

REPUBLIC OF KENYA



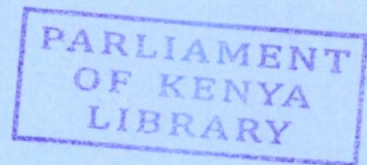
239

REPORT

OF

THE AUDITOR-GENERAL

ON



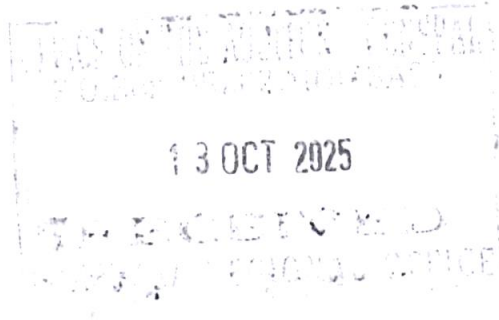
LIKONI SUB - COUNTY LEVEL 4
HOSPITAL

FOR THE YEAR ENDED
30 JUNE, 2022

PAPERS LAID	
DATE	24/2/22
TABLED BY COMMITTEE	Dr. Leleque
PRESENT AT THE TABLE	J. J. J.

MOMBASA COUNTY GOVERNMENT





**LIKONI SUBCOUNTY HOSPITAL
LEVEL IV
(Mombasa County Government)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2022**

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

Likoni Subcounty Hospital (Mombasa County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2022

Table of Contents

I. Acronyms & Glossary of Terms	III
II. Key Entity Information and Management	IV
III. The Board of Management.....	VIII
The Hospital has no board in place currently, a proposed list has been sent awaiting approval.	VIII
IV. Key Management Team	IX
V. Chairman's Statement.....	XI
The facility has no Board in place.	XI
VI. Report of The Medical Superintendent	XII
VII. Statement of Performance Against Predetermined Objectives	XIV
VIII. Corporate Governance Statement	XIX
The hospital has no board.....	XIX
IX. Management Discussion and Analysis.....	XX
X. Environmental And Sustainability Reporting	XXVII
XI. Report of The Board of Management.....	XXX
The facility had no board.....	XXX
XII. Statement of Board of Management's Responsibilities.....	XXXI
XIV. Statement of Financial Performance for The Year Ended 30 June 2022	1
XV. Statement of Financial Position as of 30 th June 2022	3
XVI. Statement of Changes in Net Asset for The Year Ended 30 June 2022	5
XVII. Statement of Cash Flows for The Year Ended 30 June 2022	6
XVIII. Statement Of Comparison of Budget and Actual Amounts For The Year Ended 30 June 2022.....	8
XIX. Notes To the Financial Statements	10
XX. Appendices	51

I. Acronyms & Glossary of Terms

CSR	Corporate Social Responsibility
OSHA	Occupational Health & Safety Act
PFMA	Public Financial Management Act
MED SUP	Medical Superintendent
Fiduciary Management	Key management personnel who have financial responsibility in the entity.
OPD	Out Patient Department
HIV	Human Immunodeficiency Virus
HMT	Hospital Management Team
HRMAC	Human Resource Advisory Committee
KEPH	Kenya Essential Package for Health
EEC	Executive Expenditure Committee
IPC	Infection Prevention and Control
MOPC	Medical Outpatient Clinic
GOPC	Gynaecology Outpatient Clinic
POPC	Paediatric Out-Patient Clinic
CCC	Comprehensive care Clinic
GBV	Gender based Violence

II. Key Entity Information and Management

(a) Background information

Likoni Sub-County Hospital is a KEPH level 4 hospital under Kenya Gazette Notice 786. It is situated in Timbwani ward in Likoni Subcounty in Mombasa. It has a bed capacity of 25. It started as a health centre and was upgraded to a level 4 hospital post devolution.

The facility has a catchment population of 100,000. The hospital offers 24-hour outpatient and inpatient services and has a theater that serves both maternity and general surgery. It serves as a referral institution for the lower-level facilities and private facilities nearby and also serves patients from nearby Kwale County.

The range of services the facility offers has greatly increased to meet the growing health demands of the population it serves. The hospital also offers various inpatient and outpatient services including:

Services Offered:

- Casualty
- OPD
- Antenatal services
- Child welfare clinic
- Postnatal clinics
- immunization services
- CCC (HIV diagnosis and Treatment)
- TB Clinic
- 24-hour lab
- 24-hour pharmacy
- Youth Friendly Services
- Physiotherapy
- Occupational therapy
- Orthopedic technology
- Nutrition clinic
- Special clinics (Paediatrics, Obstetrics and Gynaecological, Physician, General Surgery, Dermatology)
- Gender Based Violence Services - Free
- Dental Services
- Radiology (X-Ray and Ultrasound)
- Inpatient Maternity and gynaecological
- Theater Services (General and Obgyn)
- Post Abortal Care

(b) Principal Activities

Mission

Provide high-quality, responsive, and comprehensive healthcare services to all citizens.

Vision.

A leading hospital with healthy and productive community.

Core Values.

The core values of the hospital include Professionalism, Integrity, Accountability, stakeholders' engagement, Team work, Customer centrisms, Innovation, Embracing human dignity and good governance.

To achieve the mission the hospital has the below key strategic goals:

1. Eliminate communicable conditions
 2. Halt, and reverse the rising burden of non- communicable conditions
 3. Reduce the burden of violence and injuries
 4. Provide essential health care
 5. Minimize exposure to health risk factors
- Strengthen collaboration with health-related sectors

(c) Key Management

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

- County department of health
- County Department of Finance
- Accounting Officer/ Medical Superintendent
- Health Management Team

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Medical Superintendent	Dr. Ahmed Karama
2.	Head of finance	Mr. Emmanuel Kombe
3.	Head of supply chain	Mr. Hassan Kitsao
4.	Hospital Administrative Officer	Mrs. Rahma Ali
5.	Human Resource Officer	Mr. Mohamed Salim
6.	Head Health Records & Information	Mrs. Dinah Arenda
7.	Head of Pharmacy	Dr. Nevyl Jimmy
8.	Head of Clinical Officers	Mrs. Margret Maiyo
9.	Head of Dental Department	Dr. Shaheed Malik
10.	Head of Medical Officers	Dr. Khadija Awadh
11.	Lab Manager	Mr. Joseph Ngigi
12.	Procurement Officer	Mr. Charles Magars
13.	Physiotherapist In charge	Mrs. Hyline Memba
14.	Nurse Manager	Matron Jennifer Makena
15.	Radiographer In charge	Mrs. Joy Sophia
16.	Biomedical Officer In charge	Mr. Mohammed Nassor
17.	Orthopaedic Technician In charge	Mr. Kevin Wandira
18.	Occupational Therapist In charge	Mrs. Mediatix Rubia
19.	Public Health Officer In-Charge	Mrs. Saumu Ibrahim
20.	Theatre In-Charge	Mr. Richard Mwinyi
21.	Nutritionist In charge	Mrs. Rehama Bakari
22.	CCC In Charge	Mr Mohamed Matsudzo

(e) Fiduciary Oversight Arrangements

Hospital Management Team. (HMT)

1. Preparing expenditure plans based on revenue estimates considering priorities
2. Receiving monthly reports on collections, waivers, exemptions and use of funds and actions taken where weaknesses have been identified
3. Monitoring collections, waivers, exemptions, expenditures and use of funds

4. Advice on areas to apply waivers, prudent spending, and effective resource mobilization

Executive Expenditure committee. (EEC)

- 1) Budget planning and allocation
- 2) Expense monitoring
- 3) Procurement oversight
- 4) Financial reporting
- 5) Cost control measures

Key Entity Information and Management (continued)

- | | | | | |
|---|--|--|--|---|
| <p>(f) Likoni Subcounty Hospital
P.O. Box 96239-80100
Likoni-Ukunda Road
Mombasa, Kenya.</p> | <p>(g) Likoni Subcounty Hospital
Telephone: (+254) 797 963 578
E-mail: likonihcalthcentre@yahoo.com</p> | <p>(h) Likoni Subcounty Hospital Bankers
Kilindini Branch
P.O. Box 90300-80100, MOMBASA
Telephone: +254 0412224457/ 2223677/2319419/2319420
Fax: +254 041 2222395
Email: kilindini2@kcb.co.ke
Website: http://www.kcbbankgroup.</p> | <p>(i) Independent Auditors
Auditor General
Office of Auditor General
Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya</p> | <p>(j) Principal Legal Adviser</p> |
|---|--|--|--|---|

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

(k) **County Attorney**
P.O. Box. 81599-80100
Bima Towers, 6TH Floor
Digo Road
Mombasa, Kenya

III. The Board of Management

The Hospital has no board in place currently, a proposed list has been sent awaiting approval.

