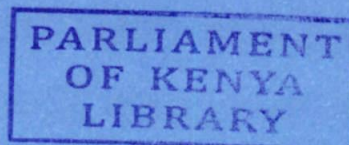


REPUBLIC OF KENYA



Enhancing Accountability

REPORT



OF

THE AUDITOR-GENERAL

ON

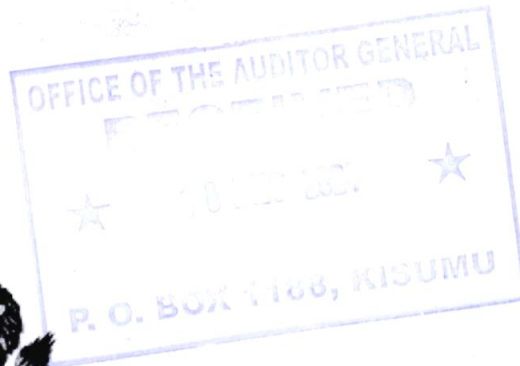
CHULAIMBO LEVEL 4 HOSPITAL

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

COUNTY GOVERNMENT OF KISUMU

PAPERS AID
DATE 13/2/2025
TABLED BY Majority Whip
COMMITTEE
CLERK AT THE TABLE Mbayi





Revised 30th June 2024

(Add your Hospital's Logo)

CHULAIMBO LEVEL 4 HOSPITAL

(County Government of Kisumu)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2024

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

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1. Acronyms & Glossary of Terms

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

CSR	Corporate Social Responsibility
OSHA	Occupational Health & Safety Act
PFMA	Public Financial Management Act
MED SUP	Medical Superintendent
HMB	Health Management Board
HMIS	Hospital Information Management System
FIF	Facility Improvement Fund
Fiduciary Management	Key management personnel who have financial responsibility in the entity.

2. Key Entity Information and Management

(a) Background information

Chulaimbo Hospital is a level 4 hospital established under gazette notice number 17 of 2017 and is domiciled in Kisumu County under the Department of Medical Services, Public Health & Sanitation. The hospital is governed by a Board of Management.

(b) Principal Activities

The mission & vision of the hospital is:

Mission:

To transform the livelihood of people Kisumu County through responsive and sustainable technologically-driven evidence –based and client centred health system for accelerated attainment of highest standards of health

Vision:

A dynamic, excellent, and globally competitive county health services , that contribute to a healthy and productive population

(c) Key Management

Management

Ref.	Directors	Role
1.	Elly Nyambok	Chairman of the Board
2.	Carolyne Onyango	Member of the Board
3.	Walter Okeyo	Member of the Board
4.	Dr. Willis Achola Ogadho	Member of the Board
5.	David Okeyo	Member of the Board
6.	Dr .Bernadette Achieng	Secretary(Medical Superintendent)

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

- County department of health
- Board of Management
- Accounting Officer/ Medical Superintendent
- Management
- Others (*specify*)

(d) Fiduciary Management

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

No.	Designation	Name
1.	Medical Superintendent	Dr. Bernadette Achieng
2.	Health Administrative Officer	Joyce Odhiambo
3.	Nursing Director	Julius Sako
4.	Lab Manager	John Oyugi
5.	Pharmacist	Dr. Sammerion Nyawara

(e) Fiduciary Oversight Arrangements

Audit committee; this consist of internal auditors attached to the department of health who reviews the financial documents and give the reports thereon.

- Clinical Research and Standards Committee.
- Audit committee
- Risk Committee
- County Assembly
- Parliamentary committees
- Other oversight committees

(f) Entity Headquarters

Chulaimbo Headquarters
P.O. Box 5-40105, Maseno.
Kisumu- Busia Highway
Kisumu, KENYA

(g) Entity Contacts

Telephone: (+254) 0101596022
E-mail: chulaimboincharge@gmail.com

(h) Entity Bankers

Kenya Commercial Bank
Co-operative Bank of Kenya

(i) Independent Auditors

Auditor General
Office of Auditor General

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

Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

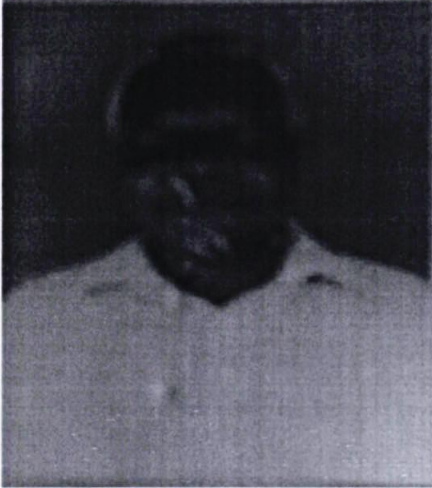

(j) Principal Legal Adviser



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


(k) County Attorney

County Government of Kisumu
P.O. Box 2738 40100
Kisumu, Kenya

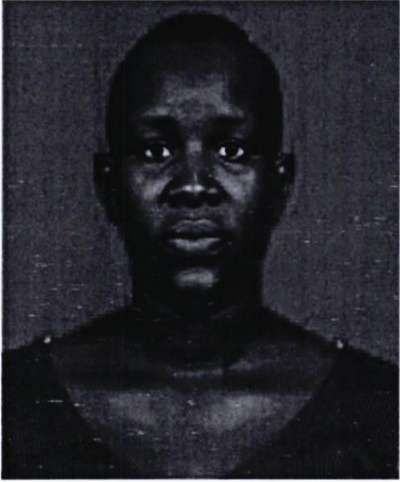
3. The Board of Management

Ref	Directors	Details
1.	<p>Elly Nyambok</p> 	<p>Board Chair AGE: 64 YEARS</p> <p>ACADEMIC QUALIFICATION 1980: Kenya Certificate of Secondary Education, Cherengani High School 1976: Kenya Certificate of Primary Education, Maji Mazuri Primary School</p> <p>PROFESSIONAL QUALIFICATION 1994: National Higher Diploma in Food Science and Inspection, KMTC 1991: Diploma in Environmental Health Sciences, KMTC 1984: Certificate in Public Vaccination, KEPI 1983: Certificate in Environmental Health Sciences, KMTC</p>
2.	<p>Caroline Onyango</p> 	<p>AGE: 58 YEARS</p> <p>ACADEMIC QUALIFICATION 1978-1981: Kenya Certificate of Secondary Education, Pangani Girls High School 1971-1977: Kenya Certificate of Primary Education (KCPE), Makongeni Primary School, Nairobi</p> <p>WORKING EXPERIENCE 1986-1989: Worked as an untrained teacher</p>

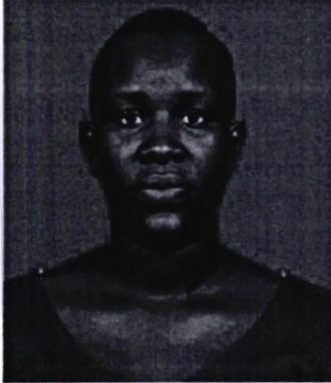
<p>3.</p>	<p>Walter Okeyo</p> 	<p>AGE; 77 YEARS</p> <p>ACADEMIC QUALIFICATION</p> <p>1997- Obtained East African Advanced Certificate of Education (EAACE)</p> <p>1971-Obtained East African Certificate of Education (Private Candidate)</p> <p>1963-1964; Kenya Certificate of Secondary Education, Kisumu Day High School</p> <p>1962-; Kenya Certificate of Primary Education, Maseno Mixed Primary School</p> <p>PROFESSIONAL QUALIFICATION</p> <p>1998: Promoted to Education Officer 1(JGL)</p> <p>1995: Promoted to Education Officer 11(JGK)</p> <p>1987: Appointed as National Tutor by Kenya Education Staff Institute</p> <p>1986: Appointed Examiner by KNEC</p> <p>1982: Promoted to SI Teacher Status</p> <p>1981: Appointed Head teacher</p>
<p>4.</p>	<p>David Okeyo</p> 	<p>AGE:79 YEARS</p> <p>ACADEMIC QUALIFICATION</p> <p>Kenya Certificate of Secondary Education (O Levels)</p> <p>PROFESSIONAL QUALIFICATION</p> <p>Higher National Diploma in Management and Administration</p> <p>Diploma in Public Relations</p> <p>IAAF Diploma in Sports Administration</p> <p>IAAF Diploma in Coaching</p>

		WORK EXPERIENCE
5.	<p>Dr. Willis Achola Ogadho</p> 	<p>AGE;69 years</p> <p>ACADEMIC QUALIFICATION</p> <p>East African Advanced Certificate of Education (EAACE)- A Levels, Agoro Sare High School.</p> <p>2. East African Certificate of Education (EACE)- O Levels, Makupa High School</p> <p>3. Kenya Certificate of Primary Education, Ojolla Primary School</p> <p>PROFFESIONAL QUALIFICATION</p> <p>1. PhD; Jaramogi Oginga Odinga University of Science and Technology</p> <p>2. Master’s in education (MEd); Maseno University</p> <p>3. Bachelor’s degree in education (BEd), Kenyatta University</p> <p>4. Diploma in Education, Kenya Institute of Special Education (KISE)</p> <p>5. P1, Machakos Teachers Training College</p> <p>WORK EXPERIENCE</p> <p>1. Jaramogi Oginga Odinga University of Science and Technology; Dean of Students/Lecturer</p> <p>2 Maseno University; Part time Lecturer</p>

