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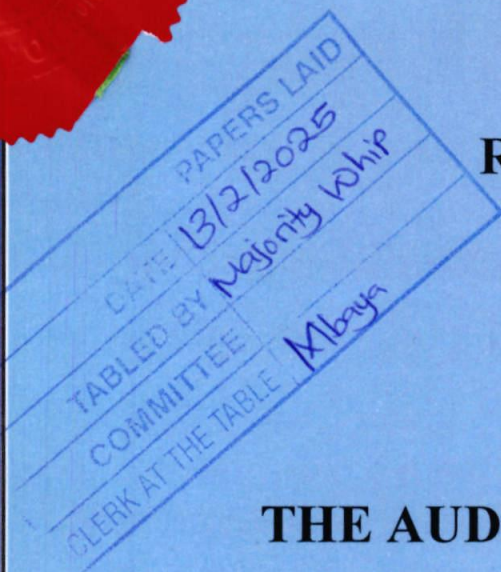
THE AUDITOR-GENERAL

ON

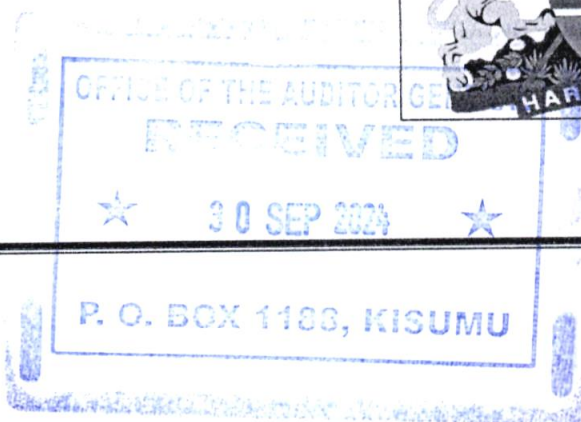
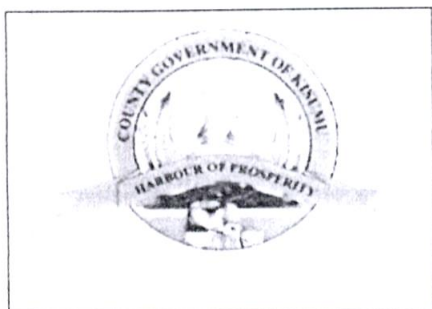
AHERO COUNTY LEVEL 4 HOSPITAL

**FOR THE YEAR ENDED
30 JUNE, 2024**

COUNTY GOVERNMENT OF KISUMU



Revised 30th June 2024



AHERO LEVEL 4 HOSPITAL (Kisumu County Government)

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2024

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

Ahero County Level 4 Hospital (Kisumu County Government)
Annual Report and Financial Statement for the year ended 30th June 2024

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1. Acronyms & Glossary of Terms

CSR	Corporate Social Responsibility
OSHA	Occupational Health & Safety Act
PFMA	Public Financial Management Act
MED SUP	Medical Superintendent
Fiduciary Management	Key management personnel who have financial responsibility in the entity.
CDH	County Department of Health
FIFA	Facility Improvement Fund Act 2021
PPADA	Public Procurement and Disposal Act 2015
HMT	Hospital Management Team
HMB	Hospital Board of Management.

2. Key Entity Information and Management

(a) Background information

Ahero County Hospital is a level 4 hospital established under gazette notice number vol.CXIX-No 167 of 10th November 2017 and is domiciled in Kisumu County under the Department Medical Services, Public Health and Sanitation. The hospital is governed by a Board of Management.

(b) Principal Activities

The principal activity/mission/ mandate of the hospital is to offer preventive, curative and rehabilitative health care services.

(a)-Vision

An effective and high quality health facility that is accessible, equitable and affordable for all.

(b)-Mission

To promote provision of integrity and high quality preventive, curative and rehabilitative health care services to all.

(c)-Core Objective

- To eliminate communicable diseases*
- Half and reverse the burden of non-communicable diseases*
- Enhance access to quality health care services*

(c) Key Management

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

- County department of Medical services, Public Health and Sanitation
- Board of Management(BOM)
- Accounting Officer/ Medical Superintendent
- Health Management Team (HMT)
- Head of Departments(HoDs)

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Medical Superintendent	Dr.Lilian Bonareri Onwonga'
2.	Head of finance	Joseph Kisengo
3.	Head of supply chain	Norman Ouko
4.	Health Administrative Officer	Peter Opala
5.	Nursing Officer In-Charge	Lilian Osunga
6.	Public Health Officer	Juddy Lusi

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No.	Designation	Name
7.	Health Records Officer	Edwin Odhiambo

(e) Fiduciary Oversight Arrangements

Key fiduciary oversight arrangements for the hospital include the following

1-The County Assembly of Kisumu

According to the County Government Act 2012 under article 8(1), The County Government of Kisumu has fiduciary oversight role over the functions of the hospital which include approval of both recurrent and capital budgets for the hospital. The Assembly also plays key role in coming up with county finance bills that dictate the user fees to be charged at the hospital.

2-County Department of Health

The CDH has fiduciary oversight role over the hospital in its responsibility for all the staff placement and routine supervision of the hospitals in all matters in the management.

3-Internal Audit Department

The internal audit department routinely conducts the internal audits at the hospital and reports to the CDH and the county audit committee.

Key Entity Information and Management (continued)

(f) Entity Headquarters

Ahero County Hospital
P.O. Box 169-40101
AHERO
Kisumu Nairobi Highway
AHERO, KENYA

(g) Entity Contacts

Telephone: (+254) 0796010045
E-mail: aheromedsup@yahoo.com
Website: www.kisumu.go.ke

(h) Entity Bankers

Commercial Banks.

1 Cooperative Bank-kisumu East branch

Account No. 01141495253000

Account Name .Ahero SDH Kisumu County

2 Kenya commercial Bank

Account No. 1156872839

Account Name. Ahero SDH Free maternity

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

(k) County Attorney

P.O. Box. 2738-40100
Kisumu, Kenya

3. The Board of Management

Ref	Directors	Details
1.	 Hon. Clarkson Otieno Karan	CHAIRPERSON- FORMER (EALA)- MP He is 74 years of age.
2.	 MR. CHRISTIAN ODHIAMBO.	BOM (MEMBER) Independent WASH Consultant
3.	 MR. PHILIP OMONDI.	BOM (MEMBER) Retired Teacher and former manager at KBL

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4.	 MRS.CAREN HUNTERS.	BOM (MEMBER) Human right activist, Community health volunteer
5.	MR.JOSEPH OSANO.	BOM (MEMBER) Management science and project planning expert
6.	 DR.LILIAN BONARERI	MEDICAL SUPERITENDENT/SECRETARY TO THE BOM. Consultant Obstetric/Gynaecologist

4. Key Management Team

Ref	Management	Details
1.	 MEDICAL SUPERITENDENT DR. LILIAN BONARERI ONWONG'A	OBSTETRICS/GYNAECOLOGIST
2.	 HOSPITAL ADMINISTRATIVE OFFICER MR. PETER A. OPALA	Incharge of overall hospital adminisration
3.	 DIRECTOR NURSING LILIAN OSUNGA	NURSING OFFICER INCHARGE OF THE FACILITY

4.	 HOSPITAL ACCOUNTANT JOSEPH KISENGO;	Incharge of finance,Accounting and Audit management. Holds bachelors degree in business management from moi university and CPA -KASNEB
5.	 HEALTH RECORD OFFICER. EDWIN ODHIAMBO	Incharge of health records Holds diplomer on health records from kenya medical training college.
6.	 PUBLIC HEALTH OFFICER JUDY LUSI	Diploma in public health- Incharge of public health services.

5. Chairman's Statement

The way forward for the facility is to improve on the infrastructure by completing the stalled building for more space for the patients and employment deployment of the nurse to fill the gap. Other professional should also be employed permanently in other specialized areas of patient management.

.....
Name

Chairman to the Board



6. Report of The Medical Superintendent

Let me take this earliest opportunity to mention that during this financial year ending 30th June 2024, there were changes in financial operation operations that took place. For one, the County Government of Kisumu operationalised and enacted the Kisumu FIF Act 2021. Under this Act, Hospitals were required to start retaining their income. The Act was enacted with effect from 1st April 2021, however, due to administrative processes, the Hospital received authorization from the Chief Officer in end of March 2022 to start banking in the Hospital account.

