

REPUBLIC OF KENYA



Enhancing Accountability



REPORT

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OF

THE AUDITOR-GENERAL

ON

**CHEBIEMIT LEVEL 4 HOSPITAL –
COUNTY GOVERNMENT OF
ELGEYO MARAKWET**

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



**CHEBIEMIT LEVEL 4 HOSPITAL
(Elgeyo Marakwet County Government)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2024

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

OFFICE OF THE AUDITOR GENERAL
ELDOR ET REGIONAL OFFICE

30 SEP 2024

RECEIVED
P. O. Box 2774 - 30100, ELDOR ET

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

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1.

ALOS - Average Length of Stay
ANC - Antenatal Care
A& E - Accident and Emergency
CBK - Central Bank of Kenya

CEO - Chief Executive Officer

CMES - Continuing Medical Education

CO₂ - Carbon Dioxide

Covid19 - Coronavirus Disease 2019

CPA - Certified Public Accountant

CSR - Corporate Social Responsibility

CT - Computed Tomography

DG - Director General

EEC - Executive Expenditure Committee

ENT - Ear Nose and Throat

FIF - Facility Improvement Financing

FY - Financial Year

GOPC - Medical Outpatient Clinic

H.E - His Excellency

HDU - High Dependency Units

HMB - Hospital Management Board

HMC - Hospital Management Committee

HMT - Hospital Management Team

HOD - Head of Department

IHRM - Institute of Human Resource Management

ICPAK - Institute of Certified Public Accountants of Kenya

ICPAK - Institute of Certified Public Accountants of Kenya

B: Glossary of Terms

Fiduciary Management - Members of Management directly entrusted with the responsibility of financial resources of the organisation

Comparative Year - Means the prior period.

ICRH - Iten County Referral Hospital

ICT - Information and Communication Technology

ICU - Intensive Care Unit

IPSAS - International Public Sector Accounting Standards

IPSASB - International Public Sector Accounting Standards Board

KEMSA - Kenya Medical Supplies Authority

KDSP - Kenya Devolution Support Programme

KMTC - Kenya Medical Training College

MEDS - Mission for Essential Drugs and Supplies

MOH - Ministry of Health

MOPC - Medical Outpatient Clinic

NHIF - National Hospital Insurance Fund

NSSF - National Social Security Fund

OAG - Office of the Auditor General

OEO - Operation Eyesight Universal

OSHA - Occupational Safety and Health Act of 2007

PFM - Public Finance Management

POPC - Paediatrics Outpatient Clinic

PPE - Property Plant & Equipment

PPP - Public Private Partnership

PSASB - Public Sector Accounting Standards Board

QHC - Quality Healthcare

SDGS - Sustainable Development Goals

SNA - System of National Accounts

SOPC - Surgical Outpatient Clinic

WB - World Bank

2. Key Entity Information and Management

(a) Background information

Chebiemit Sub County Hospital is a level four hospital sitting on a 11-ha parcel of land, established around the year 1930. The hospital is domiciled in Elgeyo Marakwet County under the Health and Sanitation Department. The hospital is governed by a Board of Management. The Hospital was gazetted to level 4 in the 2022

(b) Principal Activities

The core mandate of the hospital is to provide high quality health care services to the community. The hospital plays its role in the county by providing a wide range of health services in partnership with the greater community and other institutions. Some of the roles played by the hospital in the county include: Serving as a county centre for provision of specialized health care; offering teaching and training for healthcare personnel such as nurses, medical interns, pharmacist interns, pharmaceutical technologist interns, laboratory technologists, health records and information officers and nutritionists; and providing technical support to sub-county hospitals and health centres.

Vision

To provide quality and efficient specialized services to its clients hence achieving excellence in healthcare for all.

Mission

Ensuring the community has equitable access to high quality patient centred specialized services that are: Timely, evidence-based, culturally appropriate and efficient; Provided by highly skilled staff who are committed, accountable and valued; and supported by leading edge research, education and technologies.

Core Values

- Team Work
- Openness
- Respect
- Empowerment

Confidentiality

(c) Key Management

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

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

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(d) Fiduciary Management

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

No.	Designation	Name
1.	Medical Superintendent	Dr Lawrence Kogos
2.	Head of Nursing Services	Alice Cherop
3.	Hospital administrator	Mr. Harrison Kibire
6.	Director Medical services	Dr. Isaac Kipyego
7.	Chief Officer Health and Sanitation	Mr. Jeremiah Chirchir
8.	Director Accounting Services	Mr. JohnkeenMurkeu
9.	Chief Officer Finance and Economic Planning	Mr. Peter Chesos

(e) Fiduciary Oversight Arrangements

- I. Board of Management
- II. County Audit Committee
- III. County Assembly Department Committee on Health
- IV. Parliamentary committees
- V. Other oversight committees

Key Entity Information and Management (continued)

(f) Entity Headquarters

ChebiemitSub county Hospital,
 Located at: Marakwet West, Chebiemit,
 P.O. Box 3-30706, Iten, Kenya

(g) Entity Contacts

Telephone: (+254) 727510409
 E-mail: Chebiemithospital@gmail.com

(h) Entity Bankers

Kenya Commercial Bank Limited, Iten Branch,
 P. O. Box 30081 - 00100,
 Nairobi, Kenya.

Equity Bank Limited, Iten Branch,
 P.O. Box 75104 – 00200,
 Nairobi, Kenya.

(i) Independent Auditors

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




(j) Principal Legal Adviser

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




(k) County Attorney

P.O. Box.332 – 30700,
Iten, Kenya

3. The Board of Management

Ref	Directors	Details
1.		<p>Mr Chris Kiptala. Currently serving as a senior accountant at the county Government of Baringo</p> <p>He holds a SMC & SLDP from Kenya school of Government</p>
2.		<p>Joseph Kimutai ego 1962 He is a retired Head Teacher with a diploma in education</p> <p>He has served in several school boards as well as the ward development committee</p>
3.		<p>Dr Lawrence Kogos holds MBCHB from Moi university and</p> <p>Senior management course from Kenya school of government</p>

4. Key Management Team

Ref	Management	Details
1.		Dr. Lawrence Kogos Medical superintendent
2.		Harrison Kibire Hospital administrator
3.		Alice Cherop Nursing officer

5. Chairman’s Statement

It is my pleasure to present the Hospital’s 2023/24 annual report and Financial Statements. The Board of Management is proud of the achievements realized by the hospital in this period towards a best class patient Specialized care Hospital.

Considering the scale and operations and being the second largest hospital in Elgeyo Marakwet County, I am particularly impressed by the “can do attitude” of staff coupled with their commitment to delivering the best possible service to patients.

Chebiemit Sub County Hospital is the public Hospital of choice in Marakwet West, Elgeyo Marakwet County and beyond, offers quality specialized health care to patients from within the sub county and beyond.

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These services include orthopaedic surgery, ophthalmology, obstetrics and gynaecology, radiology services, family planning among others. Building on the gains made in the previous years, reinforced by clear systems and processes as well as enabling environment, the year 2023/24 reaffirmed our strong sense of purpose in delivering high quality, personalized care with sharp edge of innovations.

Regulatory environment Management and operations of the hospital is guided by the existing legal, policy, and institutional frameworks that govern health sector to ensure efficient and effective delivery of services in the Hospital. The Kenyan Constitution 2010 under the Bill of Rights provides the right to the highest attainable standard of health including reproductive health care and emergency medical treatment.

The evaluation of the annual strategic plan shows that the hospital has exhibited continuous improvement in performance over the years. Further, I am happy to report that the Management not only achieved most of the Performance targets including renovation and modernization of our maternity, operationalization of radiology services, construction of power house and purchasing and installation of modern laundry machine

As we move into a new financial year, I would like to express my gratitude to Chebiemit Sub County Hospital staff, specialists, team leaders and the Board members, who take such pride in their work, and who exemplify our hospital's mission and values each day.

Finally, I strongly believe that our strategy and the staff in place will consistently drive our growth in the future as has been the case over the years.



.....
Mr Chris Kiptala

Chairman to the Board

6. Report of The Medical Superintendent

I am pleased to present the Annual Report and Financial Statements of Chebiemit sub county Hospital (CSCH) for the fiscal year 2023/24. This report provides an overview of the hospital's operational and financial performance, alongside our strategic direction as we look to the future.

In our continuous effort to ensure equitable access to high-quality, patient-centered generalized services, CSCH employs general professional staff across all medical disciplines. These professionals work tirelessly to deliver timely, evidence-based, and culturally appropriate care to our patients. During the 2023/24 fiscal year, CSCH provided care to 13735 patients, representing an 18.5% Increase in outpatient visits compared to the previous year's 11588. The hospital also recorded 2.20% increase in inpatient admissions during the same period.

Quality improvement is deeply embedded in all aspects of our hospital's operations. CSCH continues to meet or surpass the performance metrics established by both the county and national governments. Our focus on enhancing patient safety and experience is reflected in several key initiatives aimed at reducing hospital-acquired infections, medical errors, falls, and occurrences of venous thrombosis. To support these efforts, we established the Department of Quality Healthcare (QHC), which oversees clinical governance, infection prevention and control, patient safety, and monitoring and evaluation. Additionally, we have developed and implemented protocols, standard operating procedures (SOPs), and guidelines for patient management. Enhancements to our customer care services and process improvements have also been introduced to strengthen patient-caregiver engagement.

We are immensely grateful to all stakeholders who have played a role in our growth and success. A special thank you goes out to Team CSCH for their unwavering dedication and professionalism in delivering exceptional services. We also extend our appreciation to our Board of Management, led by Hon Chris Kiptala, for their leadership and to all our development partners for their invaluable support in advancing the hospital's growth strategy.

Together, we will continue to strive for excellence and ensure that CSCH remains a pillar of quality healthcare in Elgeyo Marakwet County.



.....

Dr Lawrence Kogos
Medical Superintendent

7. Statement of Performance Against Predetermined Objectives

The Chebiemit sub county Hospitals performance for FY 2023/24 was evaluated against four strategic enablers outlined in its current Strategic Plan (FY 2022/23 - FY 2027/28): governance, infrastructure, finances, and human resources.

Governance, Leadership, and Management: Chebiemit sub county Hospital is focused on enhancing its leadership to ensure alignment with its mission and vision. By improving governance and stakeholder relationships, the hospital aims to inspire staff commitment to its strategic objectives.

Infrastructure and Equipment: The hospital continues to modernize its facilities, equipment, and technology to improve patient care. However, the current state of its infrastructure is unsatisfactory, necessitating renovations, expansions, and new construction to meet growing service demands.

Finances for Sustainability: Chebiemit sub county Hospital is working on securing government funding and exploring new funding opportunities. Efforts to mobilize resources are ongoing, with a focus on efficient utilization and accountability of financial resources to ensure sustainability.

Human Resource Development: Developing human capital is critical to achieving the hospital’s goals. Chebiemit sub county Hospital is committed to ensuring that its workforce is adequate, skilled, and motivated to enhance service efficiency and effectiveness.

Chebiemit sub county Hospitals develops its annual work plans based on these four enablers, and the Board assesses performance quarterly. For FY 2023/24, Chebiemit sub county Hospital successfully met its performance targets in all four areas.

Strategic Pillar	Objective	Key Performance	Activities	Achievements
Governance, leadership and management	- Strengthen capacity building for hospital management	- Number of trainings held - Annual performance reviews	- Identify capacity gaps - Conduct training for HMB and HMT	- 4 trainings conducted - Annual assessments completed

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	- Improve hospital quality assurance	- Quality assurance unit established - Quality program implemented - descriptions program in place	- Establish quality assurance unit - Implement quality program	- Quality assurance unit established - Quality program operational
Human resource development	- Strengthen professional development	- Number of CMEs and HOD trainings held - Training programs developed	- Conduct training needs assessment - Develop staff training programs	- 6CMEs held - 4 HOD training sessions conducted
	- Improve performance management systems	- Number of units with performance targets - Support supervision reviews	- Set performance targets for units - Conduct regular supervision	-Performance targets set for units -Support supervision strengthened

8. Corporate Governance Statement

Chebiemit Subcounty Hospital acknowledges the significance of establishing a robust corporate governance framework, procedures, and protocols, and is deeply committed to maintaining high standards of transparency, accountability, responsibility, and equity within the Hospital and towards our stakeholders. The Board is tasked with supervising how Management effectively serves the interests of shareholders and other stakeholders concerning environmental, social, and governance aspects, as well as matters pertaining to risk management, regulatory and governmental shifts, and global trends.

The Board of Management

The composition of the Chebiemit Subcounty Hospital Board of Management adheres to the guidelines outlined in the County Government Act of 2012, consisting of 9 members. The selection of Board members emphasizes diversity in gender, age, ethnicity, and culture. Furthermore, the current Board possesses a wide range of expertise and experience in areas such as medicine, finance, community development, and administration. External specialists and independent professional advisors are consulted as necessary to supplement the Board's capabilities.

Appointment of the Board

The Chairman of the Board, along with 8 additional members, are appointed by H.E. the Governor. The Hospital In-Charge serves as an ex officio member and acts as the secretary to the Board. Each member serves a maximum of two terms, each lasting three (3) years. The names of all members and any changes are officially published in the Kenya Gazette.

Board of Management Composition

The members of the Board of Management who served during the year are as shown below:

Table 2: Board Composition

Board member	Board position	Appointment date	Retire date
Mr Chris Kiptala	Chairperson	19/12/2023	19/12/2026
Mr Joseph Kimutai Ego	Member	19/12/2023	19/12/2026
Dr Lawrence Kogos	Secretary	19/12/2023	19/12/2026

Role of the Chairman

The Chairman holds the responsibility for providing strategic leadership to the board, playing a pivotal role in fostering conditions for the board's overall effectiveness. These include promoting an open environment for discussion, ensuring all members can freely express their views and contribute effectively. The Chairman also ensures that the board actively participates in shaping the Hospital's strategies and policies. Moreover, they oversee the scheduling of board meetings as needed and ensure that members receive accurate, timely, and adequate information to fulfill their duties effectively.

Role of the Board

The Board of Management, with the support of Board Committees and the Secretary-Medical Superintendent, bears the responsibility for promoting good corporate governance and stewardship of the Hospital. The Board, with its Committees, offers strategic guidance, while the Hospital in charge, aided by the Hospital Management Team, is accountable to the Board for executing the strategy. Board members are expected to demonstrate responsibility, prudence, and skillfulness in carrying out their fiduciary duties on behalf of the Hospital.

The roles and responsibilities of the Board as set out in the Board Charter include:

- (i) Establishing the Hospital's strategic direction and priorities, and adopting business plans proposed by management for the achievement of the strategic objectives
- (ii) Monitoring and evaluating the implementation of strategies, policies, management performance criteria and business plans.
- (iii) Providing oversight in financial reporting to the Government and communication to stakeholders.
- (iv) Ensuring availability of adequate resources for the achievement of the Hospital's objectives.
- (v) Safeguarding Hospital assets by instituting appropriate internal control systems.
- (vi) Reviewing succession planning for the management and making senior executive appointments, organizational changes and remuneration issues.
- (vii) Overseeing business affairs of the Hospital in light of emerging risks and opportunities.
- (viii) Ensuring the Hospital complies with all relevant laws, regulations and codes of best business practices.
- (ix) Approving annual budgets.

Board work plan and meetings

A work plan outlining an annual schedule of meetings for the Board and its committees is prepared in advance. The Chairman, in collaboration with the Hospital in charge, determines the agenda for each Board meeting, which is then circulated to members at least seven days prior to the meeting.

In the year under review, the Board held a total of 4 meetings to consider pertinent issues relating to strategy, business performance and sustainability of the Hospital.

Table 3: Board and committee meeting attendance

Board Member /Total No of meetings	Board meetings
Chris Kiptala	2/3
Mr Joseph Kimutai Ego	3/3
Dr Lawrence Kogos	3/3

Board Committees and Responsibilities

To improve efficiency and effectiveness, the Board established four standing committees with well-defined terms of reference covering key operational areas. These committees operate with delegated authority without diminishing the Board's overall accountability. Committee members are appointed based on their relevant skills and experience.

When required, the Board may establish an ad hoc committee to address specific issues not within the purview of existing committees. The medical superintendent serves as the secretary to all Board committees except the Audit and Risk Committee, for which the Head of Internal Audit fulfills this role.

Board Committees and Roles

Clinical Research & Standards Committee

- (i) Identifying health care service problems in the hospital and ensuring that they are resolved;
- (ii) Review any changes on policy issues on standards, quality assurance and research;
- (iii) Liaise with the Medical Advisory Committee on matters of quality health care delivery; and Undertake comprehensive quarterly evaluation of standards, quality assurance programs in the hospital based on health professional's handbook on quality management in health care in Kenya.

Human Capital, Finance & Administration Committee

- (i) Monitoring the Hospital annual budget and overseeing the Hospital's financial management.
- (ii) Monitoring the Hospital annual procurement plan and overseeing procurement of goods and services.
- (iii) Establishing human resource policies and corporate organizational structure;
- (iv) Appointment, promotion and disciplinary issues of senior staff ;
- (v) Establishing remuneration structure for the staff ;
- (vi) Developing succession plan for senior staff ; and
- (vii) Reviewing performance of the staff pension scheme.

Corporate Strategy Enterprise Committee

- (i) Reviewing the Five-Year Corporate Strategic Plan and oversees the annual implementation of the Hospital's strategy.
- (ii) Advising the Board on strategies to enhance performance of the Hospital;
- (iii) Monitoring major projects under implementation and directing strategies for improving customer service;
- (iv) resource mobilization and forging partnerships/linkages;
- (v) Overseeing realization of the targets set out in the Board's Performance Contract.

Risk and Audit Committee

- (i) Reviewing quarterly, half-yearly and annual financial statements before submission to the Board;
- (ii) Reviewing the performance, objectivity, and independence of external auditors;
- (iii) Consideration of audit findings by the external auditors;
- (iv) Monitoring and reviewing the effectiveness of the Hospital's internal audit function;
- (v) Reviewing the Hospital's internal control and ensuring quality, integrity, effectiveness and reliability of the Hospital's risk management framework; and
- (vi) Ensuring adherence to the code of ethics and integrity in financial transactions of the Hospital.

9. Management Discussion and Analysis

Clinical Performance

Chebiemit Sub county Hospital remains dedicated to offering a comprehensive range of specialized healthcare services to the residents of Elgeyo Marakwet County and surrounding areas. These services encompass outpatient general care, accident and emergency services, dental care, ear, nose, and throat (ENT) services, orthopedics, mental health services, physiotherapy, ophthalmology, dermatology, oncology, renal care, minor surgical procedures, and nutrition services, alongside comprehensive care clinics.

Clinical support services include laboratory services, radiology which encompasses CT scans, ultrasound, mammograms, endoscopy, and pharmacy services. Specialties available for consultation include pediatrics, internal medicine, surgery, and obstetrics/gynecology. Mother-child services such as antenatal and postnatal care, as well as immunization, are provided. Given our county's prominence in athletics and sports, we offer allied health and sports medicine services.

Inpatient services include general medicine, surgical procedures, pediatrics, maternity care, obstetrics/gynecology, mental health care. Additionally, rehabilitative services, , and theater operations are also available.

Overall patient attendance

In the fiscal year 2023/24, CSCH experienced an increase outpatient visits, totaling 13735, and inpatient admissions, which increased to 139. This increase is primarily attributed to a improved service delivery. This trend follows the 2022/23FY, where outpatient visits were recorded at 11588 and inpatient admissions at 136. .

Reproductive health

In the financial year 2023/24, Chebiemit sub county Hospital has experienced an overall increase in maternity and antenatal care services, highlighted by a rise in antenatal clinic (ANC) visits and maternity deliveries. ANC Visits 2023/2024[979] 2022/2023 [777]

Bed Capacity

The bed capacity is at 35 beds,

Average Length of Stay.

The average length of stay (ALOS) in the hospital remains a crucial metric for assessing the efficiency of inpatient healthcare delivery. For the year 2023/24, the ALOS was recorded at 2 days, consistent with previous assessments. Surgical cases tend to have longer bed days

Mortality Rate.

During the review period, the average mortality rate stood at 1.4%. The low mortality rate is promptly referral of sick patient and the hospital's effective management of patients.

Patient Safety.

CSCH is committed to enhancing patient safety, recognizing it as a fundamental aspect of healthcare delivery. The hospital has implemented strategies to reduce hospital-acquired infections, minimize medical errors, and decrease the incidence of falls and venous thrombosis, thereby fostering a safer environment for all patients.

Financial Highlights

Financial Performance

The financial performance of Chebiemit sub county hospital during the year under review reflects a continued reliance on multiple sources of funding, including the Facility Improvement Funds (FIF), free maternity services reimbursements, and rebates from the National Hospital Insurance Fund (NHIF). Additionally, the hospital received significant support from the County Government of Elgeyo Marakwet, the Ministry of Health.

For the financial year 2023/24, Chebiemit sub county hospital demonstrated notable revenue growth. The hospital's total revenue in FY 2023/24 was Kshs. 4.12 million. This revenue can be attributed to enhanced resource mobilization strategies and the expansion of hospital services.

In addition to internally generated revenue, Chebiemit subcounty hospital received substantial external support. The County Government of Elgeyo Marakwet supplied medical drugs worth Kshs. 1.5 million. Furthermore, the county took on the responsibility of paying employee salaries, which amounted to Kshs. 13.4 million during the period under review. These external contributions significantly helped in the hospital's operations.

The revenue generated during the year was used to cover hospital expenditures amounting to Kshs. 3.98 million, which included costs associated with service delivery, maintenance, and procurement.

Performance Results

While the hospital made strides in collecting its revenue, it faced financial challenges in terms of poverty levels among the clients. The challenge highlights the need for more robust financial sustainability strategies and enhanced efficiency in resource utilization.

Moving forward, CSCH aims to implement measures to further increase the revenue collections such as refining cost management processes, scaling up resource mobilization efforts, and pursuing new partnerships to diversify funding streams. By addressing these financial challenges, CSCH seeks to position itself for long-term sustainability while continuing to deliver high-quality healthcare services.

The hospital's financial performance, while determined to improve its services which will ensure revenue growth, also underscores the importance of securing more sustainable funding models and enhancing operational efficiencies. Moving forward, CSCH will continue to focus on improving financial management and diversifying its revenue streams to ensure long-term sustainability and improved healthcare service delivery.

Sign:  Date: 27th September, 2024

Dr Lawrence Kogos

Medical Superintendent

10. Environmental And Sustainability Reporting

At Chebiemit sub county Hospital (CSCH), we face a variety of sustainability challenges, reflected through the Triple Bottom Line framework, People, Planet, and Profit. As a county referral hospital, sustainability is integral to our operations, aligning with our goal to create long-term value for our stakeholders and communities. Our commitment extends beyond healthcare services, emphasizing environmental and social responsibility to ensure sustainable success and operational longevity. We are dedicated to upholding high standards of corporate governance, ethics, and integrity as we contribute to the nation's healthcare system.

Recognizing our role in reducing health disparities and advancing sustainability, CSCH integrates sustainability commitments into every aspect of our operations. Our strategic focus is on developing and executing initiatives that deliver real, lasting benefits to our stakeholders. With a commitment to becoming the healthcare provider of choice, we strive to create enduring value for all stakeholders by addressing material issues that help categorize our economic, environmental, and social impacts.

i) Sustainability Strategy and Profile

CSCH's sustainability strategy focuses on meeting current needs while maintaining environmental responsibility and promoting a healthy, equitable society. We ensure compliance with national and regional regulations, emphasizing efficient facility management to reduce energy use and CO2 emissions. Collaborating with suppliers and stakeholders, we uphold high standards for sustainable healthcare and encourage environmental and social contributions from our workforce. By working with sustainability specialists, we share best practices to maximize resource efficiency, regularly measuring and reporting our progress. CSCH's corporate governance is based on accountability, transparency, and integrity. We foster a culture of ethical behavior, with all employees expected to uphold integrity principles in line with Kenya's Constitution, 2010, and public service laws.

ii) Environmental Performance

In both clinical and office settings, we encourage employees to reduce energy consumption by adopting energy-efficient practices, such as turning off computers and lights when not in use. Additionally, we utilize environmentally friendly packaging for medications and manage medical waste through clearly labeled disposal bags for clinical waste, recyclables, and food waste. Staffs are provided with personal protective equipment to ensure safety during waste management.

As part of our environmental conservation efforts, CSCH planted over 200 trees in the past year and also championing for waste management in collaboration with locals, prisons and schools around the hospital

iii) Employee Welfare

CSCH is committed to providing a healthy and supportive work environment. We offer comprehensive NHIF health coverage to all employees and encourage continuous professional development through training programs in leadership, management, and technical skills. The hospital also promotes the physical and mental well-being of its employees, adhering to Occupational Safety and Health (OSHA) policies guided by the County Human Resource policies. We are dedicated to fostering a culture of equality, diversity, and inclusion, delivering services that are responsive to the diverse needs of our employees, patients, and their families. CSCH also supports collective bargaining through employee unions.

iv) Practices

Our core mission is to improve the health and well-being of our community through innovative, high-quality healthcare services. We maintain a strong reputation for excellence by consistently meeting safety and regulatory standards, ensuring that all products and services provided meet both ethical and legal requirements.

v) Responsible Competition Practices

As a leading healthcare provider in the region, CSCH sets an example of responsible business conduct. We adhere to all applicable laws and regulations and engage regularly with governmental bodies to ensure compliance in operations, renovations, and expansions. Our healthcare services are designed to be affordable, with pricing determined by the County Finance Act, passed by the County Assembly of Elgeyo Marakwet.

(a) Responsible Supply Chain and Supplier Relations

The procurement department at CSCH plays a key role in supporting our sustainability objectives. CSCH complies with the Public Procurement and Asset Disposal Act, 2015, and related county policies. We prioritize partnerships with suppliers who adhere to best practices and contractual agreements, ensuring the highest quality of service and goods.

(b) Responsible Marketing and Advertisement

Under the Health Act of 2017, healthcare advertising is regulated to ensure ethical practices in the licensing, testing, and promotion of health products. As a public hospital, CSCH does not advertise its services.

(c) Product Stewardship

CSCH's Product Stewardship program focuses on minimizing the environmental impact of healthcare products and packaging throughout their life cycle. We prioritize patient safety and satisfaction while ensuring affordability in line with the County Finance Act.

vi) Corporate Social Responsibility (CSR) and Community Engagement

CSCH's commitment to social responsibility drives us to fulfill public healthcare needs, particularly for marginalized and vulnerable communities. Although no specific CSR activities

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were conducted this year, we remain dedicated to improving lives through inclusive healthcare and raising awareness of disease prevention and interventions.

11. Report of The Board of Management

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

Principal activities

The principal activities of the entity are:

1. To assure provision of Quality health care services, disaster preparedness and response
2. To Strengthen availability of essential medicines, medical equipment and supplies
3. To maintain and improve hospital infrastructure and means of transport to meet the demands for service delivery.

Results

The results of the entity for the year ended June 30th, 2024 are set out on page 1-5.

Board of Management

The members of the Board who served during the year are shown on page vii - viii. During the year 2024 no director retired/ resigned and 9 was appointed with effect from January, 2022.

Auditors

The Auditor General is responsible for the statutory audit of the Chebiemit sub county hospital in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



Sign:.....Date: 27th September, 2024

Dr Lawrence Kogos
Secretary To the Board

12. Statement of Board of Management’s Responsibilities

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

The Board of Management is responsible for the preparation and presentation of the Chebiemit sub county hospital financial statements, which give a true and fair view of the state of affairs of the Chebiemit sub county hospital for and as at the end of the financial year (period) ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the Chebiemit sub county 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 entity’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Public Audit Act, 2015. The Board members are of the opinion that the Chebiemit sub county hospital financial statements give a true and fair view of the state of Chebiemit sub county hospital transactions during the financial year ended June 30, 2024, and of the Chebiemit sub county hospital financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Chebiemit sub county hospital, which have been relied upon in the preparation of the Chebiemit sub county hospital financial statements as well as the adequacy of the systems of internal financial control. Nothing has come to the attention of the Board of management to indicate that the Chebiemit sub county 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

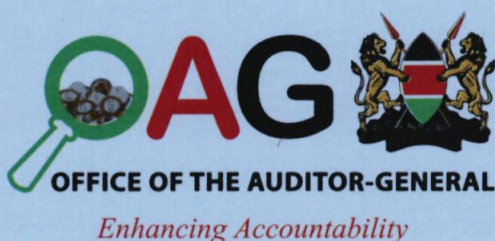
The Hospital’s financial statements were approved by the Board on 27th September, 2024 and signed on its behalf by:


.....
Mr Chris Kiptala
Chairperson
Board of Management


.....
Dr Lawrence Kogos
Accounting Officer

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON CHEBIEMIT LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE 2024 – ELGEYO MARAKWET COUNTY GOVERNMENT

PREAMBLE

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

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

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 Chebiemit Level 4 Hospital – Elgeyo Marakwet County Government set out on pages 1 to 55, which comprise of the

statement of financial performance, the statement of financial position as at 30 June, 2024, statement of changes in net assets, the statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, 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 Chebiemit Level 4 Hospital as at 30 June, 2024, and (of) its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Financial Management Act, 2012, the County Government Act, 2012 and the Health Act, 2017.

Basis for Qualified Opinion

1. Presentation, Accuracy and Disclosure in Financial Statements

The statement of financial performance reflects surplus amount of Kshs.5,842 while statement of financial position does not reflect the surplus. In addition, the corresponding Notes supporting the amounts in the statement of cash flows are not indicated.

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

2. Non-Disclosure of Employee Costs Paid by County Government

The statement of financial performance reflects employee costs of Kshs.638,663 and as disclosed in Note 16 to the financial statements. Audit review revealed that the Hospital had twenty-two (22) medical staff employed and paid by the County Executive. This expenditure was not expensed and disclosed in the financial statements of the Hospital. In addition, the payroll for the Hospital was not provided for audit verification.

In the circumstances, the accuracy and completeness of employee costs balances of Kshs.638.663 could not be confirmed

3. Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents balance of Kshs.5,842 as disclosed in Note 27 to the financial statements while cash book reflects a balance of Kshs.6,100 resulting to an unexplained variance of Kshs.258.

In addition, bank reconciliation statements and bank certificates were not provided for review.

In the circumstances, the accuracy of cash and cash equivalents balance of Kshs.5,842 could not be confirmed.

4. Trade Receivables from Non-Exchange Transactions

The statement of financial position reflects receivables from non-exchange transaction balance of Kshs.4,138,346 and as disclosed at Note 29 to the financial statements. Included in this amount is National Hospital Insurance Fund (NHIF) claims amounting to Kshs.2,500,000. However, review of NHIF records revealed that the amount owed to the Hospital as NHIF claims amounted to Kshs.2,452,700 resulting to an unexplained variance of Kshs.47,300.

Further, the balance of Kshs.4,138,346 for trade and other receivables was erroneously classified as receivables from non-exchange transactions instead of receivables from exchange transactions.

In the circumstances, the accuracy and completeness of the receivables from non-exchange transaction balance of Kshs.4,138,346 could not be confirmed.

5. Trade and Other Payables

The statement of financial position reflects trade and other payables balance of Kshs.5,556,188 and as disclosed in Note 34 to the financial statements. However, no documentary evidence and schedules were provided to support the balance.

In the circumstances, the accuracy of trade and other payables balance of Kshs.5,556,188 could not be confirmed.

6. Unconfirmed Inventory Balance

The statements of financial position reflects inventory balance of Kshs.1,412,000 as disclosed in Note.30 to the financial statements. However, schedules supporting the inventory balance was not provided for review. Further, there was no evidence that annual stock taking was conducted to confirm the quantities, value and status of closing inventory balances.

In the circumstances, the accuracy and completeness of the inventory balance of Kshs.1,412,000 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual reflects actual on comparable basis which differs with the amount reflected in statement of financial performance as shown in the table below;

<u>Details</u>	<u>Final Budget</u>	<u>Actual on Comparable basis</u>	<u>Statement of financial Performance</u>	<u>Variances</u>
Transfers from county	5,000,000	5,000,000	4,105,500	894,500
Rendering of services	12,500,000	12,500,000	11,632,274	867,726
Medical/clinical costs	11,000,000	11,000,000	10,282,715	717,285
Employee costs	700,000	700,000	638,663	61,337
Directors' remuneration	220,000	220,000	126,000	94,000
Repairs and maintenance	350,600	350,600	313,200	37,400
General expenses	4,570,000	4,570,000	4,370,455	199,545

However, no reconciliation was provided to support the variance between the statement of financial performance amounts and the actual amounts in the budget as required by IPSAS 24.

Further, the accuracy of the amounts in the column on performance difference in the statement of comparison of budget and actual amounts for the year ended 30 June, 2024 could not be confirmed.

My report is not modified in respect of this matter.

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 matter described in the

Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

Management is responsible for the other information set out on page ii to xxii which comprise of Acronyms and Glossary of Terms, Key Entity Information and Management, the Board of Management, Key Management Team, Report of the Medical Superintendent, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion Analysis, Environmental and Sustainability Reporting, Report of the Board of Management and Statement of Board of Management's 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 thereon

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Lack of Quarterly Revenue Reports

The statement of financial performance reflects rendering of services in regards to medical income amount of Kshs.11,632,274 and as disclosed in Note 11 to the financial statements. However, the Hospital did not provide evidence to show that quarterly revenue reports were prepared and submitted to the County Treasury with a copy to the Auditor General. This is contrary to Regulations 64(1) of the Public Finance Management (County) Regulations, 2015 which requires the Accounting Officer or receiver of revenue or collector of revenue to prepare a quarterly report not later than the 15th day after the end of the quarter.

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

2. Lack of Hospital Management Board

The statement of financial performance reflects Board expenses of Kshs.126,900 as disclosed in Note 17 to the financial statements. However, a substantive Board of Management that is supposed to direct the Hospital in achieving its strategic objectives was not in place as the current Board's term expired in March, 2024.

In the circumstances, the Hospital may not achieve its strategic objectives.

3. Deficiencies in Implementation of Universal Health Coverage (UHC)

Review of Hospital records provided and verification of services offered, equipment used and medical specialists in the Hospital at the time of audit revealed that the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines on staffing and availability of equipment as detailed below;

Staff Requirements	Level 4 standard	Number in Hospital	Variance	Percentage
Medical officers	16	2	14	13%
Anesthesiologists	2	2	0	100%
General surgeons	2	0	2	0%
Gynecologists	2	0	2	0%
Pediatrics	2	1	1	50%
Radiologists	2	2	0	100%
Kenya Registered Community Health Nurses	75	15	60	20%
Total	101	22	79	21%

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

In the circumstances, the Hospital is in breach of the law.

The audit was conducted in accordance with ISSAIs 3000 and 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. Failure to Establish Internal Audit Function and Audit Committee

Review of the records provided during audit revealed that the Hospital had not established an audit committee and internal audit function. This was contrary to Regulation 167(1) of the Public Finance Management (County Governments) Regulations, 2015 which requires County Government entities to establish audit committees in accordance with prescribed regulations to monitor the entities governance process, accountability process and control systems, offer objective advice on issues concerning risk, control, regulatory requirements and governance.

In the circumstances, the effectiveness of internal controls and risk management could not be confirmed.

2. Expiry of Medical Supplies

The statement of financial position reflects inventory balance of Kshs.1,412,000 as disclosed in Note 30 to the financial statements. However, review of the central stores' records on pharmaceuticals and non-pharmaceuticals revealed that one hundred and seventy-two (172) units of drugs of undetermined value had expired and were being held in the store.

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

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

Responsibilities of Management and Those Charged with Governance

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

Report of the Auditor-General on Chebiemit Level 4 Hospital for the year ended 30 June 2024 - Elgeyo Marakwet County Government

In preparing the financial statements, Management is responsible for assessing the Hospital's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the National Government either intends to liquidate the Hospital or to cease operations, or have no realistic alternative but to do so.

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

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

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the entity 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 ISSAI's 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

31 December, 2024

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

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

Description	Note	2023/2024 FY	2022/2023 FY
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6	4,105,500	-
In-kind contributions from the County Government	7	-	-
Grants from donors and development partners	8	-	-
Transfers from other Government entities	9	-	-
Public contributions and donations	10	-	-
		4,105,500	-
Revenue from exchange transactions			
Rendering of services- Medical Service Income	11	11,632,274	-
Revenue from rent of facilities	12	-	-
Finance /Interest Income	13	-	-
Miscellaneous Income	14	-	-
Revenue from exchange transactions		11,632,274	-
Total revenue		15,737,774	-
Expenses			
Medical/Clinical costs	15	10,282,715	-
Employee costs	16	638,663	-
Board of Management Expenses	17	126,900	-
Depreciation and amortization expense	18	-	-
Repairs and maintenance	19	313,200	-
Grants and subsidies	20	-	-
General expenses	21	4,370,455	-

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

Finance costs	22	-	-
Totalexpenses		15,731,933	-
Othergains/(losses)			
Gain/Loss on disposal of non-Current assets	23	-	-
Unrealized gain on fair value of investments	24	-	-
Medical services contracts Gains/Losses	25	-	-
Impairment loss	26	-	-
Gain on foreign exchange transactions		-	-
Total othergains/(losses)		-	-
Net Surplus / (Deficit) for the year		5,842	-

The Hospital's financial statements were approved by the Board on 27th June 2024 and signed on its behalf by:



Mr Chris Kiptala
Chairman
Board of Management



CPA Hezron Kipsang
Departmental Accountant
ICPAK No:10115



Dr Lawrence Kogo
Medical Superintendent

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

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

Description	Note	2023-24 FY	2022-23 FY
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	27	5,842	-
Receivables from exchange transactions	28	-	-
Receivables from non-exchange transactions	29	4,138,346	-
Inventories	30	1,412,000	-
Total Current Assets		5,556,188	-
Non-current assets			
Property, plant, and equipment	31	-	-
Intangible assets	32	-	-
Investment property	33	-	-
Total Non-current Assets		-	-
Total assets (A)		5,556,188	-
Liabilities			
Current liabilities			
Trade and other payables	34	5,556,188	-
Refundable deposits from customers/Patients	35	-	-
Provisions	36	-	-
Finance lease obligation	37	-	-
Current portion of deferred income	38	-	-
Current portion of borrowings	39	-	-
Social Benefits	41	-	-
Total Current Liabilities		5,556,188	-
Non-current liabilities			
Provisions	36	-	-
Non-Current Finance lease obligation	37	-	-
Non-Current portion of deferred income	38	-	-
Non - Current portion of borrowings	39	-	-
Service concession Arrangements	40	-	-
Social Benefits	41	-	-
Total non-current liabilities		-	-

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

Total Liabilities (B)		5,556,188	-
Netassets (A-B)		-	-
Represented by:			
Revaluation reserve		-	-
Accumulated surplus/Deficit		-	-
Capital Fund		-	-
Net Assets		5,556,188	-

The Hospital's financial statements were approved by the Board on 27th February 2024 and signed on its behalf by:



.....

Mr Chris Kiptala
Chairman
Board of Management



.....

CPA Hezron Kipsang
Departmental Accountant
ICPAK No:10115



.....

Dr Lawrence Kogos
Medical Superintendent

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

4. 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, 2023 (previous year)	-	-	-	-
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	-	-	-
Capital/Development grants	-	-	-	-
As at June 30, 2023 (previous year)	-	-	-	-
	-	-	-	-
At July 1, 2024 (current year)				
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	5,842	-	-	-
Capital/Development grants	-	-	-	-
At June 30, 204 (current year)	5,842	-	-	-

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

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

Description	Note	2023-2024 FY	2022-2023 FY
		Kshs	Kshs
Cashflows from operating activities			
Receipts			
Transfers from the County Government		4,105,500.00	-
Grants from donors and development partners		-	-
Transfers from other Government entities		-	-
Public contributions and donations		-	-
Rendering of services- Medical Service Income		11,632,274.00	-
Revenue from rent of facilities		-	-
Finance / interest income		-	-
Miscellaneous receipts (<i>specify</i>)		-	-
Total Receipts		15,737,774.00	-
Payments			
Medical/Clinical costs		10,282,714.50	-
Employee costs		638,663.00	-
Board of Management Expenses		126,900.00	-
Repairs and maintenance		313,200.00	-
Grants and subsidies		-	-
General expenses		4,370,455.00	-
Finance costs		-	-
Refunds paid out		-	-
Total Payments		15,731,932.50	-
Net cash flows from operating activities	42	5,841.50	-
Cash flows from investing activities			
Purchase of property, plant, equipment		-	-
Purchase of intangible assets		-	-
Proceeds from the sale of PPE		-	-
Acquisition of investments		-	-
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Proceeds from borrowings		-	-

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

Repayment of borrowings		-	-
Capital grants received		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		-	-
Cash and cash equivalents as at 1 July	27	5,841.50	-
Cash and cash equivalents as at 30 June	27	5,841.50	-

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

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	a	b	c=(a+b)	d	e=(c-d)	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Revenue						
Transfers from the County Government	5,000,000.00	-	5,000,000.00	5,000,000.00	4,105,500.00	82.11 %
Grants from donors and development partners	-	-	-	-	-	0.00 %
Transfers from other Government entities	-	-	-	-	-	0.00 %
Public contributions and donations	-	-	-	-	-	0.00 %
Rendering of services- Medical Service Income	12,500,000.00	-	12,500,000.00	12,500,000.00	11,632,274.00	93.06 %
Revenue from rent of facilities	-	-	-	-	-	0.00 %
Finance / interest income	-	-	-	-	-	0.00 %
Miscellaneous receipts (specify)	-	-	-	-	-	0.00 %
Total income	17,500,000.00	-	17,500,000.00	17,500,000.00	15,737,774.00	89.93 %
Expenses						0.00 %
Medical/Clinical costs	11,000,000.00	-	11,000,000.00	11,000,000.00	10,282,714.50	93.48 %
Employee costs	700,000.00	-	700,000.00	700,000.00	638,663.00	91.24 %
Remuneration of directors	220,000.00	-	220,000.00	220,000.00	126,900.00	57.68 %
Repairs and maintenance	350,600.00	-	350,600.00	350,600.00	313,200.00	89.33 %
Grants and subsidies	2,000,000.00	-	2,000,000.00	2,000,000.00	-	0.00 %
General expenses	4,570,000.00	-	4,570,000.00	4,570,000.00	4,370,455.00	95.63 %
Finance costs						0.00

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

	-	-	-	-	-	%
Refunds	-	-	-	-	-	0.00 %
Surplusfortheperiod	659,400.00	-	659,400.00	659,400.00	5,841.50	0.89 %
Capital expenditure	-	-	-	-	-	0.00 %

7. Notes to the Financial Statements

1. General Information

Chebiemit Sub county Hospital entity is established by and derives its authority and accountability from PFM Act. The entity is wholly owned by the xxx County Government and is domiciled in Elgeyo marakwet County in Kenya. The entity's principal activity is to offer medical services.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant, and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *entity's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *entity*. The financial statements have been prepared in accordance with the PFM Act, and *(include any other applicable legislation)*, 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 cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
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</p>

Standard	Effective date and impact:
	<p>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 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 an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
<p>IPSAS 48-</p>	<p><i>Applicable 1st January 2026</i></p>

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Standard	Effective date and impact:
Transfer Expenses	The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

iii) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year 2023-2024

4. Summary of Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other Government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the *Entity* and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the asset that has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

Notes to the Financial Statements (Continued)

b. Budget information

The original budget for FY 2023-24 was approved by Board on **May 2022**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the *entity* recorded additional appropriations of Kshs 16,790,000 on the FY 2023-24 budget following the Board's approval. The *entity's* budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page **I-2** under section of these financial statements.

c. Taxes

Sales tax/ Value Added Tax

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

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

authority is included as part of receivables or payables in the statement of financial position.

Notes to the Financial Statements (Continued)

d. Investment property

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

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

e. Property, plant and equipment

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

Notes to the Financial Statements (Continued)

f. Leases

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

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

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

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

g. Intangible assets

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

Notes to the Financial Statements (Continued)

h. Research and development costs

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

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

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

i. Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the hospital's financial statements.*

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

Notes to the Financial Statements (Continued)

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Notes to the Financial Statements (Continued)

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

Notes to the Financial Statements (Continued)

j. Inventories

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

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

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

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

k. Provisions

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

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

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

Notes to the Financial Statements (Continued)

l. Social Benefits

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

m. Contingent liabilities

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

n. Contingent assets

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

o. Nature and purpose of reserves

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

p. Changes in accounting policies and estimates

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

Notes to the Financial Statements (Continued)

q. Employee benefits

Retirement benefit plans

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

r. Foreign currency transactions

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

s. Borrowing costs

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

t. Related parties

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

Notes to the Financial Statements (Continued)

u. Service concession arrangements

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

v. Cash and cash equivalents

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

w. Comparative figures

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

x. Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xxx. Provisions are measured at the management's best estimate of the expenditure required to

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settle the obligation at the reporting date and are discounted to present value where the effect is material.

Notes to Financial Statements Continued

6. Transfers from the County Government

Description	2023/2024 FY	2022/2023 FY
	KShs	KShs
Unconditional grants		
Operational grant	4,105,500	-
Level 4/5 grants	-	-
Unconditional development grants	-	-
Other grants (<i>specify</i>)	-	-
	4,105,500	-
Conditional grants		
User fee forgone	-	-
Transforming health services for Universal care project (THUCP)	-	-
DANIDA	-	-
Wards Development grant	-	-
Paediatric block grant	-	-
Administration block grant	-	-
Laboratory grant	-	-
Total government grants and subsidies	-	-

6b Transfers from The County Government

Name of the Entity sending the grant	Amount recognized to Statement of financial performance* KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year	Comparative Period
			KShs	KShs	KShs
Egeyo marakwet County Government	4,101,500	-	-	-	-
Total	4,101,500	-	-	-	-

Notes to Financial Statements Continued

7. In Kind Contributions from The County Government

Description	2023-2024 FY	2023-2024 FY
	KShs	KShs
Salaries and wages	-	-
Medical supplies-Drawings Rights (KEMSA)	-	-
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)	-	-
Utility bills	-	-
Total grants in kind	-	-

(These include payments made directly by the County Governments for staff salaries and medical drugs.)

8. Grants From Donors and Development Partners

Description	2023-2024 FY	2023-2024 FY
	KShs	KShs
Cancer Centre grant- DANIDA	-	-
World Bank grants	-	-
Paediatric ward grant- JICA	-	-
Research grants	-	-
Other grants (<i>specify</i>)	-	-
Total grants from development partners	-	-

(Provide brief explanation for this revenue)

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

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

Notes to Financial Statements Continued

9. Transfers From Other Government Entities

Description	2023-2024 FY	2023-2024 FY
	KShs	KShs
Transfer from National Government (Ministry of Health)	-	-
Transfer from xxx National Hospital	-	-
Transfer from xxx Institute	-	-
Total Transfers	-	-

10. Public Contributions and Donations

Description	2023-2024 FY	2023-2024 FY
	KShs	KShs
Public donations	-	-
Donations from local leadership	-	-
Donations from religious institutions	-	-
Donations from other international organisations and individuals	-	-
Other donations(<i>specify</i>)	-	-
Donations in kind-amortised	-	-
Total donations and sponsorships	-	-

10 (a) Reconciliations of amortised grants

Description	2023-2024 FY	2023-2024 FY
	Kshs	Kshs
Balance unspent at beginning of year	-	-
Current year receipts	-	-
Amortised and transferred to revenue	-	-
Conditions to be met – remain liabilities	-	-

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Notes to Financial Statements Continued

11. Rendering of Services-Medical Service Income

Description	2023/2024 FY	2022/2023 FY
	Kshs	Kshs
Pharmaceuticals	-	-
Non-Pharmaceuticals	-	-
Laboratory	-	-
Radiology	-	-
Orthopedic and Trauma Technology	-	-
Theatre	-	-
Accident and Emergency Service	-	-
Anesthesia Service	-	-
Ear Nose and Throat service	-	-
Nutrition service	-	-
Cancer centre service	-	-
Dental services	-	-
Reproductive health	-	-
Paediatrics services	-	-
Farewell home services	-	-
Ambulance services	-	-
Other medical services income (<i>specify</i>)	11,632,274	-
Total revenue from the rendering of services	11,632,274	-

Notes to the Financial Statements (Continued)

12. Revenue From Rent of Facilities

Description	2023-2024 FY	2023-2024 FY
	Kshs	Kshs
Residential property	-	-
Commercial property	-	-
Total Revenue from rent of facilities	-	-

13. Finance /Interest Income

Description	2023-2024 FY	2023-2024 FY
	Kshs	Kshs
Interest income from Cash investments and fixed deposits	-	-
Interest income from short- term/ current deposits	-	-
Interest income from Treasury Bills	-	-
Interest income from Treasury Bonds	-	-
Interest from outstanding debtors	-	-
Total finance income	-	-

14. Miscellaneous Income

Description	2023-2024 FY	2023-2024 FY
	KShs	KShs
Insurance recoveries	-	-
Income from sale of tender	-	-
Services concession income	-	-
Sale of goods (water, publications, containers etc)	-	-
Write backs (Deposits, payments in advance etc)	-	-
Bad debts recovered	-	-
<i>Others (Specify)</i>	-	-
Total Miscellaneous income	-	-

Notes to the Financial Statements (Continued)

15. Medical/ Clinical Costs

Description	2023/2024 FY	2022/2023 FY
	Kshs	Kshs
Dental costs/ materials	-	-
Laboratory chemicals and reagents	4,728,330	-
Public health activities	-	-
Food and Ration	4,739,080	-
Uniform, clothing, and linen	-	-
Dressing and Non-Pharmaceuticals	815,305	-
Pharmaceutical supplies	-	-
Health information stationery	-	-
Reproductive health materials	-	-
Sanitary and cleansing Materials	-	-
Purchase of Medical gases	-	-
X-Ray/Radiology supplies	-	-
Other medical related clinical costs (<i>specify</i>)	-	-
Total medical/ clinical costs	10,282,715	-

16. Employee Costs

Description	2023/2024 FY	2022/2023 FY
	Kshs	Kshs
Salaries, wages, and allowances	588,263	-
Contributions to pension schemes	50,400	-
Service gratuity	-	-
Performance and other bonuses	-	-
Staff medical expenses and Insurance cover	-	-
Group personal accident insurance and WIBA	-	-
Social contribution	-	-
Other employee costs (<i>specify</i>)	-	-
Employee costs	638,663	-

Notes to the Financial Statements (Continued)

17. Board of Management Expenses

Description	2023/2024 FY	2022/2023 FY
	Kshs	Kshs
Chairman's Honoraria	-	-
Sitting allowance	126,900	-
Mileage	-	-
Insurance expenses	-	-
Induction and training	-	-
Travel and accommodation allowance	-	-
Airtime allowances	-	-
Total	126,900	-

18. Depreciation and Amortization Expense

Description	2023-2024 FY	2023-2024 FY
	Kshs	Kshs
Property, plant and equipment	-	-
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	-	-

19. Repairs And Maintenance

Description	2023/2024 FY	2022/2023 FY
	Kshs	Kshs
Property- Buildings	39,100	-
Medical equipment	-	-
Office equipment	-	-
Furniture and fittings	-	-
Computers and accessories	224,500	-
Motor vehicle expenses	49,600	-
Maintenance of civil works	-	-
Total repairs and maintenance	313,200	-

Notes to the Financial Statements (Continued)

20. Grants And Subsidies

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

21. General Expenses

Description	2023/2024 FY	2022/2023 FY
	Kshs	Kshs
Advertising and publicity expenses	-	-
Catering expenses	-	-
Waste management expenses	-	-
Insecticides and rodenticides	-	-
Audit fees	-	-
Bank charges	-	-
Conferences and delegations	-	-
Consultancy fees	-	-
Contracted services	846,000	-
Electricity expenses	890,300	-
Refined Fuel, Lubricants And Other fuels	1,019,045	-
Insurance	-	-
Research and development expenses	-	-
Travel and accommodation allowance	-	-
Legal expenses	-	-
Licenses and permits	-	-
Courier and postal services	-	-
Printing and stationery	1,411,110	-
Hire charges	-	-
Rent expenses	-	-

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Water and sewerage costs	-	-
Skills development levies	-	-
Telephone and mobile phone services	52,000	-
Internet expenses	152,000	-
Staff training and development	-	-
Subscriptions to professional bodies	-	-
Subscriptions to newspapers periodical, magazines, and gazette notices	-	-
Library books/Materials	-	-
Parking charges	-	-
Total General Expenses	4,370,455	-

22. Finance Costs

Description	2023-2024 FY	2023-2024 FY
	KShs	KShs
Borrowings (amortized cost) *	-	-
Finance leases (amortized cost)	-	-
Interest on Bank overdrafts/Guarantees	-	-
Interest on loans from commercial banks	-	-
Total finance costs	-	-

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

Description	2023-2024 FY	2023-2024 FY
	KShs	KShs
Property, plant, and equipment	-	-
Intangible assets	-	-
Other assets not capitalised (<i>specify</i>)	-	-
Total gain on sale of assets	-	-

24. Unrealized Gain On Fair Value Investments

Description	2023-2024 FY	2023-2024 FY
	KShs	KShs
Investments at fair value	-	-
Total gain	-	-

Notes to the Financial Statements (Continued)

25. Medical Services Contracts Gains /Losses

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

26. Impairment Loss

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

27. Cash And Cash Equivalents

Description	2023/2024 FY	2022/2023 FY
	KShs	KShs
Current accounts	5,842	-
On - call deposits	-	-
Fixed deposits accounts	-	-
Cash in hand	-	-
Others(<i>specify</i>)- Mobile money	-	-
Total cash and cash equivalents	5,842	-

Notes to the Financial Statements (Continued)

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

Description		2023-2024 FY	2023-2024 FY
Financial institution	Account number	KShs	KShs
a) Current account			
Kenya Commercial bank	1147077878	5,842	-
Equity Bank, etc	1530285703138	-	-
Sub- total		5,842	-
b) On - call deposits			-
Kenya Commercial bank		-	-
Equity Bank – etc		-	-
Sub- total		-	-
c) Fixed deposits account		-	-
Bank Name		-	-
Sub- total		-	-
d) Others(specify)		-	-
cash in hand		-	-
Mobile money- Mpesa, Airtel money		-	-
Sub- total		-	-
		-	-
Grand total		5,842	-

28. Receivables From Exchange Transactions

Description	2023-2024 FY	2023-2024 FY
	KShs	KShs
Medical services receivables	-	-
Rent receivables	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
Totalreceivables	-	-

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Analysis of Receivables From Exchange Transactions

Description	2023-2024 FY		2023-2024 FY	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (a+b)	-	%	-	%

29. Receivables From Non-Exchange Transactions

Description	2023-2024 FY	2023-2024 FY
	KShs	KShs
Transfers from the County Government	1,638,346	-
Undisbursed donor funds NHIF	2,500,000	-
Other debtors (<i>non-exchange transactions</i>)	-	-
Less: impairment allowance	-	-
Total	4,138,346	-

Analysis of Receivables From Non-Exchange Transactions

Description	2023-2024 FY		2023-2024 FY	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	4,138,346	100%	-	%
Between 1- 2 years	-	0%	-	%
Between 2-3 years	-	0%	-	%
Over 3 years	-	0%	-	%
Total (a+b)	4,138,346	100%	-	%

30. Inventories

Description	2023/24 FY	2022/23 FY
	KShs	KShs
Pharmaceutical supplies	688,754	-

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Non-Pharmaceutical supplies	520,000	-
Food supplies	83,246	-
General supplies	-	-
Linen and clothing supplies	120,000	-
Less: provision for impairment of stocks	-	-
Total	1,412,000	-

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Notes to the Financial Statements (Continued)

31. Property, Plant and Equipment

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Cost								
At 1 July 2022 (previous year)	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-	-
At 30th Jun 2024	-	-	-	-	-	-	-	-
At 1 July 2023 (current year)	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-
At 30th Jun 2024	-	-	-	-	-	-	-	-
Depreciation and impairment								
At 1 July 2022 (previous year)	-	-	-	-	-	-	-	-
Depreciation for the year	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
At 30 June 2024	-	-	-	-	-	-	-	-