*Chulaimbo Level 4 Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024*

		<p>3. African Nazarene University; Part time Lecturer</p> <p>4. Bondo Teachers Training College; Part time Lecturer</p> <p>5. Kotieno Special School, Teacher</p>
<p>6.</p>	<p>Dr. Bernadette Achieng' (Entity Secretary)</p> 	<p>Board Secretary</p> <p>AGE.30 YEARS</p> <p>ACADEMIC QUALIFICATION</p> <p>2008-2011; Kenya Certificate of Secondary Education, Kaimosi Girls High School</p> <p>2003-2008; Kenya Certificate of Primary Education, St. Teresa's Girls Yala</p> <p>PROFESSIONAL QUALIFICATION</p> <p>2012-2018; Bachelor of Medicine and Surgery, Uzima University College (MBChB)</p> <p>WORKING EXPERIENCE</p> <p>2023 October to Date; Medical Superintendent, Chulaimbo County Hospital</p> <p>2019; Medical Officer, Ahero County Hospital</p>

4. Key Management Team

Ref	Management	Details
1.	<p>Dr. Bernadette Achieng</p>  <p>ACADEMIC QUALIFICATION 2008-2011; Kenya Certificate of Secondary Education, Kaimosi Girls High School 2003-2008; Kenya Certificate of Primary Education, St. Teresa's Girls Yala</p> <p>PROFESSIONAL QUALIFICATION 2012-2018; Bachelor of Medicine and Surgery, Uzima University College (MBchB)</p> <p>WORK EXPERIENCE 2023 October to Date; Medical Superintendent, Chulaimbo County Hospital 2019; Medical Officer, Ahero County Hospital</p>	Medical Superintendent
2.	Joyce Monyenche Ondari	Head of Finance



ACADEMIC QUALIFICATION

1982: Kenya Certificate of Education (KCE), Our Lady of Mercy Nyabururu Girls Secondary School

PROFESSIONAL QUALIFICATION

2015: Records Management, Kenya School of Government

1991-1992: Certificate in Youth work and Development

1986: Secretarial Course (Typewriting), Blanes Secretarial College

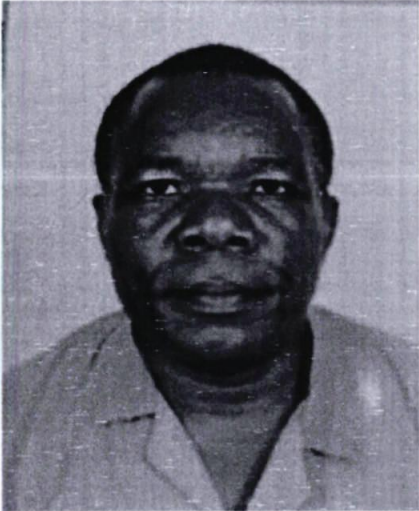
WORK EXPERIENCE

2021 Dec to Date: Health Administrative Officer, Chulaimbo County Hospital

2015-2021; Health Administrative Officer, Rabuor Sub-District Hospital

2012-2014: Worked in Registry, Drug Stores, Ratio Stores and Billing Section, Kisumu District Hospital

2010-2011: Clerical Officer, Chulaimbo Sub- District

	<p>Hospital</p> <p>2008-2009: Health Administrative Officer, Masogo Sub- District Hospital</p> <p>2002-2007: Senior Clerical Officer-Micro Small& Enterprise Department, Ministry of Labour</p> <p>1991-2002: Clerical Officer, Ministry of Research, Technical Training and Applied Technology</p> <p>1985-1990: Clerical Officer, Ministry of Social Services</p>	
<p>3.</p>	<p>Julius Ouma Sako</p>  <p>ACADEMIC QUALIFICATION</p> <p>1987: Kenya Advanced Certificate of Education (KACE), St. Mary's School, Yala</p> <p>1985: Kenya Certificate of Secondary Education</p>	<p>Nursing Director</p>

	<p>(KCSE), Agoro Sare High School</p> <p>PROFESSIONAL QUALIFICATION</p> <p>2008: Higher Diploma in Community Health and HIV/AIDS Care, Kenya Medical Training College</p> <p>1992: Diploma in Kenya Registered Community Health Nurse, Kenya Medical Training College</p> <p>WORK EXPERIENCE</p> <p>2022 to Date: Nursing Director, Chulaimbo County Hospital</p> <p>2012-2022: Nursing Officer Incharge, Nyakach County Hospital</p> <p>2004-2012: Deputy Nursing Officer Incharge, Kisumu County Hospital</p> <p>2002-2004: Deputy District Public Health Nurse, Kisumu District Hospital</p> <p>1997-2001: Nursing Officer Incharge ,Rabur Dispensary and Kadibo Division</p> <p>1996-1997: Nursing Officer Incharge, Kombewa Division</p> <p>1992-1995: Unit Incharge & Acting Nursing Officer, Manderu District Hospital</p>	
4.	John Oyugi Otieno	Laboratory Manager



ACADEMIC QUALIFICATION

2004-2006: Medical Laboratory Sciences, Kenya

Medical Training College

1987-1990: Kenya Certificate of Secondary School,

Maliera High School

1986: Kenya Certificate of Primary Education,

PROFESSIONAL QUALIFICATION

2010 to Date: Appointed as Laboratory Manager at

Chulaimbo County Hospital

2009: Posted to Chulaimbo County, assistant

Laboratory Manager

2007-2009; Laboratory Manager, Kisumu County

Referral Hospital

1993; Employed by Ministry of Health and posted to

Lamu Island Hospital

Dr. Sammerion Nyawara

Pharmacist In-charge



ACADEMIC QUALIFICATION

2008-2011; Maranda High School

PROFESSIONAL QUALIFICATION

2012-2019; Bachelor's degree in Pharmacy, Kenyatta University

WORK EXPERIENCE

2022 to Date: Pharmacist In -charge Chulaimbo County Hospital

2021-2024: Health Start Lead, Vitehealth Consult

2021: Pharmacist In-Charge, Arise Hospital

2021: Medical Research Assistant, Washington State University GH-Kenya, KEMRI

2019: Industrial Pharmacist, Biopharma Limited

5. Chairman's Statement

Chulaimbo Rural, Health Training Centre now upgraded to Chulaimbo County Hospital was set up in mid 1970's. Situated in North West Ward, Kisumu West Sub-County, off Kisumu-Maseno road.

The facility serves as a hub for Health Centers and Dispensaries in North West Ward, West Kisumu Ward and neighbouring villages of Vihiga County catchment areas. It's the designate Kisumu West Sub County(County Hospital)

It is my pleasure to present the Hospital 2023/2024 annual report and financial statements. The Board has largely been reviewing expenditure proposals suggested by the Hospital department. Give imputes make adjustments as need arise approve and forward for consideration by the County Chief Officer of Health. The period saw the initiation of registration fee of Ksh. 50/= on visit to the facility. Cashless collection was also enhanced. Own revenue realized a growth from projected 3 million to 5 million for FY 2023/2024.Total allocation of from the county was 9,047,375.75.The said amount was put to prudent use as per request, however we as a facility still have pending bills for contracted guards,casual workers, electricity and food ration.

The Board strengthens the primary mandate of the hospital and put over 40% of resources to medical service in pharmaceutical, non-pharmaceuticals and laboratory. And have a consideration for other issues using 60%

Challenges

Physical structure

- a) Majority of the structures are aged, with Asbestos roofing sheets that need replacement for kitchen
- b) There are two new buildings put up by the County Government yet to be put to use ie Ward and Theater.
- c) Three buildings put up by Development partners are currently in use as offices.
- d) Sanitary accommodation:
 - i) Pit latrines are full and need replaceme
 - ii) Water borne system lead to-septic tank and a bio-digester
 - iii) Fitments (sinks, wash hand basins, shower, sluise sink and Wcs) all show a level of deterioration.
- e) Field or open drains- still functional with a bit of side paving slipping out.
- f) Water well
 - i) The well is high yielding and is artisan in nature. The pumping area is warned out.
 - ii) Storage tanks of 20,000 litres in sound condition
- g) Power source
 - i)Electricity from KPLC, this source attracts very high Bill of between 40,000- 60,000 per month.
 - ii) There are indication from the county for alternative sources of power- generator or solar panels,but are yet to be seen.
 - iii)Wood fuel- in current use in Chulaimbo Kitchen.

- iv) Gas- In limited use for vaccine fridges and a bit in kitchen
- h) Fencing- The entire facility perimeter fence is either vandalized or lacking
- i) Parking areas- One face is paved, other two are not yet
- j) Staff Quarter- Over 8 units were put up in the 70s and have deteriorated structurally. The roof needs replacement.
- k) Walk ways/Trolley paths- Connection to new facilities-ward and theatre not complete. Without paving slabs and overhead roof.
- l) Morgue-Non has been put up
- m) Solid waste management unit- incinerator (burning chamber available)
- n) Placenta pit- Defective and full.

