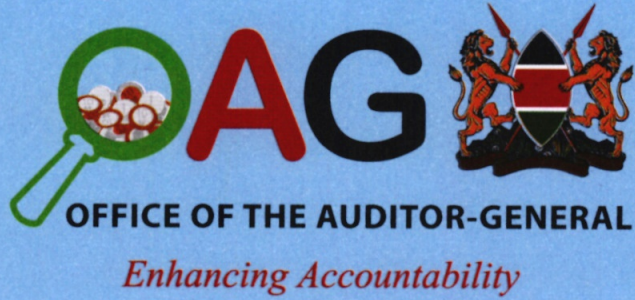
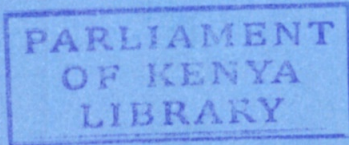


REPUBLIC OF KENYA



REPORT



OF

THE AUDITOR-GENERAL

ON

KIGUMO LEVEL 4 HOSPITAL

**FOR THE YEAR ENDED
30 JUNE, 2023**

COUNTY GOVERNMENT OF KIAMBU

25/09/24
SM.L
Amela

Revised 30th June 2023



Kigumo Level 4 Hospital Kiambu County Government

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

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

Table of Contents

1. Acronyms & Glossary of Terms	ii
2. Key Entity Information and Management.....	iii
3. The Board of Management	vi
4. Key Management Team.....	vii
5. Chairman’s Statement.....	ix
6. Report of The Medical Superintendent	xi
7. Statement of Performance Against Predetermined Objectives.....	xiii
8. Corporate Governance Statement	xiv
9. Management Discussion and Analysis	xv
10. Environmental And Sustainability Reporting.....	xvii
11. Report of The Board of Management.....	xix
12. Statement of Board of Management’s Responsibilities.....	xx
13. Report of the Independent Auditor (Kigumo Level 4 Hospital).....	xxi
14. Statement of Financial Performance for The Year Ended 30 June 2023	1
15. Statement of Financial Position As At 30 June 2023	3
16. Statement of Changes in Net Asset for The Year Ended 30 June 2023.....	5
17. Statement of Cash Flows for The Year Ended 30 June 2023	6
18. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 Jun 2023	8
19. Notes to the Financial Statements	9
20. Appendices	53

1. Acronyms & Glossary of Terms

Provide a list of all acronyms and glossary of terms used in the preparation of this report e.g.

HMT	Hospital Management Team
RCO	Registered Clinical Officer
MBChB	Bachelor of Medicine and Bachelor of Surgery.
FIF	Facility Improvement Fund
NHIF	National Hospital Insurance Fund
AGPO	Access to Government Procurement Opportunities
IPSAS	International Public Sector Accounting Standard
KL4H	Kigumo Level 4 Hospital
FY	Financial Year
SRC	Salary & Remuneration Commission
CSR	Corporate Social Responsibility
OSHA	Occupational Health & Safety Act
PFMA	Public Financial Management Act
MED SUP	Medical Superintendent
Fiduciary Management	Key management personnel who have financial responsibility in the hospital.

2. Key Entity Information and Management

(a) Background information

Kigumo Hospital is a level 4 hospital established under gazette notice number 13617 and is domiciled in Kiambu County under the Health Department. The hospital is governed by a Board of Management. The hospital is located in Komothai Ward, Githunguri Sub County in Kiambu County.

(b) Principal Activities

The principal activity/mission/ mandate of the hospital is to provide health services to all.

Vision

An efficient, effective and high-quality health care system that is accessible equitable and affordable for every individual in Kiambu County.

Mission

To provide health services that is equitable, accessible and accountable to the People of Kiambu County through participatory leadership.

Core Functions

- Policy formulation and implementation
- Preventive and promotive health services
- Curative and rehabilitative health services
- Standards and Regulations
- Monitoring and Evaluation of provision of Health care services

(c) Key Management

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

- County department of health
- Board of Management
- Accounting Officer/ Medical Superintendent
- Health Administrative Officer
- Nursing Service Manager
- Hospital Accountant
- Clinical Officer

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Medical Superintendent	DR. John Kariuki
2.	Accountant In Charge	Mr. George Gichuru
3.	Health Administrative Officer	Mr. Jeseo Mwaura
4.	Nursing Service Manager	Esther Mwangi
5.	Clinical Officer in Charge	Rose Wanja
6.	Laboratory Technician	Mr. Paul Kinuthia
7.	Physiotherapist	Rosemary Wanja
8.	Pharmacist	Mr. Stanley Ndungu
9.	Nutritionist	Eunice Chege
10.	Dentist	Mary Kuria

Fiduciary Oversight Arrangements

1. HMT Mortality audit committee

This committee investigates on any death in the facility. The chairman is the medical superintendent. The committee meets on needs basis.

2. Finance committee

This confirms the budget and evaluates the financial status of the facility against its needs. The chairman is the Medical Superintendent.

3. Invention prevention committee

This committee responds fast in case of any outbreak and advice on the right measures. The chairman is the Nursing Service Manager. The committee meets on needs basis but a minimum of once quarterly.

4. Non communicable diseases

This committee makes follow-up on non- communicable diseases like high blood pressure, diabetes. Ensures that drugs are available and patients are regular in their clinics. The chairman is the Medical Officer. The committee meets on needs basis but a minimum of once quarterly.

5. Continuous medical Education committee

Conducts medical education to staffs in the facility. The chairman is the Clinical Officer in Charge. The committee meets on needs basis but a Minimum of once quarterly.

6. Facility commodity security committee

Checks the quality and quantity of commodities for use in the facility. The chairman is the Pharmacist Officer In-Charge. The committee meets on needs basis but a minimum of once quarterly.

7. Inspection and acceptance committee

The committee checks the quality of items supplied in the facility as per the specifications on requisition. The Chairman is the Hospital Board Chairman. The committee meets on needs basis but a minimum of once quarterly.





Key Entity Information and Management (continued)

- (e) **Entity Headquarters**
P.O. Box 30 Gathugu via Ruiru
Along Ruiru Gathugu Road.
Near Kibichoi Police Station.
Kiambu, Kenya.
- (f) **Entity Contacts**
Telephone: +254708579402
E-mail: subcountyhospitalkigumo@gmail.com
Website: www.go.ke
- (g) **Entity Bankers**
Operations Account
Kigumo Sub District Hospital
Account no. 1157609384
Kcb Ruiru.




Kigumo NHIF Collection Account
Account No. 1256291250
Kcb Ruiru Branch.




Kigumo Revenue Account
Account No. 00100053773
Family Bank Githunguri.
- (h) **Independent Auditors**
Auditor General
Office of Auditor General
Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya
- (i) **Principal Legal Adviser**
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya
- (j) **County Attorney**
P.O. Box.2344-00900
Kiambu, Kenya

3. The Board of Management

Ref	Directors	Details
1.	Director 1; Mr. Stephen Njoroge 	<p>He was born on 3rd October, 1962 in Githunguri Sub-County, Kiambu. He is a holder of Diploma in Technical Education. He is a retired teacher. Currently he is a businessman. He chairs hospital board.</p>
2.	Director 2; Sarah Wanjiku 	<p>Date of Birth 1974 Occupation- Business Education level- Diploma in Business Administration. She is a hospital board member.</p>
3.	Director 3; Lilian Waingi 	<p>Date of Birth 1967 Occupation; Farmer Education Level- Diploma secretarial studies She is a business woman and a hospital board member.</p>
4.	Entity Secretary; DR. John Kariuki 	<p>Date of Birth 10th June 1982 Secretary to the Hospital Board Bachelor's Degree in Medicine and Surgery (MBChB). Diploma in Clinical Medicine and Surgery (RCO). He is not a member of ICS.</p>

4. Key Management Team

Ref	Management	Details
1.	<p>DR. John Kariuki</p> 	<p>Medical Superintendent Bachelor's Degree in Medicine and Surgery (MBChB). He is Chief Administrative officer He direct, supervises and evaluates the activities of medical, nursing, technical, administrative, maintenance and other personnel. He also monitors the use of diagnostic services, facilities and staff to ensure use of resources</p>
2.	<p>Mr. Jeseo Mwaura</p> 	<p>Health Administrative Officer Masters in operation and technology management. Degree in Bachelor of Commerce. CIPS. Diploma in Business Administration. He direct, supervises and evaluates work activities of medical, nursing, technical, clerical, service, maintenance, and other staff. He plans, implement and administer programs and services including human resource administration, training, and coordination of medical, nursing and physical plant staff.</p>
3.	<p>Mr. George Gichuru</p> 	<p>Accountant in-charge Certified Public Accountant 11 Regular cash book reconciliation Maintenance of various books of accounts Management debtor and supplier accounts Management of patients accounts and billing by ensuring regular invoicing, receive and receipt payment of patients.</p>

4.	<p>4. Mr. Paul Kinuthia</p> 	<p>Laboratory Manager Diploma Medical Laboratory Science He receives, label and analyse samples (blood toxic, tissue). Designing and executing laboratory testing according to standard procedures.</p>
5.	<p>5. Mr. Henry Okinyi</p> 	<p>Public Health Officer. Bachelors Science in Public Health. Monitoring community health. Hospital sanitation. School health education and sanitation. Ensure public health compliance.</p>
	<p>6. Esther Mwangi.</p> 	<p>Nursing Service Manage Diploma nursing Supervising and ensuring delivery of a professional and high standard of nursing care within the hospital while leading a team of nurses and patient attendants in delivering individual and team targets. Monitor and ensure clients satisfaction and proactively manage their complaints as they arise.</p>

5. Chairman's Statement

It is with pleasure we present the Hospital's 2022/2023 Annual Report and Financial Statements. The report sets the precedence on how the hospital financial affairs will be reported under IPSAS Accruals and under the Public Finance Management Act. The inclusion of community board members as part of the hospital's governance is integral in ensuring that there is community ownership and that the financial affairs are accurate.

Kigumo Level IV hospital was established in 1973 as a level II Health facility. Over the period the hospital has progressively expanded and is now a level IV hospital. This expansion has seen growth in infrastructure that includes X ray services and a modern biochemistry machine .

Other services offered include Universal Health Care through NHIF. This service aims to provide affordable healthcare for all households through NHIF scheme. To align with the agenda the hospital has hired two full time clerk officers to ensure efficiency of NHIF services. Also, the Edu Afya program that was rolled to ensure students access health services will greatly and mutually benefit both the facility and all the young members covered by the scheme.

To enhance service delivery, the hospital is in the process of rolling out a Health Management Information System in key points of service which will see a reduction of patient waiting time, minimal use of papers and space through use electronic filing.

I am also pleased to announce that in the financial year 2023/2024 a new maternity unit is set to be erected within the vicinity of the hospital. This has been received with tremendous excitement by the community at large, and with the hospital health management team we will embark and hold hands to ensure this dream come to fruition. This will spare mother's a lot of time spent in referrals reducing morbidity and mortality to both mother and child.

The responsibility of driving good corporate governance and stewardship of the Hospital is vested in the Hospital Board. The Board provides strategic direction while the Medical Superintendent assisted by the Hospital Management is accountable to the Board for implementing the strategy. The hospital board will develop a strategic plan which will steward the hospital in the next five years towards being a provider of efficient and high-quality medical services that are accessible, equitable and affordable.

Appreciation

First and foremost, I would like to thank our clients for demonstrating their trust in us with their health care needs and being our motivation to service delivery excellence.

At the same time, I would like to thank my newly erected fellow Board Members for their unwavering support and for applying their highest professional standards in carrying out the business of the Board and in decision making.

I would also like to thank the County Government of Kiambu not only for its continued support of Hospital's development agenda but also for creating enabling environment for the hospital to meet its objectives. I recognize our partners and stakeholders who continue to strengthen our partnership through financial support which ensures we remain in course to deliver to our clients.



Name: Mr. Stephen Njoroge

Chairman to the Board

6. Report of The Medical Superintendent

I am delighted to present the hospital's annual report and financial statements for the year 2022/2023. The hospital being a first-time adopter of IPSAS accruals, has elected to take advantage of the transitional exemptions and provisions that may impact fair presentation.

The report highlights the hospitals operational and financial performance.

Operational Performance

With a catchment population of more than 100,000 people, Kigumo Level IV Hospital was elevated to be one of the level 4 hospitals been in the county.

The hospital has made a niche in provision of radiology services. To date over 2000 patients have sought radiology services, in a span of the departments operational period of 2years. This has greatly boosted the community's confidence in the hospital, and it has great potential in becoming a trauma and orthopedic center.

I am pleased to report that the hospital in the year period 2023/2024, embarks on having a state-of-the-art modern maternity and a theatre unit. The unit will hold a 30-bed capacity that will go a long way in ensuring all previous referrals that totaled to over 600 in the last reporting period, are managed at the facility further bringing down the turnaround time for patients presenting with obstetric complications. Discussions and plans for the said unit are at an advanced stage and ground work is set to start soon. Currently the facility handles about 30 deliveries monthly. This is a small number compared to the around 100 pre-natal mothers who visit the facility. Unfortunately, most mothers are referred because we do not have a theatre.

The hospital has maternity bed capacity of 30, male ward 6 patients and female ward 30 patients. With an increased array of services, our inpatient expansion and the construction of a theatre is part of the Board of Management Strategic plan.

Financial Review

In order to meet the cost of operations and maintenance, the hospital relies on internally generated revenue, from either FIF or NHIF. During the year under review, the hospital generated Ksh over 4.1 million FIF with NHIF funds also contributing to about Kshs. 932,200. The revenue generated during the period was utilized to fund hospital expenditure. The hospital funds utilization rate was 80%. With a new maternity unit and theatre services on board the figure is projected to hit a double digit due to the fact that mortuary and laboratory services have also been enhanced to offer both embalming and human organs screening.

services (renal, electrolyte and liver) respectively. A huge challenge remains in acquisition of an advanced computer system (core 7 and above), that will ensure all relevant data and revenue in the NHIF and Edu Afya is well captured for re- imbursement. The county government has however shown interest of equipping most facilities facing such challenges with the software, which will go a long way in kigumo hospital achieving its projected financial target

Acknowledgement

On behalf of the Board, I would like to thank all our stakeholders especially the County Government of Kiambu and development partners and of key note The Safaricom M-pesa Foundation for the new proposed Theatre unit and for the support they continue to accord the hospital without which our achievements would not have been realized.

As we move into a new financial year, I would like to express my gratitude to Kigumo Level IV hospital staff, departmental heads and the Board, who take such pride in their work, and who exemplify our hospital's mission and values each day.

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



DR. John Kariuki
Secretary to the Board

7. Statement of Performance Against Predetermined Objectives

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

Kigumo level 4 hospital has 5 strategic pillars and objectives within the current Strategic Plan for the FY 2022/2023. These strategic pillars are as follows:

1. Service delivery- To offer quality services to all our clients
2. Health Information- Provision of data and promote technology
3. Health product, vaccines and technology- Provide essential medical products
4. Health infrastructure- To provide conducive working environment
5. Leadership and governance- Provide guidance and direction

Kigumo level 4 hospital develops its annual work plans based on the above 5 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The hospital achieved its performance targets set for the FY 2022/2023 period for its 5 strategic pillars, as indicated in the diagram below:

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
Service delivery	To offer quality services to all	Service charter	Monitoring and evaluation	Reduced patients waiting
Health information	Provision of data and promote technology.	Elimination of communicable diseases.	Timely reporting and data collection	Helped in making decisions.
Health product	Provide essential medical products	Increase workload and patients' satisfactions.	Lobby for more pharmaceutical and non-pharms	Less stock out
Health infrastructure	Provide conducive working environment	Improved appearance	Put up more buildings and renovate old ones.	More output and greater customer satisfaction
Leadership and governance	Provide guidance and direction	Increase morale	Strengthen collaboration between hospital and key partners.	More partners and donors.

8. Corporate Governance Statement

The board members held meetings during the year 2022/2023 with all the meetings attended by full board. The members were not paid their allowances as per the SRC circular. The board chair was to receive kshs 7,500 sitting allowance and kshs 1,000 lunch allowance per sitting and the other members to receive ksh 5,000 sitting allowance and ksh 1,000 lunch allowance per sitting.

The Executive member of health appoints board members who should have a minimum of a diploma from a recognized institution.

The medical superintendent serves as the secretary to the board and the board should meet on a quarterly basis. The board comprises of four residents of the Githunguri sub-county considering gender parity and special groups.

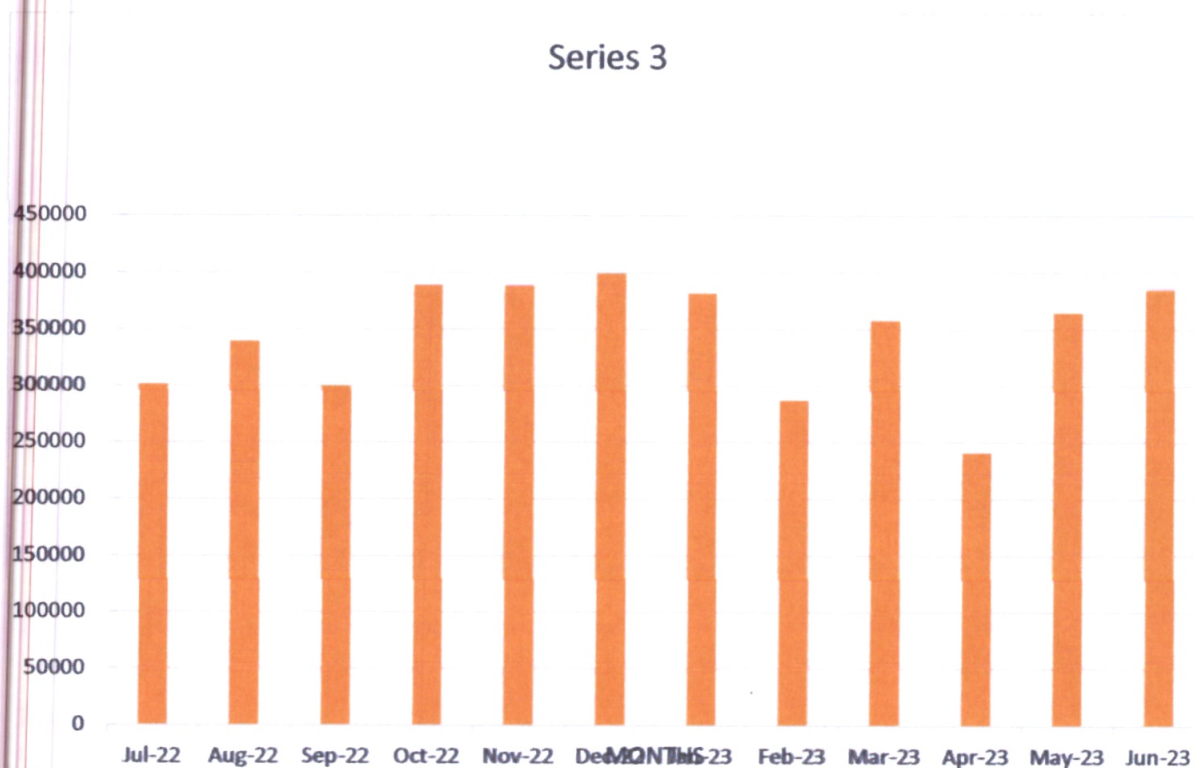
The chairman of the board must be a Kenyan who possess at least diploma from a recognised institution in Kenya, has experienced in management, leadership and administration and must also meet the requirements of chapter six of the constitution of Kenya.

All members apart from ex-official member shall serve for a term of three years which may be renewed. The Executive member may remove from office any member of the board who has been absent for three consecutive meetings of the board without permission of the chair, is declared bankrupt, is unable to discharge his/her duties due to physical or mental incapacity or has been charged with criminal offences in court of law or traffic offence attracting an imprisonment term of a minimum of six months.

The members are to offer oversight role in terms of finance and general operations of the hospital. They should also offer guidance on areas of improvement as well as source for donors, promote development of the hospital, recommend to the Executive Member the budget estimates, establish a hospital-community participation and feedback platform, assessing the delivery of services at the hospital and advise Executive Member, monitoring the hospital performance against set target and advice Executive Member, and carrying out any other function that may be assigned by Executive Member.

9. Management Discussion and Analysis

All revenue was collected via mpesa through the hospital pay bill number, from there it was transferred to the county revenue fund and thereafter transferred back to the facility. The hospital prepares an expenditure plan being guided by approved annual budget which provided the ceiling for all the expenditure items. Below is an analysis of total revenue collected from July 2022 to June 2023.



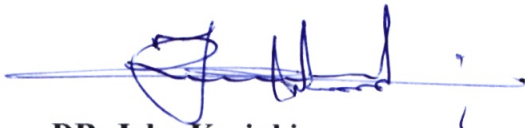
Clinical/operational performance

During financial year 2022/2023, the facility recorded patients' attendance as below;

- Bed capacity of the hospital is 15
- Overall patient attendance during the year for both inpatient and outpatient were 33838
- Accident and Emergency attendance is 120
- Specialised clinic attendance for the year 2022/2023 were 5232
- Average length of stay for in patient was 4-5days per patients-
- Bed occupancy rate for Kigumo level 4 hospital was 30%
- Mortality rate was zero
- Kigumo level 4 hospital has no Surgical theatre.

Financial performance that includes: -

The main source of hospital revenue is FIF and NHIF for both inpatients and outpatients.



DR. John Kariuki

Secretary to the Board

10. Environmental And Sustainability Reporting

Kigumo level 4 hospital exist to transforms lives, and that is what guides us to deliver us strategy, putting our patients' clients first, delivering health services and improving operation excellence.

i) Sustainability strategy and profile

Kigumo level 4 hospital is committed to transitioning to a more sustainability way in conducting its business. The hospital offers its employees internship program and also opportunities to volunteer in the institution.

ii) Environmental performance

Kigumo level 4 hospital in collaboration with the public health department has policies laid down and procedures on waste disposal and segregation. All the medical waste are properly handled to avoid contamination. Incinerator is handled by trained personnel and the facility is strategically located to avoid air pollution to the surrounding neighbourhood.

iii) Employee welfare

Some of the hospital staff were seconded from the national government and other hired by the county government through the public service board being an essential service provider, the hospital also has hired casual's labourer to fill the gap since the number of the posted staff is way much below the required one due to the growing workload, all staffs are appraised annually.

iv) Market place practices-

The hospital makes sure substandard goods are not in any way find way in the facility through the acceptance committee members who checks on the requested specification as well as the expiry dates of whatever has been supplied.

a) Responsible competition practice.

All the procurement is done through an open tender and request for quotation from the prequalified suppliers. The tendering process is competitive and open to all, in order to cater for youth and women 30% is set aside for them through AGPO. In order to avoid price inflation, the market survey is done before awarding tender.

b) Responsible Supply chain and supplier relations

Quotation is only issued to the prequalified suppliers and awarded merchants through the county framework suppliers are given ample time to source for the required commodities.

All suppliers are treated fairly and opportunity given to all of them so long as they are in a financial capacity to supply.

c) Responsible marketing and advertisement

Although the tendering process is done at the county level, its advertised through a national newspaper which is accessible to all the members of the public. No Kenyan is limited to apply as long as they qualify.

d) Product stewardship

The hospital makes sure that all pharmaceuticals and non-pharmaceuticals supplied to the facility are of good quality and cannot cause harm to the patients.

v) Corporate Social Responsibility / Community Engagements

The hospital is public and non-profit making organisation, its only assist patients by waiving hospital bills. This relieves the burden of re-infections as well as long stay in the facility. Due diligence is done to the patients to identify the neediest cases with the help of the social workers who even conduct home visit.

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, 2023, which show the state of the hospital's affairs.

Principal activities

The principal activities of the hospital are to provide affordable health care services to the community of Komothai and its environs.

Results

The results of the entity for the year ended June 30 2023 are set out on pages 1 to 83

Board of Management

The members of the Board who served during the year are shown on page vii. During the year, none of director(s) retired/ resigned, and none of director (s) was appointed.

Auditors

The Auditor General is responsible for the statutory audit of the *entity* in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



DR. John Kariuki

Secretary to the Board

12. Statement of Board of Management's Responsibilities

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

The Board of Management is responsible for the preparation and presentation of the hospital's financial statements, which give a true and fair view of the state of affairs of the hospital for and as at the end of the financial year (period) ended on June 30th, 2023. 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 hospital, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the hospital; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board of Management accepts responsibility for the hospital's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the Kiambu Health Act, 2019. The Board members are of the opinion that the hospital's financial statements give a true and fair view of the state of hospital's transactions during the financial year ended June 30, 2023, and of the hospital's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the hospital, which have been relied upon in the preparation of the hospital's financial statements as well as the adequacy of the systems of internal financial control.


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

Approval of the financial statements

The Hospital's financial statements were approved by the Board on 5/8/2023 and signed on its behalf by:



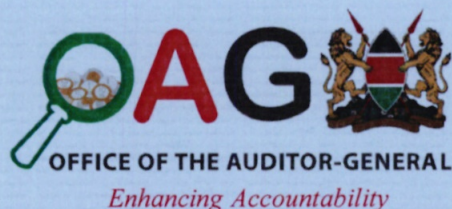
Mr. Stephen Njoroge
Chairperson
Board of Management



DR. John Kariuki
Accounting Officer

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON KIGUMO LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2023 - COUNTY GOVERNMENT OF KIAMBU

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kigumo Level 4 Hospital - County Government of Kiambu set out on pages 1 to 54, which comprise of the statement of financial position as at 30 June, 2023 and the statement of financial performance,

Report of the Auditor-General on Kigumo Level 4 Hospital for the year ended 30 June, 2023 - County Government of Kiambu

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

In my opinion, except for the effect of the matters describes in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects the financial position of Kigumo Level 4 Hospital - County Government of Kiambu as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012, the Health Act, 2017 and the County Governments Act, 2012.

Basis for Qualified Opinion

1. Unsupported In-Kind Contribution from the County Government

The statement of financial performance reflects In-Kind contribution from the County Government of Kshs.27,709,654 as disclosed in Note 7 to the financial statements. The amount includes Kshs.26,828,480 relating to employee cost contribution by the county executive in the year under review, for which no supporting documents were provided for audit.

In the circumstances, the accuracy and completeness of In-Kind contribution from the County Government of Kshs.26,828,480 could not be confirmed.

2. Management of NHIF Claims

2.1. Variances in Revenue from Rendering Services

The statement of financial performance reflects Kshs.932,200 in respect to transfers from other government entities as disclosed in Note 9 to the financial statements. The amount relates to National Health Insurance Fund (NHIF) reimbursements. However, the NHIF records revealed an amount of Kshs.1,146,100 was paid to the Hospital resulting to an unexplained variance of Kshs.213,900.

In the circumstances, the accuracy and completeness of transfers from other government entities of Kshs.932,200 could not be confirmed.

2.2. Variances in Receivables from Exchange Transactions

The statement of financial position reflects receivables from exchange transactions balance of Kshs.888,530 as disclosed in Note 28 to the financial statements. The amount

relates to dues from the National Health Insurance Fund (NHIF) whose records indicate a balance of Kshs.1,850,830 resulting to an unexplained variance of Kshs.962,300.

In the circumstances, the accuracy, completeness and recoverability of the trade receivables balance from exchange transactions of Kshs.888,530 could not be confirmed.

3. Non-Disclosure of Property, Plant and Equipment

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

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

4. Inaccuracies in the Statement of Cash Flows

The statement of cash flows reflects cash equivalents as at 30 June, 2023 and 30 June, 2022 of Kshs.407,022 and Kshs.221,134 respectively. However, recasting of the statement of cash flows results to cash equivalents as at 30 June, 2023 of Kshs.203,760 and as at 30 June, 2022 of Kshs.1,361,095 resulting to unreconciled variances of Kshs.203,262 and Kshs.1,139,961 respectively. In addition, the recomputed balances vary with the cash and cash equivalents balances reflected in the statement of financial position.

Further, the statement of cash flows has not been adjusted for changes in working capital in respect of increase in trade in receivables of Kshs.222,741, increase in inventories of Kshs.1,761,789 and increase in trade payables of Kshs.1,526,698.

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

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Provide an Approved Budget

The statement of comparison of budget and actual reflects total budgeted revenue and budgeted expenditure of Kshs.5,063,190. However, Management did not provide the approved budget for audit.

In the circumstances, the validity of the expenditure incurred by the Hospital could not be confirmed.

2. Failure to Transfer Revenue to the County Revenue Fund Account

The statement of financial performance reflects rendering services- medical services income of Kshs.4,130,990 as disclosed in Note 11 to the financial statements. However, the amount was not transferred to the County Revenue Fund Account for approval by the Controller of Budget before withdrawal. This was contrary to Regulation 81(1-3) of Public Finance Management (County Governments) Regulations, 2015 which states that a receiver of revenue shall promptly deposit into the County exchequer account all receipts due to the County Revenue Fund.

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

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

Review of Hospital records and interviews on verification of services offered, equipment used and medical specialists in the Hospital at the time of audit revealed that the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits by ninety six (96) staff requirements or 95% of the authorized establishment,

Criteria	Level 4 Hospital Standard	Actuals in the Hospital	Variance
Staffing Requirement			
Medical Officers	16	1	15

Criteria	Level 4 Hospital Standard	Actuals in the Hospital	Variance
Anaesthesiologists	2	0	5
General Surgeons	2	0	5
Gynaecologists	2	0	5
Paediatricians	2	1	1
Radiologists	2	1	1
Registered Community Health Nurses	75	11	64
Total	101	14	96

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

Service	Level 4 Hospital Standard	Actuals in the Hospital	Variance
Bed Capacity	150	30	120
Incubators (New Born)	5	1	4
Cots	5	0	5
Resuscitative in Theatre	1	0	1
Resuscitative in Labour Ward	2	1	1
Functional ICU Beds	6	0	6
HDU Beds	6	0	6
Renal Unit with Dialysis Machines	5	0	5
Functional Operating Theatres Maternity and General	2	0	2

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

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Risk Management Policy

During the year under review, Management had not developed a risk management policy for the Hospital and no formal risk assessments were done during the year under review contrary to Regulation 158(1) of the Public Finance Management (County Governments) Regulations, 2015 which states that the Accounting Officer shall ensure that the County Government entity develops risk management strategies, which include fraud prevention mechanism; and a system of risk management and internal controls that builds robust business operations

In the circumstances, it was not possible to confirm the existence of an effective risk management and governance system.

2. Lack of Functional and Financial Autonomy of the Hospital

Review of expenditure records revealed that all activities including requisition approvals, procurement, and payment of expenditure was done at the county headquarters. Management therefore lacks functional independence and financial autonomy leading to shortages of drugs and inefficient service delivery.

In the circumstances, lack of functional independence and financial autonomy may lead to inefficient service delivery.

3. Internal Audit Function

The Hospital Management has not established an internal audit department and there was no evidence that internal audit reviews were carried out during the financial year under review.

In the circumstances, the existence of an effective risk management and governance system 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 basis for my conclusion.

Responsibilities of Management and the Hospital Board of Management

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect

a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance review is planned and performed to express a conclusion with limited assurance as to whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

Further, in planning and performing the audit of the financial statements and review of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Hospital's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Hospital to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Hospital to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

05 July, 2024

Kigumo Level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

14. Statement of Financial Performance for The Year Ended 30 June 2023

Description	Note	Period ended 30 th June, 2023	Restated Period ended 30 th June, 2022
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6		
In-kind contributions from the County Government	7	27,709,654	26,828,480
Grants from donors and development partners	8		
Transfers from other Government entities	9	932,200	882,000
Public contributions and donations	10		
		28,641,854	27,710,480
Revenue from exchange transactions			
Rendering of services- Medical Service Income	11	4,130,990	4,574,781
Revenue from rent of facilities	12	0	0
Finance /Interest Income	13	0	0
Miscellaneous Income	14	0	0
Revenue from exchange transactions		4,130,990	4,574,781
Total revenue		32,772,844	32,285,261
Expenses			
Medical/Clinical costs	15	1,099,302	392,818
Employee costs	16	29,607,554	28,707,680
Board of Management Expenses	17		0
Depreciation and amortization expense	18		0
Repairs and maintenance	19		750,000
Grants and subsidies	20	1,012,638	1,091,356
General expenses	21	1,478,244	400,000
Finance costs	22		0
Total expenses		33,197,738	31,341,854
Other gains/(losses)			
Gain/Loss on disposal of non-Current assets	23		0

Kigumo Level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

Description	Note	Period ended 30 th June, 2023	Restated Period ended 30 th June, 2022
		Kshs	Kshs
Unrealized gain on fair value of investments	24		0
Medical services contracts Gains/Losses	25		0
Impairment loss	26		0
Gain on foreign exchange transactions			0
Total other gains/(losses)			0
Net Surplus for the year		(424,894)	943,407

The Hospital's financial statements were approved by the Board on 5/8/2023 and signed on its behalf by:

Mr. Stephen Njoroge



Chairman

Board of Management

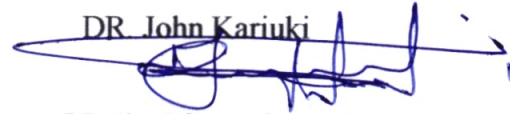
Mr. George Gichuru



Head of Finance

ICPAK No:

DR. John Kariuki



Medical Superintendent

15. Statement of Financial Position as at 30th June 2023

Description	Note	Period ended 30 th June, 2023	Restated Period ended 30 th June, 2022
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	27	407,021.85	221,134.25
Receivables from exchange transactions	28	888,530	665,789
Receivables from non-exchange transactions	29		
Inventories	30	1,761,789	
Total Current Assets		3,057,340	886,923.25
Non-current assets			
Property, plant, and equipment	31		
Intangible assets	32		
Investment property	33		
Total Non-current Assets			
Total assets		3,057,340	886,923.25
Liabilities			
Current liabilities			
Trade and other payables	34	2,538,828	1,012,130
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		2,538,828	1,012,130
Non-current liabilities			
Provisions	36		
Non-Current Finance lease obligation	37		
Non-Current portion of deferred income	38		
Non - Current portion of borrowings	39		
Service concession liability	40		

Kigumo Level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

Description	Note	Period ended 30 th June, 2023	Restated Period ended 30 th June, 2022
		Kshs	Kshs
Social Benefits	41		
Total Non-current liabilities			
Total Liabilities		2,538,828	1,012,130
Net assets			
Revaluation reserve			
Accumulated surplus/Deficit		518,513	943,407
Capital Fund			
		518,513	943,407
Total Net Assets and Liabilities		3,057,341	1,955,537

The Hospital's financial statements were approved by the Board on 5/8/2022 and signed on its behalf by:

Mr. Stephen Njoroge



Chairman
Board of Management

Mr. George Gichuru



Head of Finance
ICPAK No:

DR. John Kariuki



Medical Superintendent

16. Statement of Changes in Net Asset for The Year Ended 30 June 2023

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2021 (previous year)				
Revaluation gain				
Surplus/(deficit) for the year				
Capital/Development grants				
Restated				
As at June 30, 2022 (previous year)		943,407		943,407
At July 1, 2022 (current year)				
Revaluation gain				
Surplus/(deficit) for the year		(424,894)		(424,894)
Capital/Development grants				
At June 30, 2023 (current year)		518,513		518,513

17. Statement of Cash Flows for The Year Ended 30 June 2023

Description	Note	Period ended 30 th June, 2023	Restated Period ended 30 th June, 2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government			
Grants from donors and development partners			
Transfers from other Government entities		932,200	882,000
Public contributions and donations			
Rendering of services- Medical Service Income		4,130,990	4,574,781
Revenue from rent of facilities			
Finance / interest income			
Miscellaneous receipts			
Total Receipts		5,063,190	5,456,781
Payments			
Medical/Clinical costs		1,099,302	392,818
Employee costs		1,897,900	1,879,200
Board of Management Expenses			
Repairs and maintenance			750,000
Grants and subsidies		1,012,638	1,091,356
General expenses		1,478,244	400,000
Finance costs			
Refunds paid out			
Total Payments		5,488,084	4,513,374
Net cash flows from operating activities	42	(424,894)	943,407
Cash flows from investing activities			
Purchase of property, plant, equipment & intangible assets			
Proceeds from the sale of property, plant, and equipment			
Acquisition of investments			
Net cash flows used in investing activities			
Cash flows from financing activities			
Proceeds from borrowings			
Repayment of borrowings			

Kigumo Level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

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	221,134.25	417,688.25
Cash and cash equivalents as at 30 June	27	407,021.85	221,134.25

Kigumo Level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

18. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 Jun 2023

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				5,220,800		
Grants from donors and development partners						
Transfers from other Government entities	932,200		932,200			
Public contributions and donations	0					
Rendering of services- Medical Service Income	4,130,990		4,130,990			
Revenue from rent of facilities						
Finance / interest income						
Miscellaneous receipts (<i>specify</i>)						
Total income	5,063,190		5,063,190	5,220,800		103
Expenses						
Medical/Clinical costs	882,587		882,587	1,099,302		124
Employee costs	1,897,900		1,897,900	1,897,900		100
Remuneration of directors						
Repairs and maintenance	193,739		193,739			
Grants and subsidies	1,012,638		1,012,638			
General expenses	1,076,326		1,076,326	1,478,244		137
Finance costs						
Refunds						
Surplus for the period				745,354		
Capital expenditure						

19. Notes to the Financial Statements

1. General Information

Kigumo level 4 hospital is established by and derives its authority and accountability from the Kiambu Health Act, 2019. The entity is wholly owned by the Kiambu County Government and is domiciled in Kiambu County in Kenya. The entity's principal activity is to offer affordable health care 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 hospital's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 10. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the hospital. The financial statements have been prepared in accordance with the PFM Act, the Kiambu Health Act, 2019 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 2023.

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

Standard	Effective date and impact
	<p>(a) The nature of such social benefits provided by the Entity.</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other improvements to IPSAS</p>	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • IPSAS 22 Disclosure of Financial Information about the General Government Sector. <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • <i>IPSAS 29: Financial instruments: Recognition and Measurement Standard</i> no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.

ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.

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> <ul style="list-style-type: none"> i. 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: ii. 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.

iii) Early adoption of standards

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

4. Summary of Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other Government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Entity and can be measured reliably. 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 2022/2023 was approved by Board on 5/6/2022. 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 hospital did not record additional appropriations on the FY 2022/2023 budget. The hospital's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page viii under section xviii 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 years. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e. Property, plant and equipment

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

Notes to the Financial Statements (Continued)

f. Leases

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

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

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

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

g. Intangible assets

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

Notes to the Financial Statements (Continued)

h. Research and development costs

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

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

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

i. Financial instruments

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

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 k.

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 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, 2023.

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

Notes to Financial Statements Continued

6. Transfers from the County Government

Description	Period ended 30 June,2023	Period ended 30 June, 2022.
	KShs	KShs
Unconditional grants		
Operational grant	0	0
Level 5 grants	0	0
Unconditional development grants	0	0
Other grants	0	0
	0	0
Conditional grants		
User fee forgone	0	0
Transforming health services for Universal care project (THUCP)	0	0
DANIDA	0	0
Wards Development grant	0	0
Paediatric block grant	0	0
Administration block grant	0	0
Laboratory grant	0	0
Total government grants and subsidies	0	0

6 b Transfers from The County Government

Name of the Entity sending the grant	Amount recognized to Statement of financial performance* KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year	Comparative Period
			KShs	KShs	KShs
County Government	0	0	0	0	0
Total	0	0	0	0	0

Notes to Financial Statements Continued

7. In Kind Contributions from The County Government

Description	Period ended 30 June, 2023.	Period ended 30 June, 2022
	KShs	KShs
Salaries and wages	26,828,480	26,828,480
Medical supplies-Drawings Rights (KEMSA)	881,174	0
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)	0	0
Utility bills	0	0
Total grants in kind	27,709,654	26,828,480

8. Grants From Donors and Development Partners

Description	Period ended 30 June, 2023	Period ended 30 June, 2022
	KShs	KShs
Cancer Centre grant- DANIDA	0	0
World Bank grants	0	0
Paediatric ward grant- JICA	0	0
Research grants	0	0
Other grants	0	0
Total grants from development partners	0	0

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 ended 30 June 2022
	KShs	KShs	KShs	KShs	KShs
Donor e.g., DANIDA	0	0	0	0	0
JICA	0	0	0	0	0
World Bank	0	0	0	0	0
Total	0	0	0	0	0

Notes to Financial Statements Continued

9. Transfers From Other Government Entities

Description	Period ended 30 June, 2023	Period ended 30 June, 2022
	KShs	KShs
Transfer from National Government (Ministry of Health)	0	0
Transfer from National Hospital	932,200	882,000
Transfer from Institute	0	0
Total Transfers	932,200	882,000

10. Public Contributions and Donations

Description	Period Ended 30 June, 2023	Period ended 30 June, 2022.
	KShs	KShs
Public donations	0	0
Donations from local leadership	0	0
Donations from religious institutions	0	0
Donations from other international organisations and individuals	0	0
Other donations(specify)	0	0
Donations in kind-amortised	0	0
Total donations and sponsorships	0	0

10 (a)Reconciliations of amortised grants

Description	Period ended 30 June, 2023	Period ended 30 June, 2022
	Kshs	Kshs
Balance unspent at beginning of year	0	0
Current year receipts	0	0
Amortised and transferred to revenue	0	0
Conditions to be met – remain liabilities	0	0

Notes to Financial Statements Continued

11. Rendering of Services-Medical Service Income

Description	Period ended 30th June, 2023.	Period ended 30th June, 2022.
	Kshs	Kshs
Pharmaceuticals	1,008,884	2,405,000
Non-Pharmaceuticals	293,480	754,000
Laboratory	419,260	810,016
Radiology	348,465	500,400
Orthopedic and Trauma Technology	10,870	105,000
Theatre	0	0
Accident and Emergency Service	0	0
Anesthesia Service	0	0
Ear Nose and Throat service	0	0
Nutrition service	0	0
Cancer centre service	0	0
Dental services	121,840	75,000
Reproductive health	0	0
Paediatrics services	0	0
Farewell home services	0	0
Other medical services income <i>(specify)</i>	1,928,191	0
Total revenue from the rendering of services	4,130,990	4,574,781

(Other medical services fee stated above include Registration, Morgue and Physiotherapy charges)

Notes to the Financial Statements (Continued)

12. Revenue From Rent of Facilities

Description	Period ended 30 June, 2023	Period ended 30 June, 2022
	Kshs	Kshs
Residential property	0	0
Commercial property	0	0
Total Revenue from rent of facilities	0	0

13. Finance /Interest Income

Description	Period ended 30 June, 2023	Period ended 30 June, 2022
	Kshs	Kshs
Cash investments and fixed deposits	0	0
Interest income from short-term/ current deposits	0	0
Interest income from Treasury Bills	0	0
Interest income from Treasury Bonds	0	0
Interest from outstanding debtors	0	0
Total finance income	0	0

14. Miscellaneous Income

Description	Period ended 30 June, 2023	Period ended 30 June, 2022
	KShs	KShs
Insurance recoveries	0	0
Income from sale of tender	0	0
Services concession income	0	0
Sale of goods (water, publications, containers etc)	0	0
Write backs (Deposits, payments in advance etc)	0	0
Bad debts recovered	0	0
Others (Specify)	0	0
Total Miscellaneous income	0	0

Notes to the Financial Statements (Continued)

15. Medical/ Clinical Costs

Description	Period Ended 30 June, 2023	Period ended 30 June, 2022
	Kshs	Kshs
Dental costs/ materials	29,800	
Laboratory chemicals and reagents	538,733	199,314
Public health activities		
Food and Ration	50,449	
Uniform, clothing, and linen		
Dressing and Non-Pharmaceuticals	276,405	169,650
Pharmaceutical supplies	171,965	29,325
Health information stationery		
Reproductive health materials		
Sanitary and cleansing Materials		
Purchase of Medical gases	31,950	
X-Ray/Radiology supplies		
Other medical related clinical costs (specify)		
Total medical/ clinical costs	1,099,302	392,818

16. Employee Costs

Description	Period ended 30 June, 2023	Period ended 30 June, 2022
	Kshs	Kshs
Salaries, wages, and allowances	2,779,074	1,879,200
Contributions to pension schemes	0	0
Service gratuity	0	0
Performance and other bonuses	0	0
Staff medical expenses and Insurance cover	0	0
Group personal accident insurance and WIBA	0	0
Social contribution	0	0
Other employee costs (specify)	26,828,480	26,828,480
Employee costs	29,607,554	28,707,680

Notes to the Financial Statements (Continued)

17. Board of Management Expenses

Description	Period ended 30 June, 2023	Period ended 30 June, 2022
	Ksh	Kshs
Chairman's Honoraria		
Sitting allowance		
Mileage		
Insurance expenses		
Induction and training		
Travel and accommodation allowance		
Airtime allowances		
Total		

18. Depreciation and Amortization Expense

Description	Period ended 30 June, 2023	Period ended 30 June, 2022
	Kshs	Kshs
Property, plant and equipment		
Intangible assets		
Investment property carried at cost		
Total depreciation and amortization		

19. Repairs And Maintenance

Description	Period ended 30 June, 2023	Period ended 30 June, 2022
	Kshs	Kshs
Property- Buildings		100,000
Medical equipment		50,000
Office equipment		
Furniture and fittings		300,000
Computers and accessories		50,000
Motor vehicle expenses		250,000
Maintenance of civil works		
Total repairs and maintenance		750,000

Notes to the Financial Statements (Continued)

20. Grants And Subsidies

Description	Period ended 30 June, 2023	Restated Period ended 30 June, 2022
	Kshs	Kshs
Community development and social work	0	0
Education initiatives and programs	0	0
Free/ subsidised medical camp	0	0
Disability programs	0	0
Free cancer screening	0	0
Social benefit expenses	0	0
Other grants and subsidies (20% of total revenue)	1,012,638	1,091,356
Total grants and subsidies	1,012,638	1,091,356

21. General Expenses

Description	Period ended 30 June, 2023	Period ended 30 June, 2022
	Kshs	Kshs
Advertising and publicity expenses		
Catering expenses		
Waste management expenses		
Insecticides and rodenticides		
Audit fees		
Bank charges	13,044	1,000
Conferences and delegations		
Consultancy fees		
Contracted services		
Electricity expenses	1,253,120	305,000
Fuel and Lubricants	9,920	
Insurance		
Research and development expenses		
Travel and accommodation allowance		
Legal expenses		
Licenses and permits		
Courier and postal services		
Printing and stationery	89,750	50,000
Hire charges		
Rent expenses		

Kigumo Level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2023

Description	Period ended 30 June, 2023	Period ended 30 June, 2022
	Kshs	Kshs
Water and sewerage costs	82,410	44,000
Skills development levies		0
Telephone and mobile phone services	30,000	0
Internet expenses		0
Staff training and development		0
Subscriptions to professional bodies		0
Subscriptions to newspapers periodical, magazines, and gazette notices		0
Library books/Materials		0
Parking charges		0
Total General Expenses	1,478,244	400,000

22. Finance Costs

Description	Period ended 30 June, 2023	Comparative Period ended 30 June, 2022
	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	Period ended 30 June, 2023	Period ended 30 June, 2022
	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	Period ended 30 June, 2023	Comparative period ended 30 June, 2022
	KShs	KShs
Investments at fair value		
Total gain		

Notes to the Financial Statements (Continued)

25. Medical Services Contracts Gains /Losses

Description	Period ended 30 June, 2023	Period ended 30 June, 2022
	KShs	KShs
Comprehensive care contracts with NHIF	0	0
Non- Comprehensive contracts care with NHIF	0	0
Linda Mama Program	0	0
Waivers and Exemptions	0	0
Total Gain/Loss	0	0

26. Impairment Loss

Description	Period ended 30 June, 2023	Period ended 30 June, 2022
	KShs	KShs
Property, plant, and equipment	0	0
Intangible assets	0	0
Total impairment loss	0	0

27. Cash And Cash Equivalents

Description	Period ended 30 June, 2023	Period ended 30 June, 2022
	KShs	KShs
Current accounts	407,021.85	221,134.25
On - call deposits	0	0
Fixed deposits accounts	0	0
Cash in hand	0	0
Others(specify)- Mobile money	0	0
Total cash and cash equivalents	407,021.85	221,134.25

Notes to the Financial Statements (Continued)

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

Description		Period ended 30 th June,2023	Period ended 30 th June, 2022
Financial institution	Account number	KShs	KShs
a) Current account			
Kenya Commercial bank	1157609384	407,021.85	221,134.25
Equity Bank, etc.			
Sub- total		407,021.85	221,134.25
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		407,021.85	221,134.25

28. Receivables From Exchange Transactions

Description	Period ended 30 June, 2023	Period ended 30 June, 2022
	KShs	KShs
Medical services receivables	888,530	665,789
Rent receivables	0	0
Other exchange debtors	0	0
Less: impairment allowance	0	0
Total receivables	888,530	665,789

Analysis of Receivables from Exchange Transactions

Description	Period ended 30 June, 2023		Period ended 30 June, 2022	
	Kshs		Kshs	
	Period ended 30 June, 2023	% of the total	Period ended 30 June, 2022	% of the total
Less than 1 year	888,530	37.5%		
Between 1- 2 years				
Between 2-3 years				
Over 3 years				
Total (a+b)	888,530	37.5%		

29. Receivables From Non-Exchange Transactions

Description	Period ended 30 June, 2023	Period ended 30 June, 2022
	KShs	KShs
Transfers from the County Government		
Undisbursed donor funds		
Other debtors (non-exchange transactions)		
Less: impairment allowance		
Total		

Analysis of Receivables from Non-Exchange Transactions

Description	Period ended 30 th June, 2023		Period ended 30 June, 2022	
	Kshs		Kshs	
	Period ended 30 th June, 2023	% of the total	Period ended 30 th June, 2022	% of the total
Less than 1 year		%		%
Between 1- 2 years		%		%
Between 2-3 years		%		%
Over 3 years		%		%
Total (a+b)		%		%

30. Inventories

Description	Period ended 30 June, 2023	Period ended 30 June, 2022
	KShs	KShs
Pharmaceutical supplies	1,761,789	
Maintenance supplies		
Food supplies		
Linen and clothing supplies		
Cleaning materials supplies		
General supplies		
Less: provision for impairment of stocks		
Total	1,761,789	

**Kigumo Level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2023**

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 2021 (previous year)								
Additions								
Disposals								
Transfers/adjustments								
At 30 Jun 2022								
At 1 July 2022 (current year)								
Additions								
Disposals								
Transfer/adjustments								
At 30 Jun 2023								
Depreciation and impairment								
At 1 July 2021(previous year)								
Depreciation for the year								
Disposals								
Impairment								
At 30 June 2022								

Kigumo Level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2023

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
At July 2022 (current year)								
Depreciation								
Disposals								
Impairment								
Transfer/adjustment								
At 30 June 2023								
Net book values								
At 30 Jun 2022 (previous)								
At 30 Jun 2023 (current)								

Kigumo Level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2023

Notes to the Financial Statements (Continued)

32. Intangible Assets-Software

Description	Period ended 30 June, 2023	Period ended 30 June, 2022
	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	Period ended 30 June, 2023	Period ended 30 June, 2022
	KShs	KShs
At beginning of the year		
Additions		
Disposals during the year		
Fair value gain		
Depreciation (where investment property is at cost)		
Impairment		
At end of the year		

Kigumo Level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2023

Notes to the Financial Statements (Continued)

34. Trade and other Payables

Description	Period ended 30 June, 2023		Period ended 30 June, 2022	
	KShs		KShs	
Trade payables	2,538,828		472,130	
Employee dues			540,000	
Third-party payments (e.g., unremitted payroll deductions)				
Audit fee				
Doctors' fee				
Total trade and other payables	2,538,828		1,012,130	
Ageing analysis:	Period ended 30th June, 2023	% of the Total	Period ended 30th June, 2022	% of the total
Under one year	98,024	3		%
1-2 years	1,156,011	45		%
2-3 years	619,128	24		%
Over 3 years	665,665	26		%
Total	2,538,828	100		%

35. Refundable Deposits from Customers/Patients

Description	Period ended 30 June, 2023		Period ended 30 June, 2022	
	KShs		KShs	
Medical fees paid in advance				
Credit facility deposit				
Rent deposits				
Others (<i>specify</i>)				
Total deposits				
Ageing analysis:	Period ended 30 June, 2023	% of the Total	Period ended 30 June, 2022	% of the Total
Under one year		%		%
1-2 years		%		%
2-3 years		%		%
Over 3 years		%		%

Notes to the Financial Statements (Continued)

Kigumo Level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2023

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	Period ended 30 June, 2023	Period ended 30 June, 2022
	Kshs	Kshs
Current Lease obligation		
Long term lease obligation		
Total		

38. Deferred Income

Description	Period ended 30 June, 2023	Period ended 30 June, 2022
	KShs	KShs
Current Portion		
Non-Current Portion		
Total		

Kigumo Level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2023

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 (Specify)				
Balance C/F				

39. Borrowings

Description	Period ended 30 June, 2023	Period ended 30 June, 2022
	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	Period Ended 30 June, 2023	Period ended 30 June, 2022
	KShs	KShs
Current Obligation		
Non-Current Obligation		
Total		

Notes to the Financial Statements (Continued)

40. Service Concession Arrangements

Description	Period ended 30 June, 2023	Period ended 30 June, 2022
	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 Benefit Liabilities

Description	Period ended 30 June, 2023	Period ended 30 June, 2022
	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)		

Notes to the Financial Statements (Continued)

42. Cash Generated from Operations

Description	Period ended 30 June, 2023	Period ended 30 June 2022
	KShs	KShs
Surplus for the year before tax	(424,894)	
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	(424,894)	

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

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

(i) Credit risk

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2022 (previous year)				
Receivables from exchange transactions				
Receivables from –non-exchange transactions				
Bank balances				
Total				
At 30 June 2023 (current year)				
Receivables from exchange transactions				
Receivables from –non-exchange transactions				
Bank balances				
Total				

Notes to the Financial Statements (Continued)

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The entity has significant concentration of credit risk on amounts due from nil the board of management sets the company's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2022				
Trade payables				
Current portion of borrowings				
Provisions				
Deferred income				
Employee benefit obligation				
Total				
At 30 June 2023				
Trade payables				
Current portion of borrowings				
Provisions				
Deferred income				
Employee benefit obligation				
Total				

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

a) Foreign currency risk

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

Description	KShs	Other currencies	Total
	Kshs		Kshs
At 30 June 2023			
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.

Notes to the Financial Statements (Continued)

Description	KShs	Other currencies	Total
	Kshs		Kshs
At 30 June 2023			
Financial assets (investments, cash, debtors)	0	0	0
Liabilities			
Trade and other payables	0	0	0
Borrowings	0	0	0
Net foreign currency asset/(liability)	0	0	0

Foreign currency sensitivity analysis

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

Description	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
2022 (previous year)			
Euro	10%		
USD	10%		
2023(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 company's interest rate risk arises from bank deposits. This exposes the company to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the company's deposits.

Management of interest rate risk

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

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 0 (2022: KShs 0). A rate increase/decrease of 5% would result in a decrease/increase in surplus of KShs 0 (2023 – KShs 0).

IV) Capital Risk Management

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

Description	Period ended 30 June, 2023	Period ended 30 June, 2022
	Kshs	Kshs
Revaluation reserve		
Retained earnings		
Capital reserve		
Total funds		
Total borrowings		
Less: cash and bank balances		
Net debt/ (excess cash and cash equivalents)		
Gearing		

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.

Kiambu County Government is the principal shareholder of the Kigumo level 4 hospital holding 100% of the hospital's equity interest. The National Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. The related parties include:

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

Description	Period ended 30 June, 2023	Period ended 30 June, 2022
	Kshs	Kshs
Transactions with related parties		
a) Services offered to related parties		
Services to nil		
Sales of services to nil		
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 nil employees		
Payments for goods and services for nil		
Total		
d) Key management compensation		

Kigumo Level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2023

Description	Period ended 30 June, 2023	Period ended 30 June, 2022
	Kshs	Kshs
Directors' emoluments		
Compensation to the medical Sup		
Compensation to key management		
Total		

45. Segment Information

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

46. Contingent Liabilities

Contingent liabilities	Period ended 30 June, 2023	Period ended 30 June 2022
	Kshs	Kshs
Court case against the KL4H		
Bank guarantees in favour of subsidiary		
Total		

47. Capital Commitments

Capital Commitments	Period ended 30 June, 2023	Period ended 30 June, 2022
	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 under the Department of Health. Its ultimate parent is the County Government of Kiambu.

50. Currency

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

20. Appendices

Appendix 1: Progress on Follow Up of Auditor Recommendations

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

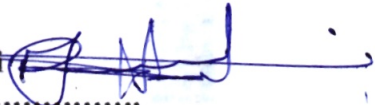
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Unconfirmed Opening Balances and Comparatives Figures	Management had prepared the accounts records for the Fiscal year `2020/2021. The comparative figures for the year 2020/2021 were forwarded together with the financial statement for FY 2021/2022.	Resolved	
2.	Inaccuracies in the Financial Statement	Management acknowledge error of omission and calculation and the amended financial statement were presented.	Resolved	
3.	Variances Between Financial Statement and Supporting Schedules.	The management acknowledged there was difference between Financial statement and supporting schedules and the error was corrected and amended financial statement was presented.	Resolved	
4.	Inaccuracies in Rendering of Services/medical Income.	Management acknowledge that revenue from rendering of medical services was overstated and correction was made and amended financial statement presented.	Resolved	

Kigumo Level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2023

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)
5.	Lack of Risk Management Policy.	The management has undertaken measures to ensure that risk management policy for the hospital is developed.	Resolved	

Guidance Notes:

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

DR. John Karuki 

 Accounting Officer

Appendix II: Projects Implemented by the Entity

Projects

Projects implemented by the Hospital Funded by development partners

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

Status of Projects completion

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

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

Kigumo Level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2023

Appendix III: Inter-Entity Confirmation Letter



Kigumo level 4 hospital
P.O Box 30 Gathugu via Ruiru

The Kiambu County FIF fund wishes to confirm the amounts disbursed to you as at 30th June 2023 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by Kigumo level 4 hospital as at 30 th June 2023							
Reference Number	Date Disbursed	Amounts Disbursed by [Kiambu County FIF Fund] (KShs5,220,801.6) as at 30th June 2023				Amount Received by [beneficiary entity] (KShs) as at 30 th June 2023 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
	2/8/2022					707,515.2	
	19/10/2022					552,690.4	
	14/11/2022					604,000	
	5/1/2023					1,584,011.2	

Kigumo Level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2023

	20/3/2023					1,772,584.8	
Total						5,220,801.6	

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

Head of Accounts Department of the beneficiary entity:

Name: George Gichuru. Sign Date 5/8/2023

**Kigumo Level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30 June 2023**
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		

Kigumo Level 4 Hospital (Kiambu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

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