

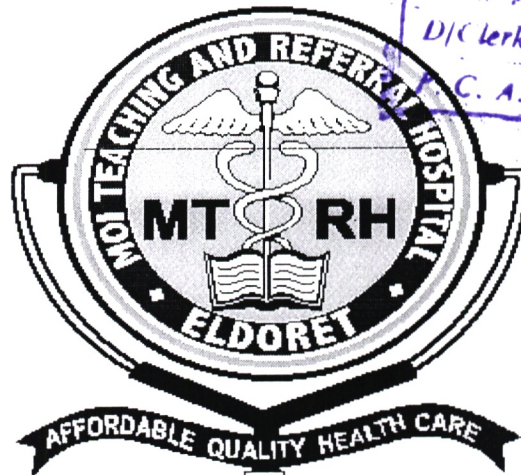
MOI TEACHING AND REFERRAL HOSPITAL

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REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF MOI TEACHING AND REFERRAL HOSPITAL FOR THE YEAR ENDED 30TH JUNE 2001

P.O. Box 3
ELDOR ET

Tel: 053-33471/1-4
Email: director@mtrh.org

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL STATEMENTS OF MOI TEACHING AND REFERRAL HOSPITAL
FOR THE YEAR ENDED 30 JUNE 2001



KENYA NATIONAL ASSEMBLY
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INSTITUTIONAL DETAILS

PRINCIPAL PLACE OF BUSINESS

Nandi Road,

P.O Box 3,

Tel: 33471/2

Fax: 61749

ELDORET.

Email : director@mtrh.org

Website: www.mtrh.org

BANKERS.

Standard Chartered Bank Ltd,

Eldoret Branch,

P.O Box 7 - 30100,

ELDORET.

Barclays Bank of Kenya Ltd,

Eldoret Branch,

P.O Box 22 - 30100

ELDORET.

AUDITORS

The Controller and Auditor General

Kencom House, Moi Avenue,

P.O Box 30084-00100

NAIROBI.

MOI TEACHING & REFERRAL HOSPITAL

BOARD OF DIRECTORS AND SENIOR MANAGEMENT STAFF

BOARD OF DIRECTORS

The following are the members of the Board of Directors.

CURRENT MEMBERS

- | | | |
|--|---|--------------------|
| 1. Mr. Justus K. Ndoto | - | Chairman |
| 2. Mr. David Kiema Muthoka | - | Member |
| 3. Prof. Wilson K. Yaaban | - | Member |
| 4. Dr. Zeph Gaya | - | Member |
| 5. Mr. David Mulama | - | Member |
| 6. Prof. David Some | - | Member |
| 7. Dr. Edda Gachukia | - | Member |
| 8. Ps. Ministry of Health | - | Member |
| 9. Ps. Ministry of Finance | - | Member |
| 10. Ps. Ministry of Education | - | Member |
| 11. Inspectorate of State Corporations | - | Member |
| 12. Director of Medical Services | - | Member |
| 13. Prof. H.N.K. arap Mengech | - | Director/Secretary |

FORMER MEMBERS

- Mr. Abraham Kiptanui
Dr. Joseph C. Rotich
Mr. Emmanuel I. Imana
Eng. Joseph C. Kipkeu
Dr. Margaret J. Kamar
Prof. David Some

SENIOR MANAGEMENT STAFF

CURRENT MEMBERS

- | | | |
|---------------------------|---|-----------------|
| 1. Prof. H. N. K. Mengech | - | Director |
| 2. Dr. Phillip Parklea | - | D.D.C.S |
| 3. Mr. Agunda Ochanda | - | D.D.F.A |
| 4. Dr. Omar Ally | - | Ag. D.D.C.S |
| 5. Mrs. Grace Jaguga | - | Ag. D.D.F.A |
| 6. Mrs. Millie Obel | - | Chief Nurse |
| 7. Mathews K. Birgen | - | Finance Manager |
| 8. Mr. Andrew F. Shikhule | - | SHRM |
| 9. Mr. James Chetalam | - | Legal Officer |

FORMER MEMBERS

- Mr. Ben Kinara
Mrs. Jane Nyariki

CHAIRMAN'S STATEMENT.

I am delighted to present the Hospital's annual report and final accounts for the year ended 30th June 2001. This is the first set of accounts since the inception of Moi Teaching and Referral Hospital as a corporate body..

The Hospital was established by legal notice No. 78 of 12th June 1998, under state corporations Act (Cap446) and was mandated among other functions to receive patients on referral from other health institutions for specialized health care, to provide facilities for medical education, research and training in nursing and other allied health professions and to participate in national health planning. Though it was established as a Parastatal in 1998 it became operational as such from July 1999. The infrastructure was improved in 1996 through the construction of modern outpatient complex housing a student's library, lecture halls, Radiology department and Administration offices. Operating theatres and sixteen senior staff houses were also added.

IMPROVEMENTS.

The Board has so far renovated some of the old buildings inherited from the District Hospital. It has also replaced some of the obsolete and non-functional equipment, purchased new ones and maintained a reasonable supply of consumables and other utilities in an attempt to sustain a functional operation of the Hospital in its new status as a parastatal.

REVENUE INCOME.

The Hospital received Kshs. 175,127,581 budgetary support from the government in addition to its cost sharing revenue of kshs. 140,294,571.35. The hospital made a loss of Kshs. 24,168,706.56. This is due to difficulties faced in its formative stages as the institution struggled to put management, administrative and operational controls in order. It is my Boards desire that this trend be reversed.

Land.

The Hospital has not acquired the ownership documents for the land it is presently occupying. However discussions with the relevant government departments has been instituted by my Board and we expect a letter of allotment soon.

Future prospects.

The hospital inherited few and old assets from the District hospital. The Hospital Board is therefore desirous of replacing, medical and plant equipment, acquire new laundry machines, purchase new motor vehicles, build an intensive care unit (ICU) and a renal unit. The Board has presented proposals for these requirements to the government for funding while also soliciting donor support.

CONSLUSSION.

The tasks facing the hospital are many, but with the support of committed staff and that of the parent ministry, we hope to overcome these challenges.


Mr. Justus. K.Ndoto

Chairman

DIRECTOR'S STATEMENT.

Our mission is to offer quality and affordable health care services to all by maintaining a Teaching and Referral Hospital that provides the best services through highly capable and motivated staff and at the same time helping the communities surrounding us. Through our drive to archive this mission, we realize the need to utilize the available resources wisely and aim to be a leading Public Hospital in Kenya.

Financial performance.

The Hospital is in its first year of operation as a parastatal. Our operations have not been fully streamlined and this has led to poor financial performance. The expenditures incurred in renovations and replacement of old equipment led to a net loss of Kshs. 24,168,706.56. I however expect improvement in the overall resource management in the following years.

STAFF.

Highly trained and motivated staff will assist in the attainment of the Hospital's mission and vision. I have started provision of training of staff in their relevant fields to enhance their performance. This is a continuous process, which we expect to yield positive results.

CONCLUSSION.

In conclusion, I want to thank the government for the support it has offered this institution at its formative stage. I also wish to thank the staff for quickly adopting to the challenges of the Hospital's new status as a parastatal and their continued commitment to serving the interests of the patients. I wish also to thank the management team and the Board for their support.



PROF. H.N.K Mengech.

Director

REPORT OF THE BOARD FOR THE YEAR ENDED 30TH JUNE 2001

The Board has pleasure in presenting their report together with the final Accounts for the year ended 30th June 2001.

Principal Activity.

The Hospital receives patients from other health institutions for specialized health care, provides facilities of medical education, research and training in Nursing and other allied health professions at Moi university and other training institutions and participate in national health planning.

Operating Results

The operating results for the year are as set out on pages 8 to 12.

STATEMENT OF THE DIRECTORS RESPONSIBILITIES

The Board is required to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Hospital as at the end of the financial year and of its surplus or deficit. The Board is required to ensure that the Hospital keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Hospital. The Board is also responsible for safeguarding the assets of the Hospital.

The Board accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity with International Financial Reporting Standards. The Board is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Hospital. The Board further accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of the financial statements, as well as adequate systems of internal financial control.

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

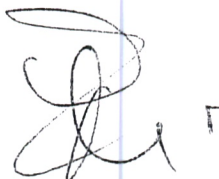
**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL STATEMENTS OF MOI TEACHING AND REFERRAL HOSPITAL
FOR THE YEAR ENDED 30 JUNE 2001**

I have examined the Financial Statements of Moi Referral Hospital for the year ended 30 June 2001 in accordance with the provisions of Section 29 of the Exchequer and Audit Act (Cap.412). I have obtained all the information and explanations required for the purpose of the audit. Proper books of account have been kept and the financial Statements, which have been prepared under the historical cost convention, are in agreement therewith.

FIXED ASSETS

Fixed Asset's figure of Kshs.734,945,026.55 as at 30 June 2001 includes Kshs.62,970,000 being the value of 27.40 Ha. of land on which the Hospital stands. The title deed and official handing over report between the Ministry of Health and the Hospital were not seen. On the other hand, the Fixed Assets figure excludes the unvalued assets of Uasin Gishu Memorial Hospital which, had been vested in Moi Referral Hospital vide the Legal Notice No.78 of June 1998 but have not been handed over following a court injunction as reflected in Note 2(ii) to the Statements. Records further show that the Hospital had earlier on lost a generator and an ambulance in Nairobi in 1999 both of which have not been recovered to date. Under the circumstances, it has not been possible to ascertain the ownership of the land and the recoverability of the lost assets. Consequently, it has not been possible to confirm that the fixed assets are fairly stated in the Financial Statements.

Except for the reservations set out in the foregoing paragraph in my opinion the Financial Statements when read together with the Notes thereon, present a true and fair view of the financial state of affairs of the Hospital as at 30 June 2001 and of its deficit for the year ended on that date.



E.N. MWAI
CONTROLLER AND AUDITOR GENERAL

Nairobi

24th June, 2004

MOI TEACHING & REFERRAL HOSPITAL

Statement of Income and Expenditure
for the Year Ended 30th June 2001

INCOME	NOTE	2000/2001 KShs
Grant G.O.K		175,127,581.00
Gross Revenue	145,442,098.85	
Less Waivers	5,147,527.50	140,294,571.35
		315,422,152.35
EXPENDITURE		
Personal Emoluments	A	120,768,422.70
Travelling & Accommodation		5,989,522.65
House Allowance		35,142,031.00
Misc. Allowances	B	9,811,980.75
Transport Operating Expenses		3,926,479.00
Telephone		6,708,311.60
Electricity		13,114,724.10
Water & Conservancy		5,767,277.70
Drugs, Dressings & Theatre Supplies		69,610,226.36
X-Ray		2,077,217.85
Printing & Stationery		8,707,926.50
Advertising & Publicity		2,817,880.40
General Maintenance		14,282,981.60
Leave & Passage Allowance		1,609,940.00
Fuel & Gases		3,900,611.00
Bank Charges		574,501.75
Laboratory Chemicals & Reagents		8,062,218.20
Medical Expenses (Staff)		8,935,630.00
MPDB/NSSF CO. Contr.		708,510.00
Risk Allowances		2,314,199.30
Food & Ration		9,603,898.20
Cleansig Expenses		1,527,280.00
Uniform & Clothing		1,941,984.00
Specialised Units	C	64,443.40
Cafeteria		361,709.00
Staff Training		953,617.00

MOI TEACHING AND REFERRAL HOSPITAL

Donations & Honoraria	D	1,742,746.00
Linen		1,089,325.00
Kitchen Utensils		233,894.00
Laundry Services		17,625.00
Other Operating Expenses	E	1,356,842.50
Staff Meals		155,949.00
General Staff Expenses		563,500.00
Audit Fees		1,000,000.00
TOTAL EXPENDITURE		345,443,405.56
Less Increase in Stock		5,852,546.65
		339,590,858.91
Deficit		(24,168,706.56)

MOI TEACHING AND REFERRAL HOSPITAL

MOI TEACHING AND REFERRAL HOSPITAL

BALANCE SHEET AS AT 30TH JUNE 2001

	E	AMOUNT KSHS.	AMOUNT KSHS.
FIXED ASSETS	2		734,945,026.55
CURRENT ASSETS			
Cash on Hand		73,981.00	
Cash at Bank		2,494,051.90	
Stock	3	20,852,564.65	
Debtors		16,555,989.00	
TOTAL CURRENT ASSETS		39,976,586.55	
CURRENT LIABILITIES			
Bank Overdraft	4	13,327,831.85	
Creditors & Provisions	5	48,977,256.26	
TOTAL CURRENT LIABILITIES		62,305,088.11	
NET CURRENT ASSETS			(22,328,501.56)
TOTALS ASSETS			712,616,524.99
FINANCED BY.			
Capitals Reserve		736,785,231.55	
Revenue Reserves	6	(24,168,706.56)	
TOTALS FUNDS			712,616,524.99
Mr. Justus K. Ndoto	Prof. H. N. K. Mengech	Mr. M. K. Birgen	
CHAIRMAN	DIRECTOR	FINANCE MANAGER	

Notes to the Accounts

For the Financial Year Ended 30th June 2001

1 ACCOUNTING POLICIES

Basis of Accounting

The Accounts are prepared under Historical Cost Conventions

2 FIXED ASSETS

(i) Depreciation

Depreciation has not been charged on the assets for the Year under review.

This is because Assets were re- valued towards the End of the Financial period.

(ii) U.G. Memorial Hospital

Vide Kenya Gazette Legal Notice No. 78, the Government mandated M.T.R.H. to take over U.G. Memorial Hospital. The Hospital could not effect the same directive as the trustees of U.G. Memorial Hospital rushed to court and obtained an injunction. Currently the case is pending in court and thus the Assets based at the same Hospital have not been included in the accounts of the Hospital.

3 STOCK Kshs. 20,852,564.65

Stock Comprise of Drugs-Dressing & Sutures, Orthopaedic & Dental materials X-Ray supplies & chemicals, Cleansing materials, stationery ,Linen ,Lab. reagents chemicals and Equipment Motor Vehicles spares and accesories, ration and maintenance materials Among the above stock are donation worth kshs. 483,611.50 and Expired Drugs worth kshs. 1,510,310.00. Stocks have been valued at the lower of cost and net realizable value.

4 BANK AND CASH ACCOUNTS

CASH ON HAND	73,981.00
STD BANK 0102017634801 - Deposit A/c	552,808.50
STD BANK 0102017634802 - Amenity A/c	1,941,243.40
STD BANK 0102017634800 - Main A/c	(13,327,831.85)

5 CREDITORS & ACCRUALS

The creditors comprise the following:-

Creditors	28,255,157.81
Provisions (Audit Fee)	1,000,000.00
Un paid Deductions	19,722,098.45
	48,977,256.26

6 REVENUE RESERVE

Deficit for the year (24,168,706.56)