Service Delivery outlets

- i) OPD with records, Fitters, MCH, special clinics and Comprehensive Care Centre
- ii) Laboratory that runs most basic Tests
- iii) Pharmacy and pharmacy store
- iv) Rehabilitation services – Physiotherapy, Occupational Therapy
- v) Inpatient Department- All housed in Maternity ward
- vi) Radiology unit- that is not functional due to lack of staff and defective equipment
- vii) Public Health or Community Health services for community linkage and leashing
- viii) Training facilities for students
- ix) Dental Unit-well equipped
- x) Administrative unit and governance
- xi) Medical engineering unit
- xii) Transport Referral services
- xiii) Kitchen services

The facility therefore has 48 technical Government employees, 15 casual workers as support staff, 16 technical partner employees with their 19 ancillary workers largely managing the patient support centered or Comprehensive Care Centre (CCC)

Discrepancies

1. Radiological or imaging personnel are lacking save for a visiting sonographer- twice a week
2. With top gears toward opening of theatre corresponding Technical personnel is inevitable
3. The consultant clinics-MOPC Obs Gynea, Surgical, mental, pediatric are all burdened on one Medical Officer who is also the hospital superintendent, thus dear need of additional Medical Officers and Consultant

LOOKING FORWARD

1. Chulaimbo requires that theatre is furnished with equipment and open for use.
2. X-ray and other Radiological equipment are procured, fixed and made ready for use.
3. The other alternative source of power be provided as was promised by the County Government.
4. That the security of the facility is enhanced by fencing the entire perimeter of the compound.
5. That consideration of reopening the radiology ward be done before end 2024.
6. That Human Resource for the various newly proposed units together with the consultant to run specialized clinics to be considered.
7. That cold room for morgue to be part of Government plans for Chulaimbo.

APPRECIATION

On behalf of the Board, I would like to thank all the stakeholders especially the County Government of Health, Development Partners for the support they continue to accord the Hospital without which our achievements would not have been realized .As we move in to the new Financial Year, I would like to express my gratitude to CCH staff, specialist' team leader and Board who take such pride in their work, and who exemplify our hospital's mission and values each day.



.....
Name

Elly Nyambou

Chairman to the Board

6. Report of The Medical Superintendent

BACKGROUND

Chulaimbo County Hospital is a level 4 County hospital as per County standards to improve its services to the community of Kisumu West and the regions around it.

It was gazetted on gazette notice of:

As a level 3 B hospital.

Chulaimbo County hospital serves a population of 25,609 with two community units attached to it Marera and East Karateng'. It is also the hub of Kisumu West

Sub- county.

Chulaimbo County hospital offers both in-patient and out-patient services with a bed capacity of 26 spread: male, female paediatrics and maternity.

We offer both preventive, curative and promotive services which include:

1. Screening for cancer
2. Immunization
3. Family planning
4. Ante-natal
5. Pharmacy
6. Laboratory
7. Rehabilitation; occupational therapy/Physiotherapy
8. HIV Care and Treatment
9. Nutrition
10. Public health services
11. Research hub
12. Rural Health Training Centre
13. In-patient; labour and delivery, medical and paediatric wards

We look forward to offering radiology and theatre services.

In health, we work with various partners to achieve quality service delivery, in Chulaimbo we work with USAID 4 the Child, Nuru ya Mtoto, KNH and Kemri who offer different kind of service all geared towards a healthy population.

REVENUE

In terms of revenue, the hospital management team and board realized an improvement in terms of collection for FY 2023/24 compared to 2022/23. These funds are majorly facility improvements funds (FIF) and monies received in the form of recurrent from County treasury.

Looking Forward

To operationalize theatre

Power back up; solar and generator

Fully digitize the hospital such that key operations are via hospital information Management System; currently it's only the in-patient department that has not been digitize.

APPRECIATION

I take this opportunity to express my gratitude and appreciation to the Ministry of Health, County Government of Kisumu through its able leadership, development partners and stakeholders for their support.

I acknowledge the contribution of the entire staff, board and management of Chulaimbo County Hospital towards the improved performance of the hospital.

We look forward to continuing good working relationship during this audit process.


.....

Name

Secretary to the Board

7. Statement of Performance Against Predetermined Objectives

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

Chulaimbo Level 4 Hospital has 5 strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY2023/2024. These strategic pillars/ themes/ issues are as follows:

1. Clinical services and products
2. Healthcare financing and sustainability
3. Quality improvement
4. Human resource development
5. Infrastructure development

Chulaimbo Level 4 Hospital Develops its annual work plans based on the above 5 pillars/Themes/Issues. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The *hospital* achieved its performance targets set for the FY 2023/2024 period for its xx strategic pillars, as indicated in the diagram below:

8.

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Clinical Services Delivery and products.	To Establish and enhance good clinical governance	Hospital Drug formulary in place • No .of stock-out tracer drugs • No. of prescription reviewed • Updated	Rational use of Medications • Rational use of blood and blood products • Provision of Health products • Monthly Clinical	Hospital Drugs formulary in place. • % reduction in morbidity and mortality

*Chulaimbo Level 4 Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024*

		SOPs	Audits and mortality Meetings	
Healthcare Financing and Sustainability	To increase revenue Generation	Revenue Reports • % increase in revenue Daily revenue reconciliation	Diversify Revenue Streams • Review User Fee Charges • Increased Customer Base • Develop Concept papers and proposals to develop partners	Revenue improved compared to previous year • Review of user fees Continuous and on progress
Human resource development	To lobby for more staffs from the public service board To adequately engage the staffs currently deployed at	Staff establishment monthly report Work load reports in various departments monthly. Assess staff training needs as per facility gaps	Updating of the staff establishing and forwarding to human resource manager. Continuous assessment of targets	Staff establishment updated and forwarded. Continuous assessment of targets through monthly data reviews. Departmental in charges assess training needs and

*Chulaimbo Level 4 Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024*

	the facility		Setting up of training committee	forward to the hospital management team for approval.
Infrastructural development	To follow up on completion of theatre. To renovate male ward To lobby for power back up	Site supervision with the county and hand over to the contractors for works to start.	Continuous supervision and assessment of work by the project management committee.	The male ward has been painted and renovated awaiting furnishing for occupancy. Theatre works ongoing nearing completion. Generator house and generator installation awaiting.
Quality improvement	Continuous assessment of various departments within the facility either random or scheduled.	Weekly assessment of the progress of the IPC activities Monthly QIT meetings Departmental projects	Monthly hospital walks to assess departmental progress on their projects	Minuted hospital walk with recommendations Assessment of projects per department and their progress.

9. Corporate Governance Statement

Chulaimbo Level 4 Hospital Board of Management is responsible for the corporate governance of the Hospital and is accountable to Ministry of Health, County department of health Kisumu County for ensuring that the Hospital complies with the laws and the highest standards of corporate governance and business ethics. The Board members attach great importance to the need to conduct business and operations of the Hospital with integrity and in accordance with generally accepted corporate practice and endorse the internationally developed principles of good corporate governance.

a) Board of Management

The Board of Management is composed of non-executive members elected by the governor of Kisumu County.

The appointment Board of Management members are to be held accountable and responsible for the efficient and effective governance of the Hospital. Board Members have a range of skills and experience and each brings an independent judgement and considerable knowledge to the Board's discussions. The board term is 3 years renewable subject to performance contract.

Summarized below are the key roles and responsibilities of the Board:

- Approved and adopt strategic plans and annual budgets, set objectives and review key risks and performance areas.
- Resource Mobilization
- Determine overall policies and processes to ensure integrity of the Hospital management of risk and internal contracts; and
- Review at regular meetings management's performance against approved budget.

The full Board meets at least 4 times a year and Chairperson has bi-weekly meetings/Consultations with the Medical Superintendent. The Board members are given appropriate and timely information so that they can maintain full and effective control over strategic, financial, operational and compliance issues. Except for direction and guidance on general policy, the Board has delegated authority for conduct of day-to-day business to the Medical Superintendent. The Board nonetheless retains responsibility for establishing and maintaining the Hospital's overall internal control, financial, operational and compliance framework.

b) Board Meetings

The Board as per the Annual Work Plan meets quarterly or additionally when necessary to consider matters of overall control of the hospital. The Board agenda and work plan are prepared early in the year and adequate notice, agenda and Board papers are circulated within stipulated timelines. The main Board held 6 meetings attended by the selected members.

10. Management Discussion and Analysis

The considerations in restructuring an organization are effective coordination of roles and responsibilities to avoid overlap and duplication of roles and effort clear accountability for results enhanced teamwork and effective communication; and career development for staff. Appropriate structures also allow the organization to resource and sustain essential skills and expertise in the organization. The overall leadership and governance of Chulaimbo Level 4 Hospital, will be vested in the Hospital Management Board. The Board members are appointed in accordance with the policies of the County Government of Kisumu. The day-to-day management of the hospital is vested on the Medical Superintendent.

Clinical/operational performance

- The hospital has a bed capacity of 26.
- Overall patient attendance during the year for both inpatient and outpatient is estimated at 16,645.
- Accident and Emergency attendance estimated at 124
- Specialised clinic attendance 3estimated at 55,147pts
- Average length of stay for in patient is 3 days.
- Bed occupancy rate 80%
- Mortality rate 1 to 1000 population

Revenue Sources & Utilization of Funds

The hospital receives funds from the County Government, categorized as revenue from non-exchange transactions. The hospital also receives funds from clients in exchange for services offered, which is categorized as revenue from exchange transactions. Other sources of funds include grants from private donors, in-kind contribution of supplies from the county and other public institutions.