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Description	At July 2023 (current year)	-	-	-	-	-	-	-
	Depreciation	-	-	-	-	-	-	-
	Disposals	-	-	-	-	-	-	-
	Impairment	-	-	-	-	-	-	-
	Transfer/adjustment	-	-	-	-	-	-	-
	At 30 th June 2024	-	-	-	-	-	-	-
	Net book values	-	-	-	-	-	-	-
	At 30 th Jun 2023 (previous)	-	-	-	-	-	-	-
	At 30 th Jun2024 (current)	-	-	-	-	-	-	-

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Notes to the Financial Statements (Continued)

32. Intangible Assets-Software

Description	2023-2024 FY	2023-2024 FY
	KShs	KShs
Cost		
At beginning of the year	-	-
Additions	-	-
Additions-Internal development	-	-
Disposal	-	-
At end of the year	-	-
Amortization and impairment		
At beginning of the year	-	-
Amortization for the period	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	-	-

33. Investment Property

Description	2023-2024 FY	2023-2024 FY
	KShs	KShs
At beginning of the year	-	-
Additions	-	-
Disposals during the year	-	-
Fair value gain	-	-
Depreciation (<i>where investment property is at cost</i>)	-	-
Impairment	-	-
At end of the year	-	-

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Notes to the Financial Statements (Continued)

34. Trade and other Payables

Description	2023/24 FY		2022/23 FY	
	KShs		KShs	
Trade payables	4,144,188			
Total trade and other payables	4,144,188			
Ageing analysis:	Current FY	% of the Total		
Under one year		100%		
1-2 years	1,888,188	-		
2-3 years	2,256,000	-		
Over 3 years				
Total	4,144,188			

35. Refundable Deposits from Customers/Patients

Description	2023-2024 FY		2023-2024 FY	
	KShs		KShs	
Medical fees paid in advance	-		-	
Credit facility deposit	-		-	
Rent deposits	-		-	
Others (<i>specify</i>)	-		-	
Totaldeposits	-		-	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	100%	-	%
1-2 years	-	0%	-	%
2-3 years	-	0%	-	%
Over 3 years	-	0%	-	%
Total	-	100%	-	%

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Notes to the Financial Statements (Continued)

36. Provisions

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

37. Finance Lease Obligation

Description	2023-2024 FY	2023-2024 FY
	Kshs	Kshs
Current Lease obligation	-	-
Long term lease obligation	-	-
Total	-	-

38. Deferred Income

Description	2023-2024 FY	2023-2024 FY
	KShs	KShs
Current Portion	-	-
Non-Current Portion	-	-
Total	-	-

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Notes to the Financial Statements (Continued)

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

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

39. Borrowings

Description	2023-2024 FY	2023-2024 FY
	KShs	KShs
Balance at beginning of the period	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the year	-	-
Repayments of domestic borrowings during the year	-	-
Balance at end of the period	-	-

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

Description	2023-2024 FY	2023-2024 FY
	KShs	KShs
Current Obligation	-	-
Non-Current Obligation	-	-
Total	-	-

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Notes to the Financial Statements (Continued)

40. Service Concession Arrangements

Description	2023-2024 FY	2023-2024 FY
	KShs	KShs
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	-	-
Net carrying amount	-	-
Service concession liability at beginning of the year	-	-
Service concession revenue recognized	-	-
Service concession liability at end of the year	-	-

41. Social Benefits

Description	2023-2024 FY	2023-2024 FY
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
People Living with Disabilities benefit Scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
Total	-	-
	-	-
Current social benefits	-	-
Non- current social benefits	-	-
Total (tie to totals above)	-	-

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Notes to the Financial Statements (Continued)

42. Cash Generated from Operations

Description	20233-2024 FY	20233-2024 FY
	KShs	KShs
Surplus for the year before tax	5,842	-
Adjusted for:		
Depreciation	-	-
Non-cash grants received	-	-
Impairment	-	-
Gains and losses on disposal of assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Working Capital adjustments		
Increase in inventory	-	-
Increase in receivables	-	-
Increase in deferred income	-	-
Increase in payables	-	-
Increase in payments received in advance	-	-
Net cash flow from operating activities	5,842	-

Notes to the Financial Statements (Continued)

43. Financial Risk Management

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

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

(i) Credit risk

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023 (previous year)				
Receivables from exchange transactions	-	-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
At 30 June 2024 (current year)				
Receivables from exchange transactions	-	-	-	-
Receivables from –non-exchange transactions	5,551,246	-	-	-
Bank balances	5,841.50	-	-	-
Total	5,557,087.5	-	-	-

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	Kshs	Kshs	Kshs	Kshs
At 30 June 2023				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2024				
Trade payables	4,144,188	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	4,144,188	-	-	-

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Notes to the Financial Statements (Continued)

(iii) Market risk

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

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

a) Foreign currency risk

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

Description	KShs	Other currencies	Total
	Kshs		Kshs
At 30 June 2024			
Financial assets (investments, cash, debtors)	-	-	-
Liabilities	-	-	-
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

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

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Notes to the Financial Statements (Continued)

Description	KShs	Other currencies	Total
	Kshs		Kshs
At 30 June 2024			
Financial assets (investments, cash, debtors)	-	-	-
Liabilities	-	-	-
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

Foreign currency sensitivity analysis

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

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

b) Interest rate risk

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

Management of interest rate risk

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

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Notes to the Financial Statements (Continued)

Sensitivity analysis

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

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

iv) Capital Risk Management

The objective of the *Chebiemit Level 4 Hospital* capital risk management is to safeguard the Hospital's ability to continue as a going concern.

Description	2023/2024 FY	2023/2024 FY
	Kshs	Kshs
Revaluation reserve	-	-
Retained earnings	-	-
Capital reserve	-	-
Total funds	-	-
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt/ (<i>excess cash and cash equivalents</i>)	-	-
Gearing	-	-

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Notes to the Financial Statements (Continued)

44. Related Party Balances

Nature of related party relationships

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

Elgeyo Marakwet County Government is the principal shareholder of the *Chebiemit Level 4 Hospital*, holding 100% of the *Chebiemit Level 4 Hospital* interest.

Description	2023/2024 FY	2023/2024 FY
	Kshs	Kshs
Transactions with related parties		
a) Services offered to related parties		
Services	-	-
Sales of services	-	-
Total	-	-
b) Grants from the Government		
Grants from County Government	-	-
Grants from the National Government Entities	-	-
Donations in kind	-	-
Total	-	-
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for employees	-	-
Payments for goods and services for	-	-
Total	-	-
d) Key management compensation		
Directors' emoluments	-	-
Compensation to the medical Sup	-	-
Compensation to key management	-	-
	-	-
Total	-	-

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45. Segment Information

46. Contingent Liabilities

Contingent liabilities	2023/2024 FY	2022/2023 FY
	Kshs	Kshs
Court case - against the hospital	-	-
Bank guarantees in favour of subsidiary	-	-
Total	-	-

47. Capital Commitments

Capital Commitments	2023/2024 FY	2022/2023 FY
	Kshs	Kshs
Authorised For	-	-
Authorised And Contracted For	-	-
Total	-	-

48. Events after the Reporting Period

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

49. Ultimate and Holding Entity

The entity is a State Corporation/ or a Semi- Autonomous Government Agency under the Department of Health. Its ultimate parent is the County Government of Elgeyo Marakwet.

50. Currency

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

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8. Appendices

Appendix 1: Progress on Follow up of Auditor Recommendations

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

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



.....
Dr Lawrence Kogos
Accounting Officer

***Chebiemit Level 4 Hospital (Elgeyo Marakwet County Government)
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Appendix II: Projects Implemented by The Entity

Projects

Projects implemented by the Hospital Funded by development partners

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1 MOTHER AND BABY	0001	FINISH	1 YEAR	TO COMPLETION-FULLY EQUIPED	YES	NO
2						

Status of Projects completion

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

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

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

Appendix III: Inter-Entity Confirmation Letter

Name of Transferring entity..ITEN COUNTY REFERRAL HOSPITAL.....

Name of Beneficiary entity...CHEBIEMIT SUB COUNTY HOSPIATL.....

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June 2024					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
					FOR RECCURRENT ACTIVITIES
Total					

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

Head of Accounts Department - Disbursing Entity:
 Name Sign Date.....

Head of Accounts Department - Beneficiary Entity:
 Name Sign Date.....

Chebiemit Level 4 Hospital (Elgeyo Marakwet 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
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-