IV. Key Management Team

Ref	Management	Details
1.	 Dr Ahmed Karama Medical Superintendent Bachelors of Pharmacy	Key Responsibilities 1. Budgeting and Financial planning 2. Cost control and revenue management 3. Financial Reporting 4. Human resource and payroll oversight 5. Procurement and resource allocation Financial growth and partnerships
2.	 Matron Jennifer Makena Nursing Officer Kenya Registered Community Health Nurse (diploma)	Responsibilities 1. Ensure proper documentation of service for accurate patient billing (NHIF, Cash and waivers) 2. Patient education on available financial options eg NHIF, Linda Mama, Cash 3. Prepare financial reports related to nursing budgets and resource utilization

3.	 Mrs. Rahma Ali Health Administrative Officer (HAO) Bachelor of Business Management (Finance) CPA	Responsibilities 1. Ensuring preparation of monthly collection reports, 2. Monitoring performance against targets for each department 3. Ensuring that all cash received is banked, and all services offered by schemes is charged as appropriate and invoiced. 4. Ensuring that all cash received is banked, and all services offered by schemes is charged as appropriate and invoices/claims submitted as per terms and conditions of each scheme,
4.	 Mohamed Salim Human Resource Officer	Key Responsibilities 1) Collaborating with finance department to plan staff related costs 2) Implement HR policies that balance cost saving with employee satisfaction 3) Ensure compliance with labour laws, tax regulations and financial policies

V.Chairman's Statement

The facility has no Board in place.

.....

Name

Chairman to the Board

VI. Report of The Medical Superintendent

This report provides an overview of the work burden and the financial status at Likoni Hospital for the financial year 2021-2022, based on data from the Kenya Health Information System (KHIS). It highlights key service delivery, providing insight into the hospital's operational capacity and challenges.

There was a general increase in revenue compared to the previous financial year 2020/2021. This increase can be attributed to increase workload in the facility following new services. Operating against expenditure compared below. Key revenue contributions included pharmacy, laboratory and radiology. The below figure does not include "in-kind" contributions from the county due to lack of those figures.

	2020/2021	2021/2022
Revenue	16,244,937	152,777,422
Expenditures	20,335,902	158,753,713

The outpatient department experienced a significant patient workload, Communicable diseases such as diarrhoea and respiratory infections remained a significant concern, while non-communicable diseases like hypertension and diabetes also contributing to the workload informing the need to start other specialist clinics. The hospital attended to a substantial number of emergency cases, with accident and trauma cases being predominant. There was also a surge in Gender Based Violence (GBV) related cases in the Likoni subcounty, these services are offered for free at the facility. Specialist services such as Pharmacy, radiology, laboratory tests and special clinics were in high demand, requiring increased resource allocation.

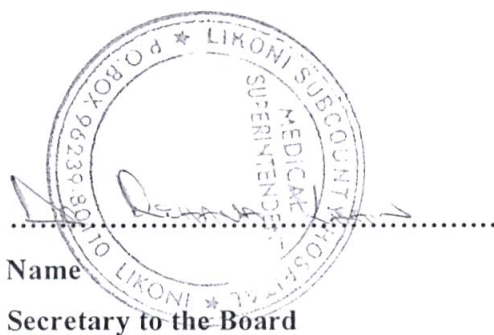
The inpatient admissions also showed a steady trend with the maternity unit handling a high number of deliveries, and caesarean sections contributing to significant percentage of the total births, this could be attributed to high number of referrals from lower-level facilities and the small private hospitals nearby.

The financial year 2021-2022 presented significant for Likoni Hospital, with a rising patient load and constrained resources. Strategic interventions, including increased staffing, improved infrastructure, and better resource management, were noted to be essential to ensure effective healthcare service delivery.

The hospital faced challenges in staffing levels, which affected service delivery efficiency. There was an increased demand for more medical personnel and support staff to manage the workload. High number of referral due to infrastructural challenges and resource limitation

The challenges experienced during the reporting period included:

1. Lack of proper infrastructure to meet the growing range of services offered
2. Outdated/breakdown of equipment with high cost of maintenance
3. Erratic consumption of stocks can cause stock outs or expiry
4. Inadequate human resource with a high attrition rate without replacement forcing hospital to engage staff with its own budget
5. Delayed re-imbursement Linda mama and NHIF submitted claims.
6. Industrial action by the health care workers affecting revenue collection
7. Political involvement



Name _____
Secretary to the Board

		2. Number of children under the age of five treated for diarrhea 3.Children under one year of age fully immunized Children under 1 year received LLITNs		managed for diarrhoea 924 Children under one year of age fully immunized 927
Halt and reverse the burden of non-communicable conditions	To reduce the incidence of Non communicable diseases	1.Number of adult OPD clients with BMI of more than 25 2.Number of women of reproductive age (WRA) screened for cervical cancer	Screening for NCDs Early detection and treatment of NCDs	1286 clients have BMI of more than 25 961

Reduce the burden of violence and injuries		Number of new outpatient cases attributed to road traffic accidents	175
Provide essential health care		1.No. of pregnant women attending at least four ANC visits	1196
		2.Number of WRA receiving family planning commodity	9212
		3. Number of clients tested for HIV	8051
		4. Number of deliveries conducted by skilled attendants in health facilities	2896

Minimize exposure to health risk factors	To strengthen health promotion interventions and facilitate the use of services that lead to healthy lifestyles	The facility does daily health talks at all service delivery points		everyday
Strengthen collaboration with health-related sectors	To build & strengthen partnerships with the public and private sectors to address priority health system needs	Number of children under five years of age attending child welfare clinics who are under weight		552
		Number of children under five years of age attending child welfare clinics who are stunted		134

To effectively tie the Annual Work Plan (AWP) achievements to the Performance Contracts (PCs) of staff the hospital-wide objectives are aligned with individual and departmental performance targets.

Each hospital staff member's Performance Contract (PC) is linked to the overall Annual Work Plan (AWP) to ensure that individual efforts contribute to institutional goals. This is done by:

Breaking Down AWP Goals → Translate hospital-wide objectives into department-level and individual staff targets.

Assigning Measurable Key Performance Indicators (KPIs) → Every staff contract has a clear, measurable targets tied to the AWP, which is set with the inclusion of the staff and the head of department.

Monitoring and Evaluating Progress → staff appraisals are assessed monthly by immediate heads of department to ensure these targets are achieved and to make any relevant changes as deemed necessary at the time

By directly linking Annual Work Plan (AWP) achievements to staff Performance Contracts (PCs), Likoni Subcounty Hospital has improved accountability, enhanced service delivery, and achieved institutional goals efficiently. Performance evaluation should be structured, data-driven, and aligned with national healthcare priorities to ensure sustainable improvements in staff output and patient care.

VIII. Corporate Governance Statement
The hospital has no board.

IX. Management Discussion and Analysis

In this financial year there was an improvement in the revenue collected compared to the previous financial year 2020/2021. This can be attributed to an increase in the patients served at the facility by 10%, this surge can be related to improved health seeking behaviour of the community served since the introduction of the CHPs and health talks at community level. The increase is also attributed to improvement in range of services offered in the facility including: introduction of new special clinics, introduction of general surgery in addition to maternity cases. Operating revenue was **Ksh 152,777,422.** and the total expenditure amounted to **Ksh 158,753,713 .** Key revenue contributions included pharmacy, laboratory and radiology. This figure includes the staff employed by the county posted to the facility.

The facility has plans to expand its accident and emergency unit which currently is a small room with 3 bed capacity to a fully-fledged emergency unit. The facility also sees the need to develop wards for general, surgical and paediatric in-patient services as revenue is lost in referrals due to inability to admit these patients. The security in the facility is wanting and there is urgent need of perimeter wall. The roof is leaking/made of asbestos and needs an overhaul.

The planning and budgeting at the facility is a function of the Hospital Management Team. Once facility collection is reviewed and budget is done it is forwarded to the Chief officer Clinical services for approval before implementation. The management of the hospital is divided into 7 major building blocks:

1. Leadership and Governance

The hospitals activities are managed through a Hospital Management Team comprising of administrators and heads of departments, a team of 23members. The team is responsible for policy implementation, strategic planning and decision making, resource management, accountability and transparency and stakeholder engagement.

2. Service Delivery

The services are broadly divided into: Preventive, Curative, Rehabilitative and special Programs

The Hospital runs 24/7 providing these essential services. However infrastructure remains a challenge and results in services not consistently available and also sharing of space to provide these services, this also contributes to loss of revenue.

3. Health Workforce

The hospital workforce is made up of staff employed by the county and those employed by the facility to cover critical gaps ensuring a well-rounded workforce to meet patient needs. The facility strives to provide a healthy work environment and update staff on current practices through regular CMEs planned at facility level, supported by department or partners. An increase in workload translates to increase in staffing needs however the gaps are usually not immediately filled leading to interruption in service delivery and compromise revenue collected.

4. Revenue

Likoni Subcounty Hospital generates revenue through the following means:

Government Funding: Allocations from the national and county governments for operational and development costs, this usually comes in form of salaries for County employed staff, paid bills, under 5 reimbursements (this is a program unique to Mombasa County where the facility provides free under 5 services and the money is reimbursed by the County Government)

User Fees & Service Charges: Payments from patients for outpatient consultations, laboratory tests, imaging services, and specialized treatments. The facility charges as based on the Finance Bill. The payments are made through the hospital paybill number directly linked to the hospital account.

National Health Insurance Fund (NHIF) Reimbursements: Funds received from NHIF for insured patients under the Universal Health Coverage (UHC) program. These payments are usually not consistent and require a lot of follow up. A large sum is owed to NHIF which if reimbursed will enable cover great stride to develop the facility

Donor & Development Partner Support: Grants and funding from international organizations, NGOs, and private sector partnerships. The facility did not receive any major grant this financial year

Public-Private Partnerships (PPPs): Collaborations with private entities to enhance healthcare service delivery and infrastructure. MSF built an incinerator for the facility cutting down cost of waste management and disposal and also resulting in compliance to IPC.

5. Health Information System

All the facility data is recorded in the registers and summary tools are uploaded into the KHIS every month. The the Kenya Electronic Medical Records (EMR) system is currently being used only in CCC. The facility also uses a system called Duomed to handle billing and receipting.

A well-functioning Health Information System (HIS) is essential for efficient healthcare delivery in public hospitals. It facilitates accurate data collection, storage, analysis, and reporting, which supports decision-making, resource allocation, and overall hospital management. This statement highlights the importance, challenges, and recommendations for strengthening HIS in public hospitals.

6. Health Products and Technology (HPT)

The hospital strives to maintain a consistent supply of essential medicines, diagnostic kits, vaccines, and medical consumables. Despite these efforts, occasional stock-outs occur due to erratic consumption, supply chain challenges and budget constraints.

The hospital is equipped with basic diagnostic and treatment technologies, including: Radiology Services, Laboratory Services, Theatre Equipment, Emergency Equipment

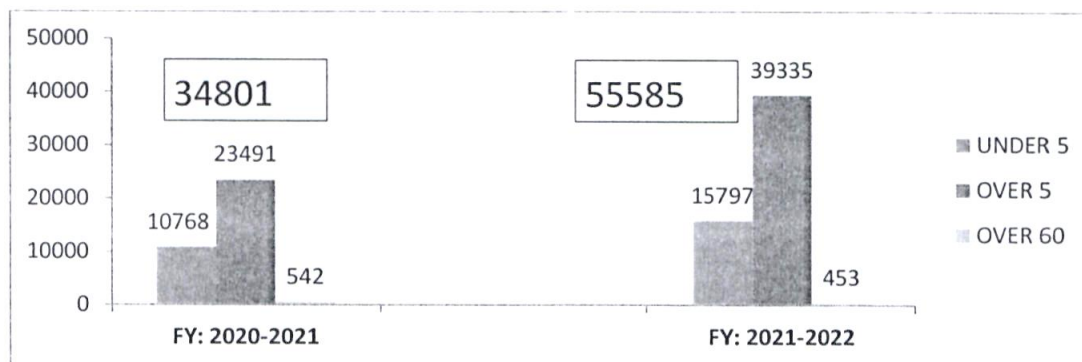
Health products and technology are critical to the effective functioning of Likoni Sub-County Hospital. While the facility continues to provide essential healthcare services, challenges in supply chain management, equipment maintenance, and technological advancements need to be addressed. Strengthening these areas will enhance service delivery and improve patient outcomes.

7. Infrastructure: the infrastructure is key for service delivery; the facility was upgraded from a health centre to a level 4 with minimal infrastructural changes. The menu of the service delivery has expanded however the rooms available to offer these services remain same resulting in sharing of room to offer services and services not available every day. This inconsistency can result in long booking wait times and loss of patients to follow up resulting in loss of revenue.

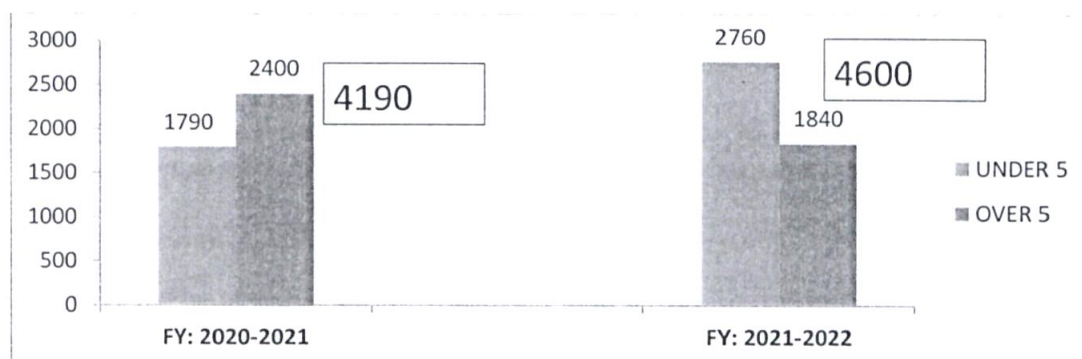
The facility also lacks general surgical and medical wards, and paediatric wards.

Clinical/operational performance

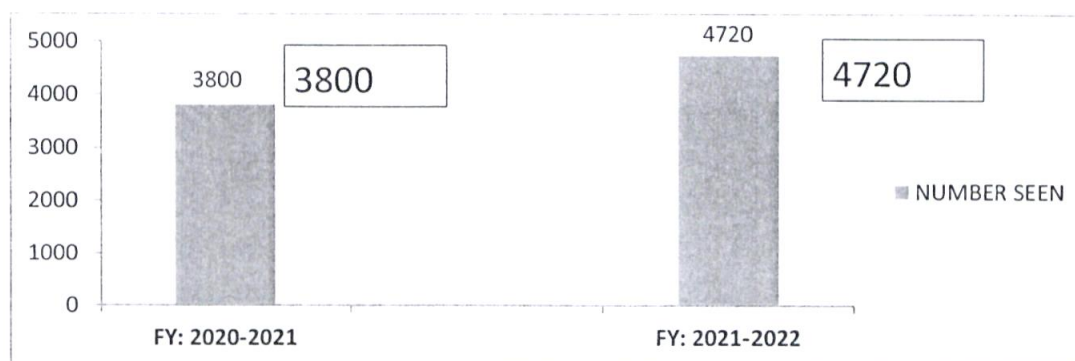
- *Bed capacity of the hospital: 24*
- *Overall patient attendance during the year for both inpatient and outpatient.*



- *Accident and Emergency attendance*



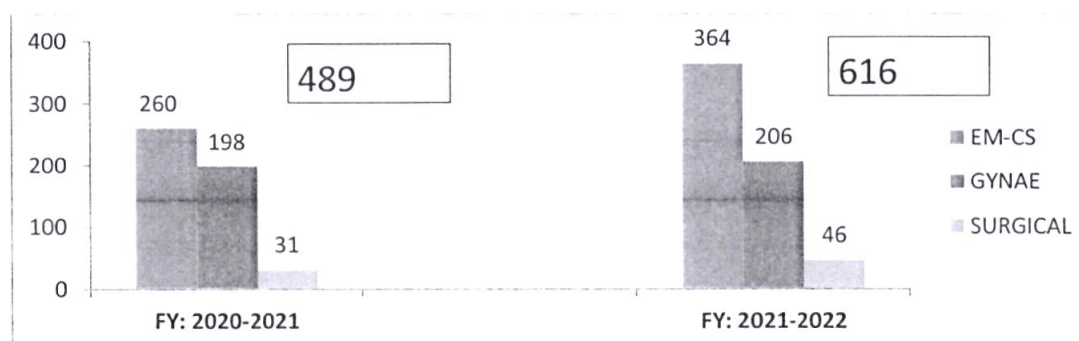
- *Specialised clinic attendance*



- Average length of stay for in patient, bed occupancy rate and Mortality rate

WARD	% BED OCCUPANCY	
	2020-2021	2021-2022
MATERNITY	71	75
GYNAE	78	80
SURGICAL	57	60
WARD	AVERAGE LENTH OF STAY (ALOS)	
	2020-2021	2021-2022
MATERNITY	2	2
GYNAE	3	2
SURGICAL	2	2
FACILITY MOTALITY RATE		
UNDER 5	19	22
OVER 5	17	23

- Surgical theatre utilisation



- Sponsorships and partnerships:

MSF built an incinerator for ideal facility waste management and improving services and reducing waste disposal cost to the facility

Financial performance that includes: -

○ *Revenue sources,*

Likoni Subcounty Hospital generates revenue through the following means:

1. Government Funding: Allocations from the national and county governments for operational and development costs.
2. User Fees & Service Charges: Payments from patients for outpatient consultations, laboratory tests, imaging services, and specialized treatments.
3. National Health Insurance Fund (NHIF) Reimbursements: Funds received from NHIF for insured patients under the Universal Health Coverage (UHC) program.
4. Donor & Development Partner Support: Grants and funding from international organizations, NGOs, and private sector partnerships.
5. Public-Private Partnerships (PPPs): Collaborations with private entities to enhance healthcare service delivery and infrastructure.

○ *Utilisation of funds:*

Every quarter the members of the facility HMT (heads of departments) submits a list of their requirement A breakdown of facility's collection against the previous quarter utilisation is shared at the HMT, this is discussed against their set departmental targets. These requests are then escalated to the EEC who have the role to plan and budget accordingly. This is then forwarded through the director Clinical Services to the Chief Officer Clinical Services for approval, who then gives the Authority to Incur Expenditure. This is then forwarded back to the facility for implementation.

X. Environmental And Sustainability Reporting

i) Sustainability strategy and profile

Likoni Subcounty Hospital is committed to environmental sustainability and responsible resource management. The facility makes efforts to minimize our ecological footprint, manage medical waste effectively, and contribute to a healthier environment for our community.

ii) Environmental performance

Proper waste management, our key initiatives include:

Medical Waste Segregation: Use of color-coded bins to separate infectious, non-infectious, pharmaceutical, and hazardous waste. Sharp boxes for sharps. The staff are regularly assessed and trained on the waste management protocols

Safe Disposal: the facility has partnered with MSF to build an incinerator, this will help with waste disposal and ease the cost for the facility.

a) Water and Energy Conservation

To reduce resource consumption, we have implemented:

Water Conservation Measures: Regular maintenance of pipes to prevent leaks, installation of low-flow taps, and rainwater harvesting where feasible. The hospital also has a borehole to supplement the controlled fresh water supply to the facility, restricting fresh water use to key areas like kitchen and theatre.

Energy Efficiency Strategies: Adoption of solar power for lighting, use of LED bulbs, and sensitization programs for staff to reduce energy wastage.

b) Green Initiatives and Biodiversity Conservation

Hospital Gardens: Development of green spaces to improve air quality and provide a healing environment

iii) Employee welfare

Likoni Hospital through the Mombasa County Public Service Board promotes equality of opportunity in employment and will not discriminate directly or indirectly against an employee on the grounds of race, colour, sex, language, religion, disability, pregnancy, mental status, HIV status, and in respect of recruitment, training, promotion, terms and conditions of employment, termination of employment or any matters arising out of employment. It ensures that not more than two-thirds of vacant posts are filled by either gender in the county public service. It ensures that at least thirty percent of the vacant posts at entry level are filled by candidates who are not from the dominant ethnic community in the county.

Performance appraisal is based upon the principal of work planning, setting of agreed performance targets, feedback and reporting. It is linked to other human resource systems and processes including staff development, career progression, recruitment, placement, incentives and sanctions. Targets are set at the beginning of the year in consultation with the facility targets and the departmental heads, these are reviewed every quarter by the heads of department and biannually by the HR/Medical Superintendent. This is then forwarded to the Department HR for review and forwarding to County Public service board

The facility is compliance with Occupational Safety and Health Act of 2007, (OSHA.) The facility has an IPC committee that develops and enforces safety protocol for infection prevention and regularly do trainings for staff. The facility has a Public health Officers who regularly trains and shares recommendations on PPEs
Fire safety and Emergency preparedness: The facility has fire assembly point and fire extinguishers strategically placed at key service delivery points.

iv) Market place practices-

The organisation should outline its efforts to:

a) Responsible competition practice.

The facility prioritizes patient centered care offering high quality, accessible and affordable services, not based on competitive pressure

The facility avoids false claim advertisement, and all such content are reviewed by department communication team before sharing.

The facility partners with other health service provider nearby in various ways, this can be in form of borrowing urgent commodities, supporting theatre services during power outages like the sterilization of theatre equipment, supported CMEs

b) Responsible Supply chain and supplier relations

The organisation pays its supplier every 3 months after approval of budget, the challenge remains in form of old debts that may compromise the services. The facility has however verified these debts and is dedicated to clear them.

c) Responsible marketing and advertisement

The facility advertises its services through the department's communication team who advise the facility on how to go about. All advertisement is done through the departmental page.

d) Product stewardship

The facility has installed complaints box at various points in the hospital and the administration team always welcome clients with grievances / compliments to the office

v) Corporate Social Responsibility / Community Engagements

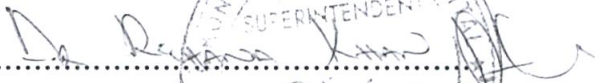
The facility did medical camps and in partnership with private support. The private partners offer commodities while the facility provides a venue for the exercise and staff.

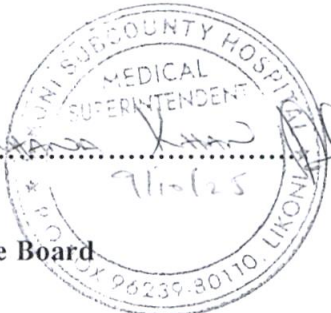
XI. Report of The Board of Management
The facility had no board.

Auditors

The Auditor General is responsible for the statutory audit of the Likoni Subcounty 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



XII. Statement of Board of Management's Responsibilities

The facility has no board. In adherence to the PSASB template, PFM Act 2012 and Health Act the responsibilities of the board are as follows:

- (a) providing oversight to the hospital management team to improve the health status of the community
- (b) providing necessary checks and balances for the use of all resources available to the hospital
- (c) making decisions that will improve the hospital, ensure continuity while keeping in line with county government policies
- (d) projecting the expected annual user fees income, and any other expected income
- (e) overseeing the prudent utilization and reporting of all resources under their responsibility
- (f) preparing work plans and budgets

.....
Name:
Chairperson
Board of Management

.....
Name:
Accounting Officer



REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON LIKONI SUB - COUNTY LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2022 – MOMBASA COUNTY GOVERNMENT

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.

An Adverse Opinion is issued when the Auditor-General determines that the financial statements are materially misstated and are not fairly presented in accordance with the applicable financial reporting framework. The Report on the 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

Adverse Opinion

I have audited the accompanying financial statements of Likoni Sub - County Level 4 Hospital - Mombasa County Government set out on pages 1 to 51, which comprise of the statement of financial position as at 30 June, 2022 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a

summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of Likoni Sub - County Level 4 Hospital - Mombasa County Government as at 30 June, 2022 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 do not comply with the Mombasa County Health Services Act, 2018 and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Failure to Prepare Trial Balance

Management did not prepare a trial balance which forms the basis for preparation of the financial statements. The basis for preparation of the financial statements for the year was not explained and it could not be determined that Management ensured that the Hospital kept financial and accounting records that comply with the Public Finance Management Act, 2012.

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

2. Inaccuracies in the Financial Statements

2.1 Inaccuracies in the Statement of Changes in Net Assets

The statement of changes in net assets reflects accumulated deficit of Kshs.5,976,291 and comparative balance deficit of Kshs.4,091,015. However, the closing balance was not brought forward to year 2021/2022 and the opening balance as at July 1, 2021 reflects nil balance. Recasting of the balance as at June 30, 2022 results in Kshs.10,067,306 deficit and not Kshs.5,976,291 deficit disclosed.

Similarly, the capital fund balance as at June 30, 2021 of Kshs.95,061,250 is not brought forward to 2021/2022. The capital fund balance as at June 30, 2022 of Kshs.90,347,132 is therefore understated by Kshs.95,061,250.

In the circumstances, the accuracy and completeness of the statement of changes in net assets could not be confirmed.

2.2 Inaccuracies in the Statement of Cash Flows

The statement of cash flows reflects cash and cash equivalents of Kshs.6,130,784 which differs with the recomputed balance of Kshs.5,360,048.00 being totals of net decrease in cash and cash equivalents of Kshs.(67,980) and cash balance at the beginning of the year of Kshs.5,428,028.00.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.6,130,784 could not be confirmed.

3. Unsupported Balances in the Financial Statements

3.1 Unsupported Revenues from Non-exchange Transactions

The statement of financial performance reflects in-kind contributions from the County Government and transfers from other government entities of Kshs.122,264,820 and Kshs.9,336,420 respectively. However, the amounts were not supported by detailed schedules.

In the circumstances, the accuracy and completeness of the revenues from non-exchange transactions of Kshs.131,601,240 could not be confirmed.

3.2 Unconfirmed Receivables from Exchange Transactions

The statement of financial position and Note 28 to the financial statements reflects receivables from exchange transactions balance of Kshs.1,733,980. The amount is in respect to medical services receivables from the National Hospital Insurance Fund (NHIF). However, management did not maintain a ledger or claims register to support this balance.

In the circumstances, the accuracy of the receivables from exchange transactions balance of Kshs.1,733,980 could not be confirmed.

4. Unsupported Trade and Other Payables

The statement of financial position reflects trade and other payables balance of Kshs.9,802,333 as disclosed in Note 34 to the financial statements. However, the balances were not supported by details of goods / services received or rendered and details of local purchase / service orders, delivery notes, invoices, certified interim/final certificates and inspection and acceptance committee reports.

In the circumstances, the accuracy and completeness of trade and other payables of Kshs.9,802,333 could not be confirmed.

5. Unsupported Employee Costs

The statement of financial performance and Note 16 the financial statements reflects employee costs of Kshs.128,446,688. Available unsupported the amount comprises of employee expenses paid by the Hospital to both casual workers and by the County to the staff engaged by the Mombasa County Public Service Board. However, Management did not provide detailed schedules, payrolls or ledgers to support the reported amount.

In the circumstances, the accuracy and completeness of the employee costs of Kshs.128,446,688 could not be confirmed.

6. Variances Between Financial Statements and Supporting Schedules

The statement of financial performance and as disclosed in Note 15 to the financial statements reflects Kshs.12,923,359 on medical /clinical costs. However, the supporting schedules show Kshs.12,219,960 resulting to an un explained and unreconciled variance of Kshs.703,399.

In the circumstances, the accuracy and completeness of the medical/clinical costs of Kshs.12,923,359 could not be confirmed.

7. Variances Between Audited Electricity Bills and Amount Recorded in the Financial Statements

The statement of financial performance and Note 21 to the financial statements reflects general expenses of Kshs.9,630,255. Included in this amount is electricity expenses stated as Kshs.2,350,000. Review of actual electricity bills for the period under review revealed that total electricity costs amounted to Kshs.4,062,329 resulting in unexplained variance of Kshs.1,712,329.

In the circumstances, the accuracy and completeness of the general expenses of Kshs.9,630,255 could not be confirmed.

8. Unconfirmed Inventory Balance

The statement of financial position and Note 30 to the financial statements reflects inventories balance of Kshs.1,532,077. However, there was no evidence of the annual stock take carried out to confirm the quantities, value, and status of closing inventory balances as at 30 June, 2022.

In the circumstances, the valuation and completeness of the inventories balance of Kshs.1,532,077 could not be confirmed.

9. Unconfirmed Ownership and Valuation of Land

The statement of financial position and Note 31 to the financial statements reflects property, plant and equipment balance of Kshs.84,776,333. Included in this balance is land whose cost is indicated as Kshs.51,000,000. The Hospital sits on a partly fenced parcel of land on which the Hospital's administration block, theatre, labs, wards and staff houses are located. The assets register provided did not indicate the terms on which the land is held, reference to conveyance, address, area, dates of acquisition, and whether on freehold or lease hold terms. The ownership documents and land valuation report were also not provided for audit review.

In the circumstances, the valuation and ownership of the land could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Likoni Sub - County Hospital – Mombasa County Government 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. I have determined that there are no other key audit matters to communicate in my report.

Other Information

The Board of Management is responsible for the Other Information set out on page iii to xxvii which comprise of Key Entity Information and Management, The Board of

Directors, Key Management Team, Chairman's Statement, Report of the Medical Superintendent, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board of Management and Statement of Directors 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 and 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, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources sections of my report, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Lack of Procurement Plan

The statement of financial performance reflects total revenues and expenses of Kshs.152,777,422 and Kshs.158,753,713 respectively. However, during the year Management did not prepare an annual procurement plan as part of the annual budget preparation process. This was contrary to Regulation 40 of the Public Procurement and Asset Disposal Regulations, 2020 which states that a procuring entity prepare a procurement plan for each financial year as part of the annual budget preparation process.

In the circumstances, Management was in breach of law.

2. Late Submission of Financial Statements for Audit

The Hospital Management submitted the financial statements to the Auditor-General on 21 March, 2024, which was one year and six months after the statutory date of 30 September, 2022. This is contrary to Section 47(1) of the Public Audit Act, 2015 which requires that financial statements to be submitted to the Auditor-General within three months after the end of the fiscal year to which the accounts relate. These financial statements have been audited as a result of a proactive initiative by the Auditor-General.

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

3. Lack of Quarterly Revenue Reports

The statement of financial performance reflects Kshs.21,176,182 in relation to the rendering of services -medical services income as disclosed in Note 11 to the financial statements. However, the Hospital did not provide evidence to show that the reports were prepared and submitted to the County Treasury with a copy to the Auditor General as per the requirements of Regulations 64.(1) of the Public Finance Management (County Governments) Regulations, 2015 which requires the Accounting Officer or receiver of revenue or collector of revenue to prepare a quarterly report not later than the 15th day after the end of each quarter.

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

4. Failure to Transfer Revenue to the County Revenue Fund

The statement of financial performance reflects Kshs.21,176,182 in relation to the rendering of services -medical services income as disclosed in Note 11 to the financial statements. However, the amount was not transferred to the County Revenue Fund Account for approval by the Controller of Budget before withdrawal. This was contrary to Regulation 81(1-3) of the Public Finance Management (County Government) Regulations of 2015 which states that a receiver of revenue to promptly deposit into the County exchequer account all receipts due to the County Revenue Fund.

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

5. Irregular Engagement of Casual Workers

The statement of financial performance reflects employee costs amounting to Kshs.128,446,688 as disclosed in Note 16 to the financial statements. The audit of the master payrolls revealed that the Hospital Management Team engaged an average of 24 casual workers per month in the nursing, pharmacy and administration departments and paid Kshs.6,422,989 as casual wages during the period under review. However, no evidence was provided to confirm that the Mombasa County Public Service Board had authorized the medical facility to engage the casuals. Further, evidence of how the casual employees were hired, their job descriptions, remuneration policy and recruitment plans were not provided for audit verification.

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

6. Unsupported Procurement of Contracted Services

The statement of financial performance and Note 21 to the financial statements reflects general expenses amounting to Kshs.9,630,255 which includes Kshs.2,860,800 on contracted services made to two local service providers. However, the procurement records including need assessment, approved requisition, invitation to tenders, bids received, tender opening minutes, tender evaluation report, professional opinion, notification of award and signed contracts were not provided for audit verification. Further, Management did not withhold Value Added Tax (VAT) on the payments made to the service providers.

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

7. Lack of Approved Budget

Review of the financial management processes, established that the hospital had no comprehensive annual budget for the financial year under review. The Public Finance Management (County Governments) Regulations, 2015 specifies budget estimates to take into account expenditure priorities, which contributes to the realization of the required output and desired policy outcome. Therefore, lack of an annual budget undermined effective planning, prioritization, and allocation of resources. Management availed for audit minutes of the Executive Expenditure Committee (EEC) meetings that discussed quarterly budgets. However, there was no evidence of a formally approved annual budget guiding the hospital's financial operations throughout the year.

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

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

Review of Hospital records and interviews on verification of services offered, equipment used and medical specialists in the Hospital at the time of audit in July, 2025 revealed that the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits by sixty-three staff requirements or 63% of the authorized establishment.

Staffing Requirement	Level 4 Hospital Standard	Actuals In the Hospital	Variance	Percentage %
Medical Officers	16	5	(11)	69%
Anesthesiologists	2	0	(2)	100%
General Surgeons	2	2	0	0 %
Gynecologists	2	2	0	0 %
Pediatricians	2	0	(2)	100%
Radiologists	2	0	(2)	100%
Registered Community Health Nurses	75	28	(47)	63%
Total	101	37	(64)	63%

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

Service	Level 4 Hospital Standard	Actuals in the Hospital	Variance	Percentage %
Beds	150	24	(126)	84%
Resuscitative (2 in labor & 1 in theatre)	3	1	(2)	67
New born unit incubators	5	0	(5)	100%
New born unit cots	5	0	(5)	100%
Functional ICU beds	6	0	(6)	100%

Service	Level 4 Hospital Standard	Actuals in the Hospital	Variance	Percentage %
High Dependency Unit (HDU) Beds	6	0	(6)	100%
Renal Unit with at least 5 dialysis machines	5	0	(5)	100%
Two functional operational theatres-Maternity & General	2	1	(1)	50
Total	182	26	(156)	86%

These deficiencies are not in compliance with the First Schedule of Health Act, 2017 and imply that the highest attainable standard of health, which includes the right to health care services, including reproductive health care as required by Article 43(1) of the Constitution of Kenya, 2010 may not be achieved. In the circumstances, the Hospital may not be able to deliver on its mandate.

In the circumstances, Management was in breach of the 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, because of the significance of the matters discussed in the basis of Adverse Opinion and the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

Lack of Hospital Management Board

The Hospital did not have Board of Management in place during year under review, contrary to Section 13 (2) of the Mombasa County Health Act, 2018 which provides for establishment and composition of a Hospital Management Board that comprises of a Chairperson appointed by the Governor on the recommendation of the County Executive Member responsible for Health, the accounting officer responsible for matters relating to health and three other persons appointed by the governor who must be residents of the area of jurisdiction and within the specified categories.

In the circumstances, the Hospital may not have achieved its strategic objectives.

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 Board of Management

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

In preparing the financial statements, Management is responsible for assessing the Hospital's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

03 December, 2025

Likoni sub county Hospital (Mombasa County) Government
Annual Report and Financial Statements for The Year Ended 30th June 2022

XIV. Statement of Financial Performance for The Year Ended 30 June 2022

Description	Notes	2021/22	2020/21
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6	-	-
In-kind contributions from the County Government	7	122,264,820	-
Grants from donors and development partners	8		
Transfers from other Government entities	9	9,336,420	3,762,220
Public contributions and donations	10		
		131,601,240.00	3,762,220.00
Revenue from exchange transactions			
Rendering of services- Medical Service Income	11	21,176,182	12,482,667
Revenue from rent of facilities	12	-	-
Finance /Interest Income	13	-	-
Other income (<i>specify</i>)	14	-	-
Revenue from exchange transactions		21,176,182	12,482,667
Total revenue		152,777,422	16,244,887
Expenses			
Medical/Clinical costs	15	12,923,359	5,347,688
Employee costs	16	128,446,688	
Board of Management Expenses	17	20,000	0
Depreciation and amortization expense	18	5,908,311	7,468,163
Repairs and maintenance	19	1,825,100	766,615
Grants and subsidies	20		
General expenses	21	9,630,255	6,753,436
Finance costs	22		
Total expenses		158,753,713	20,335,902
Other gains/(losses)			
Gain on disposal of non-Current assets	23	-	-
Unrealized gain on fair value of investments	24	-	-
Medical services contracts Gains/Losses	25	9,437,810	3,762,220
Impairment loss	26	-	-
Gain on foreign exchange transactions			
Total other gains/(losses)		0	0

Likoni sub county Hospital (Mombasa County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2022

Net Surplus for the year		(5,976,291)	(4,091,015)
Attributable to:			
Surplus/(deficit) attributable to minority interest		-	-
Surplus attributable to owners of the controlling entity		-	-

The figures for financial year 2020/2021 do not include In-kind contributions in salaries from the county government due to lack of those figures.

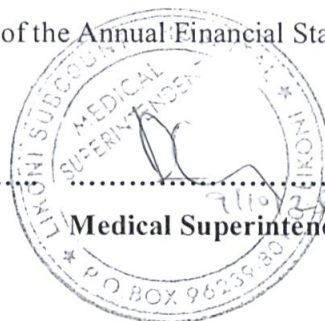
(The notes set out on pages i to xxxiv form an integral part of the Annual Financial Statements.)

.....
Chairman

Board of Management

.....
Head of Finance

ICPAK No:



.....
Medical Superintendent

XV. Statement of Financial Position as of 30th June 2022

Description	Notes	2021/22	2020/21
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	27	6,130,784	
Receivables from exchange transactions	28	1,733,980	
Receivables from non-exchange transactions	29		
Inventories	30	1,532,077	830,885
Total Current Assets		9,396,841	830,885
Non-current assets			
Property, plant, and equipment	31	84,776,333	90,684,644
Intangible assets	32		
Investment property	33		
Total Non-current Assets		84,776,333	90,684,644
Total assets		94,173,174	91,515,529
Liabilities			
Current liabilities			
Trade and other payables	34	9,802,333	545,294
Refundable deposits from customers/Patients	35	-	-
Provisions	36	-	-
Finance lease obligation	37	-	-
Current portion of deferred income	38	-	-
Current portion of borrowings	39	-	-
Total Current Liabilities		9,802,333	545,294
Non-current liabilities			
Provisions	36	-	-
Non-Current Finance lease obligation	37	-	-
Non-Current portion of deferred income	38	-	-
Non - Current portion of borrowings	39	-	-
Service concession liability	40	-	-
Total Non-current liabilities		0	0
Total Liabilities		9,802,333	545,294

Likoni sub county Hospital (Mombasa County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2022

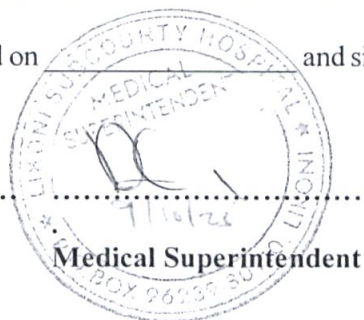
Net assets		84,370,841	90,970,235
Revaluation reserve			
Accumulated surplus/Deficit		-5,976,291	-4,091,015
Capital Fund		90,347,132	95,061,250
Total Net Assets and Liabilities		84,370,841	90,970,235

(The notes set out on pages 25 to 39 form an integral part of the Annual Financial Statements.)

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

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

.....
 9/10/25
Head of Finance
ICPAK No:



Likoni sub county Hospital (Mombasa County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2022

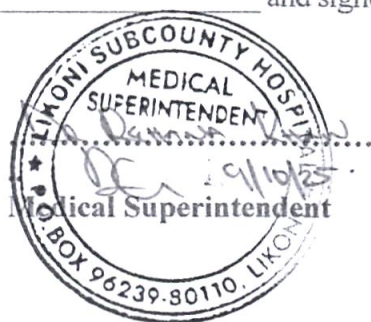
XVI. Statement of Changes in Net Asset for The Year Ended 30 June 2022

	Revaluation reserve	Accumulated surplus/Deficit	Capital	Total
			Fund	
As at July 1, 2020				
Revaluation gain				0
Surplus/(deficit) for the year		-4,091,015		-4,091,015
Capital/Development grants			95,061,250	95,061,250
As at June 30, 2021		-4,091,015	95,061,250	90,970,235
At July 1, 2021				
Revaluation gain				0
Surplus/(deficit) for the year		-5,976,291		-5,976,291
Capital/Development grants			90,347,132	90,347,132
At June 30, 2022		-5,976,291	90,347,132	84,370,841

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

.....
Chairman
Board of Management

DAID KITANI
.....
Hospital accountant
ICPAK No:



XVII. Statement of Cash Flows for The Year Ended 30 June 2022

Description		2021/22	2020/21
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government	7		-
Grants from donors and development partners	8		
Transfers from other Government entities	9	9,336,420	3,762,220
Public contributions and donations	10		
Rendering of services- Medical Service Income	11	21,176,182	12,482,667
Revenue from rent of facilities			
Finance / interest income			
Other receipts(<i>specify</i>)			
Total Receipts		30,512,602	16,244,887
Payments			
Medical/Clinical costs	15	12,923,359	5,347,688
Employee costs	16	6,181,868	
Board of Management Expenses	17	20,000	-
Repairs and maintenance	19	1,825,100	766,615
Grants and subsidies	20		
General expenses	21	9,630,255	6,753,436
Finance costs	22		
Refunds paid out			
Total Payments		30,580,582	12,867,739
Net cash flows from operating activities	41	-67,980	3,377,148
Cash flows from investing activities			
Purchase of property, plant, equipment, & intangible assets		-	-
Proceeds from the sale of property, plant, and equipment		-	-
Acquisition of investments		-	-
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Capital grants received		-	-
Net cash flows used in financing activities			

Likoni sub county Hospital (Mombasa County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2022

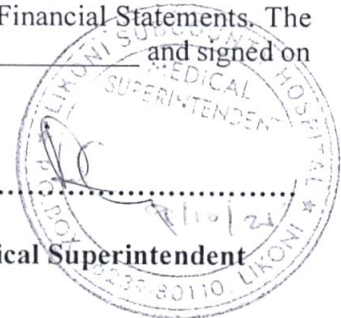
Net cash flows used in financing activities			
Net increase/(decrease) in cash and cash equivalents		-67,980	3,377,148
Cash and cash equivalents at 1 July	27	5,428,028	-
Cash and cash equivalents at 30 July	27	6,130,784	5,428,028

The notes set out on pages 7 to 41 form an integral part of the Annual Financial Statements. The Hospital's financial statements were approved by the Board on _____ and signed on its behalf by:

.....
 ..
Chairman
Board of Management

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

.....
 ..
Medical Superintendent



XVIII. Statement Of Comparison of Budget and Actual Amounts For The Year Ended 30 June 2022

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	a	b	c=(a+b)	d	e=(c-d)	f=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	
Revenue						
Transfers from the County Government	122,264,820.00	-	122,264,820.00	0	0	100%
Grants from donors and development partners		-		0	0	100%
Transfers from other Government entities	9,336,420.00	-	9,336,420.00	0	0	100%
Public contributions and donations		-		0	0	%
Rendering of services-Medical Service Income	21,176,182.00	-	21,176,182.00	0	0	100%
Revenue from rent of facilities		-		0	0	%
Finance / interest income				0	0	%
Other receipts (<i>specify</i>)		-			0	%
Total income	152,777,422.00	-	152,777,422.00	0	0	100%
Expenses						
Medical/Clinical costs	12,923,359.00		12,923,359.00	0		100%
Employee costs	128,446,688.00		128,446,688.00	0		100%
Remuneration of directors	20,000.00		20,000.00	0		100%

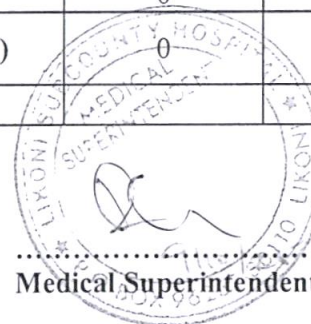
Likoni sub county Hospital (Mombasa County Government) 9
Annual Report and Financial Statements for The Year Ended 30th June 2022

Repairs and maintainance	1,825,100.00		1,825,100.00	0		100%
Grants and subsidies				0		%
General expenses	9,630,255.00		9,630,255.00	0		100%
Finance costs				0		%
Refunds				0		%
Surplus/deficit for the period	(5,976,291)		(5,976,291)	0		100%
Capital expenditure						%

.....
Chairman
Board of Management

.....
Head of Finance
ICPAK No:

.....
Medical Superintendent



XIX. Notes To the Financial Statements

1. General Information

Likoni Subcounty Hospital is established by and derives its authority and accountability from PFM Act. The entity is wholly owned by the Mombasa County Government and is domiciled in Mombasa County in Kenya. The entity's principal activity is Preventive, Curative and Rehabilitative health service delivery.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant, and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *entity's* accounting policies. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of LSCH. 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.

3. Adoption of New and Revised Standards

IPSASB deferred the application date of standards from 1st January 2022 owing to Covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

Notes to the Financial Statements (Continued)

i. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	Applicable: 1st January 2023 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess: (a) The nature of such social benefits provided by the Entity; (b) The key features of the operation of those social benefit schemes; and

Likoni sub county Hospital (Mombasa County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2022

	(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2023: a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.
Other improvements to IPSAS	Applicable 1st January 2023 • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.
IPSAS 43	Applicable 1st January 2025 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

Likoni sub county Hospital (Mombasa County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2022

	leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.

ii. Early adoption of standards

Likoni Sub county Hospital did not early – adopt any new or amended standards in the year 21/22

4. Summary Of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other Government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services, and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

Notes to the Financial Statements (Continued)

Revenue from exchange transactions

Rendering of services

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

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery

of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Likoni Subcounty 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.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.

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 2021 - 2022 was approved by the HMT having no board in place. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Likoni Sub county Hospital upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of budget following the Board's approval. Likoni Sub county Hospital 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

Notes to the Financial Statements (Continued)

c) Taxes

Sales tax/ Value Added Tax

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

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

d) Investment property

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

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

e) Property, plant and equipment

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

Notes to the Financial Statements (Continued)

f) Leases

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

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

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

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

g) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the

date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite

Notes to the Financial Statements (Continued)

h) Research and development costs

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

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

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

i) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments

or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Notes to the Financial Statements (Continued)

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or an entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Notes to the Financial Statements (Continued)

Loans and borrowing

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

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 the Entity.

j) Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

Notes to the Financial Statements (Continued)

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

Contingent liabilities

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

Contingent assets

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

k) Nature and purpose of reserves

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

l) Changes in accounting policies and estimates

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

m) Employee benefits

Retirement benefit plans

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

Notes to the Financial Statements (Continued)

n) Foreign currency transactions

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

o) Borrowing costs

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

p) Related parties

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

q) Service concession arrangements

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

Notes to the Financial Statements (Continued)

r) Cash and cash equivalents

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

s) Comparative figures

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

t) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2022.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

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

Notes to the Financial Statements (Continued)

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xxx.

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

6. Transfers From The County Government

Description	2021/22	2020/21
	KShs	KShs
Unconditional grants		
Operational grant		
Level 5 grants		
Other grants		
Conditional grants		
User fee forgone		
Transforming health services for Universal care project (THUCP)		
DANIDA		
Wards Development grant		
Paediatric block grant		
Administration block grant		
Laboratory grant		
Total government grants and subsidies		

Likoni sub county Hospital (Mombasa County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2022

Notes to the Financial Statements (Continued)

6 Transfers from The County Government

Name of the Entity sending the grant	Amount recognized to Statement of financial performance KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year	Total 2020/21
			KShs	KShs	KShs
Mombasa County Government					
Total					

7. In Kind Contributions from The County Government

Description	2021/22	2020/21
	KShs	KShs
Salaries and wages	122,264,820	
Pharmaceutical and Non-Pharmaceutical Supplies		
Medical supplies-Drawings Rights (KEMSA)		
Utility bills		
Total grants in kind	122,264,820	

Salaries amount is assumed to includes all deductions for 2020/2021 amounts not availed

8. Grants From Donors and Development Partners

Description	2021/22	2020/21
	KShs	KShs
Cancer Centre grant- DANIDA		
World Bank grants		
Paediatric ward grant- JICA		
Research grants		
Other grants (<i>specify</i>)		
Total grants from development partners		

Notes to the Financial Statements (Continued)

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

Name of the Entity sending the grant	Amount recognized to Statement of financial performance	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Total 2020/21
	KShs	KShs	KShs	KShs	KShs
Donor e.g., DANIDA					
JICA					
World Bank					
Total					

9. Transfers From Other Government Entities

Description	2021/22	2020/21
	KShs	KShs
Transfer from National Government (Ministry of Health)		
Transfer from National Hospital	9,336,420	3,762,220
Transfer from xxx Institute		
Total Transfers	9,336,420	3,762,220

10. Public Contributions and Donations

Description	2021/22	2020/21
	KShs	KShs
Public donations		
Donations from local leadership		
Donations from religious institutions		
Donations from other international organisations and individuals		
Other donations(<i>specify</i>)		
Donations in kind-amortised		
Total donations and sponsorships		

Likoni sub county Hospital (Mombasa County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2022

Notes to the Financial Statements (Continued)

10 (a) Reconciliations of amortised grants

Description	2021/22	2020/21
	KShs	KShs
Balance unspent at beginning of year		
Current year receipts		
Amortised and transferred to revenue		
Conditions to be met – remain liabilities		

11. Rendering of Services-Medical Service Income

Description	2021/2022	2020/2021
	Kshs	Kshs
Pharmaceuticals	5,342,472	3,203,237
Laboratory	6,322,660	3,373,200
Radiology	2,766,100	2,073,200
In patient	184,090	89,000
Out patient	2,645,000	1,603,730
Theatre	471,500	316,000
Records	994,600	613,800
Maternity	335,300	28,500
Mch /fp	198,750	104,100
Physio therapy	244,210	249,850
Occupational therapy	164,050	102,600
Dental services	127,500	97,100
Booking fee	184,300	32,500
Special clinic	695,200	335,550
Medical examination	313,350	126,800
Ambulance services	187,100	133,550
Total revenue from the rendering of services	21,176,182	12,482,717

Notes to the Financial Statements (Continued)

12. Revenue From Rent of Facilities

Likoni sub county Hospital (Mombasa County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2022

Description	2021/22	2020/21
	KShs	KShs
Residential property		
Commercial property		
Total Revenue from rent of facilities		

13. Finance /Interest Income

Description	2021/22	2020/21
	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		
Total finance income		

14. Other Income

Description	2021/22	2020/21
	KShs	KShs
Insurance recoveries		
Income from sale of tender		
Services concession income		
Sale of goods (water, publications, containers etc)		
Total other income		

Notes to the Financial Statements (Continued)

15. Medical/ Clinical Costs

Description	2021/22	2020/21
	Kshs	Kshs
Laboratory chemicals and reagents	2,533,684	1,476,661
Dressing and Non-Pharmaceuticals	3,612,500	1,845,449
Purchase of Medical gases	700,775	200,000
Pharmaceutical supplies	6,076,400	2,025,578
Total medical/ clinical costs	12,923,359	5,547,688

16. Employee Costs

Description	2021/22	2020/21
	KShs	KShs
Salaries, wages, and allowances	128,446,688	
Contributions to pension schemes		
Service gratuity		
Performance and other bonuses		
Staff medical expenses and Insurance cover		
Group personal accident insurance and WIBA		
Social contribution		
Other employee costs (<i>specify</i>)		
Employee costs	128,446,688	

Likoni sub county Hospital (Mombasa County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2022

Notes to the Financial Statements (Continued)

17. Board of Management Expenses

Description	2021/22	2020/21
	KShs	KShs
Chairman's Honoraria		
Sitting allowance	20,000	0
Mileage		
Insurance expenses		
Induction and training		
Travel and accommodation allowance		
Airtime allowances		
Total	20,000	0

18. Depreciation And Amortization Expense

Description	2021/22	2020/21
	KShs	KShs
Property, plant and equipment	5,908,311	7,468,163
Intangible assets		
Investment property carried at cost		
Total depreciation and amortization	5,908,311	7,468,163

19. Repairs And Maintenance

Description	2021/22	2020/21
	KShs	KShs
Property- Buildings	1,219,000	551,100
Medical equipment		
Office equipment		
Furniture and fittings		
Computers and accessories	91,100	131,515
Motor vehicle expenses	515,000	84,000
Maintenance of civil works		
Total repairs and maintenance	1,825,100	766,615

Notes to the Financial Statements (Continued)

20. Grants And Subsidies

Description	2021/22	2020/21
	KShs	KShs
Community development and social work		
Education initiatives and programs		
Free/ subsidised medical camp		
Disability programs		
Free cancer screening		
Other grants and subsidies(<i>specify</i>)		
Total grants and subsidies		

21. General Expenses

Description	2021/22	2020/21
	Kshs	Kshs
Board committes and confrence	20,000	0
Catering expenses	185,000	0
Other fuels	74,320	43,000
Purchase of computer	234,150	
Food and ration	1,320,941	417,790
Bank charges	36,950	6,000
Publishing and printing	133,400	209,000
Medical records		386,137
Contracted services	2,860,800	2,860,800
Electricity expenses	2,350,000	1,204,244
Fuel and Lubricants	760,000	560,000
Sanitary and cleaning material	130,000	
Travel and accommodation allowance		115,000
Purchase of bedding and linen		7,000
General office supply	575,000	166,196
Purchase of xray supplies		
Purchase of furniture and fittings	38,390	20,000
Water and sewerage costs	120,000	30,069
Telephone and mobile phone services	397,500	353,200
Internet expenses	194,000	175,000
Total General Expenses	9,630,255	6,573,436

22. Finance Costs

Description	2021/22	2020/21
	KShs	KShs
Borrowings (amortized cost) *		
Finance leases (amortized cost)		
Interest on Bank overdrafts/Guarantees		
Interest on loans from commercial banks		
Total finance costs		

(Borrowing costs that relate to interest expense on acquisition of non- current assets and do not qualify for Capitalisation as per IPSAS 5: on borrowing costs should be included under this note.)

23. Gain/Loss On Disposal Of Non-Current Assets

Description	2021/22	2020/21
	KShs	KShs
Property, plant, and equipment		
Intangible assets		
Other assets not capitalised (<i>specify</i>)		
Total gain on sale of assets		

24. Unrealized Gain On Fair Value Investments

Description	2021/22	2020/21
	KShs	KShs
Investments at fair value		
Total gain		

Likoni sub county Hospital (Mombasa County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2022

Notes to the Financial Statements (Continued)

25. Medical Services Contracts Gains /Losses

Description	2021/22	2020/21
	KShs	KShs
Comprehensive care contracts with NHIF		
Non- Comprehensive contracts care with NHIF	9,336,420	3,762,220
Linda Mama Program		
Waivers and Exemptions	101,390	0
Total Gain/Loss	9,437,810	3,762,220

26. Impairment Loss

Description	2021/22	2020/21
	KShs	KShs
Property, plant, and equipment		
Intangible assets		
Total impairment loss		

27. Cash And Cash Equivalents

Description	2021/22	2020/21
	KShs	KShs
Current accounts	6,130,784	5,428,028
On - call deposits		
Fixed deposits accounts		
Cash in hand		
Others(<i>specify</i>)- Mobile money		
Total cash and cash equivalents	6,130,784	5,428,028

Notes to the Financial Statements (Continued)

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

Description		2021/22	2020/21
Financial institution	Account number	KShs	KShs
a) Current account			
Kenya Commercial bank	1159380090	6,130,784	5,428,028
Grand total		6,130,784	5,428,028

28. Receivables From Exchange Transactions

Description	2021/22	2020/21
	KShs	KShs
Medical services receivables	1,733,980	0
Rent receivables		
Other exchange debtors		
Less: impairment allowance		
Total receivables	1,733,980	0