The funds realized are utilized under the various expense categories such as medical/clinical costs, employee costs, board of management expenses, repairs and maintenance and general expenses.

Clinical/operational performance

- Bed capacity of the hospital 26
- Overall patient attendance during the year for both inpatient and outpatient
- Accident and Emergency attendance up to 15 patients in day.
- Specialised clinic attendance
- Average length of stay for in patient 3 days
- Bed occupancy rate 80%
- Mortality rate 0%
- Surgical theatre utilisation-no functional theatre in the fiscal year ended
- Sponsorships and partnerships – Nuru ya Mtoto, KEMRI, Walter Reed, Greenzone Kenya

Financial performance that includes: -

- Revenue sources,
- Utilisation of funds

11. Environmental And Sustainability Reporting

Environmental performance

Chulaimbo Level 4 Hospital is using the National Health Care Waste Management policy guideline which is guiding us in management of the waste that has generated in the organization and we have a copy of the policy. Successes,

- We are having colour-coded bins (receptacles) at all generation points in the departments.
- There are segregation posters alongside the receptacles to guide in the segregation of the waste.
- We have waste treatment equipment within the organization that helps us treat our waste and we only dispose of non-contaminated waste to the dumping site.

Employee Welfare

Hiring process involves bringing new employees on board. This is the mandate of the County Public Service Board reference made from the Public Service Commission Human Resource Manual and procedures May 2016, mentioned in Section B which provides the rules governing recruitment and appointment of new officers

Improvement of employee skills and career management is done through employee sponsorship to further their studies in line with their careers. This is done by sponsorship and supporting employees to attend short courses offered by the government institutions.

12. Report of The Board of Management

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

Principal activities

The principal activities of the entity are to first to offer quality health care to the community of Chulaimbo and neighboring counties such a Vihiga county and seme sub county. The services we offer are accident and emergency services ,out-patient,in-patient,maternal and child health which entails ante-natal and post natal services,immunization,family planning,child welfare clinic,laboratory ,pharmacy, HIV care and treatment,community and public health services.

The management also has a role in ensuring there infrastructural development like at the moment are lobbying for completion of theatre to ensure that we offer operative services.

We are looking forward to improving our services so that the community at large receive the best and staffs also have a conducive work environment.

Results

The results of the entity for the year ended June 30 2024 are set out on pages 1 to 61.


Board of Management

The members of the Board who served during the year are shown on page vi to ix. During the year, no director(s) retired/ resigned, and no director (s)was appointed with effect from xxxx date.

Auditors

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

By Order of the Board


.....

Name

Secretary to the Board

13. Statement of Board of Management's Responsibilities

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

The Board of Management is responsible for the preparation and presentation of the *entity's* financial statements, which give a true and fair view of the state of affairs of the *entity* for and as at the end of the financial year (period) ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *entity*, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the *entity*; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board of Management accepts responsibility for the *entity's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Board members are of the opinion that the *entity's* financial statements give a true and fair view of the state of *entity's* transactions during the financial year ended June 30, 2024, and of the *entity's* financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the *entity's* financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

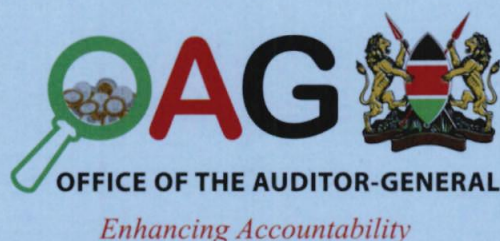
The Hospital's financial statements were approved by the Board on 6th July 2024 and signed on its behalf by:

.....
Name: Elly Nyambou
Chairperson
Board of Management

.....
Name: Dr Bernadette K
Accounting Officer

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: 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 CHULAIMBO LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2024

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.
- 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

Qualified Opinion

I have audited the accompanying financial statements of Chulaimbo Level 4 Hospital set out on pages 1 to 56, which comprise the statement of financial position as at

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

In my opinion, except for the matters discussed in the Basis for qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Chulaimbo Level 4 Hospital as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis and the Public Finance Management Act, 2012.

Basis for qualified Opinion

1. Receivables from Exchange Transactions

The statement of financial position and as disclosed in Note 11 to the financial statements reflects Kshs.3,240,850 in relation to receivables from exchange transactions. Included in this is Kshs.3,220,850 relating to medical services which was not supported with ledger.

In the circumstances, the accuracy and completeness of revenue from exchange transaction amount of Kshs.3,240,850 as at 30 June, 2024 could not be confirmed.

2. Inaccurate Disclosure of Prior Year Employee Dues

The statement of financial performance reflects Kshs.1,390,200 in respect of employees' costs. However, review of payment vouchers and other supporting documents provided for audit review revealed that casual payments amounting to Kshs.105,500 related to prior year wages. During the year under review, Management made payments amounting to Kshs.513,000 in relation to prior year wages, resulting in unexplained variance of Kshs.407,500.

In the circumstances, the accuracy and completeness of employees cost of Kshs.1,390,200 as at 30 June, 2024 could not be confirmed.

3. Poor Inventory Management

The statement of financial position and as disclosed in Note 30 to the financial statements reflects Kshs.4,082,310 in relation to inventories. However, this was not supported with end-of-year stock take report as required by to Section 162(2) of the public procurement and asset disposal Act, 2015.

In the circumstances, the accuracy and completeness of inventories balance of Kshs.4,082,310 as at 30 June, 2024 could not be confirmed.

4. Intangible Asset Balance

The statement of financial position reflects intangible assets amount of Kshs.240,000. However, the Management did not carry out amortization of the asset as required by IPSAS 31.73.

In the circumstances, the accuracy and completeness of the intangible assets balance of Kshs.240,000 could not be confirmed.

5. Failure to Maintain Fixed Asset Register

The statement of financial position and as disclosed in Note 31 to the financial statements reflects property, plant and equipment balance of Kshs.3,615,692. However, it was noted that the Hospital did not maintain an asset register to record its fixed and movable assets as required by Regulation 136(1) of the Public Finance Management (County Government) Regulations, 2015 which states that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws. In addition, there was no evidence to show that the hospital has ever evaluated its assets to ascertain the correct market values.

In the circumstances, the existence of an effective mechanism to safeguard assets could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Chulaimbo Level 4 Hospital Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse opinion is not modified in respect of this/these matters.

Key Audit Matters

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

Other Matter

Non-Implementation of Prior Year Audit Recommendation

In the audit report of the previous year, several issues were raised. Although the management has indicated that prior year issues were resolved and partially resolved, no evidence was provided to confirmed how these matters were resolved.

Under the circumstances, it was not possible to confirm that the financial statements disclosed the implementation status of the prior year audit recommendations.

Other Information

The Management is responsible for the other information set out on page iii to xxx which comprise of Hospital's Information and Overall Performance, Statement of Performance Against the Hospital's Predetermined Objectives, Environmental and Sustainability Reporting and Statement of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Hospital's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed.

I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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. Irregularity in the Procurement of Goods and Services

The statement of financial performance and as disclosed in Note 15 to the financial statement reflects Kshs.4,359,963 in respect expenditure on medical/clinical costs. A review of the payment vouchers and supporting documents submitted for audit revealed that there were no approved requisitions from the user department, signed contract between the supplier and the Hospital Management and Inspection and Acceptance Committee report.

Further, payment made to a supplier in reference to purchase of medical drugs through payment voucher No.011 revealed that L.P.O for the supplied drugs was raised on 15 May, 2024, while delivery and invoice is dated 13 May, 2024.

This is in breach of Public Procurement and Asset Disposal Act, 2015 and Public Procurement and Asset Disposal Regulations, 2020.

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

Review of Hospital records and interviews on verification of services offered, equipment used and medical specialists in the Hospital at the time of audit revealed that the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits by 76 staff requirements or 75% of the authorized establishment. Further, the hospital lacked the necessary equipment and machines outlined in the Health Policy.

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

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

3. Non-Compliance With Financial Management Regulations on Settlement of Outstanding Accounts

The statement of financial performance reflects general expenses amount of. Kshs.2,699,964. Included in this figure is an amount of Kshs.444,000 relating to contracted security services. However, review of payment vouchers and supporting documents provided for audit revealed that payments amounting to Kshs.394,000 related to prior year outstanding payments. In one instance, the Hospital was sued by the security company for non-payment of security services for the month of September, 2020. Further, the Hospital did not disclose any outstanding trade payables of over one (1) year in the creditors aging analysis. In addition, during the year under review, the Hospital has paid for security services for the month of July, 2023 of Kshs.50,000, resulting in outstanding payables for the months of August, 2023 to June, 2024. It is not clear and the Management has not explained why Management did it has not ensured settlement of outstanding accounts nor honouring the hospital's security services obligations.

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

4. Lack of Quarterly Revenue Report

The statement of financial performance reflects rendering of services amount of Kshs.6,221,958. 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 requirement of Regulations 64. (1) of the Public Finance Management (County) Regulations, 2015 which requires the Accounting Officer or receiver of revenue or collector of revenue to prepare a quarterly report not later than the 15th day after the end of the quarter.

In the circumstances, Management may have contravened the law.

The audit was conducted in accordance with ISSAIs 3000 and 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in

the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, because of the significance of the matter(s) discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of Policy Manual on Recruitment of Casuals

The statement of financial performance reflects Employee Costs of Kshs.1,390,200, relating to casual wages, as disclosed in note 16 to the financial statements. However, review of records and information provided for audit revealed that the Hospital had no approved policy manual for recruitment of casuals contrary to, Section 42 (1) (d) of the Public Financial Management Regulations, 2015 for County Governments which requires that, an Accounting Officer shall manage control and ensure that policies are carried out efficiently and wastage of public funds is eliminated

In the circumstance, it was not possible to confirm how the casuals were engaged in the absence of a policy manual.

2. Late Payment of Casual Wages

The statement of financial performance reflects employees' costs of Kshs.1,390,200, relating to casual wages, as disclosed in Note 16 to the financial statements. However, review of payment vouchers and supporting documents revealed that there were delays in payment of casual wages for duration of up to five (5) months, contrary to the provisions of the Employment Act, 2007. In addition, wages for the months of February to June, 2024 were not paid during the year under review. This is contrary to Section 18 of the Employment Act, 2007.

In the circumstance, Management was in breach of the law

3. Failure to Carry Out Creditors Aging Analysis

The statement of financial position and as disclosed in Note 34 to the financial statement reflects trade and other payables balance of Kshs.2,783,550 A review of prior year account balance shows that payables decreased by Kshs.1,209,942. However, no aging analysis was done to disclose payables outstanding for more than one year as required

by Regulations 54 of the Public Finance Management Act, Regulations 2015 (County Governments)

In the circumstance, management was in breach of the law.

The audit was conducted in accordance with ISSAIs 2315 and 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 the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal 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.

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

31 December, 2024

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

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

Description	Note	FY 2023/2024	FY 2022/2023
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6	3,652,821.00	1,287,514.00
In-kind contributions from the County Government	7	755,812.00	0
Grants from donors and development partners	8	417,500.00	0
Transfers from other Government entities	9	0	3,715,900.00
Public contributions and donations	10	55,575.00	0
User fee foregone		0	2,536,719.00
		4,881,708.00	7,540,133.00
Revenue from exchange transactions			
Rendering of services- Medical Service Income	11	6,221,958.00	2,979,609.00
Revenue from rent of facilities	12	10,000.00	18,500.00
Finance /Interest Income	13	-	0
Miscellaneous Income	14	-	0
Revenue from exchange transactions		6,231,958.00	2,998,109.00
Total revenue		11,113,666.00	10,538,242.00
Expenses			
Medical/Clinical costs	15	4,359,963.00	4,238,816.00
Employee costs	16	1,390,200.00	807,000.00
Board of Management Expenses	17	126,000.00	123,000.00
Depreciation and amortization expense	18	1,032,992.63	0
Repairs and maintenance	19	471,139.00	402,438.00
Grants and subsidies	20	0	0
General expenses	21	2,699,964.75	1,789,264.00
Finance costs	22	0	0
Total expenses		10,080,259.38	7,360,518.00
Other gains/(losses)			

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

Description	Note	FY 2023/2024	FY 2022/2023
		Kshs	Kshs
Gain/Loss on disposal of non-Current assets	23	0	0
Unrealized gain on fair value of investments	24	0	0
Medical services contracts Gains/Losses	25	0	0
Impairment loss	26	(0)	0
Gain on foreign exchange transactions		0	0
Total other gains/(losses)		0	0
Net Surplus / (Deficit) for the year		1,033,406.62	3,177,724,.00

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

The Hospital's financial statements were approved by the Board on

6th July 2024 and

signed on its behalf by:

.....
KWANT NYAMBOK

Chairman
Board of Management

.....


Head of Finance
ICPAK No: 12774

.....


Medical Superintendent

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

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

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	27	2,192,102.50	1,262,353.00
Receivables from exchange transactions	28	3,240,850.00	2,189,100.00
Receivables from non-exchange transactions	29	0	1,242,935.00
Inventories	30	4,082,310.00	8,350,777.00
Total Current Assets		9,515,262.50	13,045,165.00
Non-current assets			
Property, plant, and equipment	31	3,615,691.54	0
Intangible assets	32	240,000.00	0
Investment property	33	0	0
Total Non-current Assets		3,855,691.54	0
Total assets (A)		13,370,954.04	13,045,165.00
Liabilities			
Current liabilities			
Trade and other payables	34	2,783,550.00	3,993,492.00
Refundable deposits from customers/Patients	35	0	0
Provisions	36	0	0
Finance lease obligation	37	0	0
Current portion of deferred income	38	0	0
Current portion of borrowings	39	0	0
Social Benefits	41	0	0
Total Current Liabilities		2,783,550.00	3,993,492.00
Non-current liabilities			
Provisions	36	0	0
Non-Current Finance lease obligation	37	0	0
Non-Current portion of deferred income	38	0	0
Non - Current portion of borrowings	39	0	0

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


Description	Note	2023/2024	2022/2023
		Kshs	Kshs
Service concession Arrangements	40	0	0
Social Benefits	41	0	0
Total non-current liabilities		0	0
Total Liabilities (B)		2,783,550.00	495,400
Net assets (A-B)		5,792,912.00	
Represented by:			
Revaluation reserve		0	0
Accumulated surplus/Deficit		2,397,640.00	4,348,028.00
Capital Fund		0	0
Net Assets		5,792,912.00	4,348,028.00


(The notes set out on pages 9 to 53 form an integral part of the Annual Financial Statements.)

The Hospital's financial statements were approved by the Board on 6th July and signed on its behalf by:


 Ely Nyanjira

Chairman
Board of Management


 Head of Finance
 ICPAK No: 12774


 Medical Superintendent

Comparative FY refers to the financial year preceding the current year.

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

17. Statement of Changes in Net Asset for The Year Ended 30 June 2024

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2022				
Revaluation gain	0	-	-	0
Surplus/(deficit) for the year	0	1,060,211.85	-	1,060,211.85
Capital/Development grants	-	-	0	0
As at June 30, 2022	0	1,060,211.85	0	1,060,211.85
At July 1, 2023		1,060,211.85		1,060,211.85
Revaluation gain	0	-	-	0
Surplus/(deficit) for the year	0	1,255,013	-	1,255,013
Capital/Development grants	-	0	0	0
At June 30, 2024	0	1,255,013	0	1,255,013

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

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

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government	6	3,652,821	1,287,514.00
Grants from donors and development partners	8	417,500	0
Transfers from other Government entities		0	3,715,900.00
Public contributions and donations			0
Rendering of services- Medical Service Income	11	6,221,958	2,979,609.00
Revenue from rent of facilities	12	10,000	18,500.00
Finance / interest income		0	0
User forgone fee			2,536,719.00
Total Receipts		10,302,279	10,538,242.00
Payments			
Medical/Clinical costs	15	4,359,963.00	4,238,816.00
Employee costs	16	1,390,200.00	807,000.00
Board of Management Expenses	17	126,000.00	123,000.00
Repairs and maintenance	19	471,139.00	402,438.00
Grants and subsidies		0	0
General expenses	21	2,699,964.00	1,789,264.00
Finance costs		0	0
Refunds paid out		0	0
Total Payments		9,047,266.00	7,360,518.00
Net cash flows from operating activities	42	1,255,013.00	3,177,724.00
Cash flows from investing activities			
Purchase of property, plant, equipment		4,588,684.17	0
Purchase of intangible assets		240,000	0
Proceeds from the sale of PPE		0	0
Acquisition of investments		0	0
Net cash flows used in investing activities		4,828,684.17	0
Cash flows from financing activities			
Proceeds from borrowings		0	0
Repayment of borrowings		0	0
Capital grants received		0	0

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

Net cash flows used in financing activities		0	1,060,211.85
Net increase/(decrease) in cash and cash equivalents		1,918,953.08	0
Cash and cash equivalents as at 1 July	27	446,608.42	0
Cash and cash equivalents as at 30 June 2024	27	2,365,561.50	0

Chulaimbo Level 4 Hospital (County Government of Kisumu)
Annual Report and Financial Statements for The Year Ended 30th June 2024

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	A	B	c=(a+b)	d	e=(c-d)	f=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	
Revenue						
Transfers from the County Government	3,652,821.00	0	3,652,821.00	3,652,821.00	0	100%
Grants from donors and development partners	417,500.00	0	417,500.00	417,500.00	0	100%
Transfers from other Government entities	0	0	0	0	0	0
Public contributions and donations	55,575.00	0	55,575.00	55,575.00	0	0
Rendering of services- Medical Service Income	6,221,958.00	0	6,221,958.00	6,221,958.00	0	100%
Revenue from rent of facilities	10,000.00	0	10,000.00	10,000.00	0	100%
Finance / interest income	0	0	0	0	0	0
Miscellaneous receipts (<i>specify</i>)-In-kind contributions	755,812.00	0	755,812.00	755,812.00	0	0
Total income	11,113,657.00	0	11,113,657.00	11,113,657.00	0	100%
Expenses						
Medical/Clinical costs	4,359,963.00	0	4,359,963.00	4,359,963.00	0	100%
Employee costs	1,390,200.00	0	1,390,200.00	1,390,200.00	0	100%
Remuneration of directors	126,000.00	0	126,000.00	126,000.00	0	100%
Repairs and maintenance	471,139.00	0	471,139.00	471,139.00	0	100%
Grants and subsidies	0	0	0	0	0	0
General expenses	2,699,964.00	0	2,699,964.00	2,699,964.00	0	100%
Finance costs	0	0	0	0	0	0
Refunds	0	0	0	0	0	0
Surplus for the period	2,066,391	0	2,066,391	2,066,391		
Capital expenditure	0	0	0	0	0	0

*Chulaimbo Level 4 Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024*

20. Notes to the Financial Statements

1. General Information

Chulaimbo Level 4 Hospital entity is established by and derives its authority and accountability from PFM Act. The entity is wholly owned by the Kisumu County Government and is domiciled in Kisumu County in Kenya. The entity's principal activity is Health provision.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant, and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *entity's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in the notes. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *entity*. The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously</p>

Standard	Effective date and impact:
	<p>excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47- Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
<p>IPSAS 48-</p>	<p><i>Applicable 1st January 2026</i></p>

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

iii) Early adoption of standards

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

4. Summary of Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other Government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

Notes to the Financial Statements (Continued)

b. Budget information

The original budget for FY 2023/2024 was approved by Board on June 2022/2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, Chulaimbo Level 4 Hospital recorded additional appropriations of **0.00** on the FY 2023/2024 budget following the Board's approval. Chulaimbo Level 4 budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 9 under section **19** of these financial statements.

c. Taxes

Sales tax/ Value Added Tax

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

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

Notes to the Financial Statements (Continued)

d. Investment property

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

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

e. Property, plant and equipment

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

Notes to the Financial Statements (Continued)

f. Leases

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

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

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

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

g. Intangible assets

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

Notes to the Financial Statements (Continued)

h. Research and development costs

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

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

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

i. Financial instruments

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

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

Notes to the Financial Statements (Continued)

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Notes to the Financial Statements (Continued)

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

Notes to the Financial Statements (Continued)

j. Inventories

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

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

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

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

k. Provisions

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

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

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

Notes to the Financial Statements (Continued)

l. Social Benefits

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

m. Contingent liabilities

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

n. Contingent assets

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

o. Nature and purpose of reserves

The entity creates and maintains reserves in terms of specific requirements. *(Entity to state the reserves maintained and appropriate policies adopted.)*

p. Changes in accounting policies and estimates

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

Notes to the Financial Statements (Continued)

q. Employee benefits

Retirement benefit plans

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

r. Foreign currency transactions

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

s. Borrowing costs

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

t. Related parties

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

Notes to the Financial Statements (Continued)

u. Service concession arrangements

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

v. Cash and cash equivalents

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

w. Comparative figures

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

x. Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

Notes to Financial Statements Continued

6. Transfers from the County Government

Description	2023/2024 KShs	2022/2023 KShs
Unconditional grants		
Operational grant	3,652,821	1,287,514
Level 4/5 grants	0	0
Unconditional development grants	0	0
Other grants (<i>specify</i>)	0	0
	3,652,821	1,287,514
Conditional grants		
User fee forgone	0	2,536,719
Transforming health services for Universal care project (THUCP)	0	0
DANIDA	0	0
Wards Development grant	0	0
Paediatric block grant	0	0
Administration block grant	0	0
Laboratory grant	0	0
Total government grants and subsidies	3,652,821	3,824,233

6 b Transfers from the County Government

Name of the Entity sending the grant	Amount recognized to Statement of financial performance* KShs	Amount to deferred of under deferred income KShs	Amount recognised in capital fund. KShs	Total grant income during the year 2023/2024 KShs	2022/2023 KShs
Kisumu County Government	3,652,821	0	3,652,821	3,652,821	1,287,514
Total	3,652,821	0	3,652,821	3,652,821	1,287,514

Notes to Financial Statements Continued

7. In Kind Contributions from The County Government

Description	2023/2024	2022/2023
	KShs	KShs
Salaries and wages	0	0
Medical supplies-Drawings Rights (KEMSA)	0	0
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)	755,812	0
Utility bills	0	0
Total grants in kind	755,812	0

8. Grants From Donors and Development Partners

Description	2023/2024	2022/2023
	KShs	KShs
Cancer Centre grant- DANIDA	0	0
World Bank grants	0	0
Paediatric ward grant- JICA	0	0
Research grants	0	0
Other grants (Greenzone Kenya, MEDS)	417,500	0
Total grants from development partners	417,500	0

Greenzone Kenya pays Ksh. 45,000 to Kenya Power per quarter for the hospital's electricity bills.

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 2023/2024	2022/2023
	KShs	KShs	KShs	KShs	KShs
Donor e.g., Greenzone Kenya	180,000	0	180,000	180,000	0
JICA	0	0	0	0	0
MEDS	237,500	0	237,500	237,500	0
Total	417,500	0	417,500	417,500	0

Notes to Financial Statements Continued

9. Transfers From Other Government Entities

Description	2023/2024	2022/2023
	KShs	KShs
Transfer from National Government (Ministry of Health)	0	0
Transfer from xxx National Hospital	0	0
Transfer from National Hospital Insurance Fund	0	1,531,800.00
Total Transfers	0	1,531,800.00

10. Public Contributions and Donations

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Public donations	0	0
Donations from local leadership	0	0
Donations from religious institutions	0	0
Donations from other international organisations and individuals	0	0
Other donations (<i>Public University</i>)	55,575	0
Donations in kind-amortised	0	0
Total donations and sponsorships	55,575	0

10 (a) Reconciliations of amortised grants

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Balance unspent at beginning of year	0	0
Current year receipts	0	0
Amortised and transferred to revenue	0	0
Conditions to be met – remain liabilities	0	0

Notes to Financial Statements Continued

11. Rendering of Services-Medical Service Income

Description	FY 2024/2024	FY 2022/2023
	Kshs	Kshs
Pharmaceuticals	1,104,357.00	552,228.00
Non-Pharmaceuticals	22,300.00	0
Laboratory	974,214.00	536,800.00
Radiology	24,300.00	13,422.00.
Orthopedic and Trauma Technology	20,250.00	0
Theatre	0.00	0
Accident and Emergency Service	0.00	0
Anesthesia Service	0.00	0
Ear Nose and Throat service	0.00	0
Nutrition service	0.00	0
Cancer centre service	0.00	0
Dental services	133,200.00	10,250.00
Reproductive health	2,188,554.00	86,750
Paediatrics services	0.00	277,060.00
Farewell home services	0.00	0
Ambulance services	0.00	0
Other medical services income (<i>medical examination, medical cards, physiotherapy, inpatient</i>)	1,275,156.00	1,463,999.00
Ward	348,327.00	
Medical Exam	142,650.00	39,100
Total revenue from the rendering of the services	6,221,958	2,979,609.00

Notes to the Financial Statements (Continued)

12. Revenue From Rent of Facilities

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Residential property	10,000.00	18,500.00
Commercial property	0	0
Total Revenue from rent of facilities	10,000.00	18,500.00

(This is income received from renting of one of the properties owned by the entity)

13. Finance /Interest Income

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Interest income from Cash investments and fixed deposits	0	0
Interest income from short- term/ current deposits	0	0
Interest income from Treasury Bills	0	0
Interest income from Treasury Bonds	0	0
Interest from outstanding debtors	0	0
Total finance income	0	0

(Provide brief explanation for this revenue)

14. Miscellaneous Income

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Insurance recoveries	0	0
Income from sale of tender	0	0
Services concession income	0	0
Sale of goods (water, publications, containers etc)	0	0
Write backs (Deposits, payments in advance etc)	0	0
Bad debts recovered	0	0
<i>Others (Specify)</i>	0	0
Total Miscellaneous income	0	0

(NB: All income should be classified as far as possible in the relevant classes and miscellaneous income should be used to recognise income not elsewhere classified).

Notes to the Financial Statements (Continued)

15. Medical/ Clinical Costs

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Dental costs/ materials	32,750.00	24,600.00
Laboratory chemicals and reagents	950,836.00	455,000.00
Public health activities	-	0
Food and Ration	767,508.00	310,582.00
Uniform, clothing, and linen	-	0
Dressing and Non-Pharmaceuticals	595,328.00	550,566.00
Pharmaceutical supplies	1,221,189.00	981,733.00
Health information stationery	346,400.00	0
Reproductive health materials	-	0
Sanitary and cleansing Materials	303,952.00	184,990.00
Purchase of Medical gases	96,000.00	0
X-Ray/Radiology supplies	-	0
Other medical related clinical costs (<i>medical equipment</i>)	46,000.00	1,731,345.00
Total medical/ clinical costs	4,359,963.00	4,238,816.00

(Other medical/clinical related costs refers to all other costs involved in management of the patients directly not analysed above.)

16. Employee Costs

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Salaries, wages, and allowances	1,390,200.00	807,000.00
Contributions to pension schemes	0	0
Service gratuity	0	0
Performance and other bonuses	0	0
Staff medical expenses and Insurance cover	0	0
Group personal accident insurance and WIBA	0	0
Social contribution	0	0
Other employee costs (<i>specify</i>)	0	0
Employee costs	1,390,200.00	807,000.00

(Social contribution relates to expenses incurred by the employer towards social welfare of Employees)

Notes to the Financial Statements (Continued)

17. Board of Management Expenses

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Chairman's Honoraria	0	0
Sitting allowance	126,000.00	123,000.00
Mileage	0	0
Insurance expenses	0	0
Induction and training	0	0
Travel and accommodation allowance	0	0
Airtime allowances	0	0
Total	126,000.00	123,000.00

18. Depreciation and Amortization Expense

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Property, plant and equipment	0	0
Intangible assets	0	0
Investment property carried at cost	0	0
Total depreciation and amortization	0	0

19. Repairs And Maintenance

Description	2023/2024 FY	FY 2022/2023
	Kshs	Kshs
Property- Buildings	160,000.00	88,000.00
Medical equipment	35,000.00	55,000.00
Office equipment	19,000.00	30,000.00
Furniture and fittings	0	0
Computers and accessories	35,000.00	20,000.00
Motor vehicle expenses	222,139.00	209,438.00
Maintenance of civil works	0	0
Total repairs and maintenance	471,139.00	402,438.00

Notes to the Financial Statements (Continued)

20. Grants And Subsidies

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Community development and social work	0	0
Education initiatives and programs	0	0
Free/ subsidised medical camp	0	0
Disability programs	0	0
Free cancer screening	0	0
Social benefit expenses	0	0
Other grants and subsidies(<i>specify</i>)	0	0
Total grants and subsidies	0	0

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42.

21. General Expenses

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Advertising and publicity expenses	25,000.00	0
Catering expenses	0	0
Sanitary & cleaning expenses	45,800.00	0
Insecticides and rodenticides	38,920.00	0
Audit fees	0	0
Bank charges	45,284.00	0
Conferences and delegations	0	0
Consultancy fees	0	0
Contracted services	444,000.00	300,000.00
Electricity expenses	813,000.00	340,899.00
Fuel and Lubricants	580,710.00	0
Insurance	0	0
Research and development expenses	0	0
Travel and accommodation allowance	185,650.00	13,700.00
Legal expenses	0	0
Licenses and permits	0	0
Courier and postal services	10,000.00	0
Printing and stationery	139,600.00	294,400.00
Hire charges	0	0
Rent expenses	0	0
Water and sewerage costs	10,000.00	217,482.00

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Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Skills development levies	0	0
Telephone and mobile phone services	45,000.00	23,000.00
Internet expenses	0	0
Staff training and development	15,000.00	0
Subscriptions to professional bodies	0	0
Subscriptions to newspapers periodical, magazines, and gazette notices	0	0
Library books/Materials	0	0
Office equipment & appliances	302,000.00	0
Total General Expenses	2,699,964.00	1,189,481.00

22. Finance Costs

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Borrowings (amortized cost) *	0	0
Finance leases (amortized cost)	0	0
Interest on Bank overdrafts/Guarantees	0	0
Interest on loans from commercial banks	0	0
Total finance costs	0	0

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

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Property, plant, and equipment	0	0
Intangible assets	0	0
Other assets not capitalised (<i>specify</i>)	0	0
Total gain on sale of assets	0	0

24. Unrealized Gain On Fair Value Investments

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Investments at fair value	0	0
Total gain	0	0

Notes to the Financial Statements (Continued)

25. Medical Services Contracts Gains /Losses

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Comprehensive care contracts with NHIF	0	0
Non- Comprehensive contracts care with NHIF	0	0
Linda Mama Program	0	0
Waivers and Exemptions	0	0
Total Gain/Loss	0	0

26. Impairment Loss

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Property, plant, and equipment	0	0
Intangible assets	0	0
Investments	0	0
Total impairment loss	0	0

27. Cash And Cash Equivalentents

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Current accounts	2,192,102.50.00	778,893.00
On - call deposits	0	0
Fixed deposits accounts	0	0
Cash in hand	0	0
Others(<i>specify</i>)- Mobile money	0	0
Total cash and cash equivalentents	2,192,102.50	778,893.00

Notes to the Financial Statements (Continued)

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

Description Financial institution	Account number	FY 2023/2024	FY 2022/2023
		KShs	KShs
a) Current account			
Kenya Commercial bank		40,169.70	483,460.05
Co-operative Bank of Kenya		2,151,932.80	295,433.00
Sub- total		2,192,102.50	778,893.00
b) On - call deposits			
Kenya Commercial bank		0	0
Equity Bank – etc		0	0
Sub- total		0	0
c) Fixed deposits account			
Bank Name		0	0
Sub- total		0	0
d) Others(<i>specify</i>)			
cash in hand		0	0
Mobile money- Mpesa, Airtel money		0	0
Sub- total		0	0
Grand total		2,192,102.50	778,893.00

28. Receivables From Exchange Transactions

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Medical services receivables	3,220,850.00	1,739,850.00
Rent receivables	20,000.00	0
Other exchange debtors	0	0
Less: impairment allowance	0	0
Total receivables	3,240,850.00	1,739,850

Analysis of Receivables From Exchange Transactions

Description	FY 2023/2024		FY 2022/2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	20,000.00	0.62%	0	%
Between 1- 2 years	3,220,850.00	99.38%	1,739,850.00	100%
Between 2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total (a+b)	3,240,850.00	100%	1,739,850.00	100%

29. Receivables From Non-Exchange Transactions

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Transfers from the County Government	0	0
Undisbursed donor funds	0	0
Other debtors (<i>non-exchange transactions</i>)	0	0
Less: impairment allowance	0	0
Total	0	0

Analysis of Receivables From Non-Exchange Transactions

Description	FY 2023/2024		FY 2022/2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	0	%	0	%
Between 1- 2 years	0	%	0	%
Between 2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total (a+b)	0	%	0	%

30. Inventories

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Pharmaceutical supplies	3,637,563.00	0
Maintenance supplies	0	0
Food supplies	43,439.00	0
Linen and clothing supplies	0	0
Cleaning materials supplies	253,219.00	0
General supplies	148,090.00	0
Less: provision for impairment of stocks	0	0
Total	4,082,311.00	0

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Notes to the Financial Statements (Continued)

31. Property, Plant and Equipment

Description	Land		Buildings and Civil works		Motor vehicles		Furniture, fittings, and office equipment		ICT Equipment		Plant and medical equipment		Capital Work in progress		Total		
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	
Cost																	
At 1 July 2023 (previous year)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers/adjustments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
At 30th Jun 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
At 1 July 2024 (current year)	0	0	0	0	0	0	130,000	3,192,616.57	1,266,067.60	0	0	0	0	0	0	4,588,684.17	0
Additions	0	0	0	0	0	0	276,279	0	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer/adjustments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
At 30th Jun 2024	0	0	0	0	0	0	406,279	3,192,616.57	1,266,067.60	0	0	0	0	0	0	4,588,684.17	0
Depreciation and impairment																	
At 1 July 2023 (previous year)																	
Depreciation for the year							81,255.80	638,523.31	253,213.52								
Disposals							0	0	0	0	0	0	0	0	0	0	0
Impairment							0	0	0	0	0	0	0	0	0	0	0

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Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Capital Work in progress	Total
At 30 June 2023		0	0	0	0	0		0
At July 2024 (current year)	0	0	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0
Transfer/adjustment	0	0	0	0	0	0	0	0
At 30th June 2024								
	0	0	0	0	0	0	0	0
Net book values	0	0	0	0	0	0	0	0
At 30 th Jun 2023 (previous)	0	0	0	0	0	0	0	0
At 30 th Jun 2024 (current)	0	0	0	325,023.20	2,554,093.26	1,012,854.08	1,012,854.08	3,615,691.54

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Notes to the Financial Statements (Continued)

32. Intangible Assets-Software

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Cost		
At beginning of the year	0	0
Additions	300,000	0
Additions-Internal development	0	0
Disposal	0	0
At end of the year	300,000	0
Amortization and impairment		
At beginning of the year	0	0
Amortization for the period	60,000	0
Impairment loss	0	0
At end of the year	60,000	0
NBV	240,000	0

33. Investment Property

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
At beginning of the year	0	0
Additions	0	0
Disposals during the year	0	0
Fair value gain	0	0
Depreciation (<i>where investment property is at cost</i>)	0	0
Impairment	0	0
At end of the year	0	0

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Notes to the Financial Statements (Continued)

34. Trade and other Payables

Description	FY 2023/2024		FY 2022/2023	
	KShs		KShs	
Trade payables	2,068,550.00		3,887,997.00	
Employee dues	715,000.00		105,500.00	
Third-party payments (e.g. unremitted payroll deductions)	0		0	
Audit fee	0		0	
Doctors' fee	0		0	
Total trade and other payables	2,783,550.00		3,993,497.00	
Ageing analysis:	Current FY	% of the Total	Compa rative FY	% of the total
Under one year	0	0%	495,000 0.00	15%
1-2 years	0	%	0	0%
2-3 years	0	%	0	0%
Over 3 years	0	%	0	0%
Total	0	0%	0	0

35. Refundable Deposits from Customers/Patients

Description	FY 2023/2024		FY 2022/2023	
	KShs		KShs	
Medical fees paid in advance	0		0	
Credit facility deposit	0		0	
Rent deposits	0		0	
Others (specify)	0		0	
Total deposits	0		0	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	0	0%	0	0%
1-2 years	0	0%	0	0%
2-3 years	0	0%	0	0%
Over 3 years	0	0%	0	0%
Total	0	0	0	0

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Notes to the Financial Statements (Continued)

36. Provisions

Description	Leave provision KShs	Bonus provision KShs	Other provision KShs	Total KShs
Balance at the beginning of the year	0	0	0	0
Additional Provisions	0	0	0	0
Provision utilised	0	0	0	0
Change due to discount & time value for money	0	0	0	0
Total provisions	0	0	0	0
Current Provisions	0	0	0	0
Non-Current Provisions	0	0	0	0
Total Provisions	0	0	0	0

37. Finance Lease Obligation

Description	FY 2023/2024 Kshs	FY 2022/2023 Kshs
Current Lease obligation	0	0
Long term lease obligation	0	0
Total	0	0

38. Deferred Income

Description	FY 2023/2024 KShs	FY 2022/2023 KShs
Current Portion	0	0
Non-Current Portion	0	0
Total	0	0

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Notes to the Financial Statements (Continued)

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

Description	National - government	International funders/ donors	Public contributions and donations	Total
Balance b/f	0	0	0	0
Additions during the year	0	0	0	0
Transfers to Capital fund	0	0	0	0
Transfers to statement of financial performance	0	0	0	0
Other transfers (<i>Specify</i>)	0	0	0	0
Balance C/F	0	0	0	0

39. Borrowings

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Balance at beginning of the period	0	0
External borrowings during the year	0	0
Domestic borrowings during the year	0	0
Repayments of external borrowings during the year	0	0
Repayments of domestic borrowings during the year	0	0
Balance at end of the period	0	0

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

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Current Obligation	0	0
Non-Current Obligation	0	0
Total	0	0

(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).

Notes to the Financial Statements (Continued)

40. Service Concession Arrangements

Description	- FY 2023/2024 KShs	FY 2022/2023 KShs
Fair value of service concession assets recognized under PPE	0	0
Accumulated depreciation to date	0	0
Net carrying amount	<u>0</u>	<u>0</u>
Service concession liability at beginning of the year	0	0
Service concession revenue recognized	0	0
Service concession liability at end of the year	<u>0</u>	<u>0</u>

41. Social Benefits

Description	FY 2023/2024 Kshs	FY 2022/2023 Kshs
Health social benefit scheme	0	0
Unemployment social benefit scheme	0	0
Orphaned and vulnerable benefit scheme	0	0
People Living with Disabilities benefit Scheme	0	0
Elderly social benefit scheme	0	0
Bursary social benefits	0	0
Total	0	0
Current social benefits	0	0
Non- current social benefits	0	0
Total (tie to totals above)	0	0

Notes to the Financial Statements (Continued)

42. Cash Generated from Operations

Description	Insert Current FY KShs	Insert Comparative FY KShs
Surplus for the year before tax	2,397,640.00	1,070,977.00
Adjusted for:		
Depreciation	0	0

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Non-cash grants received	0	0
Impairment	0	0
Gains and losses on disposal of assets	0	0
Contribution to provisions	0	0
Contribution to impairment allowance	0	0
Working Capital adjustments		
Increase in inventory	(4,082,311.00)	0
Increase in receivables	0	0
Increase in deferred income	0	0
Increase in payables	0	0
Increase in payments received in advance	0	0
Net cash flow from operating activities	(1,255,013.00)	0

Notes to the Financial Statements (Continued)

43. Financial Risk Management

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

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

(i) Credit risk

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023 (previous year)				
Receivables from exchange transactions	2,189,100.00	0	0	0
Receivables from –non-exchange transactions	0	0	0	0
Bank balances	483,460.05	0	0	0
Total	2,672,560.05	0	0	0
At 30 June 2024 (current year)				
Receivables from exchange transactions	3,240,850.00	0	0	0
Receivables from –non-exchange transactions	0	0	0	0
Bank balances	1,733,302.50	0	0	0
Total	4,974,152.50	0	0	0

(NB: The totals column should tie to the individual elements of credit risk disclosed in the entity's statement of financial position)

Notes to the Financial Statements (Continued)

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

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the hospital's board of management who have built an appropriate liquidity risk management framework for the management of 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 hospital under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023				
Trade payables	0	0	3,993,492.00	3,993,492.00
Current portion of borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred income	0	0	0	0
Employee benefit obligation	0	0	0	0
Total	0	0	3,993,492.00	3,993,492.00
At 30 June 2024				
Trade payables	0	0	2,783,550.00	2,783,550.00
Current portion of borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred income	0	0	0	0
Employee benefit obligation	0	0	0	0
Total	0	0	2,783,550.00	2,783,550.00

Notes to the Financial Statements (Continued)

(iii) Market risk

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

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

a) Foreign currency risk

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

Description	KShs Kshs	Other currencies	Total Kshs
At 30 June 20xx			
Financial assets (investments, cash, debtors)	0	0	0
Liabilities	0	0	0
Trade and other payables	0	0	0
Borrowings	0	0	0
Net foreign currency asset/(liability)	0	0	0

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

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Notes to the Financial Statements (Continued)

Description	KShs	Other currencies	Total
	Kshs		Kshs
At 30 June 20xx			
Financial assets (investments, cash, debtors)	0	0	0
Liabilities	0	0	0
Trade and other payables	0	0	0
Borrowings	0	0	0
Net foreign currency asset/(liability)	0	0	0

Foreign currency sensitivity analysis

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

Description	Change in currency rate Kshs	Effect on Profit before tax Kshs	Effect on equity Kshs
20XX (previous year)			
Euro	10%	0	0
USD	10%	0	0
20XX (current year)			
Euro	10%	0	0
USD	10%	0	0

b) Interest rate risk

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

Management of interest rate risk

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

Notes to the Financial Statements (Continued)

Sensitivity analysis

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of financial performance if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs 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:

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Revaluation reserve	0	0
Retained earnings	0	0
Capital reserve	0	0
Total funds	0	0
Total borrowings	0	0
Less: cash and bank balances	0	0
Net debt/ (<i>excess cash and cash equivalents</i>)	0	0
Gearing	0	0

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Notes to the Financial Statements (Continued)

44. Related Party Balances

Nature of related party relationships

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

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

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

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Transactions with related parties		
a) Services offered to related parties		
Services to xxx	0	0
Sales of services to xxx	0	0
Total	0	0
b) Grants from the Government		
Grants from County Government	0	0
Grants from the National Government Entities	0	0
Donations in kind	0	0
Total	0	0
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for xxx employees	0	0
Payments for goods and services for xxx	0	0
Total	0	0
d) Key management compensation		

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Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Directors' emoluments	0	0
Compensation to the medical Sup	0	0
Compensation to key management	0	0
Total	0	0

45. Segment Information

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

46. Contingent Liabilities

Contingent liabilities	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Court case xxx against the hospital	0	0
Bank guarantees in favour of subsidiary	0	0
Total	0	0

(Give details)

47. Capital Commitments

Capital Commitments	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Authorised For	0	0
Authorised And Contracted For	0	0
Total	0	0

(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)

48. Events after the Reporting Period

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

49. Ultimate and Holding Entity

The entity is a State Corporation/ or a Semi- Autonomous Government Agency under the Department of medical Services, Public Health and Sanitation. Its ultimate parent is the County Government of Kisumu.

50. Currency

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

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21. Appendices

I. 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)
7	Non disclosure of plant property and equipment	Through the county department of treasury, they have a 3 year plan to list all PPEs and value them.	Partially resolved	3 years.
2	Irregular engagement of casuals	The contracts for the casuals are available. The year of 21/22 where a casual was paid kshs 2520, that was her pending debt for hours worked. We are working on ways to increase revenue to eventually increase their wages to kshs 13,573.	Partially resolved	1 year
5	Lack of proof of approved budgets	The minutes of the board are available and were provided for audit	resolved	0
4	Stalled maternity theatre	Contractor on site	Partially resolved	1 year
7	Non compliance with UHC requirements on staffing	The county is working on continuously improving HRH	Partially resolved	3 years
5	Lack of internal audit review	Internal audit was one. However, the report is domiciled at the county department of health	resolved	0
2	Use of manual accounting records	The facility only has manual systems for accounting. The HMIS we have is purely for	Resolved	0

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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)
		billing.		

Guidance Notes:

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

.....*Bernadette*..... 
Accounting Officer

*Chulaimbo Level 4 Hospital (Kisumu County Government)
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II. Appendix II: Projects Implemented by The Entity

Projects

Projects implemented by the Hospital Funded by development partners

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

Status of Projects completion

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

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

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III. Appendix III: Inter-Entity Confirmation Letter

Name of Transferring entity.....

Name of Beneficiary entity.....

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

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

Head of Accounts Department - Disbursing Entity:
 Name Sign Date

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

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IV. Appendix IV Reporting of Climate Relevant Expenditures

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

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V. Appendix V: Disaster Expenditure Reporting Template

Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments