | 00.00           |
| Skills development levies           | 00.00           |
| Telephone and mobile phone services | 30,000.00       |
| Internet expenses                   | 5,100.00        |

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| Description  | 2021/22             |
|--|---------------------|
|  | KShs                |
| Staff training and development   | 00.00               |
| Subscriptions to professional bodies                                   | 00.00               |
| Subscriptions to newspapers periodical, magazines, and gazette notices | 00.00               |
| Purchase of household furniture and institutional equipment            | 00.00               |
| Purchase of Computers  | 75,000.00           |
| Refined Fuels  | 872,000.00          |
| Other Fuels- Firewood  | 75,000.00           |
| Accrued general expense  | 710,880.00          |
| Stock adjustment   | 00.00               |
| <b>Total General Expenses</b>  | <b>5,114,485.00</b> |

**23. Finance Costs**

| Description                             | 2021/22      |
|---|--------------|
|   | KShs         |
| Borrowings (amortized cost) *           | 00.00        |
| Finance leases (amortized cost)         | 00.00        |
| Interest on Bank overdrafts/Guarantees  | 00.00        |
| Interest on loans from commercial banks | 00.00        |
| <b>Total finance costs</b>              | <b>00.00</b> |

*(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.)*

**24. Gain/Loss On Disposal Of Non-Current Assets**

| Description                                     | 2021/22      |
|---|--------------|
|   | KShs         |
| Property, plant, and equipment                  | 00.00        |
| Intangible assets                               | 00.00        |
| Other assets not capitalised ( <i>specify</i> ) | 00.00        |
| <b>Total gain on sale of assets</b>             | <b>00.00</b> |

**25. Unrealized Gain On Fair Value Investments**

| Description               | 2021/22      |
|---------------------------|--------------|
|                           | KShs         |
| Investments at fair value | 00.00        |
| <b>Total gain</b>         | <b>00.00</b> |

*Notes to the Financial Statements (Continued)*

**27. Medical Services Contracts Gains /Losses**

| Description                                 | 2021/22      |
|---|--------------|
|   | KShs         |
| Comprehensive care contracts with NHIF      | 00.00        |
| Non- Comprehensive contracts care with NHIF | 00.00        |
| Linda Mama Program                          | 00.00        |
| Waivers and Exemptions                      | 00.00        |
| <b>Total Gain/Loss</b>                      | <b>00.00</b> |

**28. Impairment Loss**

| Description                    | 2021/22      |
|--------------------------------|--------------|
|                                | KShs         |
| Property, plant, and equipment | 00.00        |
| Intangible assets              | 00.00        |
| <b>Total Impairment Loss</b>   | <b>00.00</b> |

**29. Cash And Cash Equivalents**

| Description                            | 2021/22           |
|--|-------------------|
|  | KShs              |
| Current accounts                       | 660,888.00        |
| On - call deposits                     | 00.00             |
| Fixed deposits accounts                | 00.00             |
| Cash in hand                           | 00.00             |
| Others( <i>specify</i> )               | 00.00             |
| <b>Total cash and cash equivalents</b> | <b>660,888.00</b> |

Notes to the Financial Statements (Continued)

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

| Description                       |                | 2021/22           |
|-----------------------------------|----------------|-------------------|
| Financial institution             | Account number | KShs              |
| <b>a) Current account</b>         |                |                   |
| Kenya Commercial bank             |                |                   |
| Cooperative Bank Of Kenya         | 01141589338400 | 660,888.00        |
|                                   |                | <b>00.00</b>      |
| <b>Sub- total</b>                 |                | <b>660,888.00</b> |
| <b>b) On - call deposits</b>      |                | 00.00             |
| Kenya Commercial bank             |                | 00.00             |
|                                   |                | 00.00             |
| Equity Bank – etc                 |                | 00.00             |
| <b>Sub- total</b>                 |                | 00.00             |
| <b>c) Fixed deposits account</b>  |                | 00.00             |
| Bank Name                         |                | 00.00             |
|                                   |                | 00.00             |
| <b>Sub- total</b>                 |                | 00.00             |
| <b>d) Others(specify)</b>         |                | 00.00             |
| cash in hand                      |                | 00.00             |
| Mobile money- Mpesa, Airtel money |                | 00.00             |
|                                   |                | 00.00             |
| <b>Sub- total</b>                 |                |                   |
| <b>Grand total</b>                |                | <b>660,888.00</b> |

31. Receivables From Exchange Transactions

| Description                       | 2021/22             |
|-----------------------------------|---------------------|
|                                   | KShs                |
| Medical services receivables-NHIF | 1,185,600.00        |
| Rent receivables                  | 00.00               |
| Other exchange debtors- Boresha   | 00.00               |
| Less: impairment allowance        | 00.00               |
| <b>Total receivables</b>          | <b>1,185,600.00</b> |

*Notes to the Financial Statements (Continued)*

**32. Receivables From Non-Exchange Transactions**

| Description  | 2021/22<br>KShs |
|--|-----------------|
| Transfers from the County Government               | 00.00           |
| Undisbursed donor funds                            | 00.00           |
| Other debtors ( <i>non-exchange transactions</i> ) | 00.00           |
| Less: impairment allowance                         | 00.00           |
| <b>Total</b>                                       | <b>00.00</b>    |

**33. Inventories**

| Description                              | 2021/22<br>KShs   |
|--|-------------------|
| Pharmaceutical supplies                  | 51,076.00         |
| Laboratory supplies                      | 40,365.00         |
| Maintenance supplies                     | 60,100.00         |
| Food supplies                            | 60,500.00         |
| Linen and clothing supplies              | 00.00             |
| Cleaning materials supplies              | 00.00             |
| General supplies                         | 00.00             |
| Non- Pharmaceuticals supplies            | 80,200.00         |
| Less: provision for impairment of stocks | 00.00             |
| <b>Total</b>                             | <b>292,241.00</b> |

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*Notes to the Financial Statements (Continued)*

**34. Property, Plant and Equipment**

| Description                            | Land | Buildings and<br>Civil works | Motor<br>vehicles   | Furniture,<br>fittings, and<br>office<br>equipment | ICT<br>Equipment  | Plant and<br>medical<br>equipment | Work in<br>progress | Total               |
|--|------|------------------------------|---------------------|--|-------------------|-----------------------------------|---------------------|---------------------|
|  | Shs  |                              | Shs                 | Shs  | Shs               | Shs                               | Shs                 | Shs                 |
| <b>Cost</b>                            |      |                              | <b>5,000,000.00</b> |  | <b>230,000.00</b> | <b>263,000.00</b>                 |                     | <b>5,493,000.00</b> |
| At 1 July 2020                         |      |                              | 2,812,500.00        |  | 129,375.00        | 147,937.50                        |                     | 3,089,812.50        |
| Additions                              |      |                              | 00.00               |  |                   |                                   |                     |                     |
| Disposals                              |      |                              | 00.00               |  |                   |                                   |                     |                     |
| Transfers/adjustments                  |      |                              | 00.00               |  |                   |                                   |                     |                     |
| <b>At 30<sup>th</sup> June 2021</b>    |      |                              | <b>2,109,375.00</b> |  | <b>97,031.25</b>  | <b>110,953.13</b>                 |                     | <b>2,317,359.38</b> |
|  |      |                              | 00.00               |  |                   |                                   |                     |                     |
| At 1 <sup>st</sup> July 2021           |      |                              | 2,109,375.00        |  | 97,031.25         | 110,953.13                        |                     | 1,738,019.53        |
| Additions                              |      |                              | 00.00               |  |                   |                                   |                     |                     |
| Disposals                              |      |                              | 00.00               |  |                   |                                   |                     |                     |
| Transfer/adjustments                   |      |                              | 00.00               |  |                   |                                   |                     |                     |
| <b>At 30<sup>th</sup> June 2022</b>    |      |                              | <b>1,582,031.25</b> |  | <b>72,773.44</b>  | <b>83,214.84</b>                  |                     | <b>3,089,812.50</b> |
|  |      |                              |                     |  |                   |                                   |                     |                     |
| <b>Depreciation and<br/>impairment</b> |      |                              | 00.00               |  |                   |                                   |                     |                     |
| At 1 July 2020                         |      |                              | 2,812,500.00        |  | 129,375.00        | 147,937.50                        |                     | 772,453.13          |
| Depreciation for the year              |      |                              | 703,125.00          |  | 32,343.73         | 36,984.38                         |                     | 2,317,359.38        |
| Disposals                              |      |                              | 00.00               |  |                   |                                   |                     |                     |
| Impairment                             |      |                              | 00.00               |  |                   |                                   |                     |                     |

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| Description                         | Land | Buildings and Civil works | Motor vehicles      | Furniture, fittings, and office equipment | ICT Equipment    | Plant and medical equipment | Work in progress | Total               |
|-------------------------------------|------|---------------------------|---------------------|---|------------------|-----------------------------|------------------|---------------------|
| <b>At30 June 2021</b>               |      |                           | <b>2,109,375.00</b> |   | <b>97,031.25</b> | <b>110,953.13</b>           |                  | <b>2,317,359.38</b> |
| At July 2021                        |      |                           | 2,109,375.00        |   | 97,031.25        | 27,738.28                   |                  | <b>1,738,019.53</b> |
| Depreciation                        |      |                           | 527,343.75          |   | 24,257.81        | 83,214.84                   |                  | <b>2,317,359.38</b> |
| Disposals                           |      |                           | 00.00               |   |                  |                             |                  |                     |
| Impairment                          |      |                           | 00.00               |   |                  |                             |                  |                     |
| Transfer/adjustment                 |      |                           | 00.00               |   |                  |                             |                  |                     |
| <b>At 30<sup>th</sup> June 2022</b> |      |                           | <b>1,582,031.25</b> |   | <b>72,031.25</b> | <b>100,953.13</b>           |                  | <b>1,738,019.53</b> |
|                                     |      |                           |                     |   |                  |                             |                  |                     |
| <b>Net book values</b>              |      |                           |                     |   |                  |                             |                  |                     |
| At 30 <sup>th</sup> June 2021       |      |                           | <b>2,109,375.00</b> |   | <b>72,773.44</b> | <b>83,214.84</b>            |                  |                     |
| At 30 <sup>th</sup> June 2022       |      |                           | <b>1,582,031.25</b> |   | <b>72,031.44</b> | <b>100,953.13</b>           |                  |                     |

Notes to the Financial Statements (Continued)

35. Intangible Assets-Software

| Description                        | 2021/22          |
|------------------------------------|------------------|
|                                    | KShs             |
| <b>Cost</b>                        |                  |
| <b>At beginning of the year</b>    | <b>35,000.00</b> |
| Additions                          | 00.00            |
| Additions-Internal development     | 00.00            |
| Disposal                           |                  |
| <b>At end of the year</b>          | <b>35,000.00</b> |
| <b>Amortization and impairment</b> |                  |
| <b>At beginning of the year</b>    | 35,000.00        |
| Amortization for the period        | 15,000.00        |
| Impairment loss                    | 00.00            |
| <b>At end of the year</b>          | <b>50,000.00</b> |
| <b>NBV</b>                         | <b>20,000.00</b> |

36. Investment Property

| Description  | 2021/22      |
|--|--------------|
|  | KShs         |
| <b>At beginning of the year</b>                              | 00.00        |
| Additions  | 00.00        |
| Fair value gain  | 00.00        |
| Depreciation ( <i>where investment property is at cost</i> ) | 00.00        |
| <b>At end of the year</b>                                    | <b>00.00</b> |

37. Trade And Other Payables

| Description   | 2021/22             |
|---|---------------------|
|   | KShs                |
| Trade payables-medical cost                                   | 2,045,432.00        |
| Trade payables- general expense                               | 710,880.00          |
| Trade payables-repairs and maintenance                        | 85,098.00           |
| Employee dues   | 372,000.00          |
| Trade payables – Food ration                                  | 876,369.00          |
| Third-party payments ( <i>unremitted payroll deductions</i> ) | 00.00               |
| Audit fee   | 00.00               |
| Plant ,Property & Equipment-                                  | 00.00               |
| Trade payables-historical- Buildings                          | 00.00               |
| Other Trade payables -historical                              | 00.00               |
| <b>Total trade and other payables</b>                         | <b>4,089,779.00</b> |

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

**38. Refundable Deposits from Customers/Patients**

| Description                  | 2021/22      |
|------------------------------|--------------|
|                              | KShs         |
| Medical fees paid in advance | 00.00        |
| Credit facility deposit      | 00.00        |
| Rent deposits                | 00.00        |
| Others ( <i>specify</i> )    | 00.00        |
| <b>Total deposits</b>        | <b>00.00</b> |

**39. Provisions**

| Description                                   | Leave provision | Bonus provision | Other provision | Total        |
|---|-----------------|-----------------|-----------------|--------------|
|   | KShs            | KShs            | KShs            | KShs         |
| <b>Balance at the beginning of the year</b>   | 00.00           | 00.00           | 00.00           | 00.00        |
| Additional Provisions                         | 00.00           | 00.00           | 00.00           | 00.00        |
| Provision utilised                            | 00.00           | 00.00           | 00.00           | 00.00        |
| Change due to discount & time value for money | 00.00           | 00.00           | 00.00           | 00.00        |
| <b>Total provisions</b>                       | 00.00           | 00.00           | 00.00           | 00.00        |
|   | 00.00           | 00.00           | 00.00           | 00.00        |
| Current Provisions                            | 00.00           | 00.00           | 00.00           | 00.00        |
| Non-Current Provisions                        | 00.00           | 00.00           | 00.00           | 00.00        |
| <b>Total Provisions</b>                       | <b>00.00</b>    | <b>00.00</b>    | <b>00.00</b>    | <b>00.00</b> |

**40. Finance Lease Obligation**

| Description                | 2021/22      |
|----------------------------|--------------|
|                            | Kshs         |
| Current Lease obligation   | 00.00        |
| Long term lease obligation | 00.00        |
| <b>Total</b>               | <b>00.00</b> |

*Notes to the Financial Statements (Continued)*

**41. Deferred Income**

| Description         | 2021/22      |
|---------------------|--------------|
|                     | KShs         |
| Current Portion     | 00.00        |
| Non-Current Portion | 00.00        |
| <b>Total</b>        | <b>00.00</b> |

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

| Description                                     | National government | International funders/ donors | Public contributions and donations | Total        |
|---|---------------------|-------------------------------|------------------------------------|--------------|
| <b>Balance b/f</b>                              | 00.00               | 00.00                         | 00.00                              | 00.00        |
| Additions during the year                       | 00.00               | 00.00                         | 00.00                              | 00.00        |
| Transfers to Capital fund                       | 00.00               | 00.00                         | 00.00                              | 00.00        |
| Transfers to statement of financial performance | 00.00               | 00.00                         | 00.00                              | 00.00        |
| Other transfers ( <i>Specify</i> )              | 00.00               | 00.00                         | 00.00                              | 00.00        |
| <b>Balance C/F</b>                              | <b>00.00</b>        | <b>00.00</b>                  | <b>00.00</b>                       | <b>00.00</b> |

**42. Borrowings**

| Description                                       | 2021/22      |
|---|--------------|
|   | KShs         |
| <b>Balance at beginning of the period</b>         | 00.00        |
| External borrowings during the year               | 00.00        |
| Domestic borrowings during the year               | 00.00        |
| Repayments of external borrowings during the year | 00.00        |
| Repayments of domestic borrowings during the year | 00.00        |
| <b>Balance at end of the period</b>               | <b>00.00</b> |

*Notes to the Financial Statements (Continued)*

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

| Description            | 2021/22      |
|------------------------|--------------|
|                        | KShs         |
| Current Obligation     | 00.00        |
| Non-Current Obligation | 00.00        |
| <b>Total</b>           | <b>00.00</b> |

**44. Service Concession Arrangements**

| Description  | 2021/22      |
|--|--------------|
|  | KShs         |
| Fair value of service concession assets recognized under PPE | 00.00        |
| Accumulated depreciation to date                             | 00.00        |
| Net carrying amount  | 00.00        |
| Service concession liability at beginning of the year        | 00.00        |
| Service concession revenue recognized                        | 00.00        |
| Service concession liability at end of the year              | <b>00.00</b> |

**45. Cash Generated from Operations**

|  | 2021/22           |
|--|-------------------|
| Surplus for the year before tax                | KShs              |
| <b>Adjusted for:</b>                           |                   |
| Depreciation                                   | 579,340.00        |
| Non-cash grants received                       | 00.00             |
| Impairment                                     | 00.00             |
| Gains and losses on disposal of assets         | 00.00             |
| Contribution to provisions                     | 00.00             |
| Contribution to impairment allowance           | 00.00             |
| <b>Working Capital adjustments</b>             | 00.00             |
| Increase in inventory                          | 90,251.00         |
| Increase in receivables                        | -20,000.00        |
| Increase in deferred income                    | 00.00             |
| Increase in payables                           | 19,779.00         |
| Increase in payments received in advance       | 00.00             |
| <b>Net cash flow from operating activities</b> | <b>669,370.00</b> |

*Notes to the Financial Statements (Continued)*

**40. Financial Risk Management**

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

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

**(i) Credit risk**

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

*Notes to the Financial Statements (Continued)*

| Description                                 | Total amount | Fully performing | Past due | Impaired |
|---|--------------|------------------|----------|----------|
|   | Kshs         | Kshs             | Kshs     | Kshs     |
| At 30 June 2020                             | 0            | 0                | 0        | 0        |
| Receivables from exchange transactions      | 0            | 0                | 0        | 0        |
| Receivables from –non-exchange transactions | 0            | 0                | 0        | 0        |
| Bank balances                               | 0            | 0                | 0        | 0        |
| <b>Total</b>                                | <b>0</b>     | <b>0</b>         | <b>0</b> | <b>0</b> |
| At 30 June 2022                             | 0            | 0                |          | 0        |
| Receivables from exchange transactions      | 0            | 0                | 0        | 0        |
| Receivables from –non-exchange transactions | 0            | 0                | 0        | 0        |
| Bank balances                               | 0            | 0                | 0        | 0        |
| <b>Total</b>                                | <b>0</b>     | <b>0</b>         | <b>0</b> | <b>0</b> |

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 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         |
| <b>At 30 June 2021</b>        | 00.00             | 00.00              | 00.00         | 00.00        |
| Trade payables                | 00.00             | 00.00              | 00.00         | 00.00        |
| Current portion of borrowings | 00.00             | 00.00              | 00.00         | 00.00        |
| Provisions                    | 00.00             | 00.00              | 00.00         | 00.00        |
| Deferred income               | 00.00             | 00.00              | 00.00         | 00.00        |
| Employee benefit obligation   | 00.00             | 00.00              | 00.00         | 00.00        |
| <b>Total</b>                  | <b>00.00</b>      | <b>00.00</b>       | <b>00.00</b>  | <b>00.00</b> |
| <b>At 30 June 2022</b>        | 00.00             | 00.00              | 00.00         | 00.00        |
| Trade payables                | 00.00             | 00.00              | 00.00         | 00.00        |
| Current portion of borrowings | 00.00             | 00.00              | 00.00         | 00.00        |
| Provisions                    | 00.00             | 00.00              | 00.00         | 00.00        |
| Deferred income               | 00.00             | 00.00              | 00.00         | 00.00        |
| Employee benefit obligation   | 00.00             | 00.00              | 00.00         | 00.00        |
| <b>Total</b>                  | <b>00.00</b>      | <b>00.00</b>       | <b>00.00</b>  | <b>00.00</b> |

**(iii) Market risk**

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

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

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

**a) Foreign currency risk**

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

|   | KShs<br>Kshs | Other currencies<br>Kshs | Total<br>Kshs |
|---|--------------|--------------------------|---------------|
| <b>At 30 June 2022</b>                        | 0            | 0                        | 0             |
| Financial assets (investments, cash, debtors) | 0            | 0                        | 0             |
| Liabilities                                   | 0            | 0                        | 0             |
| Trade and other payables                      | 0            | 0                        | 0             |
| Borrowings                                    | 0            | 0                        | 0             |
| Net foreign currency asset/(liability)        | 0            | 0                        | 0             |

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<br>Kshs | Other currencies<br>Kshs | Total<br>Kshs |
|---|--------------|--------------------------|---------------|
| <b>At 30 June 2022</b>                        |              |                          |               |
| Financial assets (investments, cash, debtors) | 0            | 0                        | 0             |
| Liabilities                                   | 0            | 0                        | 0             |
| Trade and other payables                      | 0            | 0                        | 0             |
| Borrowings                                    | 0            | 0                        | 0             |
| Net foreign currency asset/(liability)        | 0            | 0                        | 0             |

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

**Foreign currency sensitivity analysis**

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

|             | Change in<br>currency rate<br>Kshs | Effect on Profit<br>before tax<br>Kshs | Effect on<br>equity<br>Kshs |
|-------------|------------------------------------|--|-----------------------------|
| <b>2021</b> |                                    |  |                             |
| Euro        | 10%                                | 0                                      | 0                           |
| USD         | 10%                                | 0                                      | 0                           |
| <b>2022</b> |                                    | 0                                      | 0                           |
| Euro        | 10%                                | 0                                      | 0                           |
| USD         | 10%                                | 0                                      | 0                           |

**Interest rate risk**

Interest rate risk is the risk that the entity's financial condition may be adversely affected because 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**

**V) 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:

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|   | 2021/22     | 2020/21      |
|---|-------------|--------------|
|   | Kshs        | Kshs         |
| Revaluation reserve                                   | 0           | 0            |
| Retained earnings                                     | 0           | 0            |
| Capital reserve                                       | 0           | 0            |
| <b>Total funds</b>                                    | 0           | 0            |
|   | 0           | 0            |
| Total borrowings                                      | 0           | 0            |
| Less: cash and bank balances                          | 0           | 0            |
| Net debt/ ( <i>excess cash and cash equivalents</i> ) | 0           | 0            |
| <b>Gearing</b>  | <b>0.0%</b> | <b>0.00%</b> |

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

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

- i) The National Government;
- ii) The Parent Ministry;
- iii) Department of health;
- iv) Key management;
- v) Board of directors;

| Description  | 2021/22  |
|--|----------|
|  | Kshs     |
| <b>Transactions with related parties</b>               |          |
| <b>a) Services offered to related parties</b>          |          |
| Services to  | 0        |
| Sales of services                                      | 0        |
| <b>Total</b>   | <b>0</b> |
|  | 0        |
| <b>b) Grants from the Government</b>                   | <b>0</b> |
| Grants from County Government                          | 0        |
| Grants from the National Government Entities           | 0        |
| Donations in kind                                      | 0        |
| <b>Total</b>   | <b>0</b> |
|  | 0        |
| <b>c) Expenses incurred on behalf of related party</b> | <b>0</b> |
| Payments of salaries and wages for employees           | 0        |
| <b>Total</b>   | <b>0</b> |
|  | 0        |
| <b>d) Key management compensation</b>                  | <b>0</b> |
| Directors' emoluments                                  | 0        |
| Compensation to the medical Sup                        | 0        |
| Compensation to key management                         | 0        |
|  | 0        |
| <b>Total</b>   | <b>0</b> |

*Notes to the Financial Statements (Continued)*

**42. Segment Information**

**43. Contingent Liabilities**

| <b>Contingent liabilities</b>           | <b>2021/22</b> |
|---|----------------|
|   | <b>Kshs</b>    |
| Court case against the company          | 0              |
| Bank guarantees in favour of subsidiary | 0              |
| <b>Total</b>                            | <b>0</b>       |

**44. Capital Commitments**

| <b>Capital Commitments</b>   | <b>2021/22</b> |
|--|----------------|
|  | <b>Kshs</b>    |
| Authorised For   | 0              |
| Authorised And Contracted For Software –on going upgrade of Hospital Information Management System | 0              |
| <b>Total</b>   | <b>0.00</b>    |

**45. Events After The Reporting Period**

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

**46. Ultimate And Holding Entity**

The entity is a Semi- Autonomous Government Agency under the Department of health its ultimate parent is the Government of Kenya.

**47. 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:<br>(Resolved / Not Resolved) | Timeframe:<br>(Put a date when you expect the issue to be resolved) |
|--|-----------------------------------|---------------------|--------------------------------------|---|
| No issue                                   |                                   |                     |                                      |   |
|  |                                   |                     |                                      |   |

**Guidance Notes:**

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

.....  
**Dr. Bobfelix Ochieng Odhiambo**  
**Accounting Officer**

**Kendu Bay Sub County Hospital (Homa Bay County Government)  
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**APPENDIX II: Projects Implemented by The Entity**

**Projects**

Projects implemented by the Hospital Funded by development partners

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

**Status of Projects completion**

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

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

**APPENDIX IV: Inter-Entity Confirmation Letter**



**REPUBLIC OF KENYA**  
**COUNTY GOVERNMENT OF HOMA BAY**

Telephone: 254-  
 Fax: 254-  
 Email :morachuonyonorth@g  
 mail.com

**DEPARTMENT OF  
 HEALTH**

Kendu Sub County  
 Hospital  
 P.O. Box 47- 40301  
**KENDU BAY**

The County Hospital wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> June 2022 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

| Confirmation of amounts received by [ County Hospital] as at 30 <sup>th</sup> June 2022 |                |   |                 |                       |                   |   |                              |
|---|----------------|---|-----------------|-----------------------|-------------------|---|------------------------------|
| Reference Number  | Date Disbursed | Amounts Disbursed by [ County Hospital] (KShs) as at 30th June 2022 |                 |                       | Total (D)=(A+B+C) | Amount Received by [beneficiary entity] (KShs) as at 30 <sup>th</sup> June 2021 (E) | Differences (KShs) (F)=(D-E) |
|   |                | Recurrent (A)   | Development (B) | Inter-Ministerial (C) |                   |   |                              |
|   |                |   |                 |                       |                   | 00.00   | 00.00                        |
|   |                |   |                 |                       |                   | 00.00   | 00.00                        |



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**APPENDIX V Reporting of Climate Relevant Expenditures**

Name of the Organization

Telephone Number

Email Address

Name of Medical Supt/MD/Head

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

| Project Name | Project Description | Project Objectives | Project Activities |    |    |    |    | Source Of Funds | Implementing Partners |
|--------------|---------------------|--------------------|--------------------|----|----|----|----|-----------------|-----------------------|
|              |                     |                    |                    | Q1 | Q2 | Q3 | Q4 |                 |                       |
|              |                     |                    |                    |    |    |    |    | N/A             | N/A                   |
|              |                     |                    |                    |    |    |    |    | N/A             | N/A                   |
|              |                     |                    |                    |    |    |    |    | N/A             | N/A                   |
|              |                     |                    |                    |    |    |    |    | N/A             | N/A                   |
|              |                     |                    |                    |    |    |    |    | N/A             | N/A                   |
|              |                     |                    |                    |    |    |    |    | N/A             | N/A                   |

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**APPENDIX VI Disaster Expenditure Reporting Template**

|   |               |               |  |                  |                |            |
|---|---------------|---------------|--|------------------|----------------|------------|
| Date:                                     |               |               |  |                  |                |            |
| Entity                                    |               |               |  |                  |                |            |
| Period to which this report refers (FY)   | Year          |               |  | Quarter          |                |            |
| Name of Reporting Officer                 |               |               |  |                  |                |            |
| Contact details of the reporting officer: | Email         |               |  | Telephone        |                |            |
| Column I                                  | Column II     | Column III    | Column IV  | Column V         | Column VI      | Column VII |
| Programme                                 | Sub-programme | Disaster Type | Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness) | Expenditure item | Amount (Kshs.) | Comments   |
|   |               |               |  | 00.00            | 00.00          | 00.00      |
|   |               |               |  | 00.00            | 00.00          | 00.00      |
|   |               |               |  | 00.00            | 00.00          | 00.00      |
|   |               |               |  | 00.00            | 00.00          | 00.0       |