Secondly, the introduction of IPSAS reporting was introduced. This was a challenge for the Hospital since staff were not familiar with the reporting tool, hence it took time and even continued to delay our financial reporting.



DR. KEVIN OCHIENG



Name

Secretary to the Board

7. Statement of Performance Against Predetermined Objectives

Ahero County Level 4 Hospital has 3 strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY 2023- FY 2024. These strategic pillars/ themes/ issues are as follows:

Pillar /theme/issue 1: Eliminate communicable diseases

Pillar/theme/issue 2: Half and reverse the burden of non-communicable diseases.

Pillar/theme/issue 3: Enhance access to quality health care services

Ahero County Hospital develops its annual work plans based on the above 3 pillars/Themes/Issues. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The *Ahero County Hospital* achieved its performance targets set for the FY 2023/2024 period for its 3 strategic pillars, as indicated in the diagram below.

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Pillar/ theme/ issue 1. Eliminate Communicable disease.				
Pillar/ theme/ issue 1:Half and reverse the burden of non-communicable diseases				

8. Corporate Governance Statement

In the year under review, the hospital had two structures of governance, i.e. The Hospital Management Board (HMB) and The Hospital Management Team (HMT). The Board comprises of members who were gazetted by the Governor. The medical superintendent is the secretary to the board. While the Hospital administrative officer, Hospital Nursing Officer in- charge and Facility accountant were co-opted members of the board to facilitate smooth flow of information during board meetings.

The HMT comprises of all departmental heads where its chaired by the medical superintendent as the Hospital administrative officer is the secretary.

During the period under review the board held 5 meetings two of them being joint meetings with board members, while the management held a record of 8 meetings which came almost on monthly basis for review of day to day operations.

The management board and management team also do coordinate with various partners in the health sector to facilitate other programmes in the Hospital and community at large.

9. Management Discussion and Analysis

Clinical/operational performance

- *Bed capacity of the hospital.(42)*
- *Overall patient attendance during the year for both inpatient and outpatient.*
- *Accident and Emergency attendance.*
- *Specialised clinic attendance.*
- *Average length of stay for in patient.*
- *Bed occupancy rate.*
- *Mortality rate.*
- *Surgical theatre utilisation (number of operations over a period of time)*
- *Sponsorships and partnerships*

Financial performance that includes: -

- *Revenue sources.*
- *Utilisation of funds etc.*

2. Successes

- *Reduction in Carbon Footprint:* Implementation of energy-efficient technologies has led to a significant reduction in greenhouse gas emissions.*
- *Waste Diversion Rates:* Increased recycling programs have resulted in a higher percentage of waste being diverted from landfills.*
- *Sustainable Sourcing:* Partnerships with suppliers who prioritize sustainability have enhanced the organization's supply chain.*
- *Community Engagement:* Initiatives such as tree planting and environmental education programs have fostered community involvement and awareness.*

3. Shortcomings

- *Limited Biodiversity Initiatives:* While there are efforts to protect local ecosystems, the organization may lack comprehensive biodiversity programs.*
- *Inconsistent Waste Management Practices:* Some locations may not adhere to standardized waste management practices, leading to disparities in waste reduction efforts.*
- *Product Lifecycle Considerations:* The organization may not fully assess the environmental impact of its products throughout their lifecycle, particularly in the disposal phase.*

4. Efforts to Manage Biodiversity

- *Habitat Restoration Projects:* The organization engages in projects aimed at restoring local habitats affected by operations.*
- *Biodiversity Assessments:* Regular assessments are conducted to understand the impact of operations on local ecosystems.*
- *Collaboration with Conservation Groups:* Partnerships with environmental NGOs to support conservation efforts and promote biodiversity.*

10. Environmental And Sustainability Reporting

Ahero county level 4 Hospital exist 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 policies and activities that promote sustainability.

i) Sustainability strategy and profile

Self-sustainability by use of business model where the facility generates its own revenue to finance operations of the hospital. This is done on the platform of Facility Improvement Fund Act 2021 which was rolled to enable Health facilities to be self-dependent and manage themselves. However this has met challenges in low population catchment areas and poor living standards where the residents/population not being able to afford cost of primary health care.

ii) Environmental performance

To effectively outline an environmental policy and its associated components for an organization, we can break down the response into several sections:

1. Environmental Policy Overview

****Policy Statement:****

The organization's environmental policy aims to minimize its environmental impact through sustainable practices, compliance with regulations, and continuous improvement. The policy outlines commitments to resource conservation, waste reduction, biodiversity protection, and sustainable product development.

****Evidence of the Policy:****

- *Documentation:** The policy is formally documented and accessible to all employees, demonstrating the organization's commitment to environmental stewardship.
- *Training Programs:** Regular training sessions for employees on sustainability practices and the importance of the policy.
- *Public Reporting:** Annual sustainability reports that include progress on environmental goals and policies.

5. Waste Management Policy

- *Waste Reduction Goals:* The policy includes specific targets for reducing waste generation and increasing recycling rates.*
- *Composting Programs:* Initiatives to compost organic waste in facilities.*
- *E-Waste Management:* Procedures for the responsible disposal and recycling of electronic waste.*

6. Efforts to Reduce Environmental Impact of Products

- *Eco-friendly Product Design:* Development of products using sustainable materials, minimizing packaging, and enhancing recyclability.*
- *Lifecycle Assessments:* Evaluating the environmental impact of products from raw material extraction through to disposal.*
- *Consumer Awareness Campaigns:* Educating consumers about the environmental benefits of choosing sustainable products.*

Conclusion

The organization's environmental policy provides a framework for sustainable operations, with both successes and shortcomings evident in its implementation. Ongoing efforts in biodiversity management, waste management, and product sustainability are crucial for enhancing overall environmental performance. Continuous evaluation and adaptation of the policy will help the organization align with best practices and meet its sustainability goals.

iii) Employee welfare

The hospital staff are employees of county government of Kisumu where their hiring is done through county public service board. The staff are deployed to the hospital through department of Medical Services, Public Health and Sanitation. Most human resource functions are conducted at the county headquarters apart from few supervision and management issues touching the hospital which are managed by the Hospital administrative officer and Hospital medical superintendent.

The Hospital also has engaged casual workers who are directly supervised by head of department they are working under the Hospital administrative officer oversees their hiring, Remunerations, deployment and management.

iv) Market place practices-

The organisation should outline its efforts to:

a) Responsible competition practice.

The hospital has an anti-corruption committee which has mandate to oversee good practice and ethics both financial and social pertaining service provision.

The hospital also ensures that there is fair competition to the suppliers and service providers to the hospital. Service provision to both client and staff is also based on equality.

The hospital management has a good structural approach to political involvement in the community through the area ward administrator, CA and board members who some come from the community.

b) Responsible Supply chain and supplier relations

The hospital has a structured procurement and supplies management system through the departments of Medical services, Public Health and Sanitation and that one of Finance and Economic planning (Director of procurement and supply chain management). This has been centralised and the prequalification of suppliers and service providers done centrally for all health facilities in the county based on Frameworks, open tenders and special groups.

An accountant and procurement officer have been deployed to the hospital to ensure all the procedures and documentations pertaining sourcing, procurement and payment to the suppliers is done procedurally.

c) Responsible marketing and advertisement

d) Product stewardship

11. Report of The Board of Management

The Board members submit their report together with the Audited Financial Statements for the year ended June 30, 2024, which show the state of the *hospital's* affairs.

Principal activities

The principal activities of the entity are to provide quality and affordable preventive, promotive and rehabilitative and curative healthcare services to the public.

Results

The results of the entity for the year ended June 30 2024 are set out on pages to

Board of Management

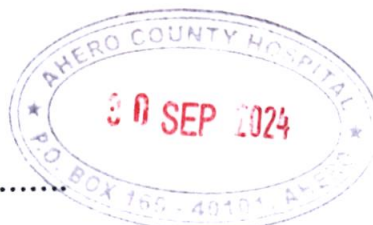
The members of the Board who served during the year are shown on page xxx. During the year, xxx director(s) retired/ resigned, and xxx director (s) was appointed with effect from xxxx date.

Auditors

The Auditor General is responsible for the statutory audit of the Ahero County level 4 Hospital in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board

DR. KEVIN OCHIENG'



Name

Secretary to the Board

v) Corporate Social Responsibility / Community Engagements

The hospital engages in registration and service provision to people with disabilities ,this includes free treatment and physiotherapy services.

12. Statement of Board of Management's Responsibilities

Section 164 of the Public Finance Management Act, 2012 and Kisumu county Facility Improvement Fund Act 2021 requires the Board of Management to prepare financial statements in respect of that *Ahero County level 4 Hospital*, which give a true and fair view of the state of affairs of the *Hospital* at the end of the financial year/p and the operating results of the *Hospital* for that year. The Board of Management is also required to ensure that the *Hospital* keeps proper accounting records that disclose with reasonable accuracy the financial position of the *Hospital*. The council members are also responsible for safeguarding the assets of the *Hospital*.

The Board of Management is responsible for the preparation and presentation of the *Hospital's* financial statements, which give a true and fair view of the state of affairs of the *Hospital* for and as at the end of the financial year ended on June 30, 2024. 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.

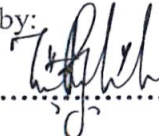
The Board of Management accepts responsibility for the *Hospital's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Kisumu County Facility Improvement Fund Act 2021. The Board members are of the opinion that the *Hospital's* financial statements give a true and fair view of the state of *Hospital's* transactions during the financial year ended June 30, 2024, 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 *Ahero County Level 4 Hospital* financial statements as well as the adequacy of the systems of internal financial control.

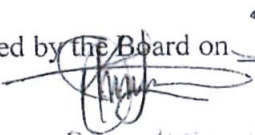
In preparing the financial statements,

Nothing has come to the attention of the Board of management to indicate that Ahero County level 4 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

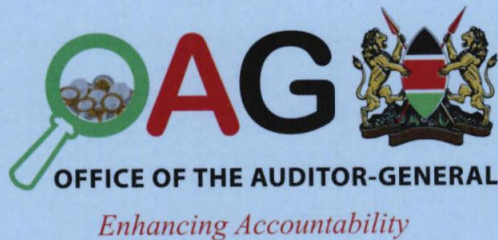
The Hospital's financial statements were approved by the Board on 30/9/24 and signed on its behalf by:

.....
Name: 
Chairperson
Board of Management

.....
Name: 
Accounting Officer

SEP 2024

REPUBLIC OF KENYA



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

REPORT OF THE AUDITOR-GENERAL ON AHERO SUB - COUNTY LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2024 - COUNTY GOVERNMENT OF KISUMU

PREAMBLE

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

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

A Disclaimer of Opinion is issued when the Auditor-General is unable to obtain sufficient appropriate audit evidence to form an opinion on the financial statements. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

REPORT ON THE FINANCIAL STATEMENTS

Disclaimer of Opinion

I have audited the accompanying financial statements of Ahero Sub - County Level 4 Hospital - County Government of Kisumu set out on pages 1 to 46, which comprise of the statement of financial position as at 30 June, 2024 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 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 do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

1. Inaccuracies in the Financial Statements

Review of the statement of financial performance against the explanatory notes to the financial statements reflects unexplained variances as tabulated below;

Component	Notes	Financial Performance	Explanatory Note	Variance
Rendering of services- Medical Service Income	11	8,341,639	14,205,631	(5,863,992)
Medical/Clinical costs	15	5,385,973	12,799,160	(7,413,187)
Employee costs	16	3,586,421	2,961,360	625,061
Repairs and maintenance	19	981,190	821,360	159,830
General expenses	21	7,461,319	4,969,940	2,491,379
Cash and cash equivalents	27	1,386,544	7,415,957	(6,029,413)
Trade and other payables	34	3,650,700	3,251,000	399,700

Further, statement of financial position reflects surplus and capital fund balances of Kshs.2,400,000 and Kshs.6,007,458 respectively. However, the statement of changes in net assets reflect accumulated surplus and capital fund of Kshs.6,389,889 and Nil balances resulting to unexplained variances amounting to Kshs3,989,889 and Kshs.6,007,458 respectively. The presentation of the net assets reflected in the statement of financial position should be the same as the statement of changes in net assets. No explanation has been provided for these anomalies contrary to the National Treasury circular on guidelines on the year end closing procedures for financial year 2023/2024 Ref No. AG.3/88/Vol. II (31) dated 15 May, 2024 Section 3.15 (x) on internal quality control of financial statements.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

2. Unsupported Transfers from the County Government

The statement of financial performance reflects an amount of Kshs.6,768,494 in respect of transfers from County Government and as disclosed in Note 6 to the financial statements. However, these transfers were not supported with schedules and other relevant records such as registers, cash books and bank statements which constitutes a limitation of scope. This was contrary to Section 149(1) the Public Finance Management Act, 2012 states that an accounting officer shall ensure that the entity keeps financial and accounting records that comply with this Act.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

3. Unreconciled Transfers from the County Government

The statement of financial performance reflects Transfers from the County Government amounting to Kshs.6,768,494 as disclosed Note 6 to the financial statements. However, financial statements of the County Executive of Kisumu reflect transfers of Kshs.3,335,730 resulting to an unreconciled variance of Kshs.3,432,764.

In the circumstances, the accuracy and completeness of transfers from the County Government of Kshs.6,768,494 could not be confirmed.

4. Unsupported Income from Rendering of Services

The statement of financial performance reflects Kshs.8,314,639 in respects to rendering of services-medical service income. However, the income was not supported with ledgers or schedules, NHIF claims, copies of receipts issued to the patients for the services rendered, detailed records of the daily income collected and banking slips which constitutes a limitation of scope. This was contrary to Section 149(1) the Public Finance Management Act, 2012 states that an accounting officer shall ensure that the entity keeps financial and accounting records that comply with this Act.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

5. Unsupported Medical/Clinical Costs

The statement of financial performance reflects medical/clinical costs of Kshs.5,385,973. However, the costs were not supported with ledgers or schedules. Further, however, tender evaluation reports, approved professional opinions and other related procurement documents in support of the expenditures were not provided for audit review which constitutes a limitation of scope. This was contrary to Section 149(1) the Public Finance Management Act, 2012 states that an accounting officer shall ensure that the entity keeps financial and accounting records that comply with this Act.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

6. Unsupported Employee Costs

The statement of financial performance reflects employee costs amount of Kshs.3,586,421 in respect of salaries and wages, contributions to pension schemes and medical expenses and insurance cover. However, Management did not provide supporting documents including the monthly payrolls, employees' ethnicity, personnel files, list of employees recruited during the year and those who exited during the year which constitutes a limitation of scope. This was contrary to Section 149 (1) the Public Finance Management Act, 2012 states that an accounting officer shall ensure that the entity keeps financial and accounting records that comply with this Act.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

7. Unsupported Board Expenses

The statement of financial performance reflects Board of Management expenses of Kshs.96,000 as disclosed in Note 17 to the financial statements. However, the expenses were not supported by Board minutes, invitation letters and attendance registers. Further, the financial statements indicate that the facility has six (6) members of Board of Management. However, appointment letters and gazette notice were not provided for audit review which constitutes a limitation of scope. This was contrary to Section 149 (1) the Public Finance Management Act, 2012 states that an accounting officer shall ensure that the entity keeps financial and accounting records that comply with this Act.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

8. Unsupported Repairs and Maintenance and General Expenses

The statement of financial performance reflects repairs and maintenance and general expenses of Kshs.981,190 and Kshs.7,461,319 respectively. However, the expenses were not supported with ledgers or schedules. Further, tender advertisement, tender security, tender evaluation, professional opinion, letter of offer, acceptance of offer, signed contract, fuel register, detail orders, supplier statements and the inspection and acceptance reports on repairs and maintenance were not provided for audit review which constitutes a limitation of scope. This was contrary to Section 149(1) the Public Finance Management Act, 2012 states that an accounting officer shall ensure that the entity keeps financial and accounting records that comply with this Act.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

9. Unsupported Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents balance of Kshs.1,386,544. However, bank balances were not supported by cashbooks, bank statements and bank reconciliation statements which constitute a limitation of scope. This

was contrary to Regulation 90(1) of the Public Finance Management (County Governments) Regulations, 2015 which requires an accounting officer to ensure that bank account reconciliations are completed for each bank account every month and submit a bank reconciliation statement not later than the 10th of the subsequent month to the County Treasury with a copy to the Auditor-General. Further, the facility operates an Mpesa utility account which was not disclosed in the financial statements.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.1,386,544 as at 30 June, 2024 could not be confirmed.

10. Unsupported Receivables from Exchange Transactions

The statement of financial position reflects receivables from exchange transactions balance of Kshs.6,768,494 as disclosed in Note 28 to the financial statements. However, the balance was not supported by relevant ledger and any verifiable documents such as correspondences and bank statements which constitute a limitation of scope.

In the circumstances, the accuracy, completeness and recoverability of the receivables from exchange transactions balance from exchange transactions of Kshs.6,768,494 could not be confirmed.

11. Unconfirmed Inventories' Balance

The statement of financial position reflects an amount of Kshs.3,903,890 in respect to inventories as disclosed in Note 30 to the financial statements. However, there was no evidence of conducting the annual stock take and no stores ledgers were provided to confirm the quantities, value and status of closing inventory balances as at 30 June, 2024 which constitute a limitation of scope.

In the circumstances, the accuracy and completeness of the inventory balance of Kshs.3,903,890 could not be confirmed.

12. Unsupported Trade and Other Payables

The statement of financial position reflects trade payable balance of Kshs.3,650,700. The statement of financial position reflects trade and other payables balance of Kshs.3,650,700 as disclosed in Note 34 to the financial statements. However, the balance was not supported with detailed schedule and an ageing analysis per category showing the opening balance, additions and payments in the year to arrive at the closing balance. Further, supporting documents including invoices, vouchers, certificates and creditors' statements were not provided for audit review. In addition, details obtained from Kenya Medical Supplies Authority (KEMSA) indicate the hospital balance owed of Kshs.1,207,744. However, the payables were not disclosed in the financial statements.

In the circumstances, the accuracy, completeness and existence of trade and other payables amounting to Kshs.3,650,700 could not be confirmed.

13. Non-Disclosure of Property, Plant and Equipment

The statement of financial position reflects a Nil property, plant and equipment balance. However, review of hospital's records and physical verification revealed various assets including land, buildings, furniture, computers and equipment of undetermined value which were not disclosed in the financial statements contrary to IPSAS 17.26 which states that an item of property, plant, and equipment that qualifies for recognition as an asset shall be measured at its cost. Where an asset is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition. Further, land for Ahero Sub - County Hospital had not been surveyed and lacked ownership documents.

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

14. 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 89% of the authorized establishment.

Staffing Requirement	Level 4 Requirement	In Post	Variance	Percentage %
Medical Officers	16	2	14	88
Anesthesiologists	2	0	2	100
General Surgeons	2	1	1	50
Gynecologists	2	1	1	50
Pediatricians	2	0	2	100
Radiologists	2	0	2	100
Registered Community Health Nurses	75	37	38	51
Total	101	41	60	59

In addition, the Hospital did not provide required services and lacked the necessary equipment and machines outlined in the Health Policy Guidelines as detailed below;

Service	Level 4 Hospital Standard	Actuals in the Hospital	Variance	Percentage %
Beds	150	42	108	28
Resuscitaire (2 in labor & 1 in theatre)	3	3	0	-
New Born Unit Incubators	5	1	4	75
New Born Unit Cots	5	0	5	100

Service	Level 4 Hospital Standard	Actuals in the Hospital	Variance	Percentage %
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	1	1	50

Services Offered	
Surgical Services	Available
Pediatrics Services	Available
Gynecology Services	Available
Radiology Services	Available
Renal Services	Not available
Tuberculosis Services	Available

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.

15. Unresolved Prior Year Matters

15.1 Lack of Risk Management Policy

During the year under review, the Hospital operated without a documented risk management policy framework. In addition, there was no evidence of risk identification, risk assessment and evaluation of likelihood of risk occurrence and its impact on entities' operation.

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

15.2 Weakness in Information Technology Systems

Review of the operations at the Hospital revealed that the Hospital has a standalone information system that is not integrated to the different departments including the laboratory, pharmacy among others. The system is used for billing and generating reports, which are fed manually into the system from the different departments. The Hospital does not have internet connectivity to assist in the operations of the hospital.

In the circumstances, the effectiveness of the information technology systems in the facility could not be confirmed.

15.3 Incomplete Assets Register

Review of Hospital records and physical verification revealed that the Hospital owns various assets including land, buildings, civil works, furniture, computers and equipment. The Hospital provided an asset register. However, there were no values assigned to the assets in the asset register. In addition, physical inspection at the facility revealed that there are three (3) motor vehicles of unknown value which are grounded in the parking. These motor vehicles although belonging to Nyando and Rabuor Hospitals would have been used for ferrying patients and purchase of medical or clinical items such as pharmaceutical items.

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

16. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget of Kshs.15,110,133. However, the actual revenue components have not been populated in the financial statements. Further, the statement of comparison of budget and actual amounts for the year ended 30 June, 2024 reflects Nil final budget against a computed actual expenditure of Kshs.17,510,903 resulting to an unauthorized expenditure of Kshs.17,510,903 or 100% of the budget.

In the circumstances, the accuracy and completeness of statement of comparison of budget and actual amounts could not be confirmed.

REPORT ON THE LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

I do not express a conclusion on the lawfulness and effectiveness in the use of public resources as required by Article 229(6) of the Constitution. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for my audit conclusion.

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

Conclusion

I do not express a conclusion on the effectiveness of internal controls, risk management and governance as required by Section 7(1)(a) of the Public Audit Act, 2015. Because of the significance of the matter(s) described in the Basis for Disclaimer of Opinion section

of my report, I have not been able to obtain sufficient and appropriate audit evidence to provide a basis for my audit conclusion.

Responsibilities of the Management and 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's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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 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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

30 December, 2024

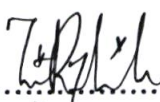
14. Statement of Financial Performance for The Year Ended 30 June 2024

Description	Note	Insert Current FY	Insert Comparative FY
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6	6,768,494.00	3,962,836.00
In-kind contributions from the County Government	7	-	-
Grants from donors and development partners	8	-	-
Transfers from other Government entities	9	-	-
Public contributions and donations	10	-	-
		6,768,494.00	3,962,836.00
Revenue from exchange transactions			
Rendering of services- Medical Service Income	11	8,341,639.00	8,373,605.00
Revenue from rent of facilities	12	-	-
Finance /Interest Income	13	-	-
Miscellaneous Income	14	-	-
		8,341,639.00	8,373,605.00
Total revenue		15,110,133.00	12,336,441.00
Expenses			
Medical/Clinical costs	15	5,385,973.00	8,826,655.00
Employee costs	16	3,586,421.00	2,858,655.00
Board of Management Expenses	17	96,000.00	77,000.00
Depreciation and amortization expense	18	-	-
Repairs and maintenance	19	981,190.00	383,090.00
Grants and subsidies	20	-	-
General expenses	21	7,461,319.00	2,660,946.00
Finance costs	22	-	-
		17,510,903.00	14,805,971.00
Total expenses			
Other gains/(losses)			
Gain/Loss on disposal of non-Current assets	23	-	-

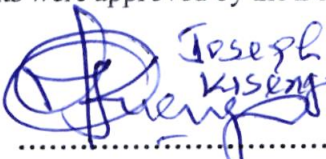
Ahero County level 4 Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

Description	Note	Insert Current FY	Insert Comparative FY
		Kshs	Kshs
Unrealized gain on fair value of investments	24	-	-
Medical services contracts Gains/Losses	25	-	-
Impairment loss	26	(00)	(00)
Gain on foreign exchange transactions		-	-
Total other gains/(losses)		-	-
Net Surplus / (Deficit) for the year		(2,400,770.00)	(2,469,530.00)

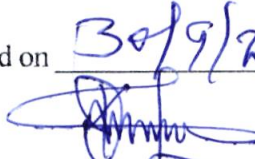
The Hospital's financial statements were approved by the Board on 30/9/24 and signed on its behalf by:



Chairman
Board of Management



Head of Finance
ICPAK No:



DR. KEVIN OCHIENG'
Medical Superintendent



15. Statement of Financial Position As At 30th June 2024

Description	Note	Insert Current FY	Insert Comparative FY
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	27	1,386,544.00	2,345,398.90
Receivables from exchange transactions	28	6,768,494.00	3,826,400.00
Receivables from non-exchange transactions	29	-	1,934,000.00
Inventories	30	3,903,890.00	2,412,438.00
Total Current Assets		12,058,928.00	10,518,236.90
Non-current assets			
Property, plant, and equipment	31	-	-
Intangible assets	32	-	-
Investment property	33	-	-
Total Non-current Assets		-	-
Total assets (A)		12,058,928.00	10,518,236.90
Liabilities			
Current liabilities			
Trade and other payables	34	3,650,700.00	4,876,316.00
Refundable deposits from customers/Patients	35	-	-
Provisions	36	-	-
Finance lease obligation	37	-	-
Current portion of deferred income	38	-	-
Current portion of borrowings	39	-	-
Social Benefits	41	-	-
Total Current Liabilities		3,650,700.00	4,876,316.00
Non-current liabilities			
Provisions	36	-	-
Non-Current Finance lease obligation	37	-	-
Non-Current portion of deferred income	38	-	-
Non - Current portion of borrowings	39	-	-
Service concession Arrangements	40	-	-

Ahero County level 4 Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

Description	Note	Insert Current FY	Insert Comparative FY
		Kshs	Kshs
Social Benefits	41	-	-
Total non-current liabilities		-	-
Total Liabilities (B)		3,650,700.00	4,876,316.00
Net assets (A-B)		8,408,228.00	5,641,920.90
Represented by:			
Revaluation reserve		-	-
Accumulated surplus/Deficit		2,400,770.00	2,469,530.00
Capital Fund		6,007,458.00	3,172,390.90
Net Assets		8,408,228.00	5,641,920.90

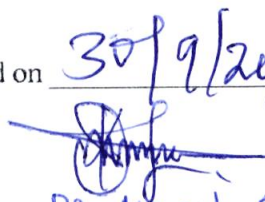
The Hospital's financial statements were approved by the Board on 30/9/24 and signed on its behalf by:



Chairman
Board of Management



Head of Finance
ICPAK No:



DR. KEVIN OCHIENSI
Medical Superintendent



16. Statement of Changes in Net Asset for The Year Ended 30 June 2024

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2022 (previous year)	xxx	xxx	xxx	xxx
Revaluation gain	00	-	-	00
Surplus/(deficit) for the year	-	3,989,119.00	-	3,989,119.00
Capital/Development grants	-	-	00	00
As at June 30, 2023 (previous year)	00	3,989,119.00	00	3,989,119.00
At July 1, 2023 (current year)	00	00	00	00
Revaluation gain	00	-	-	-
Surplus/(deficit) for the year	-	2,400,770.00	-	2,400,770.00
Capital/Development grants	-	-		-
At June 30, 2024 (current year)	00	6,389,889.00	00	6,389,889.00

17. Statement of Cash Flows for The Year Ended 30 June 2024

Description	Note	Insert Current FY	Insert Comparative FY
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government	6	6,768,494.00	3,962,836.00
Grants from donors and development partners		-	-
Transfers from other Government entities		-	-
Public contributions and donations		-	-
Rendering of services- Medical Service Income	7	8,341,639.00	8,373,605.00
Revenue from rent of facilities		-	-
Finance / interest income		-	-
Miscellaneous receipts(<i>specify</i>)		-	-
Total Receipts		15,110,133.00	12,336,441.00
Payments			
Medical/Clinical costs		5,385,973.00	8,826,655.00
Employee costs		3,586,421.00	2,858,280.00
Board of Management Expenses		96,000.00	77,000.00
Repairs and maintenance		981,190.00	383,090.00
Grants and subsidies		-	-
General expenses		7,461,319.00	2,660,946.00
Finance costs		-	-
Refunds paid out		-	-
Total Payments		17,510,903.00	14,805,971.00
Net cash flows from operating activities	42	(2,400,770.00)	(2,469,530.00)
Cash flows from investing activities			
Purchase of property, plant, equipment		-	-
Purchase of intangible assets		-	-
Proceeds from the sale of PPE		-	-
Acquisition of investments		-	-
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Capital grants received		-	-

Ahero County level 4 Hospital (Kisumu County Government)
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Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents			2,568,939.00
Cash and cash equivalents as at 1 July 2023	27	1,368,000.00	1,200,947.90
Cash and cash equivalents as at 30 June 2024	27	1,386,544.00	1,368,000.90

18. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 Jun 2024

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	a	b	c=(a+b)	d	e=(c-d)	f=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	
Revenue						
Transfers from the County Government	6,768,494.00	-	6,768,494.00	-	6,768,494.00	100%
Grants from donors and development partners	-	-	-	-	-	%
Transfers from other Government entities	-	-	-	-	-	%
Public contributions and donations	-	-	-	-	-	%
Rendering of services- Medical Service Income	8,341,639.00	-	8,341,639.00	-	8,341,639.00	100%
Revenue from rent of facilities	-	-	-	-	-	%
Finance / interest income	-	-	-	-	-	%
Miscellaneous receipts (<i>specify</i>)	-	-	-	-	-	%
Total income	15,110,133.00		15,110,133.00	15,110,133.00	15,110,133.00	100%
	0		0	0	0	
Expenses						
Medical/Clinical costs	-	-	-	5,385,973.00	-	100%
Employee costs	-	-	-	3,586,421.00	-	100%
Remuneration of directors	-	-	-	96,000.00	-	100%
Repairs and maintenance	-	-	-	981,190.00	-	100%
Grants and subsidies	-	-	-	-	-	%
General expenses	-	-	-	7,461,319.00	-	100%
Finance costs	-	-	-	-	-	%
Refunds	-	-	-	-	-	%
Surplus for the period	-	-	-	(2,400,770.0)	-	%
Capital expenditure	xxx	xxx	xxx	xxx	xxx	%

*Ahero County level 4 Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024*

19. Notes to the Financial Statements

1. General Information

Ahero County level 4 hospital is established by and derives its authority and accountability from PFM Act. The entity is wholly owned by the Kisumu County Government and is domiciled in Nyando sub-county of Kisumu County in Kenya. The hospital's principal activity is to provide quality and affordable preventive, promotive, rehabilitative and curative healthcare services to the public.

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 *hospital'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 Notes. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *hospital*. The financial statements have been prepared in accordance with the PFM Act, *FIF Act 2021* 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

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2024

There were no new and amended standards issued in the financial year.

ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.

Standard	Effective date and impact:
IPSAS 43	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. 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	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45- Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the

Standard	Effective date and impact:
	criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46 Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47- Revenue	<i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48- Transfer Expenses	<i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard

Standard	Effective date and impact:
	for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

iii) Early adoption of standards

The Hospital did not adopt any new or amended standards in the financial year 2023/2024.

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 *hospital* and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the asset that has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

Notes to the Financial Statements (Continued)

b. Budget information

The original budget for FY 2023/2024 was approved by the Board and 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 *hospital* recorded additional appropriations on the FY 2023/2024 budget following the Board's approval. The *hospital's* budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page *one* under section *14* of these financial statements.

c. Taxes

Sales tax/ Value Added Tax

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

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

Notes to the Financial Statements (Continued)

d. Investment property

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

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

e. Property, plant and equipment

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

Notes to the Financial Statements (Continued)

f. Leases

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

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

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

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

g. Intangible assets

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

Notes to the Financial Statements (Continued)

h. Research and development costs

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

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

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

i. Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

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

Notes to the Financial Statements (Continued)

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

Notes to the Financial Statements (Continued)

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Notes to the Financial Statements (Continued)

j. Inventories

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

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

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

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

k. Provisions

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

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

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

Notes to the Financial Statements (Continued)

l. Social Benefits

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

m. Contingent liabilities

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

n. Contingent assets

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

o. Nature and purpose of reserves

The entity creates and maintains reserves in terms of specific requirements.

p. Changes in accounting policies and estimates

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

Notes to the Financial Statements (Continued)

q. Employee benefits

Retirement benefit plans

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

r. Foreign currency transactions

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

s. Borrowing costs

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

t. Related parties

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

Notes to the Financial Statements (Continued)

u. Service concession arrangements

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

v. Cash and cash equivalents

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

w. Comparative figures

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

x. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xxx. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Notes to Financial Statements Continued

6. Transfers from the County Government

Description	Insert Current FY	Insert Comparative FY
	KShs	KShs
Unconditional grants		
Operational grant	6,768,494.00	3,962,836
Level 4/5 grants	-	-
Unconditional development grants	-	-
Other grants (<i>specify</i>)	-	-
	6,768,494.00	3,962,836
Conditional grants		
User fee forgone	-	-
Transforming health services for Universal care project (THUCP)	-	-
DANIDA	-	-
Wards Development grant	-	-
Paediatric block grant	-	-
Administration block grant	-	-
Laboratory grant	-	-
Total government grants and subsidies	6,768,494.00	3,962,836

6 b Transfers from The County Government

Name of the Entity sending the grant	Amount recognized to Statement of financial performance* KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year	Comparative Period
			KShs	KShs	KShs
Kisumu County Government	6,768,494	8,341,639	17,510,903	17,519,510	15,110,133
Total	6,768,494	8,341,639	17,510,903	17,519,510	15,110,133

Notes to Financial Statements Continued

7. In Kind Contributions from The County Government

Description	Insert Current FY	Insert Comparative FY
	KShs	KShs
Salaries and wages	-	-
Medical supplies-Drawings Rights (KEMSA)	-	-
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)	-	-
Utility bills	-	-
Total grants in kind	-	-

8. Grants From Donors and Development Partners

Description	Insert Current FY	Insert Comparative FY
	KShs	KShs
Cancer Centre grant- DANIDA	-	-
World Bank grants	-	-
Paediatric ward grant- JICA	-	-
Research grants	-	-
Other grants (<i>specify</i>)	-	-
Total grants from development partners	-	-

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

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

Notes to Financial Statements Continued

9. Transfers From Other Government Entities

Description	Insert Current FY	Insert Comparative FY
	KShs	KShs
Transfer from National Government (Ministry of Health)	-	-
Transfer from xxx National Hospital	-	-
Transfer from xxx Institute	-	-
Total Transfers	-	-

10. Public Contributions and Donations

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

10 (a)Reconciliations of amortised grants

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Balance unspent at beginning of year	-	-
Current year receipts	-	-
Amortised and transferred to revenue	-	-
Conditions to be met – remain liabilities	-	-

Notes to Financial Statements Continued

11. Rendering of Services-Medical Service Income

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Pharmaceuticals	939,986	761,050
Non-Pharmaceuticals	126,799	1,005,478
Laboratory	1,546,925	1,360,330
Radiology	304,546	27950
Orthopedic and Trauma Technology	66,250	250
Theatre	38,250	50,120
Accident and Emergency Service	232,121	153,774
Anesthesia Service	-	-
Ear Nose and Throat service	-	6,800
Nutrition service	1,338,197	1,005,478
Cancer centre service	-	-
Dental services	125,696	116,166
Reproductive health	7,720	154,970
Paediatrics services	-	12,592
Farewell home services (Mortuary)	1,127,500	1,570,440
Ambulance services	10,000	885,591
Other medical services income-NHIF claims	8,341,640	2,153,150
Total revenue from the rendering of services	14,205,631	8,373,605

Notes to the Financial Statements (Continued)

12. Revenue From Rent of Facilities

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Residential property	-	-
Commercial property	-	-
Total Revenue from rent of facilities	-	-

(Provide brief explanation for this revenue)

13. Finance /Interest Income

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Interest income from Cash investments and fixed deposits	-	-
Interest income from short- term/ current deposits	-	-
Interest income from Treasury Bills	-	-
Interest income from Treasury Bonds	-	-
Interest from outstanding debtors	-	-
Total finance income	-	-

14. Miscellaneous Income

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

Notes to the Financial Statements (Continued)

15. Medical/ Clinical Costs

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Dental costs/ materials	156,200	-
Laboratory chemicals and reagents	1,404,720	1,143,771
Public health activities	957,340	-
Food and Ration	1,810,390	1,501,302
Uniform, clothing, and linen	273,000	-
Dressing and Non-Pharmaceuticals	3,240,830	2,468,118
Pharmaceutical supplies	2,391,480	1,911,263
Health information stationery	1,923,710	1,559,485
Reproductive health materials	83,210	-
Sanitary and cleansing Materials	430,960	157,730
Purchase of Medical gases	127,320	84,996
X-Ray/Radiology supplies	-	-
Other medical related clinical costs (<i>specify</i>)	-	-
Total medical/ clinical costs	12,799,160.00	8,826,655.00

16. Employee Costs

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Salaries, wages, and allowances	2,719,560	2,611,160.00
Contributions to pension schemes	105,600	142,120.00
Service gratuity	-	-
Performance and other bonuses	-	-
Staff medical expenses and Insurance cover	91,200	105,000.00
Group personal accident insurance and WIBA	-	-
Social contribution	-	-
Other employee costs (<i>specify</i>)	-	-
Employee costs	2,916,360.00	2,858,280.00

Notes to the Financial Statements (Continued)

17. Board of Management Expenses

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Chairman's Honoraria	-	-
Sitting allowance	96,000	77,000
Mileage	-	-
Insurance expenses	-	-
Induction and training	-	-
Travel and accommodation allowance	-	-
Airtime allowances	-	-
Total	96,000	77,000

18. Depreciation and Amortization Expense

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Property, plant and equipment	-	-
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	-	-

19. Repairs And Maintenance

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Property- Buildings	135,920	119,300.00
Medical equipment	-	-
Office equipment	-	-
Furniture and fittings	6,230.00	5,550.00
Computers and accessories	98,700	15,000.00
Motor vehicle expenses	430,210	132,250.00
Maintenance of civil works	150,300	110,990.00
Total repairs and maintenance	821,360.00	383,090.00

Notes to the Financial Statements (Continued)

20. Grants And Subsidies

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Community development and social work	-	-
Education initiatives and programs	-	-
Free/ subsidised medical camp	-	-
Disability programs	-	-
Free cancer screening	-	-
Social benefit expenses	-	-
Other grants and subsidies(<i>specify</i>)	-	-
Total grants and subsidies	-	-

21. General Expenses

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Advertising and publicity expenses	-	-
Catering expenses	43,000	18,000
Waste management expenses	253,240	147,630
Insecticides and rodenticides	247,300	-
Audit fees	-	-
Bank charges	-	-
Conferences and delegations	230,000	-
Consultancy fees	-	-
Contracted services	864,000	1,073,790
Electricity expenses	620,000	301,000
Fuel and Lubricants	2,520,000	440,000
Insurance	-	-
Research and development expenses	-	-
Travel and accommodation allowance	780,000	323,100
Legal expenses	-	-
Licenses and permits	-	-
Courier and postal services	-	-
Printing and stationery	1,080,400	-
Hire charges	-	-
Rent expenses	-	-

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Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Water and sewerage costs	180,000	147,630
Skills development levies	-	-
Telephone and mobile phone services	420,000	60,000
Internet expenses	-	-
Staff training and development	-	-
Subscriptions to professional bodies	-	36,000
Subscriptions to newspapers periodical, magazines, and gazette notices	-	-
Library books/Materials	-	-
Parking charges	-	-
Total General Expenses	4,969,940.00	xxx

22. Finance Costs

Description	Insert Current FY	Insert Comparative FY
	KShs	KShs
Borrowings (amortized cost) *	-	-
Finance leases (amortized cost)	-	-
Interest on Bank overdrafts/Guarantees	-	-
Interest on loans from commercial banks	-	-
Total finance costs	-	-

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

Description	Insert Current FY	Insert Comparative FY
	KShs	KShs
Property, plant, and equipment	-	-
Intangible assets	-	-
Other assets not capitalised (<i>specify</i>)	-	-
Total gain on sale of assets	-	-

24. Unrealized Gain On Fair Value Investments

Description	Insert Current FY	Insert Comparative FY
	KShs	KShs
Investments at fair value	-	-
Total gain	-	-

Notes to the Financial Statements (Continued)

25. Medical Services Contracts Gains /Losses

Description	Insert Current FY	Insert Comparative FY
	KShs	KShs
Comprehensive care contracts with NHIF	-	-
Non- Comprehensive contracts care with NHIF	-	-
Linda Mama Program	-	-
Waivers and Exemptions	-	-
Total Gain/Loss	-	-

26. Impairment Loss

Description	Insert Current FY	Insert Comparative FY
	KShs	KShs
Property, plant, and equipment	-	-
Intangible assets	-	-
Investments	-	-
Total impairment loss	-	-

27. Cash And Cash Equivalents

Description	Insert Current FY	Insert Comparative FY
	KShs	KShs
Current accounts	7,415,957.90	2,345,398.90
On - call deposits	-	-
Fixed deposits accounts	-	-
Cash in hand	-	-
Others(<i>specify</i>)- Mobile money	-	-
Total cash and cash equivalents	7,415,957.90	2,345,398.90

Notes to the Financial Statements (Continued)

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

Description		Insert Current FY	Insert Comparative FY
Financial institution	Account number	KShs	KShs
a) Current account			
Kenya Commercial bank	1156872839	6,029,413.00	1,138,142.00
Co-operative Bank	0114149525 3000	1,386,544.90	1,207,256.90
Sub- total		7,415,957.90	2,345,398.90
b) On - call deposits			
Kenya Commercial bank		-	-
Equity Bank – etc		-	-
Sub- total		-	-
c) Fixed deposits account			
Bank Name		-	-
Sub- total		-	-
d) Others(specify)		-	-
cash in hand		-	-
Mobile money- Mpesa, Airtel money		-	-
Sub- total		-	-
Grand total		7,415,957.90	2,345,398.90

28. Receivables From Exchange Transactions

Description	Insert Current FY	Insert Comparative FY
	KShs	KShs
Medical services receivables	6,768,494	3,826,400
Rent receivables	-	-
Other exchange debtors		-
Less: impairment allowance	-	-
Total receivables	6,768,494	3,826,400

Analysis of Receivables From Exchange Transactions

Description	Insert Current FY		Insert Comparative FY	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	3,000,000	40%	265,900	7%
Between 1- 2 years	3,768,494	60%	3,560,500	93%
Between 2-3 years	xxx	%	-	%
Over 3 years	xxx	%	-	%
Total (a+b)	6,768,494	100%	3,826,400	100%

29. Receivables From Non-Exchange Transactions

Description	Insert Current FY	Insert Comparative FY
	KShs	KShs
Transfers from the County Government	xxx	1,934,000
Undisbursed donor funds	xxx	-
Other debtors (<i>non-exchange transactions</i>)	xxx	-
Less: impairment allowance	(xxx)	-
Total	xxx	1,934,000

Analysis of Receivables From Non-Exchange Transactions

Description	Insert Current FY		Insert Comparative FY	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	xxx	%	1,934,000	100%
Between 1- 2 years	xxx	%	-	%
Between 2-3 years	xxx	%	-	%
Over 3 years	xxx	%	-	%
Total (a+b)	xxx	%	1,934,000	100%

30. Inventories

Description	Insert Current FY	Insert Comparative FY
	KShs	KShs
Pharmaceutical supplies	1,091,795	1,016,260
Laboratory supplies	2,661,240	1,285,633
Food supplies	-	110,545
Linen and clothing supplies	-	-
Cleaning materials supplies	-	-
General supplies	150,855	
Less: provision for impairment of stocks	-	
Total	3,903,890	2,412,438

Ahero County Level 4 Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

Notes to the Financial Statements (Continued)

31. Property, Plant and Equipment

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Cost								
At 1 July 20XX (previous year)	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Additions	xxx	xxx	xxx	xxx	-	-	xxx	xxx
Disposals	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)
Transfers/adjustments	xxx	xxx	(xxx)	xxx			xxx	(xxx)
At 30th Jun 20XX	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
At 1 July 20XX (current year)	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Additions	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Disposals	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)
Transfer/adjustments		xxx		xxx			(xxx)	-
At 30th Jun 20XX	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Depreciation and impairment								
At 1 July 20XX (previous year)		xxx	xxx	xxx	xxx	xxx		xxx
Depreciation for the year		xxx	xxx	xxx	xxx	xxx		xxx
Disposals		(xxx)	(xxx)	(xxx)	(xxx)	(xxx)		(xxx)
Impairment		(xxx)	(xxx)	(xxx)	(xxx)	(xxx)		(xxx)
At 30 June 20XX		xxx	xxx	xxx	xxx	xxx		xxx

Ahero County Level 4 Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
At July 20XX (current year)		xxx	xxx	xxx	xxx	xxx		xxx
Depreciation		xxx	xxx	xxx	xxx	xxx		xxx
Disposals		(xxx)	(xxx)	(xxx)	(xxx)	(xxx)		(xxx)
Impairment		(xxx)	(xxx)	(xxx)	(xxx)	(xxx)		(xxx)
Transfer/adjustment		xxx	-	xxx	-	-	(xxx)	(xxx)
At 30th June 20XX		xxx	xxx	xxx	xxx	xxx	xxx	xxx
Net book values								
At 30 th Jun 20XX (previous)	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
At 30 th Jun 20XX (current)	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx

Notes to the Financial Statements (Continued)

32. Intangible Assets-Software

Description	Insert Current FY	Insert Comparative FY
	KShs	KShs
Cost		
At beginning of the year	xxx	xxx
Additions	xxx	xxx
Additions-Internal development	xxx	xxx
Disposal	(xxx)	(xxx)
At end of the year	xxx	xxx
Amortization and impairment		
At beginning of the year	xxx	xxx
Amortization for the period	xxx	xxx
Impairment loss	xxx	xxx
At end of the year	xxx	xxx
NBV	xxx	xxx

33. Investment Property

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

Notes to the Financial Statements (Continued)

34. Trade and other Payables

Description	Insert Current FY	Insert Comparative FY		
	KShs	KShs		
Trade payables	3,251,000	4,876,316		
Employee dues	xxx	-		
Third-party payments (e.g. unremitted payroll deductions)	xxx	-		
Audit fee	xxx	-		
Doctors' fee	xxx			
Total trade and other payables	3,251,000	4,876,316		
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the total
Under one year	xxx	%	xxx	%
1-2 years	xxx	%	xxx	%
2-3 years	xxx	%	xxx	%
Over 3 years	xxx	%	xxx	%
Total	xxx	%	xxx	%

35. Refundable Deposits from Customers/Patients

Description	Insert Current FY		Insert Comparative FY	
	KShs		KShs	
Medical fees paid in advance	xxx		-	
Credit facility deposit	xxx		-	
Rent deposits	xxx		-	
Others (specify)	xxx		-	
Total deposits	xxx		-	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	xxx	%	xxx	%
1-2 years	xxx	%	xxx	%
2-3 years	xxx	%	xxx	%
Over 3 years	xxx	%	xxx	%
Total	xxx	%	xxx	%

Ahero County Level 4 Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

Notes to the Financial Statements (Continued)

36. Provisions

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

37. Finance Lease Obligation

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Current Lease obligation	xxx	-
Long term lease obligation	xxx	-
Total	Xxx	-

38. Deferred Income

Description	Insert Current FY	Insert Comparative FY
	KShs	KShs
Current Portion	xxx	-
Non-Current Portion	xxx	-
Total	xxx	-

Ahero County Level 4 Hospital (Kisumu County Government)
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Notes to the Financial Statements (Continued)

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

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

39. Borrowings

Description	Insert Current FY	Insert Comparative FY
	KShs	KShs
Balance at beginning of the period	xxx	-
External borrowings during the year	xxx	-
Domestic borrowings during the year	xxx	-
Repayments of external borrowings during the year	(xxx)	-
Repayments of domestic borrowings during the year	(xxx)	-
Balance at end of the period	xxx	-

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

Description	Insert Current FY	Insert Comparative FY
	KShs	KShs
Current Obligation	xxx	-
Non-Current Obligation	xxx	-
Total	xxx	-

Notes to the Financial Statements (Continued)

40. Service Concession Arrangements

Description	Insert Current FY	Insert Comparative FY
	KShs	KShs
Fair value of service concession assets recognized under PPE	xxx	-
Accumulated depreciation to date	(xxx)	-
Net carrying amount	<u>xxx</u>	=
Service concession liability at beginning of the year	xxx	-
Service concession revenue recognized	(xxx)	-
Service concession liability at end of the year	<u>xxx</u>	=

41. Social Benefits

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

Notes to the Financial Statements (Continued)

42. Cash Generated from Operations

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

Notes to the Financial Statements (Continued)

43. Financial Risk Management

The entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The hospital'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 hospital 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 hospital's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023 (previous year)				
Receivables from exchange transactions	xxx	xxx	xxx	xxx
Receivables from –non-exchange transactions	xxx	xxx	xxx	xxx
Bank balances	xxx	xxx	xxx	xxx
Total	xxx	xxx	xxx	xxx
At 30 June 2024 (current year)				
Receivables from exchange transactions	xxx	xxx	xxx	xxx
Receivables from –non-exchange transactions	xxx	xxx	xxx	xxx
Bank balances	xxx	xxx	xxx	xxx
Total	xxx	xxx	xxx	xxx

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

Notes to the Financial Statements (Continued)

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the hospital has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The entity has significant concentration of credit risk on amounts due from xxxx. The board of management sets the hospital'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 hospital under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023				
Trade payables	xxx	xxx	xxx	xxx
Current portion of borrowings	xxx	xxx	xxx	xxx
Provisions	xxx	xxx	xxx	xxx
Deferred income	xxx	xxx	xxx	xxx
Employee benefit obligation	xxx	xxx	xxx	xxx
Total	xxx	xxx	xxx	xxx
At 30 June 2024				
Trade payables	xxx	xxx	xxx	xxx
Current portion of borrowings	xxx	xxx	xxx	xxx
Provisions	xxx	xxx	xxx	xxx
Deferred income	xxx	xxx	xxx	xxx
Employee benefit obligation	xxx	xxx	xxx	xxx
Total	xxx	xxx	xxx	xxx

Notes to the Financial Statements (Continued)

(iii) Market risk

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

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

a) Foreign currency risk

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

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

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.

Ahero County Level 4 Hospital (Kisumu County Government)
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Notes to the Financial Statements (Continued)

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

Foreign currency sensitivity analysis

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

Description	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
20XX (previous year)			
Euro	10%	xxx	xxx
USD	10%	xxx	xxx
20XX (current year)			
Euro	10%	xxx	xxx
USD	10%	xxx	xxx

b) Interest rate risk

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

Management of interest rate risk

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

Notes to the Financial Statements (Continued)

Sensitivity analysis

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

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

iv) Capital Risk Management

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

Description	Current Period	Comparative Period
	Kshs	Kshs
Revaluation reserve	xxx	xxx
Retained earnings	xxx	xxx
Capital reserve	xxx	xxx
Total funds	xxx	xxx
Total borrowings	xxx	xxx
Less: cash and bank balances	(xxx)	(xxx)
Net debt/ (<i>excess cash and cash equivalents</i>)	xxx	xxx
Gearing	xx%	xx%

Notes to the Financial Statements (Continued)

44. Related Party Balances

Nature of related party relationships

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

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

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

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Transactions with related parties		
a) Services offered to related parties		
Services to xxx	xxx	xxx
Sales of services to xxx	xxx	xxx
Total	xxx	xxx
b) Grants from the Government		
Grants from County Government	xxx	xxx
Grants from the National Government Entities	xxx	xxx
Donations in kind	xxx	xxx
Total	xxx	xxx
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for xxx employees	xxx	xxx
Payments for goods and services for xxx	xxx	xxx
Total	xxx	xxx

Ahero County Level 4 Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
d) Key management compensation		
Directors' emoluments	xxx	xxx
Compensation to the medical Sup	xxx	xxx
Compensation to key management	xxx	xxx
Total	xxx	xxx

45. Segment Information

46. Contingent Liabilities

Contingent liabilities	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Court case xxx against the hospital	xxx	xxx
Bank guarantees in favour of subsidiary	xxx	xxx
Total	xxx	xxx

47. Capital Commitments

Capital Commitments	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Authorised For	xxx	xxx
Authorised And Contracted For	xxx	xxx
Total	xxx	xxx

48. Events after the Reporting Period

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

49. Ultimate and Holding Entity

Ahero County Level 4 Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

The Hospital is a Semi- Autonomous Government Agency under the Department of Medical Services and Public Health. Its ultimate parent is the County Government of Kisumu.

50. Currency

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

20. Appendices

Appendix 1: Progress on Follow Up of Auditor Recommendations

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

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

Guidance Notes:

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


 DE OUTHGAT KAYIN

Accounting Officer

20. Appendices

Appendix 1: Progress on Follow Up of Auditor Recommendations

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

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

Guidance Notes:

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


DR. KEVIN OCHIENG
Accounting Officer



Appendix II: Projects Implemented by The Entity

Projects

Projects implemented by the Hospital funded by development partners

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

Status of Projects completion

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

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

*Ahero County Level 4 Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024*

Appendix III: Inter-Entity Confirmation Letter

Name of Transferring entity.....

Name of Beneficiary entity.....

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June (Current FY)					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
Total					

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

Head of Accounts Department - Disbursing Entity:

Name Sign Date

Head of Accounts Department - Beneficiary Entity:

Name Sign Date.....

Ahero County Level 4 Hospital (kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

Appendix IV Reporting of Climate Relevant Expenditures

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

Ahero County Level 4 Hospital (Kisumu County Government)
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Appendix V: Disaster Expenditure Reporting Template

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



CO-OPERATIVE BANK

We are you

The Co-operative Bank of Kenya Limited
Kondele Branch
P.O.Box 7199-40100 Kisumu
Tel: (020) 2446937
Mobile: 0708 223347/ 0732 520482
Fax: (020) 2446938
Kisumu 7/8/24 1:11 PM
Email: kisumueastbr@co-opbank.co.ke

Dear Sir/Madam,

REF: CERTIFICATE OF BALANCES

We enclose herein Certificate of Balances and accounts information as requested by yourselves as at 30/06/2024.
Kindly note interest is included in the balances.

Yours faithfully,

(BRANCH MANAGER)

Per Pm, THE CO-OPERATIVE BANK OF KENYA LTD
KONDELE BRANCH
[Signature]
Service Desk Officer

Directors: John Murugu (Chairman), Dr. Gideon Muriuki (Group Managing Director & CEO), M. Malonza (Vice Chairman), J. Sitienei, B. Simiyu, P. Githendu, W. Ongoro, R. Kimanthi, W. Mwambia, W. Welton (Mrs), M. Karangatha (Mrs), L. Karissa, G. Mburia.

CUSTOMER: AHERO SUB DISTRICT HOSPITAL KISUMU COUNTY

AT CLOSE OF BUSINESS ON: 30/06/2024

1. Balances(Include NIL balances) on all accounts including deposits:

01141495253000	- KES	1,386,544.90	Cr
----------------	-------	--------------	----

2. Details of loans, overdrafts and facilities granted, stating whether secured or not, and if secured, nature of security held :

- NIL

3. The name of the account and date of closure in respect of any accounts which have been closed during the year ended on the above date :

- NIL

4. Interest accrued not included in the above balances :

5. Bills receivable discounted :

6. Bills held for collection :

7. List of stocks, shares, title deeds or other securities held by us, whether free from any charge, lien or any other encumbrance, and if bearer securities in whose name they were registered :

8. Guarantees given to us to the client and by us on behalf of the Client

9. Right of set-off

10. Forward contracts for the purchase or sale of foreign exchange

11. Withholding tax certificates for all interest during the year

1218 CA 41 BRANCHES
CERTIFICATE OF BALANCE

KCB Bank Limited
(Incorporated in Kenya)

CERT2419000422

KCB KISUMU

08 JUL 2024

Certified that the balance at the CREDIT Of AHERO SDH FREE MATERNITY

A/C 1156872839

at the close of business on 30 JUN 2024 Was KES

SIX MILLION TWENTY NINE THOUSAND FOUR HUNDRED AND THIRTEEN CENTS TWENTY FIVE

KES 6,029,413.25

Examined by

Manager, Service Quality & Compliance Branch Manager

For: KCB BANK KENYA LTD.
Customer Service Consultant
KISUMU

For: KCB BANK KENYA LTD.
Customer Service Consultant
KISUMU