

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

MWINGI LEVEL 4 HOSPITAL

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

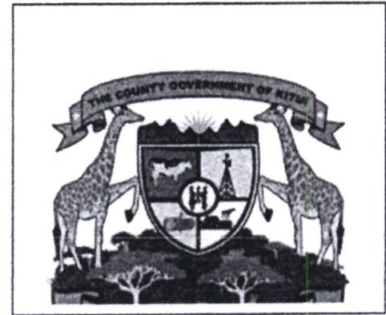
COUNTY GOVERNMENT OF KITUI

PAPERS LAID	
DATE	6/3/2025
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COMMITTEE	
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OFFICE OF THE AUDITOR GENERAL
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MWINGI Level 4 HOSPITAL (Kitui County Government)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2024

Prepared by the Accrual Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)

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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
DEPT MED SUP	Deputy Medical Superintendent
HAO	Health Administrative Officer
KEMSA	Kenya Medical Supplies Agency
CECM	County Executive Committee Member
KEMU	Kenya Methodist University
KMTC	Kenya Medical Training College
CPA	Certified Public Accountants
KCB	Kenya Commercial Bank
MBA	Master in Business Administration
REP	Representative
NYC	National Youth Council
PLWDs	People with Disabilities
IPSAS	International Public Sector Accounting Standards

2. Key Hospital Information and Management

(a) Background information

Mwingi Level IV Hospital is a Gazetted Public Health facility by the Ministry of Health, Kenya Master Health Facility Registry No: 12626 domiciled in Kitui County under the Ministry of Health and Sanitation. The facility is located Off Nzeluni Road in Mwingi Town, Mwingi Central Constituency and it serves a catchment of 58,811 (KHIS 2024).

The hospital board of management is comprised of nine (9) members drawn from various professional backgrounds. The Chairman of the board is an experienced Radiographer with 26 years of experience. While the Secretary is the current Medical Superintendent who is an accomplished Gynaecologist.

(b) Principal Activities

The Hospital's key mandate is to provide quality health care, improve clinical outcomes, improve on procedures and systems as well as strengthening health promotion and disease prevention.

The Hospital has a bed capacity of 220 Beds and the workload for the year 2023-2024 is 162,865. The facility offers outpatient Services, Inpatient Services, and Specialized Services such as Gynaecology, Oncology, ENT, Ophthalmology, General Surgery, Orthopaedic Surgery among others.

(c) Key Management

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

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

(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:

1.	Medical Superintendent	Dr. Hellen K Munyao
2.	Head of finance	Charles Mukola
3.	Head of Supply Chain	Peter Kutuka
4.	Hospital Health Administrator	Tony Musyimi
5.	Deputy Superintendent	Kennedy Fundi
6.	Nursing in Charge	Japheth Mbinda

(e) Oversight Institutions

- Clinical Research and Standards Committee.

***Mwingi Level IV Hospital Kitui County Government
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- Kitui County Internal Audit Unit
- Kitui County Risk Committee
- Kitui County Assembly
- Parliamentary committees
- Kitui County Assembly Public Investment and Accounts Committee
- Kitui County Assembly County Budget and Appropriation Committee
- Kitui County Assembly Finance and Economic Planning Committee
- Kitui County Budget and Economic Forum

(f) Mwingi Level IV Hospital Headquarters

P.O. Box 16-90400
CHMT Building
Kitui Hospital Road
Kitui, Kenya.

(g) Mwingi Level IV Hospital Contacts

Telephone: (+254) 716-220-667
E-mail: mwingimedst@yaho.com
Website: www.kitui.go.ke

(h) Mwingi District Hospital
Kenya Commercial Banks –Mwingi Branch

(i) Independent Auditors




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

(j) Principal Legal Adviser



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

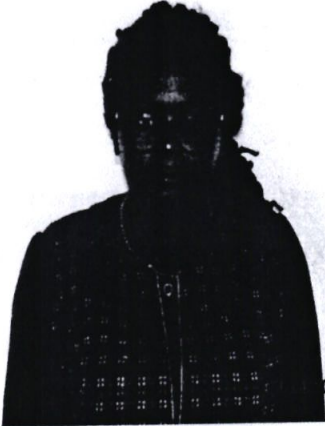
(k) County Attorney
P.O. Box. 33-90200
Kitui, Kenya

3. The Board of Management




<p>1.</p>	 <p>Stephen Mulwa Mitambo Chairman</p>	<p>D.O.B- 11 September 1960 Diploma in Diagnostic Radiography KMTC Nairobi Diploma in Diagnostic Radiography University of Nairobi Diploma in Ultrasonography Fortys University-Netherlands Senior management- Kenya School of Government Work experience: Chairman for 6 years Procurement committee- Hospital Management Committee</p>
<p>2.</p>	 <p>Alex Mutemi Sub County Administrator</p>	<p>MBA Entrepreneurial and Small Business Studies,-KEMU Bachelor of Business Administration, - KEMU CPA2 Work Experience: 2 Years and 5 Months as a Corporate Relationship Manager, - KCB South Sudan Subsidiary 19 years and 10 months as a Branch Manager KCB Bank</p>
<p>3.</p>	 <p>Salee Musili Muvita Business Community Rep</p>	<p>Business Community Rep</p>




*Mwingi Level IV Hospital Kitui County Government
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4.	Patrick Ndue Kitema Professional Groups Rep	2008- MBA –KU 1986- M.Sc. UK 1983- B.Sc- UoN
5.	 Lydia Muthili Kimanzi Active Women Group Rep	MOUNT KENYA UNIVERSITY DOCTOR OF PHILOSOPHY IN EDUCATION (EDUCATIONAL PSYCHOLOGY) Educational Psychology PHD IN EDUCATION (EDUCATIONAL PSYCHOLOGY) Career Counsellor/ Lecturer Tangaza University College, Karen, Nairobi Nov 2020 - Present 3 years 11 months TEACHER TEACHERS SERVICE COMMISSION 2001 - 2011 (10 years)
6.	Mwendwa Mwaniki FBO Rep	
7.	Sophia Abdalah National Youth Council (NYC) Rep	
8.	 Joseph Kyalo Kitangu PLWDs	Bachelor of Education

9.	 <p>Dr. Hellen Munyao Medical Superintendent</p>	<p>10th March 1978 Masters of Medicine, Obstetrics and Gynaecology Bachelor of Medicine and Bachelor of Surgery</p>
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4. Key Management Team

<p>1.</p>	 <p>Dr. Hellen Munyao Medical Superintendent</p>	<p>Born On 10th March 1978 Masters of Medicine, Obstetrics and Gynaecology Bachelor of Medicine and Bachelor of Surgery</p>
<p>2.</p>	 <p>Dr. Kennedy Fundi Deputy Medical Superintendent</p>	<p>Born On 18th December 1988 Bachelor of Medicine and Bachelor of Surgery.</p>
<p>3.</p>	 <p>Charles Mukola Accountant</p>	<p>Born on 1st January 1977. CPAK Holder, ATC Graduate A member Of ICPAK Computer Literate: Ms-Excel advanced, Quick books, Sage Accounting. Experienced in monthly Payroll calculations and adjustments. Worked In a Financial Institution as Assistant Manager, checking on monthly payroll, monthly adjustments on employee payments.</p>

4.	 <p>Tony Musyimi Health Administrative Officer</p>	<p>Born on 12th November 1991 Bachelor of Arts Education Post Graduate Diploma in Health Management System</p>
5.	 <p>Peter Kutuka Supply Chain Procurement Officer</p>	<p>Born on 1st November 1993 Bachelor Of Purchasing and Supplies Management CPSP-K Holder</p>
6.	 <p>Japheth Mbinda Nursing Officer in Charge</p>	<p>Born on 22nd February 1974 Member of Nursing council of Kenya. Computer Literate. Master of Public Health (Reproductive Health) K.U Bachelor of Science in Nursing Diploma in Community Nursing.</p>

5. Chairman's Statement

Mwingi Level IV Hospital has continued to operate optimally during the financial year ended 30th June 2024 to actualize its potential as a health service provider in Mwingi Central Sub County and as a Referral Hospital from Nuu, Migwani, Tseikuru, Kyuso in Emergency cases.

However, during the financial year 2023-2024 the hospital experienced some challenges as indicated below:

- (a) Medical staffing is inadequate and the Kitui County government need to employ more medical doctors, nurses, clinical officers and Lab Technicians.
- (b) Mwingi Level Iv has a Security menace from outsiders since our Perimeter wall is ongoing project.
- (c) Inadequate supply of Pharmaceuticals and Non Pharmaceuticals from KEMSA within the Year.
- (d) Mwingi Level IV to procure digital CT scan Machine

In this regard, the Hospital proposes for the following going forward,

- Request for our able Kitui County to employ more doctors, nurses, clinical officers and Lab Technicians.
- The ministry of Health through our Management team at Headquarters to complete the Perimeter wall even if in a multi- year Project plan.
- To have adequate supply of Pharmaceuticals and Non-pharmaceuticals from KEMSA throughout the year.
- Kitui County Government to procure for digital CT scan for Mwingi Level IV.

In conclusion, despite the challenges faced by the Mwingi Level IV Hospital, the Board of management is optimistic that the hospital will serve the patients effectively and efficient manner in its quest to provide quality medical services within Kitui County.



.....
Stephen Mulwa Mitambo

Chairman to the Board

6. Report of The Medical Superintendent

Establishment and operations of Mwingi Level IV Hospital

Mwingi Hospital is a level IV Hospital established under gazette notice number **1019** dated 16th June 1995 as a District Hospital, was gazetted as Mwingi Hospital Vide Gazette Notice no: It is regulated by Ministry of Health under registration number 12626 and domiciled in Kitui County, Mwingi Central Sub County, and Mwingi Central Ward under the Health Department. A Board of Management governs the Level IV Hospital.

Organization structure of Mwingi Level IV Hospital

The Board is composed of nine (9) Board Members and Secretary to the Board. The Members are appointed and gazetted by the County Executive Committee Member for Health and Sanitation under section 5 of the Kitui County Health Facilities Management Committees Act, 2014 and are tasked with management and approval of the budget estimates while the secretary to implement the budgets by undertaking the day-to-day activities of Mwingi Level IV Hospital.

Function of Mwingi Level IV Hospital

The principal activity of the Mwingi Level IV Hospital is to provide high quality standard of Health services to the people of Kitui and the Government of Kenya.

The vision to be a provider of medical services in the entire eastern Kenya.
Our Mission is to provide medical care to all citizen of Kenya.



.....
Dr Hellen K Munyao

Secretary to the Board

7. Statement of Performance Against Predetermined Objectives

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

Mwingi Level IV Hospital has strategic pillars, themes, issues and objectives within the current Strategic Plan for the FY 2023-2024- FY 2024-2025. These strategic pillars, themes, issues are as follows:

Strategic Pillar, Theme, Issues	Objective	Key Performance Indicators	Activities	Achievements
Provide Reliable Medical services to all citizen	To provide reliable Medical Services	-Number of Medical staff -adequate pharmaceuticals and non-Pharmaceuticals stock levels	Maintaining proper staff levels Maintaining of Proper Pharmaceuticals and Non-Pharmaceuticals	-Staff Levels improved -Improved Pharmaceuticals and Non Pharmaceuticals
Increased Revenue	To Increase Revenue Collected	-NHIF Claims received	-Follow up of the NHIF Claims not received	-NHIF Claims received
Customer/Patient Satisfactory	-To increase number of Patient satisfied	-Number of Patient Served -Number of Complaint solved	Improve customer care services	Increased number of patients

9. Corporate Governance Statement

The current Board of Management for Mwingi Level IV Hospital was gazetted on 25th June 2021 under gazette notice number 2808.

The functions of the board of management included:

1. Supervision and control of the administration of funds allocated to the Hospital.
2. Through minutes, request the CECM to open and operate a bank account.
3. Make sure basic books of accounts for the Hospital are kept
4. Making sure records of accounts for income and expenditure, asset and liabilities.
5. Provide oversight to the hospital.

Salary and Remuneration Commission advise remuneration of the board members.

Generally, the hospital operates as per the set terms of reference concerning the number of meetings held and the attendance to those meetings by members, succession plan, existence of Charter, Process of appointment and removal of Board members, role and Functions of the induction, and training, Board and member performance, conflict of interest, board remuneration and conduct as well as governance audit.

10. Management Discussion and Analysis


BED CAPACITY			
WARDS		AVAILABLE BEDS	AVAILABLE COTS
Medical	Male	18	0
	Female	22	0
Surgical	Male	25	0
	Female	25	0
PAEDS	Surgical	12	3
	Medical	9	4
Maternity		47	0
NEW BORN		13	11 COTS 2 INCUBATORS
AMENITY		24	0
EYE WARD	Male	10	0
	Female	10	0
Renal Unit		4	0
TOTAL		219	20

AVERAGE ADMISSION PER WARD PER MONTH

Medical Ward	40
Medical Female	55
Surgical Male	45
Surgical Female	50
PAEDS Medical	30
PAEDS Surgical	20
MATERNITY	350
NEW BORN UNIT	100
EYE WARD	15
OPD ATTENDANCE PER DAY	400

Clinical / Operational Performance

1	Patient Attendance	Out Patient	8,000 patients per month
		Inpatient	600 inpatients per month
		Accident & Emergency	50 patients in a month
2	Special Clinics Attendance		500 patients per month
3	Average Length of Stay		17 days
4	Bed Occupancy Rate		85%
5	Mortality rate		5% per Month
6	Surgical theatre utilisation		350 Surgeries per Month
7	Sponsorships and partnerships		CiHelb, CMMB

.....

 Dr Hellen Munyao
 Secretary to the Board

11. Environmental And Sustainability Reporting

Mwingi Level IV Hospital offers quality medical services to all citizen and its environment. The Hospital environment is clean and conducive for our patients.

i) Sustainability strategy and profile

The hospital has planted trees in the hospital compound to improve environment sustainability of the area.

ii) Environmental performance

The area around the hospital receives fair amount of rainfall, Mwingi Central, min 19-23°C, max 28-33 °C, Weekly rainfall is >20 mm

iii) Employee welfare

The Hospital operate as per the set Human Resource Policies borne

iv) Market place practices-

The following can be stated in relation to Mwingi Level IV Hospital

a) Responsible competition practice.

Mwingi Level IV Hospital exist to provide quality medical services to the citizens of Kenya and with no motive of making profits.

b) Responsible Supply chain and supplier relations

The Hospital is equipped with experienced supply Chain staff who coordinate with reliable suppliers to bring good and offer services as per the contracts given a document for processing for payment processing.

c) Responsible marketing and advertisement

No advertisements are done but the Hospital maintains good customer care services.

d) Product stewardship

Mechanisms are put in place to make sure the services are offered by the pharmacist to have drugs and non-pharmaceuticals in effective and efficient manner.

v) Corporate Social Responsibility / Community Engagements

The Hospital has conducted several Corporate Responsibility for the Community within the financial year, free eye screening and free HIV counselling.

12. 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 activity of the hospital is to provide health services to the people of Kitui and Government of Kenya at whole. The Vision is to have a community good Health care Services to all residents regardless of County Origin or Culture.

Results

The results of the **Mwingi Level IV Hospital** for the year ended **30th June 2024** are set out on pages 1 to 9

Board of Management

The members of the Board who served during the year are shown on page v to vii.

Auditors

The Auditor General is responsible for the statutory audit of the Mwingi Level IV Hospital in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board


.....

Dr. Hellen K Munyao
Secretary to the Board

13. Statement of Board of Management's Responsibilities

Section 164 of the Public Finance Management Act, 2012 **Mwingi Level IV** operate under *Health Act 2017*, requires the Board of Management to prepare financial statements in respect of the *Hospital*, which give a true and fair view of the state of affairs of the *Hospital* at the end of the financial year 2024. The operating results for the year 2023-2024. The Board of Management is also required to ensure that the *hospital* keeps proper accounting records, 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, disclose with reasonable accuracy at any time the financial position of the *Hospital*. (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud. (iv) Safeguarding the assets of the *Hospital*. (v) Selecting and applying appropriate accounting policies, and (vi) Making accounting estimates that are reasonable in the circumstances.


The Board of Management accepts responsibility for the *hospital's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Section of 43 , Health Act 21 of 2017. 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 being relied upon in the preparation of the *Hospital's* financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Directors have assessed the Fund's ability to continue as a going concern

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

Approval of the financial statements

The *Hospital's* financial statements were approved by the Board on __30th September 2024 _____ and signed on its behalf by:

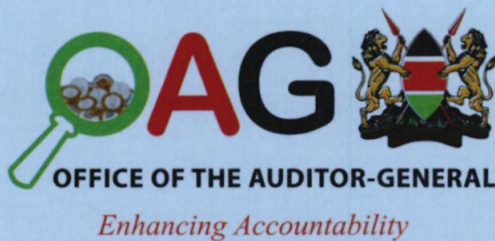

.....
Name: Stephen Mulwa Mitambo
Chairperson


.....
Name: Dr. Hellen K Munyao
Accounting Officer

Board of Management

REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON MWINGI LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2024 - COUNTY GOVERNMENT OF KITUI

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 Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. 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.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Mwingi Level 4 Hospital - County Government of Kitui set out on pages 1 to 31 which comprise of the statement of financial

position as at 30 June, 2014, 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 have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Mwingi Level 4 Hospital -County Government of Kitui as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012, the County Governments Act, 2012 and the Health Act, 2017.

Basis for Qualified Opinion

1. Inaccuracies in the Statement of Cash flows

The statement of cash flows reflects net cash flows from operating activities of Kshs.15,227,288 negative while the recasted amount is Kshs.15,400,770 resulting in unexplained variance of Kshs.30,628,058. In addition, the statement reflects cash and cash equivalents balance as at 30 June 2024 of Kshs.167,274. However, recasting of the amount reveals a balance of Kshs.15,481,303 resulting in unexplained variance of Kshs.15,314,029.

In the circumstances, the accuracy of the statement of cash flows could not be confirmed.

2. Unsupported Revenue from Exchange Transactions

The statement of financial performance reflects revenue from rendering of services – medical service income of Kshs.111,711,285 as disclosed in Note 8 to the financial statements. However, the bank and pay bill statements were not provided for audit review.

In the circumstances, the accuracy of rendering of services-medical service income of Kshs.111,711,285 could not be confirmed.

3. Non-Disclosure of Property, Plant and Equipment

Note 18 to the financial statements reflects Nil property, plant and equipment balance. However, review of records and physical verification revealed various assets including land, buildings, motor vehicles, furniture, computers and equipment which were not disclosed in the financial statements. Further, the ownership documents for land were not provided for audit review.

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

4. Un- Disclosed M- Pesa Paybill Account

The statement of financial position and as disclosed in Note 14 to the financial statements reflect cash and cash equivalents balance of Kshs.167,274. However, the Hospital operates an M-pesa Paybill number which had not been disclosed in the financial statements, and the M-Pesa statements were not provided for audit review.

In the circumstances, the accuracy of cash and cash equivalents balance of Kshs.167,274 could not be confirmed.

5. Undisclosed Inventories

The statement of financial position and as disclosed in Note 17 to the financial statements reflect inventories balance of Kshs.23,919,106. However, review of the stock take report for pharmaceuticals and non-pharmaceuticals revealed that partner program drugs (donated drugs) were not included in the closing inventories balance. In addition, drugs stored in various holding areas within the Hospital were not considered during the stock - take exercise.

In the circumstances, the accuracy and completeness of the inventories balance of Kshs,23,919,106 could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness in Internal Controls, Risk Management and Governance. However, Management has not resolved all the prior year matters as prescribed in the reporting requirements set by the Public Sector Accounting Standards Board.

Other Information

The Management is responsible for the other information set out on pages iii to xvii which comprise of Key Entity Information and Management, The Board of Management, Key Management Team, Chairman's Statement, Report of the Medical Superintendent, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board of Management and Statement of Board of Management Responsibilities. The other information does not include the financial statements and my audit report thereon.

In connection with my audit on the Hospital's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the other information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. 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 as 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 deficit by ten (10) or approximately 12% of the authorized establishment.

Staff Requirements	Level 4 standard	Number in Hospital	Variance	Percentage %
Medical officers	16	13	3	19
Anaesthesiologists	2	1	1	50

Kenya Registered Community Health Nurses	75	69	6	8
Total	93	83	10	11

In addition, the hospital 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 %
Functional ICU beds	6	0	6	100
High Dependency Unit (HDU) Beds	6	0	6	100
Renal Unit with at least 5 dial sis machines	5	0	5	100
Two Functional operational theatres-Maternity & General	2	2	0	0

The 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 may not be able to deliver on its mandate.

2. Long Outstanding Trade and Other Payables

The statement of financial position and as disclosed in Note 19 to the financial statements reflect trade and other payables balance of Kshs.47,435,540. Included in the balance are trade payables amounting to Kshs.36,617,878 which had been outstanding for more than one (1) year. This is Contrary to Section 53 (8) of the Public Procurement and Disposal Act, 2015 which states that an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contracts are reflected in approved budget estimates.

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

3. Irregular Write Offs

The statement of financial performance and as disclosed in Note 13 to the financial statements reflect Kshs.9,125,729 in respect to unrecoverable revenue. The expenditure represents waivers, exemptions, unpaid bills from Kenya Prisons and People Living with Disabilities of Kshs.6,852,217, Kshs.1,682,620, Kshs.510,028 and Kshs.80,864

respectively. However, approval for the waivers was not provided for audit review. In addition, the amount was not disclosed under medical services contracts losses in the statement of financial performance as required by the reporting template.

In the circumstances, the regularity of Kshs,9,125,729 in respect to unrecoverable revenue written off could not be confirmed.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Expiry of Medical Supplies

The statement of financial position reflects inventories balance of Kshs.23,919,106 as disclosed in Note 17 to the financial statements. However, review of the store records on pharmaceuticals and non-pharmaceuticals revealed that 6,217 units of various drugs of undetermined value had expired.

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

2. Stock-Outs of Essential Medical Supplies

The statement of financial position and as disclosed in Note 17 to the financial statements reflects inventories of Kshs.23, 919,106. Review of the Hospital's stock cards for controlling stores indicated that the Hospital experienced stock out of medical supplies ranging from 7 days to 101 days.

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

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective

processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and Board of Management

Management of 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 overseeing the 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 ISSAIs 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

10 January, 2025


Mwingi Level IV Hospital Kitui County Government
Annual Report and Financial Statements for The Year Ended 30th June 2024

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


Description	Note	FY 2023/2024	FY 2022/2023
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6	128,695,207	111,865,328
In-kind contributions from the County Government	7	418,234,913	-
		546,930,120	111,865,328
Revenue from exchange transactions			
Rendering of services- Medical Service Income	8	111,711,285	76,417,462
Revenue from exchange transactions		111,711,285	76,417,462
Total revenue		658,641,405	188,282,790
Expenses			
Medical/Clinical costs	9	50,111,490	34,215,704
Employee costs	10	25,996,579	31,819,548
Repairs and maintenance	11	6,735,809	13,597,830
In-kind contributions from the County Government	7	418,234,913	-
Unrecoverable Revenue	13	9,125,729	-
Transfer to County Government		102,585,556	69,615,182
General expenses	12	37,638,724	33,953,498
Total expenses		650,428,800	183,201,763
Other gains/(losses)			
Total other gains/(losses)		-	-
Net Surplus for the year 30th June 2024		8,212,605	5,081,028

The notes set out on pages 20 to 24 form an integral part of the Annual Financial Statements.

The Hospital's financial statements were approved by the Board on __30th September 2024 _____ and signed on its behalf by:



Chairman
Board of Management



Head of Finance
ICPAK No: 21239



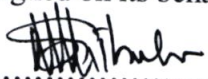
Medical Superintendent

Mwingi Level IV Hospital Kitui County Government
Annual Report and Financial Statements for The Year Ended 30th June 2024


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

Statement of Financial Position As At 30 th June 2024 Description	Note	FY 2023/2024 Kshs	FY 2022/2023 Kshs
Assets			
Current assets			
Cash and cash equivalents	14	167,274	80,533
Receivables from exchange transactions	15	56,597,774	23,761,580
Receivables from non-exchange transactions	16	13,727,030	9,000,000
Inventories	17	23,919,106	29,987,965
Total Current Assets			62,830,078
Total assets (A)		94,411,184	62,830,078
Liabilities			
Current liabilities			
Trade and other payables	19	47,435,540	55,489,820
Total Current Liabilities		47,435,540	55,489,820
Net assets (A-B)		47,435,540	55,489,820
Represented by:			
Revaluation reserve		-	-
Accumulated surplus/Deficit		8,212,605	7,340,259
Capital Fund		38,763,039	-
Net Assets		94,411,184	62,830.08

The notes set out on pages 20 to 35 form an integral part of the Annual Financial Statements. The Hospital's financial statements were approved by the Board on 30th September 2024 and signed on its behalf by:



Chairman
Board of Management



Head of Finance
ICPAK No: 21239



Medical Superintendent

17. 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	-	-3,790,343	-	-3,790,343
Revaluation gain	-	-	-	
Prior Year AIE received Late		6,049,574		6,049,574
Surplus/(deficit) for the year	-	5,081,028	-	5,081,028
As at June 30, 2023 (previous year)	-	7,340,259	-	7,340,259
At July 1, 2023	-	7,340,259	-	7,340,259
Revaluation gain	-	-	-	-
Surplus	-	8,212,605	-	8,212,605
Capital/Development grants	-	-	-	-
At June 30, 2024	-	15,552,864	-	15,552,864

*Mwingi Level IV Hospital Kitui County Government
Annual Report and Financial Statements for The Year Ended 30th June 2024*

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

Description	Note	FY 2023/2024 Kshs	FY 2022/2023 Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government	6	114,968,177	108,914,902
Rendering of services- Medical Service Income	8	111,711,285	76,417,462
Total Receipts		226,679,462	185,332,364
Payments			
Medical/Clinical costs		-44,510,326	-34,215,704
Employee costs	10	-25,996,579	-31,819,548
Repairs and maintenance	11	-6,735,809	-13,597,830
Grants and subsidies		-	-2,311,050
General expenses	12	-37,638,722	-33,953,498
Unrecoverable Revenue	13	-9,125,729	
Refund paid to the County Government		-87,271,527	-69,615,182
Total Payments		-211,278,692	-185,512,812
Net cash flows from operating activities	20	-15,227,288	-180,448
Cash flows from investing activities			
Net cash flows used in investing activities			-180,448
Cash flows from financing activities			
Net cash flows used in financing activities			-
Net increase in cash and cash equivalents		15,400,770	-180,448
Cash and cash equivalents as at 1 July 2023	14	80,533	260,981
Cash and cash equivalents as at 30 June 2024		167,274	80,533

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

Description	Original budget	Adjustment	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	162,976,860	-	162,976,860	128,695,207	34,281,653	79%
Rendering of services- Medical Service Income	90,000,000	-	90,000,000	111,711,285	-21,711,285	124%
Total income	252,976,860	-	252,976,860	240,406,492	12,570,368	102%
Expenses						
Medical/Clinical costs	65,519,188	-	65,519,188	50,111,490	15,407,698	76.483686
Employee costs	34,222,872	-	34,222,872	25,996,579	8,226,293	75.9625872
Repairs and maintenance	19,120,000	-	19,120,000	6,735,809	12,384,191	35.2291266
General expenses	44,114,800	-	44,114,800	37,638,724	6,476,076	85.319947
Transfers to County Government	90,000,000	-	90,000,000	102,585,556	-12,585,556	124.12365
Total Expenses	252,976,860	-	252,976,860	237,352,726	15,624,134	93.8238881
Surplus for the period	-	-	-	3,053,766	6,511,405	%
Capital expenditure	-	-	-	-	-	-

20. Notes to the Financial Statements

1. General Information

Mwingi Level Iv was established by and derives its authority and accountability from Health Act. The Hospital is wholly owned by the Kitui County Government and is domiciled in Kitui County in Kenya. The Hospital's principal activity is offering Quality Health Care.

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 Note 5. 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, 2012 and Section of 43, Health Act 21 of 2017 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	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the Hospital.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>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 criteria in the standard. IPSAS 45 has an additional application guidance for</p>

Mwingi Level IV Hospital Kitui County Government
Annual Report and Financial Statements for The Year Ended 30th June 2024

Standard	Effective date and impact:
	<p>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.</p>
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> 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. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47- Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>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 a Hospital 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.</p>
<p>IPSAS 48- Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>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 new standard for public sector entities aims to provide clear guidance on accounting for transfers.</p>

Standard	Effective date and impact:
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to establish comprehensive accounting and reporting requirements for public sector retirement benefit plans, ensuring robust financial statements that accurately represent the plan's performance and financial position. This standard aims to provide transparency and accountability, instilling confidence in stakeholders and demonstrating the plan's commitment to sound financial management.

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

Sale of goods

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

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.

b. Budget information

The original budget for FY 2023-2024 was approved by Board on *01 July 2023*. 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 Hospital upon receiving the respective approvals in order to conclude the final budget. Accordingly, the *Hospital* recorded additional appropriations of *Khs. Nil* 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 *I* of these financial statements.

c. Taxes

Withholding Taxes

Withholding tax is calculated based on the Gross Amount of the Taxable amount i.e:
2/116 of the gross Amount

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

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

d. 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 Hospital 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.

e. 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)

f. Research and development costs

The Hospital expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Hospital 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.

Financial assets

Classification of financial assets

The Hospital 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 Hospital's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets. 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

Notes to the Financial Statements (Continued)

a Hospital has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on its business model and cash flow characteristics, the Hospital 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 held for the collection of contractual cash flows, where those cash flows consist solely of payments of principal and interest, and are not designated at fair value through surplus or deficit, must be measured at amortized cost. Any gain or loss on an instrument subsequently measured at amortized cost and not part of a hedging relationship will be recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets must be included in finance income using the effective interest rate method.

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 Hospital 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.

Notes to the Financial Statements (Continued)

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 Hospital 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 Hospital 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)

Financial liabilities

Classification

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

i Inventories

Inventories were measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or the 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 was measured at a 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 Hospital.

Notes to the Financial Statements (Continued)

g. Provisions

Provisions are recognized when the Hospital 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 Hospital 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.

h. 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 Hospital 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 Hospital will incur in fulfilling the present obligations represented by the liability.

i. Contingent liabilities

The Hospital 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.

j. Contingent assets

The Hospital 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 Hospital 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.

Notes to the Financial Statements (Continued)

k. Nature and purpose of reserves

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

l. Changes in accounting policies and estimates

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

m. Employee benefits

Retirement benefit plans

The Hospital provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Hospital pays fixed contributions into a separate Hospital (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.

n. Foreign currency transactions

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

o. Borrowing costs

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

Notes to the Financial Statements (Continued)

construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

p. Related parties

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

q. Service concession arrangements

The Hospital 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 *Hospital* 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 *Hospital* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

r. Cash and cash equivalents

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

s. Comparative figures

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

Notes to the Financial Statements (Continued)

t. Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Hospital'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 Hospital 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 Hospital. 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 Hospital.
- 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. 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.

6. Transfers from the County Government

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Unconditional grants		
Operational grant	114,968,177	111,865,328
	114,968,177	111,865,328
Conditional grants		
Total government grants and subsidies	114,968,177	111,865,328

6 b Transfers from The County Government

Name of the Hospital sending the grant	Amount recognized in financial performance* KShs	Amount to deferred of under deferred income KShs	Amount recognised in capital fund. KShs	Total grant income during the year KShs	Comparative Period KShs
Kitui County Government	13,727,030		000	000	9,000,000
Total	13,727,030		000	000	9,000,000

7. In Kind Contributions from The County Government

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Salaries and wages	4,072,845	-
Salaries permanent and Pensionable	363,657,891	
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)	38,522,651	-
Utility bills	11,981,526	-
Total grants in kind	418,234,913	-

*Mwingi Level IV Hospital Kitui County Government
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8. Rendering of Services-Medical Service Income

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Pharmaceuticals	17,298,516	9,877,814
Laboratory	14,437,922	8,312,765
Radiology	6,928,444	3,191,209
Orthopedic and Trauma Technology	1,097,733	1,512,970
Theatre	4,004,949	2,580,766
Ear Nose and Throat service	184,738	175,237
Nutrition service	870,596	359,543
Dental services	677,759	302,480
Reproductive health	19,438,490	18,949,718
Paediatrics services	3,087,152	2,745,849
Farewell home services	7,832,637	3,316,422
Other medical services income	35,852,349	25,092,689
Total revenue from the rendering of services	111,711,285	76,417,462

9. Medical/ Clinical Costs

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Dental costs/ materials	2,922,500	7,096,350
Laboratory chemicals and reagents	9,086,451	5,855,420
Food and Ration	19,414,030	11,537,097
Uniform, clothing, and linen	180,200	236,760
Dressing and Non-Pharmaceuticals	6,527,217	5,254,476
Pharmaceutical supplies	-	146,320
Health information stationery	4,152,392	1,783,800
Sanitary and cleansing Materials	2,548,700	1,771,431
Purchase of Medical gases	-	534,050
X-Ray/Radiology supplies	5,280,000	-
Total medical/ clinical costs	50,111,490	34,215,704

10. Employee Costs

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Salaries, wages, and allowances	22,863,079	30,146,340
Nurses Locum	3,133,500	1,673,208
Employee costs	25,996,579	31,819,548

Notes to the Financial Statements (Continued)

11. Repairs And Maintenance

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Property- Buildings	2,628,047	10,165,916
Medical equipment	1,787,705.00	1,584,183
Office equipment	191,300.00	372,480
Furniture and fittings	141,000.00	369,420
Computers and accessories	1,063,193.00	-
Motor vehicle expenses	924,564	995,711
Maintenance of civil works	-	-
Repair of laundry Machine	-	110120
Total repairs and maintenance	6,735,809	13,597,830

12. General Expenses

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Advertising and publicity expenses	0	348,510
Catering expenses	167,795	192,810
Bank charges	123,127	3,459
Conferences and delegations	152,000	0
Contracted services	9,794,902	4,144,480
Electricity expenses	1,300,000	450,000
Electrical Materials	1,354,271	2,651,576
Fuel and Lubricants	6,509,512	6,112,306
Other Fuels(Firewood and gas)	5,095,148	4,092,187
Legal expenses	-	250,000
Daily Subsistence Allowances	7,043,580	
Office running Expenses and General Expenses	-	223,180
Courier and postal services	-	9,450
Printing and stationery	3,109,616	6,786,857
Water and sewerage costs	1,714,373	800,000
Telephone and mobile phone services	1,274,400	2,115,470
Staff training and development	-	5773213
Total General Expenses	37,638,724	33,953,498

*Mwingi Level IV Hospital Kitui County Government
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13. Unrecoverable Revenue

Description	FY 2023/2024 KShs	FY 2022/2023 KShs
WAIVERS	6,852,217	
EXEMPT	1,682,620	
PRISONS	510,028	
PLWD	80,864	
Total	9,125,729	

14. Cash and Cash Equivalents

Description	FY 2023/2024 KShs	FY 2022/2023 KShs
Current accounts	167,274	80,533
Cash in Hand	-	-
Total cash and cash equivalents	167,274	80,533

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

Description		FY 2023/2024 KShs	FY 2022/2023 KShs
Financial institution	Account number		
a) Current account			
Kenya Commercial bank	1156709008	167,082	80,533
Kenya Commercial bank	1156708869	192	
Grand total		167,274	80,533

15. Receivables From Exchange Transactions

Description	FY 2023/2024 KShs	FY 2022/2023 KShs
Medical services receivables	56,597,774	23,761,580
Total receivables	56,597,774	23,761,580

16. Receivables From Non-Exchange Transactions

Description	FY 2023/2024 KShs	FY 2022/2023 KShs
Transfers from the County Government	13,727,030	9,000,000
Total	13,727,030	9,000,000

17. Inventories

Description	FY 2023/2024 KShs	FY 2022/2023 KShs
Pharmaceutical supplies	3,679,473	16022943
Non-pharmaceutical supplies	20,153,816	13965022
Food supplies	85,817	-
Total	23,919,106	29,987,965.00

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18. 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 2023 (previous year)	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-	-
At 30th Jun 2023	-	-	-	-	-	-	-	-
At 1 July 2023 (current year)	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-
At 30th Jun 2023	-	-	-	-	-	-	-	-

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Depreciation and impairment								
At 1 July 2023 (previous year)		-	-	-	-	-	-	-
Depreciation for the year		-	-	-	-	-	-	-
Disposals		-	-	-	-	-	-	-
Impairment		-	-	-	-	-	-	-
At 30 June 2024		-	-	-	-	-	-	-
At July 2023 (current year)		-	-	-	-	-	-	-
Depreciation		-	-	-	-	-	-	-
Disposals		-	-	-	-	-	-	-
Impairment		-	-	-	-	-	-	-
Transfer/adjustment		-	-	-	-	-	-	-
At 30th June 2024		-	-	-	-	-	-	-
Net book values								
At 30 th Jun 2023 (previous)	-	-	-	-	-	-	-	-
At 30 th Jun 2023 (current)	-	-	-	-	-	-	-	-

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Notes to the Financial Statements (Continued)

19. Trade and other Payables

Description	FY 2023/2024		FY 2022/2023	
	KShs		KShs	
Trade payables	45,243,072		55,489,820	
Third-party payments (e.g. unremitted payroll deductions)	2,192,276		-	
Total trade and other payables	47,435,348		55,489,820	
Ageing analysis:	FY 2023/2024	% of the Total	FY 2022/2023	% of the total
Under one year	10,817,770	22%	0	%
1-2 years	7,023,501	15%	55,489,820	100%
2-3 years	28,597,077	60%	0	%
Over 3 years	997,000	3%	0	%
Total	47,435,348	100%	55,489,820	100%

20. Cash Generated from Operations

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Surplus for the year before tax	8,212,605	5,081,028
Adjusted for:		
Contribution to impairment allowance	-	-
Working Capital adjustments		
Decrease in inventory	6,068,859	-29,987,965
Increase in receivables	-32,836,194	-23,761,580
Increase from non-exchange transactions	-4,727,030	9,000,000
Decrease in payables	8,054,472	55,489,820
Net cash flow from operating activities	-15,227,288	6,821,303

Notes to the Financial Statements (Continued)

21. Financial Risk Management

The Hospital'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

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

(i) Credit risk

The Hospital 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 Hospital's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2023				
Receivables from exchange transactions	23,761,580	10,254,043	13,507,537	-
Receivables from –non-exchange transactions	9,000,000	9,000,000	-	-
Bank balances	-	-	-	-
Total	32,761,580	19,254,043	13,507,537	-
At 30 June 2024				
Receivables from exchange transactions	56,597,774	10,254,043	46,343,731	-
Receivables from –non-exchange transactions	13,727,030	13,727,030	-	-
Bank balances	-	-	-	-
Total	70,324,804	23,981,073	46,343,731	-

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 are considered adequate to cover any potentially irrecoverable amounts. The Hospital has significant concentration of credit risk on amounts due from Kshs. 56,597,774. The board of management

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

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the hospital's board of the management has established a suitable liquidity risk management framework. for the management of the Hospital's short, medium and long-term funding and liquidity management requirements. The Hospital 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 Kshs	Between 1-3 months Kshs	Over 5 months Kshs	Total Kshs
At 30 June 2023				
Trade payables	-	-	47,435,348	47,435,348
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	000
Total	-	-	47,435,348	47,435,348
At 30 June 2024				
Trade payables	-	-	47,435,348	47,435,348
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	47,435,348	47,435,348

Notes to the Financial Statements (Continued)



21. Appendices

Appendix 1: Progress on Follow up of Auditor Recommendations

The following is the summary of issues raised by the external auditor, and the management comments 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:	Time frame:
4.1	Presentation and disclosures of Financial Statement	Management has being trained on new Reporting standards	Resolved	
4.2	Cash and Cash equivalents balance	A breakdown was provided for the unrepresented checks and bank charges, highlighting the difference.	Resolved	
4.3	Lack of approved Budget	<p>Its true that the management did not present budget plan and actual expenditures as per Stated law but attached is a copy of projected budget plan.</p> <p>The hospital used to prepare its budget estimates based on the ceiling provided by the ministry for funds disbursement.</p> <p>  mwingi budgets.pdf</p> <p> MWINGI LEVEL IV BUDGET ESTIMATES 2</p>	Resolved	1 Year
4.4	Failure to avail Financial Statement ledgers	Schedules have been provided	Resolved	
4.5	Lack of vote book	The vote book is maintained	Resolved	
4.6	Un- Disclosed Own Generated Revenue	The Revenue Account has been reconciled properly	Resolved	
4.7	Lack of Accountability for Kitui County Health Insurance Cover (KCHIC)	<p>The total revenue collection for 2021-2022 was Kshs 72,212,270.00 including Kshs. 18,951,401 being revenue collection from Kitui County Health Insurance Cover. The amount was swiped to the Kitui County Revenue Account.</p> <p> REVENUES COLLECTION FY 2021</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Time frame:
4.8	Lack of Approved Policy on Exemptions and Waivers	For waivers, the hospital uses the MOH guidelines for Waivers as contained in the Facility Improvement (FIF) Manual. In line with this, the hospital has a waiver Committee that sits and considers recommendation by social workers, religious leaders, chiefs and other community leaders. please find attached a copy of the hospital waiver form	Resolved	
4.9	Failure to disclose and account for pending bills	The total amount of Kshs 44,886,224 as Trade payables was not disclosed; however, it has been disclosed in the subsequent financial years. The County Government of Kitui appointed a Pending Bill Review Committee to review and recommend to the Governor the eligibility of the pending bills. The amount found to be eligible for payment was Kshs. 35,727,281, out of which we have paid a total of Kshs. 14,026,656 and balance is Kshs. 21,700,625. We have started using FIFO on payment for Pending bills, see attached copy  UPDATED PENDING BILLS FOR MWINGI LEVEL IV HOSPITAL.zip	Resolved	
4.11	Failure to undertake stock take and Board of Survey	This is done	Resolved	
4.12	Failure to disclose Property, Plant and Equipment in the Financial Statements	We acknowledge the auditor's observation. The Hospital been one of the devolved functions inherited assets from National government which have not been fully transferred, and the value is not determined yet, therefore during the preparation of financial statement we had put nil value. However, through the guidance from National Treasury we used value of Kshs. I as true valuation of assets is being determined. We have henceforth prepared a list of Property, Plant and Equipment, which includes all the Hospital's assets.	Not Resolved	1 Year
4.13	Lack of Ownership Documents for Assets	We acknowledge the auditors' findings on the valuation of the assets. However, the county government inherited several assets from the national government of unknown value, as transfer of the said properties has not taken place. On the same note, the national government has advised us to attach the value of one to any unvalued asset.	Not Resolved	1 Year
4.14	Failure to adhere to Health Act 2017 on staffing and resources of the hospital	Attached herein Staff Returns  STAFF SUMMARY.pdf	Resolved	6 Months
4.15	Projects Unutilized.	Surgical and Amenity Wards is operational Renal unit has been equipped.	Resolved	1 Year

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Time frame:
		We are building a modern mother childcare centre.		
4.16	Failure to remit Statutory deductions	The hospital experienced both irregular and insufficient funding. This caused pending bills and inability to pay all dues and creditors The County undertook to pay the dues and pending bills. The HMT will strive to liaise with County Treasury to avoid such delays in future	Resolved	
4.17	Absence of a Hospital Board/Health Services Management Committees Criteria	The HMT will liaise with the County Government Headquarters especially county Executive Committee Member (County Minister) to expedite the appointment of a new Hospital Management Committee in line with the relevant laws.	Not Resolved	6 Months



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Accounting Officer

Mwingi Level IV Hospital Kitui County Government
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Appendix II: Projects Implemented by Mwingi Level IV Hospital

Projects implemented by the Hospital Funded by development partners

SNO	Planned programs/projects	Contractor's Name	Program Where captured in CIDP	Nature of Project/program	Ministry/Department	Budget Allocation	Date Project Started (Contract Signed)	Date of completion as per Contract Agreement	Project Cost as per Contract	Expenditure to Date	% of work done	Project Status e.g. complete and in use, Complete but not in use, Ongoing, Stalled, Not started	Reason why not complete/complete and not in use/or stalled
1	Continuation of Construction of a Female Ward at Mwingi Level IV Hospital	LAJAZI ENTERPRISES LIMITED	Medical Services-Infrastructure Development and Facilities Enhancement	Non-Residential Buildings (offices, schools, hospitals, etc.)	Health and Sanitation	5,636,500	16/05/2024	16/08/2024	4,998,405	2,219,520	8%	Ongoing	Multiyear project
2	Continuation of Construction of Stone Fence At Mwingi Level IV Hospital	Mwimuka Limited	Medical Services-Facilities' Maintenance	Other Infrastructure and Civil Works	Health and Sanitation	3,000,000	20/02/2024	20/06/2024	2,999,743	2,999,743	85%	Ongoing	Multiyear project
3	Operationalization of Integrated Health Management Information System (IHMIS) In KCRH and Mwingi(Procurement of HMIS Hardware)	ENZAKAH MERCHANTS LTD	General Administration, Planning and Support services-Health policy and planning	Purchase of Specialized Plant, Equipment and Machinery	Health and Sanitation	2,999,805	05/04/2024	05/06/2024	2,999,000	2,999,000	100%	Complete and in use	N/A
4	Purchase of medical equipment for rehabilitation department in Mwingi level iv hospital	BENZAKIL LOGISTICS LIMITED	Drugs and Medical Supplies-Facilities Infrastructure and Equipment Enhancement	Purchase of Medical and Dental Equipment	Health and Sanitation	1,700,000	22/01/2024	22/03/2024	1,713,100	1,713,100	100%	Complete and in use	N/A

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5	Equipping of surgical/amenity ward at mwingi level iv hospital enhance healthcare delivery in the facility(beds and drip stands)	KADE VENTURES LIMITED	Drugs and Medical Supplies-Facilities Infrastructure and Equipment Enhancement	Purchase of Medical and Dental Equipment	Health and Sanitation	4,000,000	21/12/2023	21/02/2024	2,882,150	2,881,150	100%	Complete and in use	N/A
6	Completion of mortuary at Mwingi hospital	KATHUNGU CIVIL ENGINEERING AND CONTRACTORS COMPANY LIMITED	Public Health and Sanitation- Environmental health	Non-Residential Buildings (offices, schools, hospitals, etc..)	Health and Sanitation	3,087,656	05/02/2024	05/05/2024	3,087,490.00	3,087,490	70%	Ongoing	Multiyear project
7	Purchase of 5 Motor Cycles for public health officers in Kitui Rural, Kitui East, Kitui South, Mwingi North and Mwingi Central Sub-counties	CAR AND GENERAL TRADING LIMITED	Public Health and Sanitation- Environmental health	Purchase of Vehicles and Other Transport Equipment	Health and Sanitation	1,044,000	28/05/2024	28/08/2024	975,000	0	Not delivered	Ongoing	Awaiting delivery

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Appendix III: Inter-Hospital Confirmation Letter

Name of Transferring Hospital.....

Name of Beneficiary Hospital...MWINGI LEVEL IV HOSPITAL.....

Confirmation of amounts received by MWINGI LEVEL IV HOSPITAL as at 30th June 2024					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
REC/0001088811	03/07/2023	9,000,000	-	9,000,000	
REC/0001090104	09/08/2023	9,500,000	-	9,500,000.00	
REC/0001091131	13/09/2023	9,000,000	-	9,000,000.00	
REC/0001091943	29/09/2023	9,000,000	-	9,000,000.00	
REC/0001093323	27/10/2023	9,000,000	-	9,000,000.00	
REC/0001094654	01/12/2023	9,000,000	-	9,000,000.00	
REC/0001095093	22/12/2023	14,293,177	-	14,293,177.00	
REC/0001095878	04/11/2024	9,000,000	-	9,000,000.00	
REC/0001097616	02/02/2024	9,000,000	-	9,000,000.00	

Mwingi Level IV Hospital Kitui County Government
Annual Report and Financial Statements for The Year Ended 30th June 2024

REC/0001098967	06/03/2024	9,000,000	-	9,000,000.00
REC/0001099824	04/04/2024	9,000,000	-	9,000,000.00
REC/0001100777	16/05/2024	9,400,000	-	9,400,000.00
REC/0001100817	30/05/2024	775,000	-	775,000.00
Total		114,968,177	-	114,968,177

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

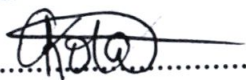
Head of Accounts Department - Disbursing Hospital:

ANNASTACIA KANINI

Name Sign Date

Head of Accounts Department - Beneficiary Hospital:

CHARLES MUKOLA

Name Sign  Date 31/12/24

*Mwingi Level IV Hospital Kitui County Government
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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		

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