

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*



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**REPORT**  
**OF**  
**THE AUDITOR-GENERAL**  
**ON**  
**KABARTONJO LEVEL 4 HOSPITAL**  
**FOR THE YEAR ENDED**  
**30 JUNE, 2024**  
**COUNTY GOVERNMENT OF BARINGO**



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# **KABARTONJO LEVEL 4 HOSPITAL (Baringo County Government)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2024**

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

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**1. ACRONYMS & GLOSSARY OF TERMS**

CSR	Corporate Social Responsibility
OSHA	Occupational Health & Safety Act
PFMA	Public Financial Management Act
MED SUP	Medical Superintendent
Fiduciary Management	Key management personnel who have financial responsibility in Kabartonjo Level 4 Hospital.

## **2. KEY KABARTONJO LEVEL 4 HOSPITAL INFORMATION AND MANAGEMENT**

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

Kabartonjo Hospital is a gazetted level (4) hospital established and is domiciled under the Health department in county government of Baringo. The hospital is governed by a Board of Management. Its Foundation was laid in 1964; it became a Dispensary in 1984 and was elevated to a Health centre in 1995. On 22<sup>nd</sup> July 2011 it was gazetted as a District Hospital then as a level 4 Hospital in 2017 gazette. The hospital is situated in the highlands of Katimok Forest in Bebyemit village, Tiriondonin sub location, Ossen location, Kabartonjo ward –Baringo North Sub County in Baringo County. The facility currently has a bed capacity of 32 and is accredited NHIF level 4 facility. The hospital sits on 11.5 acres which is demarcated.

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

- Maternity in patient services
- Referrals services
- VCT and Counselling
- Curative services
- Laboratory services
- TB clinics
- Diabetes and hypertension services
- Antenatal and postnatal services
- Comprehensive care clinics for patients living with HIV
- Baby well clinics
- Pharmacy
- X ray services
- Physiotherapy and orthopaedic trauma services

### **VISION**

To be the most attractive and competitive referral hospital that affords progressively the highest health standards for all the residents of Baringo North Sub County, Baringo County and beyond.

### **MISSION**

To transform the livelihoods of Baringo residents by offering quality affordable, accessible, acceptable health services to all citizens in a fair equitability and responsive manner.

#### **The core objectives**

- To provide quality health care services
- To advocate and mobilize adequate funding for the hospital
- To train different health workers.

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

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

- County department of health
- County department of finance
- Board of Management
- Medical Superintendent

**Kabartonjo Level 4 Hospital (Baringo County Government)**  
**Annual Report and Financial Statements for the Year ended 30<sup>th</sup> June 2024**

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- Health Management Team
- (d) Fiduciary Management**

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

No.	Designation	Name
1.	Medical Superintendent	<b>Anderson Chelugo</b>
2.	Health Administration Office	<b>Haron Kabirer</b>
3.	Head of Nursing	<b>Emily Kipngok</b>
4.	Head of Biomedical technology	<b>Christopher Amdany</b>

**(e) Fiduciary Oversight Arrangements**

The fiduciary oversight of the county is done by;

**I. The County Assembly**

The county assembly pursuant to the constitution of Kenya, 2010 and the County Government act, 2012 under article 8(1) has fiduciary oversight role over the execution of the functions of the County Government; it approves the budget and expenditure of the county government in accordance with article 207 of the constitution of Kenya.

**II. The Controller of Budget**

Under article 22(5) of the constitution of Kenya, 2010, the controller of budget has fiduciary role by approving withdrawal of public funds from exchequer

**III. County Executive Committee**

The CEC Member exercises executive authority in accordance with the constitution and county government act.

**IV. Internal Audit Department**

Internal audits department of the County Government of Baringo ensures that internal controls exist and are adhered to.

**Key Kabartonjo Level 4 Hospital Information and Management (continued)**

**(f) Kabartonjo Level 4 Hospital Head quarters**

P.O. Box 120-30401  
Kabartonjo  
Baringo, KENYA

**(g) Kabartonjo level 4 Hospital Contacts**

Telephone: (+254) 722449799  
E-mail: medsupkabartonjo@gmail.com

Website: -

**(h) Kabartonjo level 4 Hospital Bankers**

Kenya Commercial Bank  
A/C no. 1149215593

**(i) Independent Auditors**

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

**(j) Principal Legal Adviser**










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

**(k) County Attorney**

P.O. Box.53-30400  
Kabarnet, Kenya

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**3. THE BOARD OF MANAGEMENT**

Ref	Directors	Photos	Designation	Details / Qualification
	Mr.Charles Kiberut		Chair Person	-Business man -Diploma in Education
2.	Mr. Anderson Chelugo		Medical Superintendent	-Clinical Officer -BSC
3.	Esther Chemokwo		Member	-Teacher -Bed
4.	Zachary Kipsaina		Member	-Unionist -Bed
5.	Linda Bokong		Member	-ICT -Diploma ICT
6.	Haron Kabirer		Hospital Administrator	-BCOM
7.	Peter Kiptoo		Member	-Pharmacist -BSC
8.	HellenJuma		SCA	-Administrator -Bes -Med
9.	Irene Kemboi		Member	-Pastor -BA

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**Management Team**

Ref	Management	Details
1	Mr. Anderson Chelugo	Med Sup
2	Mr. Haron Kabirer	HAO
3	Janet Kabutie	Nursing Officer I/C
4	Alex Cheptinya	Laboratory I/C
5	Sam Tallam	Clinical I/C
6	Christopher Amdany	Biomed I/C
7	Maryline Yator	Revenue Clerk
8	Vibian Kilanya	Ophthalmology I/C
9	Irene Kimitei	Social Worker I/C
10	Noela Chelimo	Public Health I/C
11	Dr. Kibet Kimengich	Pharmacy I/C
12	Judy Kiptoon	Nutrition I/C
13	Lilian Amdany	Orth trauma Dept

**4. CHAIRMAN'S STATEMENT**

Over the year we realized a commendable improvement in improvement in service delivery, customer satisfaction and key infrastructure development highlight were below;

- The donation of a new well equipped ambulance to the hospital
- Construction of the hospital gate ,security house and wall
- Renovation and operationalization of ward, opd and staff toilets
- Implementation of cashless system hence improved revenue collection
- Implementation of cashless system in the opd via EMR system
- 24 hour Revenue collection
- Painting of Theatre
- operationalization of haematology and biochemistry analyser machines
- biometric clock in clock out system implementation

However during the year there were challenges faced;

- Delay in NHIF claims payment due to delayed in approvals of AIE
- Power Outages
- Increase in Pending Bills
- Staff shortage especially medical officers, clinicians, laboratory, pharmacy, support staff and nursing unit
- Shortage of infrastructure
- Staff shift hand over gaps
- Lack of 24hr service at laboratory, pharmacy and records
- Patient-staff socialism affecting revenue
- Insecurity due to porous fence and internal infrastructure

The board sat severally and proposed the following as recommendations

- Operationalization of the theatre
- Fencing perimeter wall
- Automation of generator
- Initiate blood transfusion services
- Hospital wards construction
- Maintaining of lighting and wiring system
- Absorption of hospital casuals to permanent terms

In conclusion the hospital performance in its key areas is expected to improve even more in the next financial year.



Name .....

**Chairman to the Board**

## **Report of the Medical Superintendent**

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

Kabartonjo Sub County Referral Hospital foundation was laid in 1964, it became a Dispensary in 1984 and was Elevated to a Health centre in 1995 it was Gazetted as a District Hospital on 22nd July 2011 then as a level 4 hospital in the year 2017. The hospital is situated in the highlands of Katimok Forest, Bebyemit village, Tiriondonin sub location, Ossen location, Kabartonjo ward –Baringo North Sub County in Baringo county. The facility currently has a bed capacity of 32 and is accredited NHIF level 4 facility though level 3A under medical practitioners and dentists rules. The hospital sits on 11.5 acres which is demarcated. The facility is manned by the County Government of Baringo with hospital management board of 10 members and health Management team comprising of 13 members. It has 57 technical staff spread across various carders in reach and 4 support staff funded by the County Government and 13 casuals hired and paid by the hospital management.

### **b) Finance**

#### **i) Revenue**

The hospital revenue is derived from FIF. During the financial period the hospital realized improvement on revenue through Cashless System

#### **ii) Expenditure**

The top drivers of the budget were medical drugs, casual staff remunerations, non-pharmaceuticals, food and ration, laboratory and maintenance of building and station.

#### **iii) Pending bills**

Total pending bills at the end of the financial year were Ksh.3, 400,225/= (Three million four hundred thousand two hundred and twenty five shillings only.)

### **c) Strategy**

Our strategy is to make Kabartonjo Sub County Hospital a fully-fledged level IV hospital which offers befitting wide range of quality and affordable services to its citizens.

### **d) Achievements**

The hospital management of board and team managed to do the following Key activities during the year

- Renovation of revenue office Extension of permanent wall fence
- Strengthening of cashless system
- Store pitching and landscaping of the theatre
- Initiation to the construction of the oxygen plant
- Painting of theatre
- Construction of new soak pit

**e) Challenges**

Kabartonjo Sub County Hospital based on the population that it serves had the following challenges;

- delay in NHIF claims payment
- delayed approvals of AIE
- Staff shortage especially medical officers, clinicians, laboratory, pharmacy, support staff and nursing unit
- shortage of infrastructure
- staff shift hand over gaps
- lack of 24hr service at laboratory, pharmacy and records
- patient-staff socialism affecting revenue
- insecurity due to porous fence and internal infrastructure

**f) Way Forward/Future Outlook of Hospital**

In the next financial year, the hospital will endeavour to have Kabartonjo Sub County hospital operating as a full pledge level 1V

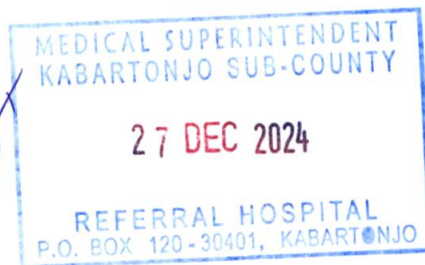
- -Cashless and paperless system via EMR system,
- -Operationalization of hospital theatre,
- -Offering comprehensive 24 hour services,
- -Fencing of the hospital, Construction of medical/surgical/paediatric wards
- -Establishment of dental unit.
- Open a procurement and stores system

Have a one stop hospital services running seamlessly.

**g) Appreciation**

I take this opportunity to thank and appreciate the County Government of Baringo, Central Rift Valley Water Works Agency, USAID, BOM, HMT and the entire hospital staff for their contributions in achieving the results  
Looking forward to a better 2024/25 financial year

Signed.....  
Mr. Anderson Chelugo  
**Medical superintendent**



**5. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES**

Kabartonjo Hospital has annual work plan based on the above pillars

The Hospital has Seven strategic pillars and objectives within the current Strategic Plan for the FY 2022/23- FY 2023/24. These strategic pillars/ themes/ issues are as follows:

1. Clinical service product
2. Health care financing and sustainability
3. Quality improvement
4. Human resource development
5. Infrastructure development
6. Leadership and governance
7. Health information

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**Annual Report and Financial Statements for the Year ended 30<sup>th</sup> June 2024**

<b>Strategic Pillar/Theme/Issues</b>	<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
Clinical services delivery and infrastructural development	-To establish and enhance good clinical governance	-Hospital drug formulary in place -No. of stock-out tracer drug -No prescription reviewed Updated SOPs	-Rational use of Medications -Provision of health products -Monthly clinical audits and mortality meetings -Lockable stores	-Hospital drug formulary in place %reduction in morbidity and mortality.
	-To ensure quality diagnostic services	-Client satisfaction report -EMR	-Complete installation of EMR system	-
	-To enhance effective internal/external referral systems	-Acquisition of a new ambulance	-Ambulance donated	-timely referrals
	-To enhance routine maintenance of infrastructure	-Painting of the hospital	-Renovation of ward windows -Renovation of maternity ward -Renovation of opd and clinics -Servicing of various medical equipment's- generator -Servicing of photocopier machines	-X-ray roof 100% complete -photocopier serviced and functioning -Generator serviced and in good condition
Health care financing and sustainability	-To increase revenue generation	-Revenue reports %increase in revenue	-diversify revenue streams -Increase customer base	-Revenue improved compared to previous years -More patients have been enrolled to NHIF
	- Facilitat	-Financial reports -%increase in resource	-Provide cashless	M-payment at the linkage

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	prudent financial management	allocation to departments	payment use of financial and procurement policies and guidelines.	stage -Financial and procurement policies and guidelines in place
Quality improvement	- Enhance continuous quality improvement - Enhance customer care services	-Training reports -customer care desk -Minutes of the change agents	-Training of staff on KQMH -Customer care desks -minutes of change agent	-Customer care introduced at outpatient -Monthly meetings for change agents achieved
Human resource development	- Improved performance management	-Human resource reports -Staff appraisal reports	-Conduct quarterly and annual staff appraisal	-staff appraisal done
	-Staff motivation	-Staff satisfaction -Client satisfaction	-staff recognition rewards and sanctions -Annual staff party -Staff involvement on decision making Remuneration	-All staff are involved in decision making through various committees, HMT, Departmental meeting
Leadership and governance	- Enhance policy formulation, dissemination and implementation	%increase in hospital performance -No of staff meetings -No of HMB meetings	-Monthly staff meetings -quarterly board meetings - Implementation of strategic plan	-Quarterly board meetings achieved with few special meetings -HMT meetings done
Health information and research and trainings	-Strengthen coordinate and manage health information	-System maintenance register	-Maintain ICT infrastructure to ensure full functionality of the system	-Quarterly servicing and maintenance of the system done
Medical products	-	%reduction on stock	-Annual	-forecasting

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vaccines and technology	strengthen coordinate and manage medical products supply chain - enhance ethical research activities	outs -HMIS report Bin Cards Complete Registers Sops in place	forecasting -Prepare monthly and annual report -Prepare documentation of services provided	done -annual and monthly reports done - stock out reduced by 50%
	-Timely provision of health products	-Client satisfaction -Availability of products % of reduction in stock out	-Strengthening of procurement process -Implementation of procurement plan	-Procurement plan in place and functioning -reduction in stock out by approximately 30%

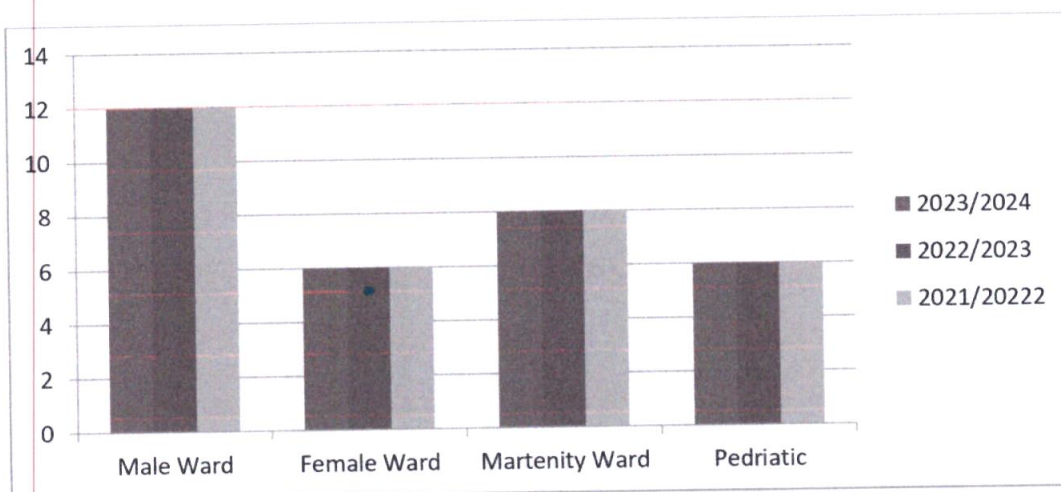
**6. CORPORATE GOVERNANCE STATEMENT**

Kabartonjo Hospital Board of management is responsible for the governance of the Hospital and is accountable to County Department of health, Baringo County, ensuring that the hospital complies with the laws and the highest standards of corporate governance and business ethics. The Board members attach great importance to the need to conduct the business and operations of the Hospital with integrity and in accordance with generally accepted corporate practice and endorse the internationally developed principles of good corporate governance.

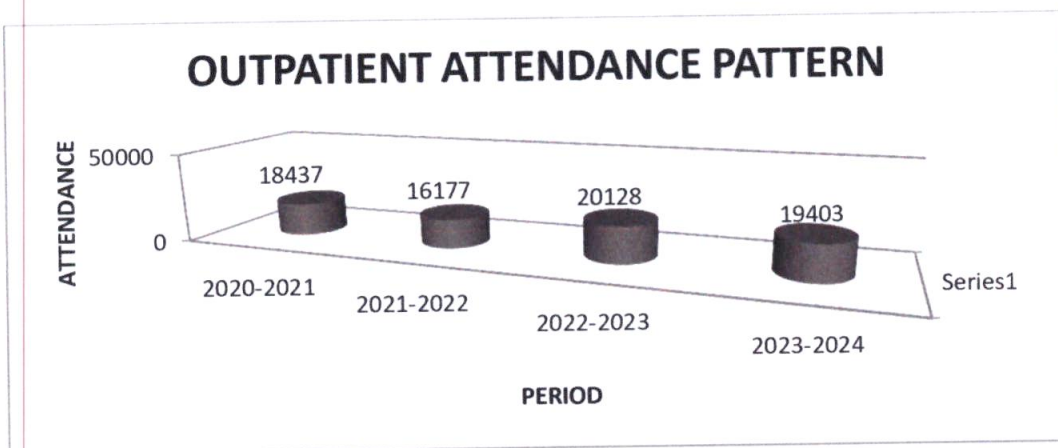
**Management Discussion and Analysis**

**Clinical/operational performance**

**Bed Capacity per Ward**

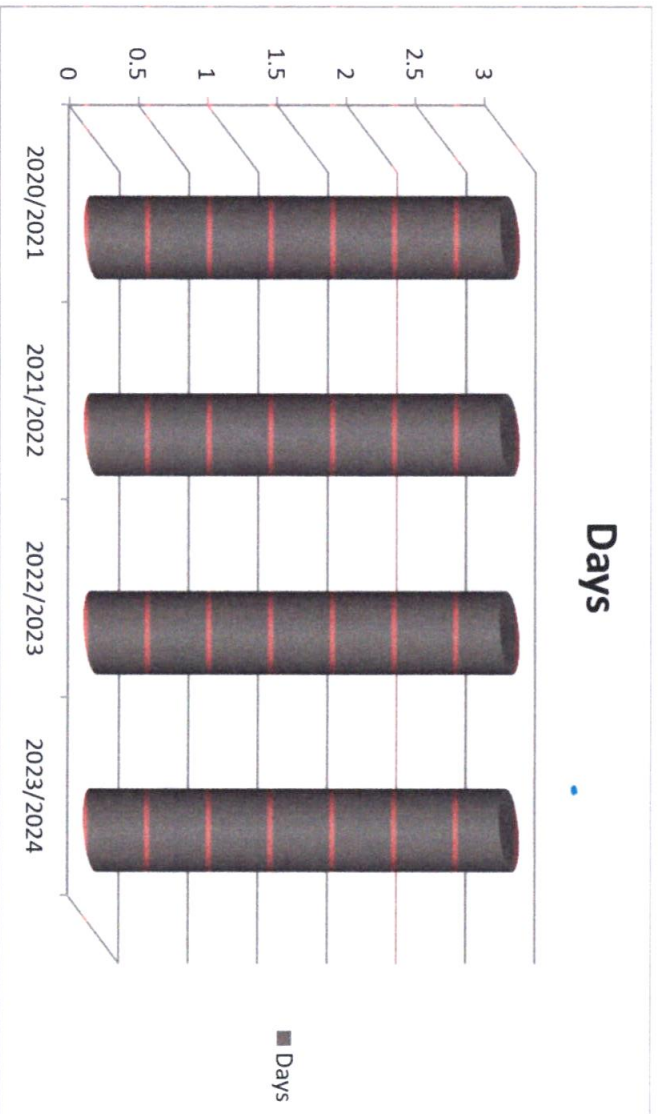
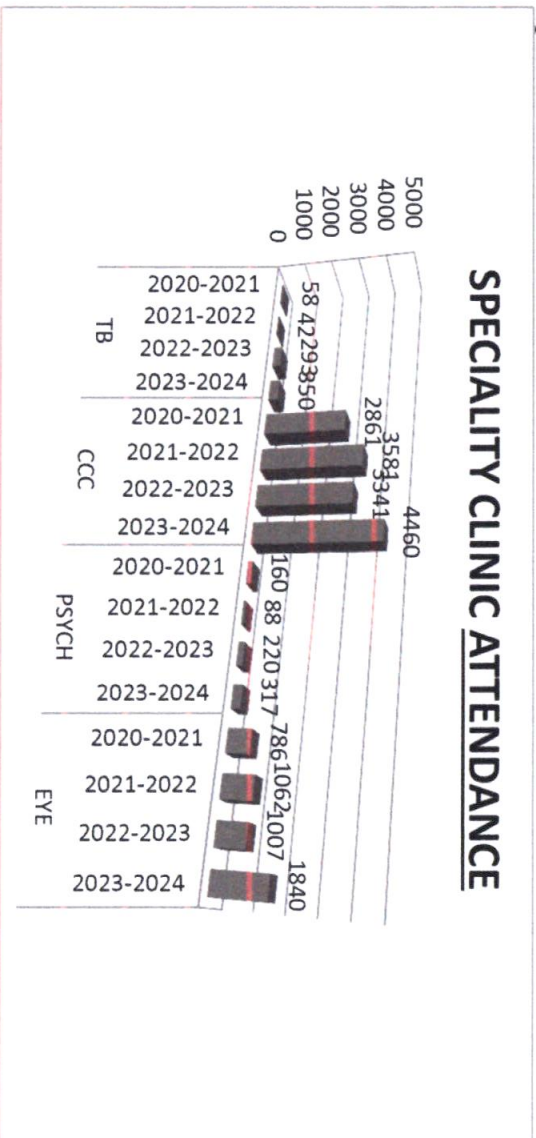


**Overall patient attendance during the year for both in-patient and out-patient.**



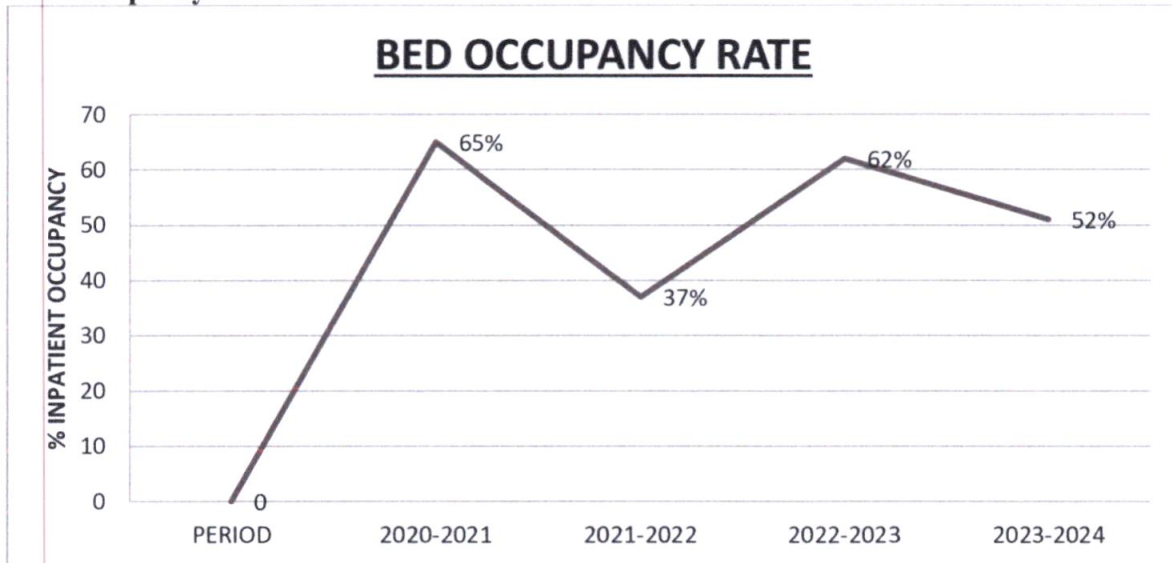
**Accident and Emergency attendance**

**Specialised clinic attendance**



**Average Length for Inpatient Stay**

**Bed occupancy rate**



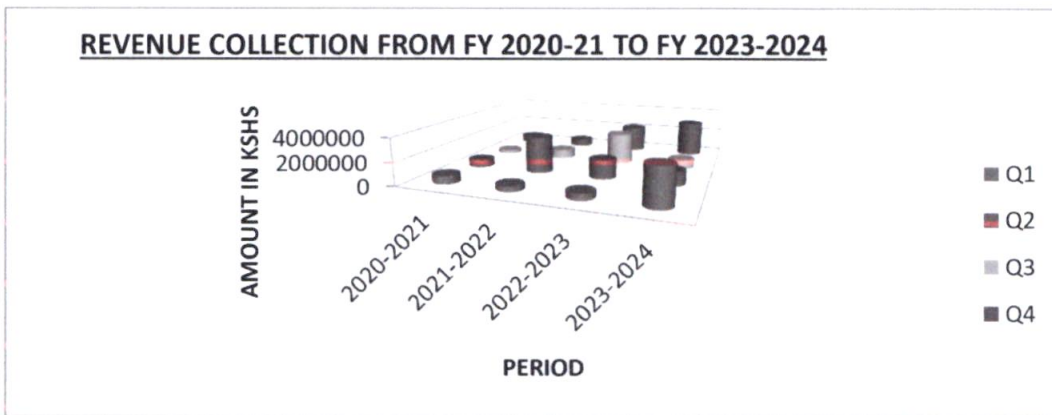
Surgical theatre utilisation (number of operations over a period of time)  
 Not operational

**Deliveries by skilled labour**



**Kabartonjo Level 4 Hospital (Baringo County Government)**  
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<b>REVENUE COLLECTION FROM 2020/2021 TO 2023/2024</b>					
<b>PERIOD</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>TOTAL</b>
2020-21	713700	650750	288405	635505	<b>2,288,360</b>
2021-22	487,530	3,114,952	1,026,960	1,611,255	<b>6,240,697</b>
2022-23	1,998,420	1,872,760	2,367,610	2,191,334	<b>8,430,124</b>
2023-24	3,242,905	1,242,238	786,960	3,024,960	<b>8,296,494</b>



**Sources of Funds**

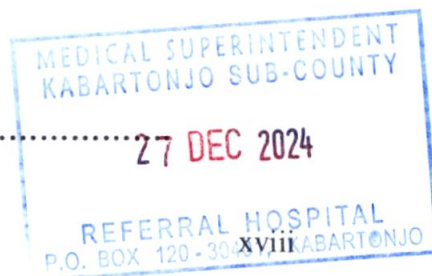
- Inpatient sources
- Outpatient services
- NHIF reimbursements

**Utilisation of Funds**

Major consumers of the funds are

- Contracted Casual wages
- Medical drugs and non-pharmaceuticals
- Laboratory materials supplies and small equip
- Food and ration
- Maintenance of building and station

.....  
**Name**  
**Secretary to the Board**



## **7. ENVIRONMENTAL AND SUSTAINABILITY REPORTING**

Kabartonjo Sub County Hospital has mandate to transform and save lives, our priority is to deliver good services and emphasize on activities that promote sustainability to the citizens.

### **i) Sustainability strategy and profile**

The hospital has assessed its current resources and highlighted the following areas as a way of increasing financial income.

- a. Offering specialized laboratory services e.g biochemistry
- b. Initiate dental unit
- c. Operationalize the skilled Xray
- d. Emphasizing on NHIF subscription and choosing our facility as a point of semi delivery Edu Afya and Linda mama
- e. Completion and operationalization of theatre

### **ii) Environmental performance**

In order to ensure public health safety for both staff and our clients we have introduced the following measures

#### **Successes**

- a. Construction of patient ramps
- b. Segregation of waste using the colour coded bins
- c. Maintaining of drainage system
- d. Construction of more pit latrines
- e. Repair of waste pit
- f. enhance environmental hygiene

#### **Challenges**

- a. Financial constraints due to routine repairs
- b. High cost of electricity bill
- c. Shortage of Staff
- d. Delay of funds disbursement

#### **Efforts to reduce environmental impact of waste products**

1. Incinerator available for burning waste.
2. Waste disposal site fenced to keep off predators.

### **iii) Employee welfare**

Employees are hired by the County Public Service Board and others are contracted by the hospital management board.

Staff gains their skills via on job training, seminars and workshops. The hospital checks regularly in the welfare of the staff intern of working environment and utilities required to leave then work optionally

### **iv) Market place practices-**

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

Open tendering process and committee involvement

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

Good tracking of supplies from tendering to delivery

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

This is done through barazas and public notice board

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

Conducting outreach to the community as a way of increasing accessibility to health care

## 8. REPORT OF THE BOARD OF MANAGEMENT

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

### Principal activities

The principal activities of the Kabartonjo Level 4 Hospital are;

- Maternity in patient services
- Referrals services
- VCT and Counselling
- Curative services
- Laboratory services
- TB clinics
- Diabetes and hypertension services
- Antenatal and postnatal services
- Comprehensive care clinics for patients living with HIV
- Baby well clinics
- Pharmacy
- X ray services
- Physiotherapy and orthopaedic trauma services

### Board of Management

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

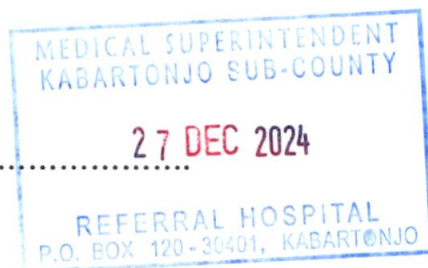
### Auditors

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

By Order of the Board

.....  
Name

Secretary to the Board



## **9. STATEMENT OF BOARD OF MANAGEMENT'S RESPONSIBILITIES**

Section 164 of the Public Finance Management Act, 2012 requires the Kabartonjo Hospital 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 period and the operating results of the for that year.

The Hospital 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 Hospital Management is also responsible for safeguarding the assets of the Hospital.

The Board of Management is responsible for the preparation and presentation of the Kabartonjo 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 30, 2024.

This responsibility includes;

- (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period,
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the 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.

The Board members are of the opinion that the Kabartonjo Hospital's financial statements give a true and fair view of the state of Hospital's transactions during the financial year ended June 30, 2024, and of the Hospital's financial position as at that date.

The Board members further confirm the completeness of the accounting records maintained for the Hospital, which have been relied upon in the preparation of the Hospital's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Board of management to indicate that the Kabartonjo level 4 Hospital will not remain a going concern for at least the next twelve months from the date of this statement.

**Functions of the Health Management Boards or Committees**

The health management boards or committees shall; -

- a) Approve budgets, programmes and work plans of their respective hospitals and health facilities
- b) Prepare the Fund's annual budget and work plans to be adopted by the County Health Services Improvement Fund Board
- c) Formulate, recommend and implement resource mobilization strategies
- d) Identify implementation challenges and take corrective measures;
- e) Make recommendations for changes in user fee charges
- f) Determine such number of standing committees and composition of ad hoc committees
- g) Ensure periodic expenditure returns are prepared and submitted to the relevant supervisory offices
- h) Provide oversight over usage of financial resources by the respective hospitals' facilities' administration.

**Role of the Hospital Management Boards and Committees in Management of Funds**

The expenditure decisions of the hospital management boards or facility committees shall be bound by the provisions of the Public Finance Management Act, 2012 and the Public Procurement and Disposal of Assets Act, 2015.

The hospital management committee shall;

- a) Review the proposed budgets to ensure they are linked to the priorities outlined in the Quarterly Implementation Plans and Annual Work Plan.
- b) Ensure the proposed budgets are based on the available resources
- c) Approve the proposed budgets after review.

In supervising and controlling the administration of all Funds, the Health Services Management Committee shall;

- d) Ascertain the available Funds and their sources
- e) Guide the hospital administration on user fees, unit costs, exemptions and waivers, as prescribed by the county HISF Board; ensure expenditures conform with the Fund regulations, the Public Finance Management Act and any other written law
- f) Ensure compliance with financial planning cycle
- g) Ensure mitigation against financial risk and
- h) Facilitate internal and external audit work as required under the Public Finance Management Act and the Public Audit Act.

**Approval of the financial statements**

The Hospital's financial statements were approved by the Board on 25/12/24 and signed on its behalf by:

**BOARD CHAIR**  
KABARTONJO SUB-COUNTY HOSPITAL  
P.O. Box 120-30401, KABARTONJO  
Date: .....

**Name:**  
**Chairperson**  
**Board of Management**

**MEDICAL SUPERINTENDENT**  
KABARTONJO SUB-COUNTY  
**27 DEC 2024**  
.....  
**FEDERAL HOSPITAL**  
P.O. BOX 120-30401, KABARTONJO

**Name:**  
**Accounting Officer**

# REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

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**HEADQUARTERS**  
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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON KABARTONJO LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2024 – COUNTY GOVERNMENT OF BARINGO**

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### PREAMBLE

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

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

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

## REPORT ON THE FINANCIAL STATEMENTS

### Qualified Opinion

I have audited the accompanying financial statements of Kabartonjo Level 4 Hospital - County Government of Baringo set out on pages 1 to 60 which comprise of the statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

### Basis for Qualified Opinion

#### 1. Inaccuracies in the Financial Statements

The statement of financial statements reflects accumulated surplus amount of Kshs.777,333. However, the statement of changes in net assets reflects an amount of Kshs.1,010,776 resulting in an unexplained variance of Kshs.233,443.

The statement of changes in net assets reflects total balance of Kshs.118,898,587. However, the recomputed amount is Kshs.119,132,030 resulting in an unexplained variance of Kshs.233,443.

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

#### 2. Unconfirmed Inventory Balance

The statement of financial position reflects an inventory balance of Kshs.1,181,822 as disclosed in Note 29 to the financial statements. However, the balance was not disclosed in the stock sheets provided for audit. In addition, the stock take report as at 30 June, 2024 to confirm the quantities, value and status of closing inventory was not provided for audit verification.

In the circumstances, the accuracy, completeness and valuation of the inventory balance of Kshs.1,181,822 could not be confirmed.

### **3. Unsupported Trade and Other Payables**

The statement of financial position reflects trade and other payables balance of Kshs.3,402,225 as disclosed in Note 33 to the financial statements. However, there were no ledgers provided to support the balance. In addition, the balance includes trade payables amounting to Kshs.475,000 which had been outstanding for more than three (3) years.

In the circumstances, the accuracy and completeness of the trade and other payables balance of Kshs.3,402,225 could not be confirmed.

### **4. Lack of an Approved Budget**

The statement of comparison of budget and actual amounts reflects final income budget and actual on comparable basis of Kshs.8,296,494. Similarly, the Management spent an amount of Kshs.7,519,161 against actual receipts of the same amount. However, the approved budget was not provided for audit verification.

In the circumstances, the authenticity of the budgeted amounts and the basis for the revenue and expenditure of the Hospital could not be confirmed.

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

### **Key Audit Matters**

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

### **Other Matter**

### **Unresolved Prior Year Matters**

In the previous year's audit report, several issues were raised under the Report on the Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management has not provided any explanation on how the issues were resolved.

## **Other Information**

The Board of management is responsible for the other information set out on page iii to xxii which comprise of Key Karbatonjo Level 4 Hospital Information and Management, The Board of Management, Management Team, Chairman's Statement, Report of the Medical Superintendent, Statement of Performance Against Predetermined Objectives Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board of Management and Statement of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Non-Compliance with Requirements on Universal Health Care (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 (90) staff requirements or 89% of the authorized establishment.

Grades	Level 4 Standard	Number in the hospital	Variance	Percentage
Medical officers	16	2	14	88%
Anesthesiologists	2	0	2	100%
General surgeons	2	0	2	100%
Gynecologists	2	0	2	100%
Pediatrics	2	0	2	100%
Radiologists	2	0	2	100%
Kenya Registered Community Health nurses	75	9	66	88%
<b>Total</b>	<b>101</b>	<b>11</b>	<b>90</b>	<b>89%</b>

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

Service	Level 4 Hospital Standard	Actual in the Hospital	Variance	Percentage
Beds	150	44	106	71%
New born unit incubators	5	1	4	80%
New born unit cots	5	1	5	80%
Functional ICU beds	6	0	6	100%
High Dependency	6	0	6	100%

Service	Level 4 Hospital Standard	Actual in the Hospital	Variance	Percentage
Unit (HDU) Beds				
Renal Unit with at least 5 dialysis machines	5	0	5	100%
Two Functional operational theatres- Maternity & General	2	0	2	100%

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

In the circumstances, Management was in breach of the law and the Hospital will not be able to deliver on its mandate.

## 2. Irregular Engagement of Casual Employees

The statement of financial performance reflects employee costs of Kshs.1,777,270 which as disclosed in Note 15 to the financial statements relates to payment of wages to casual workers. Review of documents in respect of wages of the casual employees revealed that there were cases of casual employees being engaged continuously for more than three (3) months contrary to Section 37 (1) of the Employment Act, 2007.

In the circumstances, Management was in breach of law.

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

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

## **Conclusion**

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

## **Basis for Conclusion**

### **Revenue Safeguards and Controls**

The statement of financial performance reflects rendering of services – medical service income amounting to Kshs.7,906,994 as disclosed in Note 10 to the financial statements. However, review of the Hospital's systems revealed there was no segregation of duties in revenue collection because the same person receives revenue, issues receipts and carries out the banking of revenue. This is contrary to Regulation 63(1) (a) of the Public Finance Management (County Governments) Regulations, 2015 which states that an Accounting Officer and a receiver of revenue are personally responsible for ensuring that - adequate safeguards exist and are applied for the prompt collection and proper accounting for, all County Government revenue and other public moneys relating to their County departments or agencies.

In the circumstances, the effectiveness of internal controls in respect of revenue collection could not be confirmed.

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

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

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

In preparing the financial statements, Management is responsible for assessing the Hospital's ability to continue 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 cease operations.

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

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

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

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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1) (a) of the Public Audit Act, 2015.

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*Report of the Auditor-General on Kabartonjo Level 4 Hospital for the year ended 30 June, 2024 - County Government of Baringo*

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

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

  
FCPA Nancy Gathungu, OBS  
AUDITOR-GENERAL

Nairobi

31 December, 2024

**Kabartonjo Level 4 Hospital (Baringo County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024**

**11. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024**

Description	Notes	FY 2023/24	FY 2022/23
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the County Government	5(b)	389,500	8,430,124
In-kind contributions from the County Government	6	-	-
Grants from donors and development partners	7	-	-
Transfers from other Government entities	8	-	-
Public contributions and donations	9	-	-
<b>Total Revenue from non-exchange transactions</b>		<b>389,500</b>	<b>8,430,124</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Medical Service Income	10	<b>7,906,994</b>	-
Revenue from rent of facilities	11	-	-
Finance /Interest Income	12	-	-
Miscellaneous income	13	-	-
<b>Revenue from exchange transactions</b>		<b>-</b>	<b>-</b>
<b>Total Revenue</b>		<b>8,296,494</b>	<b>8,430,124</b>
<b>Expenses</b>			
Medical/Clinical costs	14	2,678,670	3,001,810
Employee costs	15	1,777,270	2,787,559
Board of Management Expenses	16	315,000	250,000
Depreciation and amortization expense	17	8,623,425	-
Repairs and maintenance	18	1,348,850	1,882,160
Grants and subsidies	19	-	-
General expenses	20	1,399,371	785,431
Finance costs	21	-	-
<b>Total expenses</b>		<b>16,142,586</b>	<b>8,706,960</b>
<b>Other gains/(losses)</b>			
Gain on disposal of non-Current assets	22	-	-
Unrealized gain on fair value of investments	23	-	-
Medical services contracts Gains/Losses	24	-	-
Impairment loss	25	8,623,425	-

**Kabartonjo Level 4 Hospital (Baringo County Government)**  
**Annual Report and Financial Statements for the Year ended 30<sup>th</sup> June 2024**

Description	Notes	FY 2023/24	FY 2022/23
Gain on foreign exchange transactions		-	-
<b>Total other gains/(losses)</b>		8,623,425	-
<b>Net Surplus for the year</b>		<b>777,333</b>	<b>(276,836)</b>

(The notes set out on pages 9 to 50 form an integral part of the Annual Financial Statements.)

The Hospital's financial statements were approved by the Board on 27/12/24 and signed on its behalf by:

**BOARD CHAIR**  
**KABARTONJO SUB COUNTY HOSPITAL**  
 P. O. Box 120-30401, KABARTONJO  
 Date:.....

*[Handwritten Signature]*

**Chairman**  
**Board of Management**

**FUND/GRANT ACCOUNTANT**  
 P. O. Box 53-30400, KABARNET  
 Date: 27.12.2024

*[Handwritten Signature]*

**Head of Finance**  
**ICPAK No:**

**MEDICAL SUPERINTENDENT**  
**KABARTONJO SUB-COUNTY**  
**27 DEC 2024**  
**REFERRAL HOSPITAL**  
 P.O. BOX 120-30401, KABARTONJO

*[Handwritten Signature]*

**Medical Superintendent**

**Kabartonjo Level 4 Hospital (Baringo County Government)**  
**Annual Report and Financial Statements for the Year ended 30<sup>th</sup> June 2024**

**12. STATEMENT OF FINANCIAL POSITION AS AT 30<sup>TH</sup> JUNE 2024**

Description	Notes	FY 2023/24	Audited FY 2022/23
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	26	1,010,776	233,443
Receivables from exchange transactions	27	3,800,000	-
Receivables from non-exchange transactions	28	526,000	-
Inventories	29	1,181,822	-
<b>Total Current Assets</b>		<b>6,518,598</b>	<b>233,443</b>
<b>Non-current assets</b>			
Property, plant, and equipment (NBV)	30	114,654,214	-
Intangible assets (NBV)	31	1,125,000	-
Investment property	32	-	-
<b>Total Non-current Assets</b>		<b>115,779,214</b>	<b>-</b>
<b>Total Assets</b>		<b>122,297,812</b>	<b>233,443</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	33	(3,402,225)	-
Refundable deposits from customers/Patients	34	-	-
Provisions	35	-	-
Finance lease obligation	36	-	-
Current portion of deferred income	37	-	-
Current portion of borrowings	38	-	-
Social Benefits	40	-	-
<b>Total Current Liabilities</b>		<b>(3,402,225)</b>	<b>-</b>
<b>Non-current liabilities</b>			
Provisions	39	-	-
Non-Current Finance lease obligation	36	-	-
Non-Current portion of deferred income	37	-	-
Non - Current portion of borrowings	38	-	-
Service concession liability	39	-	-

**Kabartonjo Level 4 Hospital (Baringo County Government)**  
**Annual Report and Financial Statements for the Year ended 30<sup>th</sup> June 2024**

Description	Notes	FY 2023/24	Audited
		Kshs	FY 2022/23 Kshs
Social Benefits		-	-
<b>Total Non-current liabilities</b>		(3,402,225)	-
<b>Total Liabilities</b>			
<b>Net assets</b>		<b>118,898,587</b>	<b>233,443</b>
Revaluation reserve		-	-
Accumulated surplus/Deficit	41	<b>777,333</b>	<b>(276,836)</b>
Capital Fund		118,121,254	43,393
		-	-
<b>Total Net Assets and Liabilities</b>		<b>118,898,587</b>	<b>233,443</b>

The Hospital's financial statements were approved by the Board on 27/12/24 and signed on its behalf by:

**BOARD CHAIR**  
**KABARTONJO SUB COUNTY HOSPITAL**  
 P O Box 120-30401, KABARTONJO  
 Date:.....

.....  
**Chairman**  
**Board of Directors**

**FUND/GRANT ACCOUNTANT**  
 P. O. Box 53-30400, KABARNET  
 Date:.....27/12/2024.....

.....  
**Head of Finance**  
**ICPAK No:**

**MEDICAL SUPERINTENDENT**  
**KABARTONJO SUB-COUNTY**  
 27 DEC 2024  
**REFERRAL HOSPITAL**  
 P.O. BOX 120-30401, KABARTONJO

.....  
**Medical Superintendent**

**Kabartonjo Level 4 Hospital (Baringo County Government)**  
**Annual Report and Financial Statements for the Year ended 30<sup>th</sup> June 2024**

**13. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2024**

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2023	-	510,279	-	510,279
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	(276,836)	-	(276,836)
Capital/Development grants	-	-	-	-
<b>As at June 30, 2024</b>	-	<b>233,443</b>	-	<b>233,443</b>
<b>At July 1, 2024</b>	-	<b>233,443</b>	-	<b>233,443</b>
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	777,333	-	777,333
Capital/Development grants	-	-	118,121,254	118,121,254
<b>At June 30, 2024</b>	-	<b>1,010,776</b>	<b>118,121,254</b>	<b>118,898,587</b>

BOARD CHAIR  
 KABARTONJO SUB COUNTY HOSPITAL  
 P. O. Box 120-30401, KABARTONJO  
 Date: .....

.....  
**Chairman**  
**Board of Management**

FUND/GRANT ACCOUNTANT  
 P. O. Box 53-30400, KABARNET  
 Date: 27/12/2024

.....  
**Head of Finance**  
**ICPAK No:**

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 27 DEC 2024  
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.....  
**Medical Superintendent**

**Kabartonjo Level 4 Hospital (Baringo County Government)**  
**Annual Report and Financial Statements for the Year ended 30<sup>th</sup> June 2024**

**14. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024**

Description	Note	Period ended	FY 2022/23
		June 30, 2024	
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from the County Government	5	389,500	8,430,124
Grants from donors and development partners		-	-
Transfers from other Government entities		-	-
Public contributions and donations		-	-
Rendering of services- Medical Service Income	10	7,906,994	-
Revenue from rent of facilities		-	-
Finance / interest income		-	-
Miscellaneous receipts		-	-
<b>Total Receipts</b>		<b>8,296,494</b>	<b>8,430,124</b>
<b>Payments</b>			
Medical/Clinical costs	14	2,678,670	3,001,810
Employee costs	15	1,777,270	2,787,559
Board of Management Expenses	16	315,000	250,000
Repairs and maintenance	18	1,348,850	1,882,160
Grants and subsidies		-	-
General expenses	20	1,399,371	785,431
Finance costs		-	-
Refunds paid out		-	-
<b>Total Payments</b>		<b>7,519,161</b>	<b>8,706,960</b>
<b>Net cash flows from/(used in) operating activities</b>	41	<b>777,333</b>	<b>(276,836)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment, & intangible assets		-	-
Proceeds from the sale of property, plant, and equipment		-	-
Acquisition of investments		-	-
<b>Net cash flows from /(used in) investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-

**Kabartonjo Level 4 Hospital (Baringo County Government)**  
**Annual Report and Financial Statements for the Year ended 30<sup>th</sup> June 2024**

Capital grants received		-	-
Net cash flows from /(used in) financing activities		-	-
Net increase/(decrease) in cash and cash equivalents	41	777,333	(276,836)
Cash and cash equivalents at 1 July, 2023		233,443	510,279
<b>Cash and cash equivalents at 30 June, 2024</b>	<b>26</b>	<b>1,010,776</b>	<b>233,443</b>

(PSASB has prescribed the direct method of cash flow preparation/ presentation for all entities under the IPSAS accrual basis of accounting.)

BOARD CHAIR  
 KABARTONJO SUB COUNTY HOSPITAL  
 P. O. Box 120-30401 KABARTONJO  
 Date: .....

.....  
**Chairman**  
**Board of Management**

FUND/GRANT ACCOUNTANT  
 P. O. Box 53-30400, KABARNET  
 Date: 27.12.2024

.....  
**Head of Finance**  
**ICPAK No:**

MEDICAL SUPERINTENDENT  
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 P.O. BOX 120-30401, KABARTONJO

.....  
**Medical Superintendent**

**Kabartonjo Level 4 Hospital (Baringo County Government)**  
**Annual Report and Financial Statements for the Year ended 30<sup>th</sup> June 2024**

**15. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2024**

Description	Original budget	Adjustments	Final budget	Actual Cumulative to date	Performance Difference	% of utilization
	<b>a</b>	<b>b</b>	<b>c=(a+b)</b>	<b>d</b>		<b>e=d/c %</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>		<b>Kshs</b>
<b>Revenue</b>						
Transfers from the County Government	389,500	-	389,500	389,500	-	100%
Rendering of services- Medical Service Income	7,906,994	-	7,906,994	7,906,994	-	100%
Revenue from rent of facilities	-	-	-	-	-	-
Finance / interest income	-	-	-	-	-	-
Miscellaneous receipts	-	-	-	-	-	-
<b>Total income</b>	<b>8,296,494</b>	<b>-</b>	<b>8,296,494</b>	<b>8,296,494</b>	<b>-</b>	<b>100%</b>
<b>Expenses</b>						
Medical/Clinical costs	2,678,670	-	2,678,670	2,678,670	-	100%
Employee costs	1,777,270	-	1,777,270	1,777,270	-	100%
Board of Management Expenses	315,000	-	315,000	315,000	-	100%
Repairs and maintenance	1,348,850	-	1,348,850	1,348,850	-	100%
Grants and subsidies	-	-	-	-	-	100%
General expenses	1,399,371	-	1,399,371	1,399,371	-	100%
Finance costs	-	-	-	-	-	-
Refunds	-	-	-	-	-	-
<b>Total expenditure</b>	<b>7,519,161</b>	<b>-</b>	<b>7,519,161</b>	<b>7,519,161</b>	<b>-</b>	<b>100%</b>
<b>Surplus for the period</b>	<b>777,333</b>	<b>-</b>	<b>777,333</b>	<b>777,333</b>	<b>-</b>	

**1. NOTES TO THE FINANCIAL STATEMENTS**

**1. General Information**

Kabartonjo Hospital is a gazetted level (4) hospital established and is domiciled under the Health department in county government of Baringo. The hospital is governed by a Board of Management. Its Foundation was laid in 1964; it became a Dispensary in 1984 and was elevated to a Health centre in 1995. On 22<sup>nd</sup> July 2011 it was gazetted as a District Hospital then as a level 4 Hospital in 2017 gazette. The hospital is situated in the highlands of Katimok Forest in Bebyemit village, Tiriondonin sub location, Ossen location, Kabartonjo ward - Baringo North Sub County in Baringo County. The facility currently has a bed capacity of 32 and is accredited NHIF level 4 facility. The hospital sits on 11.5 acres which is demarcated.

**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 Kabartonjo Level 4 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 xx The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Kabartonjo Level 4 Hospital.

The financial statements have been prepared in accordance with the PFM Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

**Adoption of New and Revised Standards**

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

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

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

**Kabartonjo Level 4 Hospital (Baringo County Government)**  
**Annual Report and Financial Statements for the year ended 30<sup>th</sup> June, 2024**

Standard	Effective date and impact:
IPSAS 43	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Kabartonjo Level 4 Hospital. 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><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45- Property Plant and Equipment	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46 Measurement	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47- Revenue	<p><b>Applicable 1<sup>st</sup> January 2026</b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-</p>

Standard	Effective date and impact:
	exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that Kabartonjo Level 4 Hospital shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48- Transfer Expenses	<b><i>Applicable 1<sup>st</sup> January 2026</i></b> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<b><i>Applicable 1<sup>st</sup> January 2026</i></b> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

***iii) Early adoption of standards***

Kabartonjo Level 4 Hospital did not early – adopt any new or amended standards in the financial year 2023/2024

### **3. 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 Kabartonjo Level 4 Hospital and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the asset that has been acquired using such funds.

##### **ii) Revenue from exchange transactions**

##### **Rendering of services**

Kabartonjo Level 4 Hospital recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

##### **Sale of goods**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to Kabartonjo Level 4 Hospital.

##### **Interest income**

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

##### **Rental income**

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

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

**b. Budget information**

The original budget for FY 2023/2024 was approved by Board on 29/10/2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. Kabartonjo Level 4 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 1

**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)*

**c. Investment property**

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

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

**d. Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, Kabartonjo Level 4 Hospital recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

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

**e. Leases**

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to Kabartonjo Level 4 Hospital. 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. Kabartonjo Level 4 Hospital 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 Kabartonjo Level 4 Hospital 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 Kabartonjo Level 4 Hospital. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

**f. Intangible assets**

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

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

**g. Research and development costs**

Kabartonjo Level 4 Hospital expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when Kabartonjo Level 4 Hospital can demonstrate:

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

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

**h. 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. Kabartonjo Level 4 Hospital does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the hospital's financial statements.

A financial instrument is any contract that gives rise to a financial asset of one Kabartonjo Level 4 Hospital and a financial liability or equity instrument of another Kabartonjo Level 4 Hospital. At initial recognition, Kabartonjo Level 4 Hospital 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**

Kabartonjo Level 4 Hospital classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both Kabartonjo Level 4 Hospital's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless Kabartonjo Level 4 Hospital 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, Kabartonjo Level 4 Hospital classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

**Amortized cost**

Financial assets 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 Kabartonjo Level 4 Hospital manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

**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**

Kabartonjo Level 4 Hospital assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. Kabartonjo Level 4 Hospital recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note 30*

**Financial liabilities**

**Classification**

Kabartonjo Level 4 Hospital classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

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

**i. Inventories**

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

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

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

After initial recognition, inventory is measured at the lower cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower cost and the current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of Kabartonjo Level 4 Hospital.

**j. Provisions**

Provisions are recognized when Kabartonjo Level 4 Hospital has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where Kabartonjo Level 4 Hospital expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

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

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

**k. 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. Kabartonjo Level 4 Hospital recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that Kabartonjo Level 4 Hospital will incur in fulfilling the present obligations represented by the liability.

**l. Contingent liabilities**

Kabartonjo Level 4 Hospital does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

**m. Contingent assets**

Kabartonjo Level 4 Hospital does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of Kabartonjo Level 4 Hospital in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

**n. Nature and purpose of reserves**

Kabartonjo Level 4 Hospital does not create and maintain reserves in terms of specific requirements

**o. Changes in accounting policies and estimates**

Kabartonjo Level 4 Hospital recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

*Notes to the Financial Statements (Continued)*

**p. Employee benefits**

**Retirement benefit plans**

Kabartonjo Level 4 Hospital provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Kabartonjo Level 4 Hospital pays fixed contributions into a separate Kabartonjo Level 4 Hospital (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump-sum payments or increased future contributions on a proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

**q. 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.

**r. 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.

**s. Related parties**

Kabartonjo Level 4 Hospital regards a related party as a person or Kabartonjo Level 4 Hospital with the ability to exert control individually or jointly, or to exercise significant influence over Kabartonjo Level 4 Hospital, 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)**

**t. Service concession arrangements**

Kabartonjo Level 4 Hospital analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, Kabartonjo Level 4 Hospital recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, Kabartonjo Level 4 Hospital also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**u. 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.

**v. Comparative figures**

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

**w. Subsequent events**

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

#### **4. Significant Judgments and Sources of Estimation Uncertainty**

The preparation of Kabartonjo Level 4 Hospital's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

##### **Estimates and assumptions.**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Kabartonjo Level 4 Hospital based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of Kabartonjo Level 4 Hospital. Such changes are reflected in the assumptions when they occur (IPSAS 1.140)

##### **Useful lives and residual values**

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

- The condition of the asset based on the assessment of experts employed by Kabartonjo Level 4 Hospital.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset.

##### **Provisions**

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

**Notes to Financial Statements Continued**

**5. Transfers from the County Government**

Description	Period ended June 30, 2024 Kshs	FY 2022/2023 Kshs
<b>Unconditional Grants</b>		
Operational Grant	-	-
Level 5 Grants	-	-
Unconditional development grants	-	-
Other Grants	-	-
	-	-
<b>Conditional Grants</b>		
User Fee Forgone	-	-
Transforming Health Services for Universal Care Project (THUCP)	-	-
DANIDA	-	-
Wards Development Grant	-	-
Paediatric Block Grant	-	-
Administration Block Grant	-	-
Laboratory Grant	-	-
<b>Total Government Grants and Subsidies</b>	-	-

**5 (b) Transfers from the County Government**

Name of Kabartonjo Level 4 Hospital sending the grant	Amount recognized to Statement of financial performance. Kshs	Amount deferred under deferred income. Kshs	Amount recognised in capital fund. Kshs	Total grant income during the period Kshs
Baringo County Government	389,500	-	-	389,500
<b>Total</b>	<b>389,500</b>	-	-	<b>389,500</b>

**Notes to Financial Statements Continued**

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

Description	Period ended June 30, 2024	FY 2022/2023
	Kshs	Kshs
Salaries and wages	-	-
Pharmaceutical and Non-Pharmaceutical Supplies	-	-
Medical supplies-Drawings Rights (KEMSA)	-	-
Utility bills	-	-
<b>Total grants in kind</b>	-	-

**7. Grants From Donors and Development Partners**

Description	June 30, 2024	FY 2022/23
	Kshs	Kshs
Cancer Centre grant- DANIDA	-	-
World Bank grants	-	-
Paediatric ward grant- JICA	-	-
Research grants	-	-
Other grants	-	-
<b>Total grants from development partners</b>	-	-

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

Name of Kabartonjo Level 4 Hospital sending the grant	Amount recognized to of financial performance	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the period	Comparative period prior year
	Kshs	Kshs	Kshs	Kshs	Kshs
Donor e.g., DANIDA	-	-	-	-	-
JICA	-	-	-	-	-
World Bank	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**Notes to Financial Statements Continued**

**8. Transfers from other Government Entities**

Description	Period ended June 30, 2024	FY 2022/23
	Kshs	Kshs
Transfer from National Government (Ministry of Health)	-	-
Transfer from xxx National Hospital	-	-
Transfer from xxx Institute	-	-
<b>Total Transfers</b>	-	-

**9. Public Contributions and Donations**

Description	Period ended June 30, 2024	FY 2022/23
	Kshs	Kshs
Public donations	-	-
Donations from local leadership	-	-
Donations from religious institutions	-	-
Donations from other international organisations and individuals	-	-
Other donations	-	-
Donations in kind-amortised	-	-
<b>Total donations and sponsorships</b>	-	-

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

Description	Period ended June 30, 2024	FY 2022/23
	Kshs	Kshs
<b>Balance unspent at beginning of year</b>	-	-
Current year receipts	-	-
Amortised and transferred to revenue	-	-
<b>Conditions to be met – remain liabilities</b>	-	-

**Notes to Financial Statements Continued**

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

Description	Period ended June 30, 2024	FY 2022/23
	Kshs	Kshs
Pharmaceuticals	2,021,000	-
Non-Pharmaceuticals	1,282,230	-
Laboratory	160,261	-
Radiology	200,000	-
Orthopedic and Trauma Technology	195,277	-
Theatre	-	-
Accident and Emergency Service	-	-
Anesthesia Service	-	-
Ear Nose and Throat service	-	-
Nutrition service	-	-
Cancer centre service	-	-
Dental services	-	-
Reproductive health	-	-
Paediatrics services	-	-
Farewell home services	-	-
Other medical services income (NHIF)	4,048,226	-
<b>Total revenue from the rendering of services</b>	<b>7,906,994</b>	<b>-</b>

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

**11. Revenue From Rent of Facilities**

Description	June 30, 2024	FY 2022/2023
	Kshs	Kshs
Residential property	-	-
Commercial property	-	-
<b>Total Revenue from rent of facilities</b>	-	-

**Note:** There were no revenue from rent of facility during the year under review

**12. Finance /Interest Income**

Description	Period ended June 30, 2024	FY 2022/2023
	Kshs	Kshs
Cash investments and fixed deposits	-	-
Interest income from short- term/ current deposits	-	-
Interest income from Treasury Bills	-	-
Interest income from Treasury Bonds	-	-
Interest from outstanding debtors	-	-
<b>Total finance income</b>	-	-

**13. Miscellaneous Income**

Description	Period ended June 30, 2024	FY 2022/2023
	Kshs	Kshs
Insurance recoveries	-	-
Income from sale of tender	-	-
Services concession income	-	-
Sale of goods (water, publications, containers etc)	-	-
<b>Total miscellaneous income</b>	-	-

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

**14. Medical Costs**

Description	Period ended	FY 2022/2023
	June 30, 2024	
	Kshs	Kshs
Dental costs/ materials	-	-
Laboratory chemicals and reagents	463,800	542,900
Repatriation and referrals	167,000	220,000
Food and Ration	1,441,130	1,829,455
Uniform, clothing, and linen	-	20,000
Dressing and Non-Pharmaceuticals	194,200	180,600
Pharmaceutical supplies	25,000	-
Health information stationery	130,000	-
Reproductive health materials	-	-
Sanitary and cleansing Materials	257,540	208,855
Purchase of Medical gases	-	-
X-Ray/Radiology supplies	-	-
Other medical related clinical costs	-	-
<b>Total medical/ clinical costs</b>	<b>2,678,670</b>	<b>3,001,810</b>

**15. Employee Costs**

Description	Period ended	FY 2022/2023
	June 30, 2024	
	Kshs	Kshs
Salaries, wages, and allowances	1,630,332	2,735,759
Contributions to pension schemes	146,938	51,800
Service gratuity	-	-
Performance and other bonuses	-	-
Staff medical expenses and Insurance cover	-	-
Group personal accident insurance and WIBA	-	-
Social contribution	-	-
Other employee costs	-	-
<b>Employee costs</b>	<b>1,777,270</b>	<b>2,787,559</b>

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

**16. Board of Management Expenses**

Description	Period ended June 30, 2024	FY 2022/2023
	Kshs	Kshs
Chairman's Honoraria	-	-
Sitting allowance	315,000	250,000
Mileage	-	-
Insurance expenses	-	-
Induction and training	-	-
Travel and accommodation allowance	-	-
Airtime allowances	-	-
<b>Total</b>	<b>315,000</b>	<b>250,000</b>

**17. Depreciation and Amortization Expense**

Description	Period ended June 30, 2024	FY 2022/2023
	Kshs	Kshs
Property, plant and equipment	8,248,425	-
Intangible assets	345,000	-
Investment property carried at cost	-	-
<b>Total depreciation and amortization</b>	<b>8,623,425</b>	<b>-</b>

**18. Repairs and Maintenance**

Description	Period ended June 30, 2024	FY 2022/2023
	Kshs	Kshs
Property- Buildings	701,500	1,360,110
Medical equipment	50,000	16,000
Office equipment (Repair of CCTV)	6,350	-
Furniture and fittings	30,000	-
Computers and accessories	51,000	66,050
Motor vehicle expenses(Refined Fuel)	510,000	440,000
Maintenance of civil works	-	-
<b>Total repairs and maintenance</b>	<b>1,348,850</b>	<b>1,882,160</b>

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

**19. Grants and Subsidies**

Description	Period ended June 30, 2024	FY 2022/2023
	Kshs	Kshs
Community development and social work	-	-
Education initiatives and programs	-	-
Free/ subsidised medical camp	-	-
Disability programs	-	-
Free cancer screening	-	-
Social Benefit Expenses	-	-
Other grants and subsidies	-	-
<b>Total grants and subsidies</b>	-	-

**Note;** There were no grant and subsidies Cost during the year under review

**20. General Expenses**

Description	Period ended June 30, 2024	FY 2022/2023
	Kshs	Kshs
Advertising and publicity expenses	-	-
Catering expenses	-	66,000
Waste management expenses	-	-
Insecticides and rodenticides	-	-
Audit fees	-	-
Bank charges	11,536	8,166
Conferences and delegations	-	-
Consultancy fees	-	-
Contracted services	-	-
Electricity expenses	1,000,000	35,000
Insurance	-	-
Research and development expenses	-	-
Travel and accommodation allowance	76,000	290,000
Legal expenses	-	-
Licenses and permits	-	-
Courier and postal services	-	-
Printing and stationery	123,835	183,105
Hire charges	-	-
Rent expenses	-	-
Water and sewerage costs	-	-

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Description	Period ended June 30, 2024	FY 2022/2023
	Kshs	Kshs
Skills development levies	-	-
Telephone and mobile phone services	113,000	80,000
Internet expenses	-	-
Staff training and development	-	-
Subscriptions to professional bodies	-	-
Subscriptions to newspapers periodical, magazines, and gazette notices	-	-
Library books/Materials	-	-
Supply of Firewood	75,000	123,160
<b>Total General Expenses</b>	<b>1,399,371</b>	<b>785,431</b>

**21. Finance Costs**

Description	Period ended June 30, 2024	FY 2022/2023
	Kshs	Kshs
Borrowings (amortized cost) *	-	-
Finance leases (amortized cost)	-	-
Interest on Bank overdrafts/Guarantees	-	-
Interest on loans from commercial banks	-	-
<b>Total finance costs</b>	<b>-</b>	<b>-</b>

**22. Gain/Loss on Disposal of Non-Current Assets**

Description	Period ended June 30, 2024	FY 2022/2023
	Kshs	Kshs
Property, plant, and equipment	-	-
Intangible assets	-	-
Other assets not capitalised	-	-
<b>Total gain on sale of assets</b>	<b>-</b>	<b>-</b>

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

Description	Period ended June 30, 2024	FY 2022/2023
	Kshs	Kshs
Investments at fair value	-	-
<b>Total gain</b>	<b>-</b>	<b>-</b>

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

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

Description	Period ended June 30, 2024	FY 2022/2023
	Kshs	Kshs
Comprehensive care contracts with NHIF	-	-
Non- Comprehensive contracts care with NHIF	-	-
Linda Mama Program	-	-
Waivers and Exemptions	-	-
<b>Total Gain/Loss</b>	-	-

**25. Impairment Loss**

Description	Period ended June 30, 2024	FY 2022/2023
	Kshs	Kshs
Property, plant, and equipment	8,248,425	-
Intangible assets	375,000	-
<b>Total impairment loss</b>	<b>8,623,425</b>	-

**26. Cash and Cash Equivalentents**

Description	Period ended March 2024	Comparative prior period	Prior Year audited
	Kshs	Kshs	Kshs
Current accounts	-	1,010,776	233,443
On - call deposits	-	-	-
Fixed deposits accounts	-	-	-
Cash in hand	-	-	-
Others - Mobile money	-	-	-
<b>Total cash and cash equivalentents</b>	-	<b>1,010,776</b>	<b>233,443</b>

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

**Detailed Analysis of Cash and Cash Equivalents**

Description		Period ended June 30, 2024	FY 2022/2023
Financial institution	Account number	Kshs	Kshs
<b>a) Current account</b>			
Kenya Commercial bank	<b>114921593</b>	1,010,776	233,443
Equity Bank, etc		-	-
<b>Sub- total</b>		<b>1,010,776</b>	<b>233,443</b>
<b>b) On - call deposits</b>			
Kenya Commercial bank		-	-
Equity Bank – etc		-	-
<b>Sub- total</b>		<b>-</b>	<b>-</b>
<b>c) Fixed deposits account</b>			
Bank Name		-	-
<b>Sub- total</b>		<b>-</b>	<b>-</b>
<b>d) Others(specify)</b>			
cash in hand		-	-
Mobile money- Mpesa, Airtel money		-	-
<b>Sub- total</b>		<b>-</b>	<b>-</b>
<b>Grand total</b>		<b>1,010,776</b>	<b>233,443</b>

**27. Receivables From Exchange Transactions**

Description	Period ended June 30, 2024	FY 2022/2023
	Kshs	Kshs
Medical services receivables (NHIF)	3,800,000	-
Rent receivables	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
<b>Total receivables</b>	<b>3,800,000</b>	<b>-</b>

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**Analysis of Receivables from Exchange Transactions**

Description	FY 2023/2024		FY 2022/2023	
	Kshs		Kshs	
	FY 2023/2024	% of the total	FY 2023/2024	% of the total
Less than 1 year	2,280,000	60%	-	%
Between 1- 2 years	1,140,000	30%	-	%
Between 2-3 years	380,000	10%	-	%
Over 3 years		%	-	%
<b>Total (a+b)</b>	<b>3,800,000</b>	<b>100%</b>	-	%

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

Description	Period ended June 30,2024	FY 2022/2023
	Kshs	Kshs
Transfers from the County Government (AIE's Balances)	526,000	526,000
Undisbursed donor funds	-	-
Other debtors ( <i>non-exchange transactions</i> )	-	-
Less: impairment allowance	-	-
<b>Total</b>	<b>526,000</b>	<b>526,000</b>

**Analysis of Receivables from Non-Exchange Transactions**

Description	FY 2023/2024		FY 2022/2023	
	Kshs		Kshs	
	FY 2023/2024	% of the total	FY 2023/2024	% of the total
Less than 1 year	526,000	100%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total (a+b)</b>	<b>526,000</b>	<b>100%</b>	-	%

**29. Inventories**

Description	Period ended June 30,2024	FY 2022/2023
	Kshs	Kshs
Pharmaceutical supplies	375,000	-
Non Pharms	830	-
Food supplies	631,552	-
Laboratory	31,130	-
Cleaning materials supplies	117,050	-
General supplies	25,800	-
Less: provision for impairment of stocks	-	-
<b>Total</b>	<b>1,181,822</b>	-

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*Notes to the Financial Statements (Continued)*

**30. 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
<b>Cost</b>								
At 1 July 2023	11,000,000	65,818,619	8,000,000	34,818,020	3,266,000	-	-	122,902,639
Additions	-	-	-	-	-	-	-	-
Disposals								
Transfers/adjustments	-	-	-	-	-	-	-	-
<b>At 30<sup>th</sup> Jun 2023</b>	<b>11,000,000</b>	<b>65,818,619</b>	<b>8,000,000</b>	<b>34,818,020</b>	<b>3,266,000</b>	<b>-</b>	<b>-</b>	<b>122,902,639</b>
At 1 July 2023	11,000,000	65,818,619	8,000,000	34,818,020	3,266,000	-	-	122,902,639
Additions								
Disposals								
Transfer/adjustments								
<b>At 30<sup>th</sup> Jun 2023</b>	<b>11,000,000</b>	<b>65,818,619</b>	<b>8,000,000</b>	<b>34,818,020</b>	<b>3,266,000</b>	<b>-</b>	<b>-</b>	<b>122,902,639</b>
<b>Depreciation and impairment</b>								
At 1 July 2023	-	-	-	-	-	-	-	-
Depreciation for the year	-	1,316,372	1,600,000	4,352,253	979,800	-	-	8,248,425
Disposals	-							
Impairment								

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Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Capital Work in progress	Total
At 30 June 2024	-	1,316,372	1,600,000	4,352,253	979,800	-	-	8,248,425
At July 2023	-	1,316,372	1,600,000	4,352,253	979,800	-	-	8,248,425
Disposals	-	(-)	(-)	(-)	(-)	(-)		(-)
Impairment	-	(-)	(-)	(-)	(-)	(-)		(-)
Transfer/adjustment	-	-	-	-	-	-	(-)	(-)
<b>At 30<sup>th</sup> June 2024</b>	-	1,316,372	1,600,000	4,352,253	979,800	-	-	<b>8,248,425</b>
<b>Net book values</b>								
At 30 <sup>th</sup> June 2023	11,000,000	65,818,619	8,000,000	34,818,020	3,266,000	-	-	122,902,639
At 30 <sup>th</sup> June 2024	11,000,000	64,502,247	6,400,000	30,465,768	2,286,200	-	-	114,654,213

**Kabartonjo Level 4 Hospital (Baringo County Government)**  
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**Notes to the Financial Statements (Continued)**

**31. Intangible Assets-Software**

Description	Period ended June 30, 2024	FY 2022/2023
	Kshs	Kshs
<b>Cost</b>		
<b>At beginning of the year</b>	<b>1,500,000</b>	-
Additions	-	-
Additions-Internal development	-	-
Disposal	-	-
<b>At end of the period</b>	<b>1,500,000</b>	-
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>		-
Amortization for the period (25%)	<b>375,000</b>	-
Impairment loss	-	-
<b>At end of the period</b>	-	-
<b>NBV</b>	<b>1,125,000</b>	-

**32. Investment Property**

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
<b>At beginning of the year</b>	-	-
Additions	-	-
Disposals during the year		
Fair value gain	-	-
Depreciation ( <i>where investment property is at cost</i> )	-	-
Impairment	-	-
<b>At end of the year</b>	-	-

**Note;** There were no investment property during the year under review

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

**33. Trade and other Payables**

Description	FY 2023/2024		FY 2022/2023	
	KShs		KShs	
Trade payables	2,482,225		-	
Employee dues	920,000		-	
Third-party payments	-		-	
Audit fee	-		-	
Doctors' fee	-		-	
<b>Total trade and other payables</b>	<b>3,402,225</b>		<b>-</b>	
<b>Ageing analysis:</b>	<b>FY 2023/2024</b>	<b>% of the Total</b>	<b>FY 2022/2023</b>	<b>% of the total</b>
Under one year	2,267,225	%	-	%
1-2 years	660,000	11%	-	%
2-3 years	475,000	14%	-	%
Over 3 years	-	11%	-	%
<b>Total</b>	<b>3,402,225</b>	<b>100%</b>	<b>-</b>	<b>%</b>

**34. Refundable Deposits from Patients**

Description	FY 2023/2024		FY 2022/2023	
	KShs		KShs	
Medical fees paid in advance	-		-	
Credit facility deposit	-		-	
Rent deposits	-		-	
Others	-		-	
<b>Total deposits</b>	<b>-</b>		<b>-</b>	
<b>Ageing analysis:</b>	<b>FY 2023/2024</b>	<b>% of the Total</b>	<b>FY 2023/2024</b>	<b>% of the Total</b>
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	<b>-</b>	<b>%</b>	<b>-</b>	<b>%</b>

**Note;** There were no Refundable deposits from patients during the year under review

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

**35. Provisions**

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

**Note;** There were no provisions during the year under review

**36. Finance Lease Obligation**

Description	Period ended June 30, 2024	FY 2022/2023
	Kshs	Kshs
Current Lease obligation	-	-
Long term lease obligation	-	-
<b>Total</b>	-	-

**Note;** There were no Finance Lease Obligation during the year under review

**37. Deferred Income**

Description	Period ended June 30, 2024	FY 2022/2023
	Kshs	Kshs
Current Portion	-	-
Non-Current Portion	-	-
<b>Total</b>	-	-

**Note;** There were no Social Benefit Cost during the year under review

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

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

Description	National government	International funders/ donors	Public contributions and donations	Total
Balance b/f	-	-	-	-
Additions during the period	-	-	-	-
Transfers to Capital fund during the period	-	-	-	-
Transfers to statement of financial performance	-	-	-	-
Other transfers	-	-	-	-
Balance C/F	-	-	-	-

**Note;** There were no deferred income movement during the year under review

**38. Borrowings**

Description	Period ended June 30, 2024	FY 2022/2023
	Kshs	Kshs
<b>Balance at beginning of the year</b>	-	-
External borrowings during the period	-	-
Domestic borrowings during the period	-	-
Repayments of external borrowings during the period	-	-
Repayments of domestic borrowings during the period	-	-
<b>Balance at end of the period</b>	-	-

**Note;** There were no Borrowings during the financial year

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

Description	Period ended June 30, 2024	FY 2022/2023
	Kshs	Kshs
Current Obligation	-	-
Non-Current Obligation	-	-
<b>Total</b>	-	-

**Note;** There were no Social Benefit Cost during the year under review

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

**39. Service Concession Arrangements**

Description	Period ended June 30, 2024	FY 2022/2023
	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 during the period	-	-
Service concession liability at end of the period	=	=

**Note;** There were no Service Concession Arrangements Cost during the year under review

**40. Social Benefits**

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42. They are incurred to militate against certain social risk e.g poverty, age, unemployment among others.

Description	Period ended June 30, 2024	FY 2022/2023
	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	-	-
<b>Total</b>	=	=
	-	-
Current social benefits	-	-
Non- current social benefits	-	-
<b>Total (tie to totals above)</b>	-	-

**Note;** There were no Social Benefit Cost during the year under review

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Notes to the Financial Statements (Continued)

**41. Cash Generated from Operations**

Description	FY 2023/2024	FY 2023/2024
	KShs	KShs
Surplus for the year before tax	777,333	(276,836)
<b>Adjusted for:</b>		
Depreciation	-	-
Non-cash grants received	-	-
Impairment	-	-
Gains and losses on disposal of assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
<b>Working Capital adjustments</b>		
Increase in inventory	-	-
Increase in receivables	-	-
Increase in deferred income	-	-
Increase in payables	-	-
Increase in payments received in advance	-	-
<b>Net cash flow from operating activities</b>	<b>777,333</b>	<b>(276,836)</b>

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

**42. Financial Risk Management**

Kabartonjo Level 4 Hospital's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The hospital's overall risk management programme focuses on the unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The hospital does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

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

**(i) Credit risk**

Kabartonjo Level 4 Hospital has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the hospital's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the Hospital's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2023</b>				
Receivables from exchange transactions	-	-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
<b>Total</b>	-	-	-	-
<b>At 30 June 2024</b>				
Receivables from exchange transactions	3,800,000	-	-	-
Receivables from –non-exchange transactions	526,000	-	-	-
Bank balances	-	-	-	-
<b>Total</b>	<b>4,326,000</b>	-	-	-

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

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The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the hospital has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. Kabartonjo Level 4 Hospital board of management sets the hospital's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**(ii) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the hospital's board of management who have built an appropriate liquidity risk management framework for the management of Kabartonjo Level 4 Hospital's short, medium and long-term funding and liquidity management requirements. The Hospital manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

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

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

**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 Kabartonjo Level 4 Hospital 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 Kabartonjo Level 4 Hospital's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The hospital's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to Kabartonjo Level 4 Hospital's exposure to market risks or the way it manages and measures the risk.

**a) Foreign currency risk**

Kabartonjo Level 4 Hospital 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 Kabartonjo Level 4 Hospital'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
<b>At 30 June 2024</b>			
Financial assets (investments, cash, debtors)	-	-	-
Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

Kabartonjo Level 4 Hospital manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting expected sales proceeds and matching the same with expected payments.

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

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

**Foreign currency sensitivity analysis**

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

Description	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
<b>2022/23(previous year)</b>			
Euro	10%	-	-
USD	10%	-	-
<b>2023/24 (current year)</b>			
Euro	10%	-	-
USD	10%	-	-

**b) Interest rate risk**

Interest rate risk is the risk that Kabartonjo Level 4 Hospital's financial condition may be adversely affected as a result of changes in interest rate levels. The hospital's interest rate risk arises from bank deposits. This exposes the hospital to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the hospital's deposits.

**Management of interest rate risk**

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

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

**Sensitivity analysis**

Kabartonjo Level 4 Hospital 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.

**iv) Capital Risk Management**

The objective of Kabartonjo Level 4 Hospital’s capital risk management is to safeguard the Hospital’s ability to continue as a going concern. The Hospital capital structure comprises of the following funds:

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Revaluation reserve	-	-
Retained earnings	-	-
Capital reserve	-	-
<b>Total funds</b>	-	-
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt	-	-
<b>Gearing</b>	-	-

**Kabartonjo Level 4 Hospital (Baringo County Government)**  
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**Notes to the Financial Statements (Continued)**

**43. Related Party Balances**

**Nature of related party relationships**

Entities and other parties related to Kabartonjo Level 4 Hospital 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.

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

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

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>a) Services offered to related parties</b>		
Services to xxx	-	-
Sales of services to xxx	-	-
<b>Total</b>	-	-
<b>b) Grants from the Government</b>		
Grants from County Government	-	-
Grants from the National Government Entities	-	-
Donations in kind	-	-
<b>Total</b>	-	-
<b>c) Expenses incurred on behalf of related party</b>		
Payments of salaries and wages for xxx employees	-	-
Payments for goods and services for xxx	-	-
<b>Total</b>	-	-
<b>d) Key management compensation</b>		
Directors' emoluments	-	-
Compensation to the medical Sup	-	-
Compensation to key management	-	-
<b>Total</b>	-	-

**Kabartonjo Level 4 Hospital (Baringo County Government)**  
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**44. Segment Information**

(Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an Kabartonjo Level 4 Hospital to present segmental information of each geographic region or department to enable users understand Kabartonjo Level 4 Hospital's performance and allocation of resources to different segments)

**45. Contingent Liabilities**

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

**46. Capital Commitments**

Capital Commitments	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Authorised For	-	-
Authorised and Contracted For	-	-
<b>Total</b>	-	-

**47. Events after the Reporting Period**

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

**48. Ultimate and Holding Kabartonjo Level 4 Hospital**

Kabartonjo Level 4 Hospital is a State Corporation/ or a Semi- Autonomous Government Agency under the Department of Health. Its ultimate parent is the County Government of Baringo

**49. Currency**

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

**50. 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.

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe:</b>
OAG/HEALTH/PL4&5H/KABARTONJO/2022/2023(19)	<p><b>Variance in Transfer from the County Government</b></p> <p>The statement of financial performance for reflects an amount of Kshs.8,208,014, in respect to transfer from the county government as disclosed in Note 6 to the financial statement. However, analysis of schedules and bank statements provide for audit revealed an amount of Kshs.13,494,519 resulting to unexplained variance of Kshs.5,286,505.</p>	<p><b>Management Response</b></p> <p>Kabartonjo Hospital receives income from in and out patient’s services where payments are made via M pesa through the Cash less system to the Kabartonjo District Hospital Account No. 1149508043 at Kenya Commercial Bank. The amount in question amounting to Ksh. 13,494,519 relates to the total Revenue collected during financial year under review. However the hospital management has no control of this account and its operation lies with Baringo County Treasury. The total amount declared and transferred by the county treasury during the year under review to Kabartonjo District Hospital Imprest Account No. 1149215593 at Kenya Commercial Bank amounts to Kshs. 8,208,014. The</p>	Resolved	4 <sup>th</sup> November, 2024

**Kabartonjo Level 4 Hospital (Baringo County Government)**  
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
		amount of Kshs. 5,286,505 in question was the difference between what the hospital collected and what was reimbursed by the County Treasury. Attached is the bank statement for both income and expenditure account and AIE's for the period under review. Attached Bank Statements and amended Statement of Financial Performance		
OAG/HE ALTH/PL 4&5H/KA BARTON JO/2022/2 023(19)	<p><b>Undisclosed Revenue from Non-exchange Transactions</b></p> <p>The statement of financial performance reflects Nil amount in respect to revenue in-kind contribution from the County Government and grants from donors and development partners as disclosed in Notes 7 and 8 to the financial statements. However, analysis of records revealed In-kind contributions by the Baringo County Government in form of medical drugs amounting to Kshs.4,416,889, donations and program commodities amounting</p>	The revenue in kind contribution from the County Government and Grants from donors and development partners during the year under review was not disclosed in the financial statement as the Hospital Management presumed that all Procurement of drugs and payments were done at the county level and not at the facility thus it could mean a double reporting. In this regard the Hospital Management has acknowledged in-kind contributions from County Government in form of medical drugs amounting to Kshs. 4,416,889, donations and program commodities of Kshs. 4,126,411.52 and	Resolved	4 <sup>th</sup> November, 2024

**Kabartonjo Level 4 Hospital (Baringo County Government)**  
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	to Kshs.4,126,411.52 and Universal Health Care (UHC) products amounting to Kshs.1,034,855 totaling Kshs.9,578,156 that we're not disclosed in the financial statements.	Universal Health Care (UHC) products amounting to Kshs. 1,034,855 all totalling Kshs. 9,578,156. This has been disclosed and amended in the Statement of financial performance for the year under review		
OAG/HE ALTH/PL 4&5H/KA BARTON JO/2022/2 023(19)	<p><b>Inaccuracies in the Cash and Cash Equivalent Balance</b></p> <p>The statement of financial position reflects a balance of Kshs 233,443 in respect to cash and cash equivalents as disclosed in Note 27 to the financial statements. However, review of records provided for audit revealed a Hospital bank account with a balance of Kshs.1,481,939 operated by the County Treasury which was not disclosed in the financial statement and whose cash book and bank reconciliation statements were not provided for audit.</p>	<p><b>Management Response</b></p> <p>The amount of Ksh, 233,443 in question is the closing bank balance at the end of the financial year 2021/2022 Kabartonjo District Hospital Account No. 1149508043 held at Kenya Commercial Bank operated by the hospital management. However, the amount of Kshs. 1,481,939 is the closing bank balance at the end of the financial year 2021/2022 at Kabartonjo District Hospital imp rest account' held at Kenya Commercial bank Account No. 1149215593 which is operated by Baringo County Treasury of which the hospital cannot access. Attached Bank Statement, Cash Book and Bank Reconciliation Statement</p>	Resolved	4 <sup>th</sup> November, 2024

**Kabartonjo Level 4 Hospital (Baringo County Government)**  
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
OAG/HE ALTH/PL 4&5H/KA BARTON JO/2022/2 023(19)	<p><b>Non-Disclosure of Receivables from Exchange Transaction Balance.</b></p> <p>The statement of financial position reflects Nil balance in respect to receivables from exchange transactions as disclosed in Note 28 to the financial statement. However, review of records revealed National Health Insurance Fund (NHIF) balance of Kshs. 3,010,600 out of which an amount of Kshs.2, 683,600 was received resulting to a balance of Kshs. 327,000. However, this balance differed with the NHIF records balance of Kshs. 2,758,636 leading to unexplained 2,431,636.</p>	<p><b>Management Response</b></p> <p>The amount in question amounting to Kshs. 2,431,636 was as a result of NHIF paying claims directly to the imp rest account No. 1149215593 at Kenya Commercial Bank which is being accessed and controlled by Baringo County treasury hence the facility could not exactly give the actual amount paid on real time. Attached, amended Statement of Financial Position</p>	Resolved	4 <sup>th</sup> November, 2024
OAG/HE ALTH/PL 4&5H/KA BARTON JO/2022/2 023(19)	<p><b>Non- Disclosure of Property, Plant and Equipment Balance</b></p> <p>The statement of financial position reflects nil balance in respect of property, plant and equipment as disclosed in Note 31 to the financial statements.</p>	<p><b>Management Response</b></p> <p>The Hospital estimated total cost of Asset amounts to Kshs. 124,402,639 which is composed of; Eleven acres (11) Land where the Hospital buildings is situated. The property in question has not been valued and estimated cost</p>	Resolved	4 <sup>th</sup> November, 2024

**Kabartonjo Level 4 Hospital (Baringo County Government)**  
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>However, review of the Hospitals records and physical inspection revealed various assets including land, buildings, motor vehicles, furniture, computers and equipment which were not disclosed in the financial statements. Further, ownership documents were not provided for audit review and the Hospital's land has not been valued and an assets register was not maintained.</p>	<p>is eleven million shillings (Kshs. 11,000,000), Hospital Equipment's total cost is approximately Kshs. 34,818,020 , Hospital computers cost is approximately Kshs. 3,266,000, Hospital Software (Kenya EMR PLUS) amounting to Kshs. 1,500,000 and Hospital Vehicle (Ambulance) costing Kshs. 8,000,000 as detailed in;</p>		
<p>OAG/HE ALTH/PL 4&amp;5H/KA BARTON JO/2022/2 023(19)</p>	<p><b>Non-Disclosure of Inventories Balance</b>  The statements of financial position reflect Nil inventories balance as disclosed in Note 30 to the financial statements. However, review of stock cards revealed drugs of undetermined value held in the hospitals stores as at 30 June, 2023</p>	<p><b>Management Response</b>  The Kabartonjo sub county hospital do update its inventories from time to time inclusive of annual stock take, however by the time of audit the same was not quantified into monetary terms.The management has inventory of all assets within the facility which is updated at the beginning of every year and disclosed both in hard and soft copy.</p>	<p>Resolved</p>	<p>4<sup>th</sup> November, 2024</p>

**Kabartonjo Level 4 Hospital (Baringo County Government)**  
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
OAG/HE ALTH/PL 4&5H/KA BARTON JO/2022/2 023(19)	<p><b>Failure To Prepare Budget Estimates,</b>                      The statement of financial performance reflects total revenue and expenditure amounts of Kshs. 8,430,124 and Kshs. 8,706,960 respectively. However, management did not prepare budget estimates for both revenue and expenditure contrary to regulation 29(1) and (2) of the Public Finance Management (County Governments) Regulations, 2015 which requires the accounting officer to prepare draft estimates relating to her or his department and to ensure that all services are included in the estimates.</p>	<p><b>Management Response</b>                      During the Budget making process the Hospital submits its budget proposals to the department of health which also forward the same to the department of Economic Planning for further action in the budget making cycle.</p>	Resolved	4 <sup>th</sup> November, 2024
OAG/HE ALTH/PL 4&5H/KA BARTON JO/2022/2 023(19)	<p><b>Irregular Engagement of Casuals Workers.</b>                      The statement of financial performance reflects employee costs amount of Kshs.2,787,559 as disclosed in Note 16 to</p>	<p><b>Management Response</b>                      Kabartonjo Hospital engaged Casual workers through three monthly contracts that were renewable. The Casual upon expiry of their contract were encouraged to apply for</p>	Resolved	4 <sup>th</sup> November, 2024

**Kabartonjo Level 4 Hospital (Baringo County Government)**  
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>the financial statements which relate to payment of wages to sixteen (16) casual workers. However, the casual workers were engaged for more than five (5) years without contract of service, contrary to Section 37(1) (a) and (b) of the Employment Act, 2007 which states that notwithstanding any provisions of this Act, where a casual employee works for a period or number of continuous working days which amount in the aggregate to the equivalent of not less than one month and performs work which cannot reasonably be expected to be completed within a period, or a number of working days amounting in the aggregate to the equivalent of three months or more, the contract of service of the casual employee shall be deemed to be one where wages are paid monthly and section 35(1)(c) shall apply to that contract of service.</p>	<p>employment opportunities that were available from time to time. It is true that Kabartonjo Hospital do have casual workers engaged on temporary basis to offer essential services due to shortage of human resource. The casuals have since built experience on job training over time on the nature of work engaged in. The management has forwarded request to Baringo County Public Service Board for consideration to absorb them into permanent terms.</p> <p>The need of the hospital for health workers to supplement permanent and Pensionable staff kept increasing due to the following reasons;-</p> <ul style="list-style-type: none"> <li>a) Aging permanent work force associated with chronic medical conditions</li> <li>b) The need to adopt new technologies whose training required a youthful work force</li> <li>c) There would be a disruption of service delivery, whenever staff was terminated due to end of contract</li> <li>d) The hospital kept renewing their three months</li> </ul>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
		<p>contracts to the extent at which some of the staff served for many years due age limit which could not allow eligibility for the jobs advertised by the County Public Service Board.</p> <p>e) The hospital also considered the plight of casual staff upon termination because the staff felt aggrieved.</p> <p>f) The staff renewed their contracts voluntarily on quarterly or annual basis. The Hospital had a long list of willing applicants for contracts and volunteerism and this pool replaced any staff who exited for any reason.</p> <p>g) All temporary staff was allowed to exit the hospital on notice upon getting an opportunity to serve elsewhere. Attach Contract Letters</p>		
OAG/HE ALTH/PL 4&5H/KA BARTON JO/2022/2 023(19)	<p><b>Inaccurate Statutory Deductions and Remittance.</b></p> <p>The statement of financial performance reflects employee costs of Kshs.2,787,559 as disclosed in Note 16 of the financial statements. Included in this amount is the National Social</p>	<p><b>Management Response</b></p> <p>The employer and employee NSSF statutory were deducted and remitted as required. Payment schedule list showing payment remittance to NSSF is hereby attached. During the year under review the six per centum had not been rolled out. Attached</p>	Resolved	4 <sup>th</sup> November, 2024

**Kabartonjo Level 4 Hospital (Baringo County Government)**  
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>Security Fund (NSSF) employee deductions amounting to Kshs.76,800. However, there was no evidence of the corresponding employer contribution. This was contrary to Section 20(1) (a) and (b) of the National Social Security Fund Act, 2013 which states that, from the commencement date and subject to the provision of sub-section (3) and section 21, an employer shall pay to the Pension Fund in respect of each employee in his or her employment to the employer's contribution at six per centum of the employee's monthly pensionable earnings</p>	<p>Contract document and NSSF Remittance</p>		
<p>OAG/HE ALTH/PL 4&amp;5H/KA BARTON JO/2022/2 023(19)</p>	<p><b>Deficiencies In Implementation of Universal Health Coverage</b>            Review of Hospital records and interviews on verification of service offered, equipment used and medical specialists in the hospital at the time of audit revealed that the hospital did not meet the requirements of</p>	<p><b>Management Response</b>            The facility is in the process of complying with the Kenya quality model for health policy guidelines; The National Government in collaboration with the County Government posted Seven (7) staff of various cadres to the facility. The County Government has posted four (4) staff of various cadres to the</p>	<p>Resolved</p>	<p>4<sup>th</sup> November, 2024</p>

**Kabartonjo Level 4 Hospital (Baringo County Government)**  
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	Kenya Quality Model for Health Policy Guidelines due to staff deficits by ninety (90) staff requirements or 89% of the authorized establishment	facility. The Facility Theatre infrastructure is at 95% complete. The 5% incomplete is due to; Theatre utilities e.g Oxygen, gases, theatre drugs of which procurement is ongoing. Oxygen Plant construction is ongoing courtesy of National Government through AMREF in partnership with County Government and expansion of Laboratory infrastructure, equipment's (Biochemistry and Hematology machines) and services.		
OAG/HE ALTH/PL 4&5H/KA BARTON JO/2022/2 023(19)	<p><b>Stock-Outs of Medical commodities</b></p> <p>Review of inventory records revealed that seven (7) medical commodities were stocked out for periods ranging from one (1) to three (3) months. In addition, there were no policy guidelines on the required re-order levels to confirm whether commodities were procured within the required stock levels.</p>	<p><b>Management Response</b></p> <p>Hospital due receive drugs from KEMSA with delivery note and invoices via S13 and recorded in the store bin cards. The drugs are issued in the service delivery points using S11. Delay in adequate and non-supply of medical commodities by KEMSA leading to stock-out. However, the stock out usually arises due to the process of confirming KEMSA supplies at the facility and procuring the drugs which were not fulfilled by KEMSA through private supplier.</p>	Resolved	4 <sup>th</sup> November, 2024

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
OAG/HE ALTH/PL 4&5H/KA BARTON JO/2022/2 023(19)	<p><b>Expired Medical Commodities.</b>            Review of stock control cards revealed that ten (10) units of various medical commodities valued at Kshs.31,710 had expired as at June, 2023 and not been disposed-off by the time of audit in April, 2024</p>	<p><b>Management Response</b>            Kabartonjo Sub County Hospital has internal control on management of drugs; however most of the expired drugs were as a result of short expiry and previous push system from KEMSA. Short expiry drugs were mopped up from lower-level facilities to be dispensed at the Hospital due to higher rate of movement of stock at the hospital. In some cases the consignment was not moved completely, leading to the pile-up. Change of policy in drug regimen for certain conditions leading to the redundancy of the existing stock, such drugs are withdrawn from the shelves and quarantined hence necessitating for such storage hence expiries. Donations from various organizations to support clinics, medical or surgical camps where it was planned that the commodities would be consumed during the period of such activities. The Hospital can only dispose small quantities of expired drugs since its incinerator is small. Attached Change in drug regimen policy</p>	Resolved	4 <sup>th</sup> November, 2024

**Kabartonjo Level 4 Hospital (Baringo County Government)**  
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
OAG/HE ALTH/PL 4&5H/KA BARTON JO/2022/2 023(19)	<p><b>Unfulfilled Orders for Medical supplies.</b></p> <p>Review of requisition revealed that the Hospital ordered 98,355 units of various medical commodities from the Kenya Medical Supplies Authority (KEMSA) out of which 55,708 or 57% of the orders were delivered resulting to unfulfilled orders of 42,647 units or 43%. Further, there was no evidence to show that the unfulfilled orders were procured from other sources to ensure continuous availability of medical commodities.</p>	<p><b>Management Response</b></p> <p>The hospital usually procures drugs from KEMSA, where its fill rate is about 40% to 60%. County analyses the KEMSA Supplies in view of engaging private suppliers and inadequate budget that can't sustain availability of drugs at the year round. The Kabartonjo Sub County hospital does pull drugs from KEMSA through the department of health on quarterly basis. The unfulfilled orders are usually procured by the County Government through private suppliers. In case of stock-out of emergency drugs the hospital management usually purchases through Authority to incur expenditure (AIE) funds.</p>	Resolved	4 <sup>th</sup> November, 2024
OAG/HE ALTH/PL 4&5H/KA BARTON JO/2022/2 023(19)	<p><b>Poor Inventory Management</b></p> <p>Review of delivery notes revealed that the Hospital received medical products valued at Kshs.26,484,210. However, the stock cards used to issue medical products to various departments in</p>	<p><b>Management Response</b></p> <p>Kabartonjo Sub County hospital usually receives commodities from KEMSA through the county health department where the batch numbers and expiry date are well labelled. The commodities are stored in a manner that the first expiry drugs are arranged in front</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	the Hospital did not indicate the batch number and expiry dates. It was therefore not possible to establish whether the issuance of the medical products followed the principle of FEFO.	of the long expiry drugs The received commodities are entered into bin cards and issued to various service delivery points using S11 following FEFO method.		

  
 .....  
**Medical Superintendent**

MEDICAL SUPERINTENDENT  
 KABARTONJO SUB-COUNTY  
 27 DEC 2024  
 REFERRAL HOSPITAL  
 P.O. BOX 120-30401, K/BARTONJO

**Appendix II: Projects Implemented by Kabartonjo Level 4 Hospital**

**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**

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

**Appendix III: Kabartonjo Level 4 Hospital Confirmation Letter**

**BARINGO COUNTY GOVERNMENT**

**E-mail:**

[medsupkabartonjo@gmail.com](mailto:medsupkabartonjo@gmail.com)

When replying please quote

**Ref: KBCSRH**



**KABARTONJO LEVEL 4 HOSPITAL**

Date: 15<sup>th</sup> July, 2024

The Baringo County Government Treasury wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> June 2024 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.

Name of transferring funds: **Baringo County Treasury**

Name of Beneficiary: **Kabartonjo Level 4 Hospital**

**Confirmation of amounts received by Kabartonjo Level 4 Hospital as at 30<sup>th</sup> June 2024**

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
Rec. Treasury	03/08/2023	282,500	-	282,500	
Rec. Treasury	13/09/2023	2,960,405	-	2,960,405	
Rec. Treasury	03/11/2023	1,135,238	-	1,135,238	
Rec. Treasury	19/02/2024	786,391	-	786,391	

**Kabartonjo Level 4 Hospital (Baringo County Government)**  
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Rec. Treasury	05/04/2024	1,264,452	-	1,264,452
Rec. Treasury	14/06/2024	847,793	-	847,793
Rec. Treasury	27/06/2024	912,715	-	912,715
<b>Total</b>		<b>8,296,494</b>	-	<b>8,296,494</b>

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

**Head of Accounts Department - Disbursing Kabartonjo Level 4 Hospital:**

FUND/GRANT ACCOUNTANT  
P. O. Box 53-30400, KABARNET  
Date: 27/12/2024

Name Phyllis Kirwa Sign [Signature] Date .....

**Head of Accounts Department - Beneficiary Kabartonjo Level 4 Hospital:**

MEDICAL SUPERINTENDENT  
KABARTONJO SUB-COUNTY  
27 DEC 2024  
REFERRAL HOSPITAL  
P.O. BOX 120-30401, KABARTONJO

Name Anderson Chesig Sign [Signature] Date .....



*Kabartonjo Level 4 Hospital (Baringo County Government)  
Annual Report and Financial Statements for the year ended 30<sup>th</sup> June, 2024*

**Appendix IV Reporting of Climate Relevant Expenditures**

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

Note; There were no Climate Relevant expenditures in the year under review



***Kabartonjo Level 4 Hospital (Baringo County Government)***  
***Annual Report and Financial Statements for the year ended 30<sup>th</sup> June, 2024***

**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
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

**Note; There were no Disaster expenditures in the year under review**