Notes to the Financial Statements (Continued)

29. Receivables From Non-Exchange Transactions

Description	2021/22	2020/21
	KShs	KShs
Transfers from the County Government		
Undisbursed donor funds		
Other debtors (<i>non-exchange transactions</i>)		
Less: impairment allowance		
Total		

30. Inventories

Description	2021/22	2020/21
	KShs	KShs
Pharmaceutical supplies	506,367	168,798
Maintenance supplies	102,092	63,885
Food supplies	110,264	34,816
Linen and clothing supplies	0	600
Cleaning materials supplies	10,833	0
General supplies	802,521	562,786
Less: provision for impairment of stocks		
Total	1,532,077	830,885

Notes to the Financial Statements (Continued)

31. Property, Plant and Equipment

Description	Land	Buildings and Civil works	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical	Total
As At 1 st July 2021	51,000,000	27,740,368.8	2,565,762.5	1,666,000	7,712,512.5	90,684,643.8
rate		0.1	0.125	0.3	0.3	
Depreciation	0	2,774,036.88	320,720.3125	499,800	2,313,753.75	5,908,310.943
Disposals						0
Impairment						0
Transfer/adjustment		0	0	-	-	0
At 30th June 2022	51,000,000	24,966,331.92	2,245,042.188	1,166,200	5,398,758.75	84,776,332.86
At 1 st July 2023	51,000,000	24,966,331.92	2,245,042.188	1,166,200	5,398,758.75	84,776,332.86

Notes to the Financial Statements (Continued)

32. Intangible Assets-Software

Description	2021/22	2020/21
	KShs	KShs
Cost		
At beginning of the year		
Additions		
Additions-Internal development		
Disposal		
At end of the year		
Amortization and impairment		
At beginning of the year		
Amortization for the period		
Impairment loss		
At end of the year		
NBV		

33. Investment Property

Description	2021/22	2020/21
	KShs	KShs
At beginning of the year		
Additions		
Fair value gain		
Depreciation (<i>where investment property is at cost</i>)		
At end of the year		

34. Trade And Other Payables

Description	2021/22	2020/21
	KShs	KShs
Trade payables	9,802,333	545,294
Employee dues		
Third-party payments (<i>unremitted payroll deductions</i>)		
Audit fee		
Doctors' fee		
Total trade and other payables	9,802,333	545,294

Notes to the Financial Statements (Continued)

35. Refundable Deposits from Customers/Patients

Description	2021/22	2020/21
	KShs	KShs
Medical fees paid in advance		
Credit facility deposit		
Rent deposits		
Others (<i>specify</i>)		
Total deposits		

36. Provisions

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

37. Finance Lease Obligation

Description	2021/22	2020/21
	Kshs	Kshs
Current Lease obligation		
Long term lease obligation		
Total		

Likoni sub county Hospital (Mombasa County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2022

Notes to the Financial Statements (Continued)

38. Deferred Income

Description	2021/22	2020/21
	KShs	KShs
Current Portion		
Non-Current Portion		
Total		

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

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

39. Borrowings

Description	2021/22	2020/21
	KShs	KShs
Balance at beginning of the period		
External borrowings during the year		
Domestic borrowings during the year		
Repayments of external borrowings during the year		
Repayments of domestic borrowings during the year		
Balance at end of the period		

Notes to the Financial Statements (Continued)

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

Description	2021/22	2020/21
	KShs	KShs
Current Obligation		
Non-Current Obligation		
Total		

(Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed).

40. Service Concession Arrangements

Description	2021/22	2020/21
	KShs	KShs
Fair value of service concession assets recognized under PPE		
Accumulated depreciation to date		
Net carrying amount		
Service concession liability at beginning of the year		
Service concession revenue recognized		
Service concession liability at end of the year		

41. Cash Generated from Operations

	2021/22	2020/21
Surplus for the year before tax	KShs	KShs
Adjusted for:	-5,976,291	-4,091,015
Depreciation	5,908,311	7,468,163
Non-cash grants received		
Impairment		
Gains and losses on disposal of assets		
Contribution to provisions		
Contribution to impairment allowance		
Working Capital adjustments		
Increase in inventory		
Increase in receivables		
Increase in deferred income		
Increase in payables		
Increase in payments received in advance		
Net cash flow from operating activities	-67,980.00	3,377,148

Notes to the Financial Statements (Continued)

42. Financial Risk Management

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

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

(i) Credit risk

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

Notes to the Financial Statements (Continued)

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2020				
Receivables from exchange transactions				
Receivables from –non-exchange transactions				
Bank balances				
Total				
At 30 June 2022				
Receivables from exchange transactions	1,733,980			
Receivables from –non-exchange transactions				
Bank balances				
Total	1,733,980			

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The entity has significant concentration of credit risk on amounts due

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

(ii) Liquidity risk management

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

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

Likoni sub county Hospital (Mombasa County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2022

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2021				
Trade payables			545,294	545,294
Current portion of borrowings				
Provisions				
Deferred income				
Employee benefit obligation				
Total			545,294	545,294
At 30 June 2022				
Trade payables			9,802,333	9,802,333
Current portion of borrowings				
Provisions				
Deferred income				
Employee benefit obligation				
Total			9,802,333	9,802,333

(iii) Market risk

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

Notes to the Financial Statements (Continued)

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

a) Foreign currency risk

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

	KShs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2022			
Financial assets (investments, cash, debtors)			
Liabilities			
Trade and other payables			
Borrowings			
Net foreign currency asset/(liability)			

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

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

Notes to the Financial Statements (Continued)

Foreign currency sensitivity analysis

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

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
20xx			
Euro	10%		
USD	10%		
20xx			
Euro	10%		
USD	10%		

Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

Notes to the Financial Statements (Continued)

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

iv) Capital Risk Management

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

	2021/22	2020/21
	Kshs	Kshs
Revaluation reserve		
Retained earnings		
Capital reserve		
Total funds		
Total borrowings		
Less: cash and bank balances		
Net debt/ (<i>excess cash and cash equivalents</i>)		
Gearing		

43. Related Party Balances

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of the Likoni Subcounty Hospital, holding 100% of the Likoni Subcounty Hospital equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

Likoni sub county Hospital (Mombasa County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2022

Notes to the Financial Statements (Continued)

- i) The National Government;
- ii) The Parent Ministry;
- iii) Xxx;
- iv) Xxx;
- v) Xxx;
- vi) Key management;
- vii) Board of directors;

Description	2021/22	2020/21
	Kshs	Kshs
Transactions with related parties		
a) Services offered to related parties		
Services to xxx		
Sales of services to xxx		
Total		
b) Grants from the Government		
Grants from County Government		
Grants from the National Government Entities		
Donations in kind		
Total		
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for xxx employees		
Payments for goods and services for xxx		
Total		
d) Key management compensation		
Directors' emoluments		
Compensation to the medical Sup		
Compensation to key management		
Total		

Notes to the Financial Statements (Continued)

44. Segment Information

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

45. Contingent Liabilities

Contingent liabilities	2021/22	2020/21
	Kshs	Kshs
Court case xxx against the company		
Bank guarantees in favour of subsidiary		
Total		

(Give details)

46. Capital Commitments

Capital Commitments	2021/22	2020/21
	Kshs	Kshs
Authorised For		
Authorised And Contracted For		
Total		

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the board but at the end of the year had not been contracted or those already contracted for and ongoing)

47. Events After The Reporting Period

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

48. Ultimate And Holding Entity

The entity is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of xxx. Its ultimate parent is the Government of Kenya.

49. Currency

The financial statements are presented in Kenya Shillings (Kshs).

XX. Appendices

Appendix 1: Progress on Follow Up Of Auditor Recommendations

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

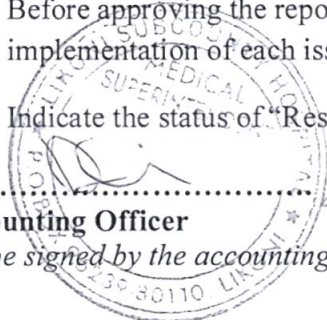
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

Guidance Notes:

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

.....
Accounting Officer

(To be signed by the accounting officer of the Hospital)



APPENDIX II: Projects Implemented by The Entity

Projects

Projects implemented by the Hospital Funded by development partners

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

Status of Projects completion

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

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

APPENDIX IV: Inter-Entity Confirmation Letter
[Insert your Letterhead]

[Insert name of beneficiary entity]
[Insert Address]

The *[insert SC/SAGA/Fund name here]* wishes to confirm the amounts disbursed to you as at 30th June 2022 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by <i>[Insert name of beneficiary entity]</i> as at 30 th June 2022							
Reference Number	Date Disbursed	Amounts Disbursed by <i>[SC/SAGA/Fund]</i> (KShs) as at 30th June 2022				Amount Received by <i>[beneficiary entity]</i> (KShs) as at 30 th June 2021 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
Total							

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

Head of Accountants department of beneficiary entity:

Name SignDate

APPENDIX V Reporting of Climate Relevant Expenditures

Name of the Organization

Telephone Number

Email Address

Name of Medical Supp/MD/Head

Name and contact details of contact person (in case of any clarifications)

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

APPENDIX VI Disaster Expenditure Reporting Template

Date:						
Entity						
Period to which this report refers (FY)	Year			Quarter		
Name of Reporting Officer						
Contact details of the reporting officer:	Email			Telephone		
Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments