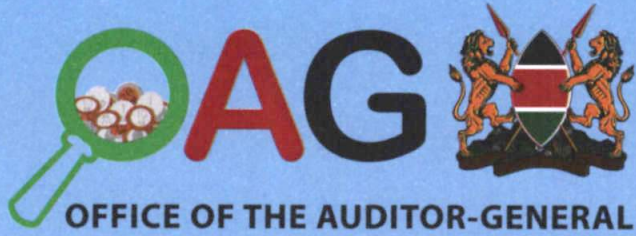
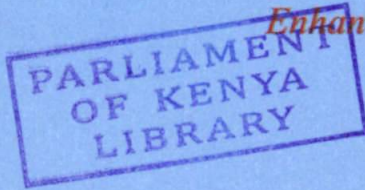


REPUBLIC OF KENYA



Enhancing Accountability



REPORT

OF

THE AUDITOR-GENERAL

ON

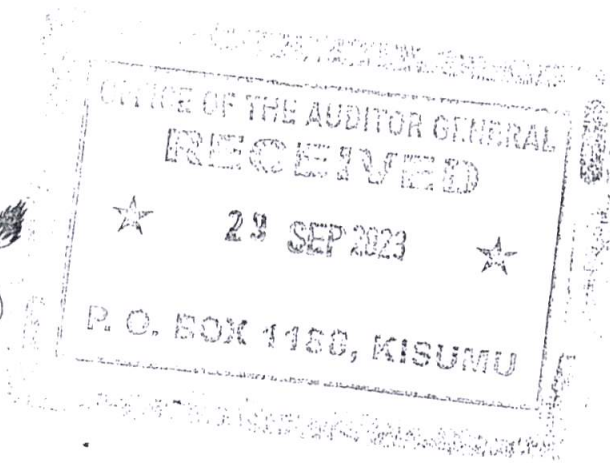
**NYAMARIMBA SUB-COUNTY
LEVEL 4 HOSPITAL**

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

COUNTY GOVERNMENT OF KISUMU

PAPERS LAID	
DATE	17/11/2023
TABLED BY	Delegue
COMMITTEE	_____
CLERK AT THE TABLE	T. O. Ojwang

Revised 30th June 2023



**NYAMARIMBA Level 4 HOSPITAL
(KISUMU County Government)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2023

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

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2. Key Entity Information and Management

(a) Background information

Nyamaringba Subcounty Hospital is a level IV hospital established under gazette notice number of 2017 and is domiciled in Kisumu County under the Health & Sanitation Department. The hospital is governed by a Board of Management.

(b) Principal Activities

Mission:

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

Vision

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

V Management

Ref	Directors	Role
1.	Prof. Phillip Okinda	Chairman of the Board
2.	Eng. Alfred Odongo	Financial
3.	Mrs. Benter Ouma	HCSD
4.	Mrs. Christine Okeyo	Faith Based
5.	Mr.s Ruth Osano	Women Rep
6.	Paul Adera	Youth
7.	Fredrick Ochola	Nursing In charge
8.	Mr. Moses Morwa	Secretary (Facility In charge)

(c) Fiduciary Management

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

No.	Designation	Name
1.	Facility In charge	Moses Marwa
2.	Nursing In charge	Fredrick Ocholla
3.	Pharm tech,	Barbanas Aduda

(d) 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.

(e) Entity Headquarter
P.O. Box 40100-22
Rabuo, KENYA

(f) Entity Contacts

Telephone: (+254)721239048
E-mail: kisumucdh@gmail.com
Website: www.go.ke

(g) Entity Bankers

National Bank of Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

(j) County Attorney

P.O. Box. 40100-721
Kisumu, Kenya

3. The Board of Management

Ref	Directors	Role
9.	Prof. Phillip Okinda	Chairman of the Board
10.	Eng. Alfred Odongo	Financial
11.	Mrs. Benter Ouma	HCSD
12.	Mrs. Christine Okeyo	Faith Based
13.	Mr.s Ruth Osano	Women Rep
14.	Paul Adera	Youth
15.	Fredrick Ochola	Nursing In charge
16.	Mr. Moses Morwa	Secretary (Facility In charge)

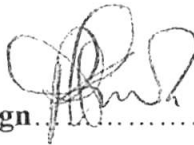
4. Management Team

No.	Designation	Name
1.	Facility In charge	Moses Marwa
2.	Nursing In charge	Fredrick Ocholla
3.	Pharm tech,	Barbanas Aduda

5. Chairman's Statement

The F/Y 2022/2023 was a year where a number activities were undertaken including having board meetings to deliberate on both development and recurrent issues. A lot of progress has been witnessed more so in the area of infrastructure development, increase in staff capacity and even in collection due to introduction of Facility Improve Fund act.

Name: Phillip Okinda

Sign. .....

6. Report of medical Superintendent

BACKGROUND

Nyamarimba Sub-County Hospital has been in existence for more than a century, having been established in the early 2000s to cater for the health needs of the workers at the then port town of Kisumu. Since then, it has grown to become the referral hospital serving various Sub-Counties within its locality. The hospital's revenue is derived from Facility improvement funds (FIF) and monies appropriated from the county Treasury.

The total expenditures during the period amounted to Kshs **1,868,869.00** representing 100% total approved budget. Top drivers of the budget were medical drugs, Staff remunerations, non-pharmaceuticals, patient's food, Laboratory, Contracted Services among others. High Utilization rate realized

Revenue

The HMB and hospital management realized great achievement in terms of revenue generation, which has grown compared to the previous financial year 2021/2022, infrastructural development.

Challenges

Nyamarimba based on the population that its serves is faced with a lot of challenges ranging from Global issues, financial constraints, inadequate human resource, environmental challenges, infrastructural i.e. dilapidated buildings, and technological growth that the hospital have to adopt in order to succeed in the healthcare service delivery.

Lack of power backup needs urgent solutions due to a lot of power outage

Looking forward

Modern Technology transformation is one of the pillars of the Strategic Plan. The hospital has embarked on this journey to increase operational efficiencies, enhance customer experience through consistent and patient-focused service delivery and informed decision-making aided by business intelligence. Crucial to this will be the implementation of the key operational systems, the Hospital Information Management System (HMIS)). The Hospital has requested the stakeholders assistance in solar installation.

Appreciation

APPRECIATION

I take this opportunity to express my sincere gratitude and appreciation to the Ministry of health, county government of Kisumu, development partners, stakeholders, management and staff for their continued support, which made us, achieves these results.

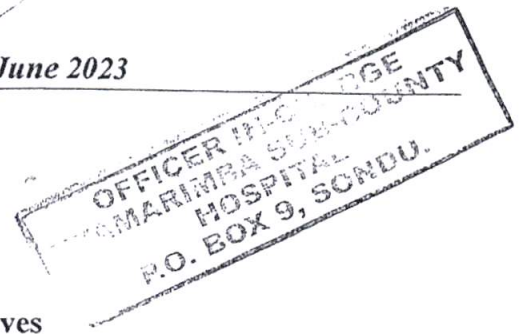
I look forward to your continued support in the year 2023/2024.

5

Nyamaringba Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

Moses Marwa- Medsupt
 sign.....

[Handwritten signature and date 30/7/23]



7. Statement Of Performance Against Predetermined Objectives

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

Nyamaringba has 5 strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY 2021- FY 2023. 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

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 2022/2023 period for its 5 strategic pillars, as indicated in the diagram below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Clinical Services Delivery and Infrastructural development	To Establish and enhance good clinical governance	Hospital Drug formulary in place <input type="checkbox"/> No of stock-out tracer drugs <input type="checkbox"/> No of prescription reviewed <input type="checkbox"/> Updated SOPs	Rational use of Medications <input type="checkbox"/> Rational use of blood and blood products <input type="checkbox"/> Provision of Health products <input type="checkbox"/> Monthly Clinical Audits and mortality Meetings	Hospital Drug formulary in place. <input type="checkbox"/> %reduction in morbidity and mortality
Healthcare	To increase	Revenue Reports	Diversify Revenue	Revenue improved

Financing and Sustainability	revenue Generation	<input type="checkbox"/> %increase in revenue	Streams <input type="checkbox"/> Review User Fee Charges <input type="checkbox"/> Increase Customer Base <input type="checkbox"/> Develop Concept papers and proposals to development partners	compared to previous year <input type="checkbox"/> Review of user fees continuous and on progress
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8. Corporate Governance Statement

Nyamaramba 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 the business and operations of the Hospital with integrity and in accordance with generally accepted corporate practice and endorse the internationally developed principles of good corporate governance.

a) Board of Management

The Board of Management is composed of non-executive members elected by the governor of Kisumu County. The Appointed Board of Management to be held accountable and responsible for the efficient and effective governance of the hospital. Members of the Board have a range of skills and experience and each brings an independent judgment and considerable knowledge to the Board’s discussions. The board term is two years renewal subject to performance contract.

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

- Approve and adopt strategic plans and annual budgets, set objectives and review key risk and performance areas.
- Resource Mobilization
- Determine overall policies and processes to ensure integrity of the Hospital’s 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 the Chairperson has bi-weekly meetings/Consultations with the Medsupt. 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 Medsupt. 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 10 meetings attended by selected members.

9. 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 Nyamarimba 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 Medsupt.

10. Environmental And Sustainability Reporting

Environmental performance

Nyamarimba is using the National Health Care Waste Management policy guideline which is guiding us in the management of the waste that we generate in the organization and we

have a copy of the policy. Successes

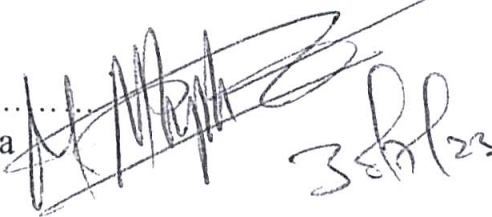
- We are having colour-coded bins [receptacles] at all generation points in the departments.
- There are segregation posters alongside the receptacles to guide in the segregation of waste.
- We have waste treatment equipment within the organization that helps us treat our waste and we only dispose off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

.....
Moses Marwa



OFFICER IN-CHARGE
NYAMARIMBA SUB-COUNTY
HOSPITAL
P.O. BOX 9, SONDU.

Nyamarimba Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

Board Secretary

Report of The Board of Management

The Board members submit their report together with the Audited Financial Statements for the year ended June 30, 2023, which show the state of the *hospital's* affairs.

Principal activities

The principal activities of the entity are to provide quality and affordable preventive, promotive, rehabilitative and curative health services in both east and central Africa.

Results

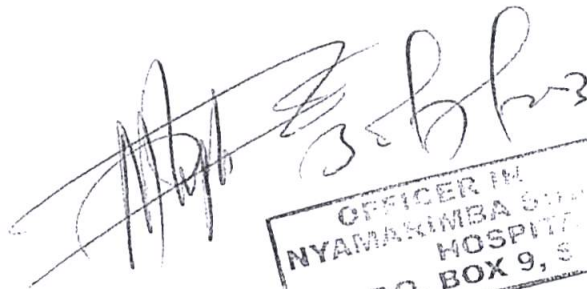
The results of the entity for the year ended June 30 are set out on page 1 to 9 Board of Management The members of the Board who served during the year are shown on page xii.

Auditors

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

By Order of the Board

Moses Marwa
SECRETARY OF THE BOARD



OFFICER IN CHARGE
NYAMAKIMBA SUB-COUNTY
HOSPITAL
P.O. BOX 9, S. J. M.

11. 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 *Nyamarimba*, which give a true and fair view of the state of affairs of the *Nyamarimba* at the end of the financial year 2022/2023 and the operating results of the for that year/period. The Board of Management is also required to ensure that the *Nyamarimba* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *Nyamarimba*. The council members are also responsible for safeguarding the assets of the *Nyamarimba*.

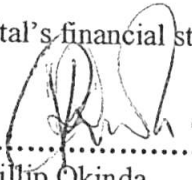
The Board of Management is responsible for the preparation and presentation of the *Nyamarimba* financial statements, which give a true and fair view of the state of affairs of the *Nyamarimba* for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (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 *Nyamarimba* (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

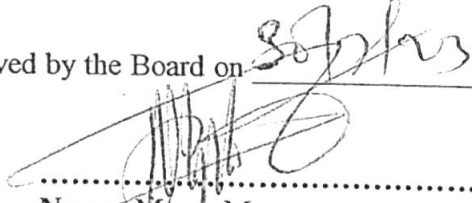
The Board of Management accepts responsibility for the *Nyamarimba* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the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

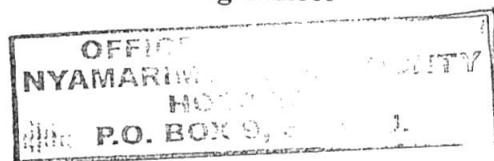
Nothing has come to the attention of the Board of management to indicate that the *Nyamarimba* will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Hospital’s financial statements were approved by the Board on 30/6/23 and signed on its behalf by:


.....
Name: Phillip Okinda
Chairperson
Board of Management


.....
Name: Moses Marwa
Accounting Officer



REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NYAMARIMBA SUB-COUNTY LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2023 - COUNTY GOVERNMENT OF KISUMU

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Nyamarimba Sub-County Level 4 Hospital - County Government of Kisumu set out on pages 1 to 58, which comprise of

Report of the Auditor-General on Nyamarimba Sub-County Level 4 Hospital for the year ended 30 June, 2023 - County Government of Kisumu

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

Basis for Qualified Opinion

1. Inaccuracies in Transfers from County Government

The statement of financial performance reflects transfers from County Government amounting to Kshs.449,494 in respect of operational grant which differed with the corresponding Note 6 to the financial statements which reflected an amount of Kshs.1,368,869 resulting to unexplained variance of Kshs.919,375.

In the circumstances, the accuracy and completeness of transfers from the County Government amounting to Kshs.449,494 could not be confirmed.

2. Unsupported In-Kind Contribution from the County Government

The statement of financial performance reflects in-kind contribution from the County Government amount of Kshs.500,000 and as disclosed in Note 7 to the financial statements. However, supporting documents were not provided for audit.

In the circumstances, the accuracy and completeness of in-kind contribution from the County Government amounting to Kshs.500,000 could not be confirmed.

3. Inaccuracies in General Expenses

The statement of financial performance reflects general expenses amount of Kshs.247,000 and as reflected in Note 27 to the financial statements. However, the amount differed with the ledger balance which reflected Kshs.318,000 resulting to unexplained variance of Kshs.71,000.

In the circumstances, the accuracy and completeness of general expenses amounting to Kshs.247,000 could not be confirmed.

4. Inaccuracies in Net Assets and Liabilities Balance

The statement of financial position reflects net assets and liabilities balance of Kshs.1,458,341. However, the balance varied with the recalculated balance of Kshs.25,000 resulting to an unexplained variance of Kshs.1,433,341.

In the circumstances, the accuracy and completeness of net assets and liabilities balance of Kshs.1,458,341 could not be confirmed.

5. Inaccuracies in the Statement of Financial Performance

The statement of financial performance reflects total revenue from rendering services of Kshs.266,515 which differed with the related amount of Kshs.266,435 by Kshs.80.

In addition, the statement reflects medical/clinical costs amount of Kshs.576,367 which differed with the recasted amount of Kshs.607,367 by an amount of Kshs.131,000.

Additionally, the statement reflected the medical/clinical costs comparative amount of Kshs.334,584 which differed with the recasted amount of Kshs.434,584 by Kshs.100,000.

Further, the statement reflects total expenditure amounting to Kshs.1,316,367 which differed with the statement of the medical superintendent which indicated that the total expenditures during the period amounted to Kshs.1,868,869 resulting to an unexplained variance of Kshs.552,502.

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

6. Undisclosed Medical Costs

The statement of financial performance reflects medical or clinical costs amount of Kshs.576,367 as disclosed in Note 15 to the financial statements. However, review of payment vouchers revealed that an amount of Kshs.40,000 in respect of medical cost were not disclosed in the financial statements.

In the circumstances, the accuracy and completeness of medical or clinical costs amount of Kshs.576,367 could not be confirmed.

7. Inaccuracies in Cash and Cash Equivalents

The statement of financial position reflects a cash and cash equivalents balance of Kshs.256,101 as disclosed in Note 27 to the financial statements. The reconciliation statement had reconciling items totalling Kshs.36,549 comprising of balance brought forward amount of Kshs.26,409 and tax charge of Kshs.10,140. However, review of the cash book revealed that the balance brought forward of Kshs.26,409 was not supported. Further, the tax charge of Kshs.10,140 had already been credited in the cash book in the month of June, 2023 and should not have formed part of the reconciling items.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance totalling Kshs.256,101 could not be confirmed.

8. Unreconciled NHIF Amounts

The statement of financial performance reflects transfers from other Government entities amounting to Kshs.652,860. However, comparison of the Hospitals amounts against the National Health Insurance Fund amounts on various payments revealed that the Hospital

reflected an amount of Kshs.445,000 while NHIF reflected Kshs.714,800 as total payments during the year resulting to an unexplained variance of Kshs.268,800.

In the circumstances, the accuracy and completeness of the transfers from other Government entities totalling Kshs.652,860 could not be confirmed.

9. Undisclosed Receivables from Non-Exchange Transactions

The statement of financial position reflects receivables from non-exchange transactions balance of Kshs.390,000 as disclosed in Note 29 to the financial statements. However, this balance omitted outstanding claims from NHIF totalling Kshs.1,204,950. Further, the Hospital records reflected claims of Kshs.695,000 which differed with NHIF records which reflected a balance of Kshs.1,204,950 owed to the Hospital, resulting to unreconciled variance of Kshs.535,450. Further, review of the account's receivables aging list revealed that the amount of Kshs.250,000 was long outstanding for a period of more than two (2) years. Management did not disclose efforts being made to recover the outstanding amounts.

In the circumstances, the accuracy and completeness of receivables from non-exchange transactions balance of Kshs.390,000 could not be confirmed.

10. Undisclosed Property, Plant and Equipment

The statement of financial position reflects Nil balance for property, plant and equipment. However, the Hospital owns assets that have not been valued and disclosed in the financial statements. In addition, review of the records, asset register and physical verification of the Hospital's assets revealed that the Hospital Management had not tagged or coded its assets for ease of identification, tracking and affirming ownership.

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

11. Non-Disclosure of Donated Drugs

The statement of financial performance reflects Nil balance for grants from donors and development partners as disclosed in Note 8 to the financial statements. However, data from Kenya Medical Supplies Authority (KEMSA) revealed that the hospital received donations and program commodities drugs worth Kshs.2,760,874 and from Universal Health Care drugs worth Kshs.47,207 which were not disclosed in the financial statements.

In the circumstances, the accuracy and completeness of grants from donors and development partners could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Nyamarimba Sub-County Level 4 Hospital Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe

that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Presentation and Disclosure of Financial Statements

Review of the financial statements submitted for audit for the year ended 30 June, 2023 revealed the following omissions in presentation and disclosures contrary to the requirements of the reporting guidelines and template prescribed by Public Sector Accounting Standards Board (PSASB).

- i. Page numbering does not align with what was presented in the table contents.
- ii. The acronyms and glossary of terms was omitted from the financial statements.
- iii. Key entity information and Management was missing in section (a) to (c).
- iv. Numbering of the Board of Management was started from 9-16 rather than 1-8.
- v. The report of the independent auditor does not specify the entity by name as is required by the relevant template.
- vi. The following abbreviations were used in the annual report and financial statements but not disclosed in the acronyms and glossary of terms section as required by the recommended template; HCSD, CCH, HMB, HMIS and FIF.
- vii. The section of Board of Management missed passport size photo, key profession or academic qualifications, age of the director, work experience as well as an indication of whether the director is independent, executive or alternate.
- viii. The key Management team section indicated on page v does not have the Management's passport-size photo as well as key professional and academic qualifications as is required by the recommended template.

- ix. The Hospital identified five (5) strategic pillars under the statement of performance against predetermined objectives however only two (2) were explained or highlighted by giving the objectives, key performance indicators, activities and achievements as is required by the recommended template.
- x. Under the corporate governance section, the following were not highlighted; attendance to the board meetings held, succession plan, existence of a board charter, induction, and training, board and member performance, conflict of interest, board remuneration, ethics, and conduct as well as governance audit.
- xi. Management discussion and analysis did not include the financial performance of the Hospital. In addition, this report was not signed by Management/Medical Superintendent.
- xii. Paragraph 2 of the statement of the Board of Management's responsibilities (pg xii) indicates that the financial statements presented are for the period ended 30 June, 2022 instead of 30 June, 2023.
- xiii. The financial statements are not signed by the head of finance in the Hospital.

In the circumstances, the preparation and presentation of the annual reports and financial statements did not comply with Public Sector Accounting Standards Board guidelines.

2. Lack of an Approved Annual Itemized Budget

During the year under review, Management did not prepare an annual itemized budget, which should have been approved by the Board of Management and submitted to the County Government for further approval. This was contrary to Regulation 29(1) of the Public Finance Management (County Governments) Regulations, 2015 which states that "The Accounting Officer shall ensure that the draft estimates relating to her or his department are prepared in conformity with the Constitution, the Act and these Regulations."

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

3. Non-Compliance with Universal Health Coverage (UHC) Requirements

3.1 Staffing Requirement Gaps

Review of Hospital records and interviews on verification of services offered, equipment used and medical specialists in the Hospital at the time of audit revealed that the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits by ninety-five (95) staff or 94% of the authorized establishment as indicated below:

Staff Requirements	Level 4 Standard	Number in Hospital	Variance	Percentage (%)
Medical Officers	16	0	16	100
Anesthesiologists	2	0	2	100
General Surgeons	2	0	2	100
Gynecologists	2	0	2	100
Pediatricians	2	0	2	100
Radiologists	2	0	2	100
Registered Community Health Nurses	75	6	69	92
Total	101	6	95	94

3.2 Equipment Requirement Gaps

During the year under review, verification of medical equipment and facilities requirements at the Hospital revealed that the facility did not meet a threshold of level 4 hospital as prescribed by the Kenya Quality Model for Health policy guidelines as detailed in the table below:

Service	Level 4 Hospital Standard	Actuals in the Hospital	Variance	Percentage (%)
Bed Capacity	150	10	140	93
Incubators (New Born)	5	0	5	100
Cots	5	0	5	100
Resuscitaire in Theatre	1	0	1	100
Resuscitaire in Labour Ward	2	1	1	50
Functional ICU Beds	6	0	6	100
HDU Beds	6	0	6	100
Renal Unit with at least 5 Dialysis Machines	5	0	5	100
Functional Operating Theaters Maternity and General	2	0	2	100

In addition, the Hospital lacked the necessary equipment and machines outlined in the Health Policy Guidelines to provide the following services.

Item Description	Minimum Required	Status
Surgical Services	Should be in place	Not in place
Pediatric Services	Should be in place	Not in place
Gynecology Services	Should be in place	Not in place

Item Description	Minimum Required	Status
Radiology Services	Should be in place	Not in place
Renal Services	Should be in place	Not in place

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

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

The audit was conducted in accordance with the SSAI 4000. The Standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements 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 CONTROLSS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Board of Management Charter

The Hospital Board of Management does not have a charter that defines the specific role, responsibilities and functions of the board. In addition, Management did not submit the gazette notifications or the corresponding appointment letters for the Hospital's Board of Management members.

In the circumstances, the effectiveness governance measures put in place by the Hospital could not be confirmed.

2. Unfulfilled Orders for Pharmaceuticals and Non-Pharmaceuticals

Review of ordering records indicated the Hospital ordered 1,605 units of various medical commodities from Kenya Medical Supplies Authority out of which only 1,130 units or 70% of the orders were received resulting in unfulfilled orders of 475 units of 30%.

In the circumstances, attaining the highest standards of health services delivery as envisaged in the Constitution of Kenya, may not be realized.

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

Responsibilities of Management and the Board of Management

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Hospital's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Hospital to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Hospital to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

10 July, 2024

Nyamaringba Sub-County Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

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


Description	Note	Insert Current	Insert Comparative
		FY 2022/23	FY 2021/22
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6	449,494.00	718,257
In-kind contributions from the County Government	7	500,000.00	0
Grants from donors and development partners	8	0	0
Transfers from other Government entities	9	652,860.00	212,980
Public contributions and donations	10	0	0
		1,602,354.00	931,237.00
Revenue from exchange transactions			
Rendering of services- Medical Service Income	11	266,515.00	108,595
Revenue from rent of facilities	12	0	0
Finance /Interest Income	13	0	0
Miscellaneous Income	14	0	0
Revenue from exchange transactions		266,515.00	
Total revenue		1,868,869.00	1,039,832
Expenses			
Medical/Clinical costs	15	576,367.00	334,584
Employee costs	16	475,000.00	493,000
Board of Management Expenses	17	18,000.00	27,000
Depreciation and amortization expense	18	0	0
Repairs and maintenance	19	0	80,000
Grants and subsidies	20	0	0
General expenses	21	247,000.00	382,000
Finance costs	22	0	0
Total expenses		1,316,367.00	1,316,584
Other gains/(losses)			

Nyamaringba Sub-County Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

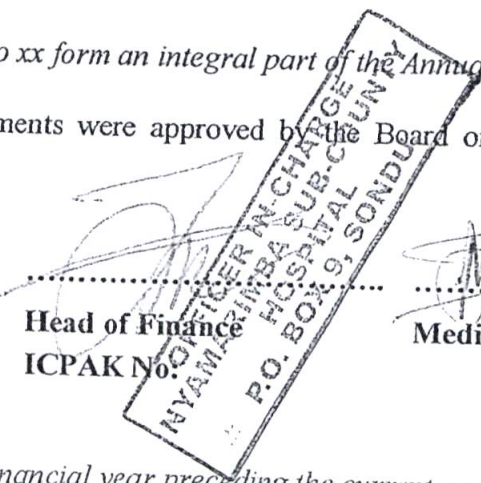
Description	Note	Insert Current FY 2022/23 KShs	Insert Comparative FY 2021/22 KShs
Gain/Loss on disposal of non-Current assets	23	0	0
Unrealized gain on fair value of investments	24	0	0
Medical services contracts Gains/Losses	25	0	0
Impairment loss	26	(0)	0
Gain on foreign exchange transactions		0	
Total other gains/(losses)		0	
Net Surplus / (Deficit) for the year		552,502.00	(276,752)


(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 3/7/23 and signed on its behalf by:




Chairman
Board of Management





Head of Finance
ICPAK No.:



Medical Superintendent

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

*Nyamarimba Sub-County Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023*

14. Statement of Financial Position As At 30th June 2023


Description	Notes	Insert	Insert
		Current FY 2022/2023	Comparative FY 2021/2022
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	27	256,101.00	225,000.00
Receivables from exchange transactions	28	812,240.00	0
Receivables from non-exchange transactions	29	390,000.00	0
Inventories	30	0	0
Total Current Assets		1,458,341.00	225,000.00
Non-current assets			
Property, plant, and equipment	31	0	0
Intangible assets	32	0	0
Investment property	33	0	0
Total Non-current Assets		0	0
Total assets		1,458,341.00	0
Liabilities			
Current liabilities			
Trade and other payables	34	25,000.00	0
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		25,000.00	0
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

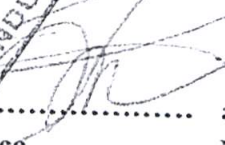
*Nyamarimba Sub-County Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023*


Description	Note	Insert	Insert Comparative
		Current FY 2022/2023	FY2021/2022
		Kshs	Kshs
Service concession liability	40	0	0
Social Benefits	41	0	0
Total Non-current liabilities		0	0
Total Liabilities		25,000.00	0
Net assets			
Revaluation reserve		0	0
Accumulated surplus/Deficit		0	0
Capital Fund		0	0
			0
Total Net Assets and Liabilities		1,458,341.00	0

(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 30/6/23 and signed on its behalf by:


.....
Chairman
Board of Management


.....
Head of Finance
ICPAK No: _____
CERTIFIER IN CHARGE
NYAMARIMBA SUB-COUNTY HOSPITAL
P.O. BOX 10000 SONDU.


.....
Medical Superintendent

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

Nyamarimba Sub-County Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

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

Description	Revaluation reserves	Accumulated surplus/Deficit	Capital fund	Total
As at July 1, 2022 (previous year)	0	0	0	0
Revaluation gain	0	-	-	0
Surplus/(deficit) for the year	-	0	-	0
Capital/Development grants	-	-	0	0
As at June 30, 2022 (previous year)	0	0	0	0
At July 1, 2023 (current year)	0	0	0	0
Revaluation gain	0	-	-	0
Surplus/(deficit) for the year	-	552,502.00	-	552,502.00
Capital/Development grants	-	-	0	0
At June 30, 2023 (current year)	0	552,502.00	0	552,502.00

(Note:

- 1. For items that are not common in the financial statements, the entity should include a note on what they relate to – either on the face of the statement of changes in equity/net assets or among the notes to the financial statements.*
- 2. Prior year adjustments should have an elaborate note describing what the amounts relate to. In such instances, a restatement of the opening balances needs to be done.)*

*Nyamaringba Sub-County Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023*

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

Description	Note	Result Current FY	Result Comparative FY
		2022/23	2021/22
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government		449,494.00	718,257
Grants from donors and development partners		0	0
Transfers from other Government entities		652,860.00	212,980
Public contributions and donations		0	0
Rendering of services- Medical Service Income		266,515.00	108,595
Revenue from rent of facilities		0	0
Finance / interest income		0	0
Miscellaneous receipts(<i>specify</i>)		0	0
Total Receipts		1,368,869.00	1,039,832
Payments			
Medical/Clinical costs		576,367.00	334,584
Employee costs		475,000.00	493,000
Board of Management Expenses		18,000.00	27,000
Repairs and maintenance		0	80,000
Grants and subsidies		0	0
General expenses		247,000.00	382,000
Finance costs		0	0
Refunds paid out		0	0
Total Payments		0	1,316,584
Net cash flows from operating activities	42	0	(276,752)
Cash flows from investing activities			
Purchase of property, plant, equipment & intangible assets		(0)	0
Proceeds from the sale of property, plant, and equipment		0	0
Acquisition of investments		(0)	0
Net cash flows used in investing activities		(0)	
Cash flows from financing activities			
Proceeds from borrowings		0	0

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Nyamarimba Sub-County Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

Repayment of borrowings		(0)	0
Capital grants received		0	0
Net cash flows used in financing activities		(0)	
Net increase/(decrease) in cash and cash equivalents		0	0
Cash and cash equivalents as at 1 July	27		225,000
Cash and cash equivalents as at 30 June	27	256,101.00	(51,752)

(PSASB has now prescribed the direct method of cashflow presentation for all entities under the IPSAS Accrual basis of accounting).

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

Nyamaringba Sub-County Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 20XX

17. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 Jun 20XX

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	839,494.00	(390,000)	449,494.00	449,494.00	0	100%
Grants from donors and development partners	0	0	0	0	0	%
Transfers from other Government entities	652,860.00	0	652,860.00	652,860.00	0	100%
Public contributions and donations	0	0	0	0	0	0%
Rendering of services- Medical Service Income	266,515.00	0	266,515.00	266,515.00	0	100%
Revenue from rent of facilities	0	0	0	0	0	%
Finance / interest income	0	0	0	0	0	%
Miscellaneous receipts (<i>specify</i>)	0	0	0	0	0	%
Total income	1,758,869.00	(390,000)	1,368,869.00	1,368,869.00	0	100%
Expenses						
Medical/Clinical costs	576,367.00	0	576,367.00	576,367.00	0	100%
Employee costs	475,000.00	0	475,000.00	475,000.00	0	100%
Remuneration of directors	18,000.00	0	18,000.00	18,000.00	0	100%
Repairs and maintenance	0	0	0	0	0	0%
Grants and subsidies	0	0	0	0	0	100%
General expenses	247,000.00	0	247,000.00	247,000.00	0	100%
Finance costs	0	0	0	0	0	0%
Refunds	0	0	0	0	0	0%
Surplus for the period	442,502.00	xxx	442,502.00	442,502.00	0	100%

Nyamaringba Sub-County Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

Capital expenditure	0	0	0	0	0	0	0%
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Budget notes

1. Provide an explanation of differences between actual and budgeted amounts (any over/ 90% under) IPSAS 24.14
2. Provide an explanation of changes between the original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29)
3. Where the total of actual on comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis (budget is cash basis, statement of financial performance is accrual) provide a reconciliation.)

18. Notes to the Financial Statements

1. General Information

Nyamaramimba 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 provision of health care.

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 Note xx 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 (*include any other applicable legislation*), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

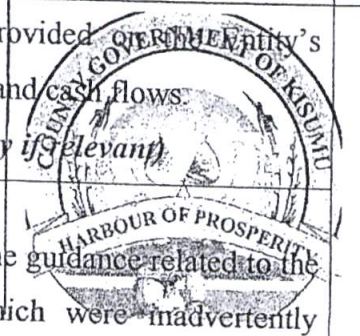
i. New and amended standards and interpretations in issue effective in the year ended 30 June 2023.

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

Nyamarimba Hospital (Kisumu County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023



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



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

Standard	Effective date and impact
IPSAS 43	<p>Applicable 1st January 2025</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> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires:-</p> <ul style="list-style-type: none"> i. Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: ii. Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

iii) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year or *the entity adopted the following standards early (state the standards, reason for early adoption and impact on entity’s financial statements.)*

4. Summary of Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other Government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

Notes to the Financial Statements (Continued)

b. Budget information

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

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

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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 Company's financial statements. (amend as appropriate).*

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

Notes to the Financial Statements (Continued)

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Notes to the Financial Statements (Continued)

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note 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, 20XX.

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

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settle the obligation at the reporting date and are discounted to present value where the effect is material.

(Include provisions applicable for your organisation e.g provision for bad debts, provisions of obsolete stocks and how management estimates these provisions).

Notes to Financial Statements Continued

6. Transfers from the County Government

Description	Insert Current FY 2022/2023 KShs	Insert Comparative FY 2021/2022 KShs
Unconditional grants		
Operational grant	449,494.00	718,257.00
Level 5 grants		0
Unconditional development grants		0
Other grants	0	0
	0	0
Conditional grants	449,494.00	718,257.00
User fee forgone	919,375.00	0
Transforming health services for Universal care project (THUCP)	0	0
DANIDA	0	0
Wards Development grant	0	0
Paediatric block grant	0	0
Administration block grant	0	0
Laboratory grant	0	0
Total government grants and subsidies	1,368,869.00	718,257.00

6 b Transfers from The County Government

Name of the Entity sending the grant	Amount recognized to Statement of financial performance KShs	Amount deferred of under deferred income KShs	Amount recognised in capital fund KShs	Total grant income during the year KShs	Comparative Period KShs
Kisumu County Government	449,494.00	0	0	0	0
Total	449,494.00		0	0	0

Notes to Financial Statements Continued

7. In Kind Contributions from The County Government

Description	Insert Current FY KShs	Insert Comparative FY KShs
Salaries and wages	0	0
Medical supplies-Drawings Rights (KEMSA)	500,000.00	0
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)	0	0
Utility bills	0	0
Total grants in kind	500,000.00	00

(These include payments made directly by the County Governments for staff salaries and medical drugs. These should be recorded both as income and expense for completeness of financial statements)

8. Grants From Donors and Development Partners

Description	Insert Current FY 2022/2023 KShs	Insert Comparative FY 2021/2022 KShs
Cancer Centre grant- DANIDA	0	0
World Bank grants	0	0
Paediatric ward grant- JICA	0	0
Research grants	0	0
Other grants (<i>specify</i>)	0	0
Total grants from development partners	0	0

(Provide brief explanation for this revenue)

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

Name of the Entity sending the grant	Amount recognized to Statement of financial performance KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund KShs	Total grant income during the year KShs	Comparative Period KShs
Donor e.g., DANIDA	00	0	0	0	0
JICA	00	0	0	0	0
World Bank	00	0	0	0	0
Total	00	0	0	0	0

Notes to Financial Statements Continued

9. Transfers From Other Government Entities

Transfer from National Government (Ministry of Health)	0	0
Transfer from National Hospital Fund	652,860.00	112,910.00
Transfer from Institute	0	0
Total Transfers	652,860.00	112,910.00

10. Public Contributions and Donations

Description	Insert Current	Insert Comparative
	FY 2022/2023	FY 2021/2022
	KShs	KShs
Public donations	0	0
Donations from local leadership	0	0
Donations from religious institutions	0	0
Donations from other international organisations and individuals	0	0
Other donations(<i>specify</i>)	0	0
Donations in kind-amortised	0	0
Total donations and sponsorships	00	00

(Provide brief explanation for this revenue)

10 (a) Reconciliations of amortised grants

Description	Insert Current	Insert Comparative
	FY 2022/2023	FY 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

Nyamaringba Hospital (Kisumu County Government)
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Notes to Financial Statements Continued

11. Rendering of Services-Medical Service Income

Description	Insert Current FY	Insert Comparative FY
	2022/2023	2021/2022
	Kshs.	Kshs.
Pharmaceuticals	124,067.00	0
Non-Pharmaceuticals	0	0
Laboratory	82,425.00	0
Radiology	0	0
Orthopedic and Trauma Technology	0	0
Theatre	0	0
Accident and Emergency Service	0	0
Anesthesia Service	0	0
Ear Nose and Throat service	0	0
Nutrition service	0	0
Cancer centre service	0	0
Dental services	0	0
Reproductive health	0	0
Paediatrics services	0	0
Farewell home services	0	0
Out patient	25,743.00	
In-patient	34,200.00	
Other medical services income (specify) <i>Nhif</i>		0
Total revenue from the rendering of services	266,515.00	0

(Other medical services fee relates to other charges not listed above and should be specified)

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Notes to the Financial Statements (Continued)

12. Revenue From Rent of Facilities

Description	Insert Current FY 2022/2023	Insert Comparative FY 2021/2022
	Kshs	Kshs
Residential property	0	0
Commercial property	0	00
Total Revenue from rent of facilities	00	0

(Provide brief explanation for this revenue)

13. Finance /Interest Income

Description	Insert Current FY 2022/2023	Insert Comparative FY 2021/2022
	Kshs	Kshs
Cash investments and fixed deposits	0	0
Interest income from short- term/ current deposits	0	0
Interest income from Treasury Bills	0	0
Interest income from Treasury Bonds	0	0
Interest from outstanding debtors	0	0
Total finance income	00	00

(Provide brief explanation for this revenue)

14. Miscellaneous Income

Description	Insert Current FY 2022/2023	Insert Comparative FY 2021/2023
	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

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(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	Insert Current FY 2022/2023 Kshs	Insert Comparative FY 2021/2022 Kshs
Dental costs/ materials	0	0
Laboratory chemicals and reagents	128000.00	145,000
Public health activities	0	0
Food and Ration	95,000.00	120,000
Uniform, clothing, and linen	0	0
Dressing and Non-Pharmaceuticals	62,700.00	52,500
Pharmaceutical supplies	223,280.00	25,084
Health information stationery	0	
Reproductive health materials	0	33,000
Sanitary and cleansing Materials	51,387.00	59,000
Purchase of Medical gases	16,000.00	0
X-Ray/Radiology supplies	0	0
Other medical related clinical costs (specify) Catering	31,000.00	
Total medical/ clinical costs	576,367.00	334,584

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

16. Employee Costs

Description	Insert Current FY 2022/2023 Kshs	Insert Comparative FY 2021/2022 Kshs
Salaries, wages, and allowances	475,000.00	425,000

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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	475,000.00	425,000

(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	Insert Current FY 2022/2023	Insert Comparative FY 2021/2022
	Kshs	Kshs
Chairman's Honoraria	0	0
Sitting allowance	18,000.00	27,000
Mileage	0	0
Insurance expenses	0	0
Induction and training	0	0
Travel and accommodation allowance	0	0
Airtime allowances	0	0
Total	18,000.00	00

18. Depreciation and Amortization Expense

Description	Insert Current FY 2022/2023	Insert Comparative FY 2021/2022
	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	Insert Current FY 2022/2023	Insert Comparative FY 2021/2022
	Kshs	Kshs
Property- Buildings	0	0
Medical equipment	0	0
Office equipment	0	0
Furniture and fittings	0	0
Computers and accessories	0	0
Motor vehicle expenses	0	0
Maintenance of civil works	0	0
Total repairs and maintenance	00	0

Notes to the Financial Statements (Continued)

20. Grants And Subsidies

Description	Insert Current FY 2022/2023 Kshs	Insert Comparative FY 2021/2022 Kshs
Community development and social work	0	xxx
Education initiatives and programs	0	xxx
Free/ subsidised medical camp	0	xxx
Disability programs	0	xxx
Free cancer screening	0	xxx
Social benefit expenses	0	xxx
Other grants and subsidies(<i>specify</i>)	0	xxx
Total grants and subsidies	0	xxx

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

21. General Expenses

Description	Insert Current FY 2022/2023 Kshs	Insert Comparative FY Kshs
Advertising and publicity expenses	0	0
Catering expenses	31,000.00	94,000
Waste management expenses	0	0
Insecticides and rodenticides	0	0
Audit fees	0	0
Bank charges	2000.00	
Conferences and delegations	0	0
Consultancy fees	0	0
Contracted services	0	0
Electricity expenses	94,000.00	83,000
Fuel and Lubricants	15,000.000	0
Insurance	0	0
Research and development expenses	0	111,000
Travel and accommodation allowance	72,000.00	14,000
Legal expenses	0	34,000
Licenses and permits	0	
Courier and postal services	0	

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Description	Insert Current FY 2022/2023 KShs	Insert Comparative FY KShs
Printing and stationery	19,000.00	
Hire charges	0	
Rent expenses	0	32000
Water and sewerage costs	0	
Skills development levies	0	14,000
Telephone and mobile phone services	14,000.00	
Internet expenses	0	
Staff training and development	0	
Subscriptions to professional bodies	0	
Subscriptions to newspapers periodical, magazines, and gazette notices	0	
Library books/Materials	0	
Parking charges	0	
Total General Expenses	247,000.00	382,000

22. Finance Costs

Description	Insert Current FY 2022/2023 KShs	Insert Comparative FY 2021/2022 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

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

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

Description	Insert Current FY 2022/2023 KShs	Insert Comparative FY 2021/2022 KShs
Property, plant, and equipment	0	0
Intangible assets	0	0
Other assets not capitalised	0	0

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(specify)		
Total gain on sale of assets	0	0

24. Unrealized Gain On Fair Value Investments

Description	Insert Current FY 2022/2023 KShs	Insert Comparative FY 2021/2022 KShs
Investments at fair value	0	0
Total gain	0	0

Notes to the Financial Statements (Continued)

25. Medical Services Contracts Gains /Losses

Description	Insert Current FY 2022/2023 KShs	Insert Comparative FY 2021/2022 KShs
Comprehensive care contracts with NHIF	0	0
Non- Comprehensive contracts care with NHIF	0	0
Linda Mama Program	652,860.0 0	0
Waivers and Exemptions	0	0
Total Gain/Loss	652,860.0 0	00

26. Impairment Loss

Description	Insert Current FY 2022/2023 KShs	Insert Comparative FY KShs
Property, plant, and equipment	0	0
Intangible assets	0	0
Total impairment loss	00	0

27. Cash And Cash Equivalent

Description	Insert Current FY 2022/2023 KShs	Insert Comparative FY 2021/2022 KShs
Current accounts	256,101.00	225,000
On - call deposits	0	0
Fixed deposits accounts	0	0

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Cash in hand	0	0
Others(<i>specify</i>)- Mobile money	0	0
Total cash and cash equivalents	256,101.25	225,000

(The amount should agree with the closing and opening balances as included in the statement of cash flows)

Notes to the Financial Statements (Continued)

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

Description		Insert Current FY 2022/2023	insert Comparative FY 2021/2023
Financial institution	Account number	KShs	KShs
a) Current account			
Kenya Commercial bank		256,101.25	225,000
Equity Bank, etc		0	0
Sub- total		0	0
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>)		0	0
cash in hand		0	0
Mobile money- Mpesa, Airtel money		0	0
Sub- total		0	0
Grand total		256,101.25	225,000

28. Receivables From Exchange Transactions

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Description	Insert Current FY 2022/2023	Insert Comparative FY 2021/2022
	KShs	KShs
Medical services receivables	812,240.00	0
Rent receivables	0	0
Other exchange debtors	0	0
Less: impairment allowance	(0)	(0)
Total receivables	812,240.00	00

(Entity to state the expected credit loss rates for various categories of its receivables. The entity should also disclose how ECL was arrived at in line with provisions of IPSAS 41.)

Analysis of Receivables from Exchange Transactions

Description	Insert Current FY 2022/2023		Insert Comparative FY 2021/22	
	Kshs	Kshs	Kshs	Kshs
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	812,240.00	65%	0	0%
Between 1- 2 years	0	0%	0	0%
Between 2-3 years	0	0%	0	0%
Over 3 years	0	0%	0	0%
Total (a+b)	812,240.00	0%	0	0%

29. Receivables From Non-Exchange Transactions

Description	Insert Current FY	Insert Comparative FY
	KShs	KShs
Transfers from the County Government	390,000.00	0
Undisbursed donor funds	0	0
Other debtors (<i>non-exchange transactions</i>)	0	0
Less: impairment allowance	(0)	(0)
Total	390,000.00	0

(Undisbursed donor funds refer to funds expected where conditions for disbursements have been met by the recipient as at the reporting date)

Analysis of Receivables From Non-Exchange Transactions

Description	Insert Current FY 2022/2023	Insert Comparative FY 2021/2022
-------------	--------------------------------	------------------------------------

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	KShs		KShs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	390,000.00	30%	0	0%
Between 1- 2 years	0	%	0	0%
Between 2-3 years	0	%	0	0%
Over 3 years	0	%	0	0%
Total (a+b)	390,000.00	%	0	0%

30. Inventories

Description	Insert Current FY 2022/23	Insert Comparative FY 2021/2022
	KShs	KShs
Pharmaceutical supplies	0	0
Maintenance supplies	0	0
Food supplies	0	0
Linen and clothing supplies	0	0
Cleaning materials supplies	0	0
General supplies	0	0
Less: provision for impairment of stocks	(0)	(0)
Total	00	00

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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	IT Equipment	Plant and medical equipment	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Cost								
At 1 July 22 (previous year)	0	0	0	0	0	0	0	0
Additions	0	0	0	0	0	0	0	0
Disposals	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Transfers/adjustments	0	0	(0)	0			0	(0)
At 30th Jun 2022	0	0	0	0	0	0	0	0
At 1 July 2023(current year)	0	0	0	0	0	0	0	0
Additions	0	0	0	0	0	0	0	0
Disposals	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Transfer/adjustments	0	0	(0)	0			0	(0)
At 30th Jun 2023	0	0	0	0	0	0	0	0
Depreciation and impairment								
At 1 July 2022 (previous year)		0	0	0	0	0	0	0
Depreciation for the year		0	0	0	0	0	0	0
Disposals		(0)	(0)	(0)	(0)	(0)		(0)
Impairment		(0)	(0)	(0)	(0)	(0)		(0)

H2.

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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	0
At July 2023 (current year)		0	0	0	0	0	0	0
Depreciation		0	0	0	0	0	0	0
Disposals		(0)	(0)	(0)	(0)	(0)	(0)	(0)
Impairment		(0)	(0)	(0)	(0)	(0)	(0)	(0)
Transfer/adjustment		0	-	0	-	-	(0)	(0)
At 30 th June 2023		0	0	0	0	0	0	0
Net book values								
At 30 th Jun 2022 (previous)	0	0	0	0	0	0	0	0
At 30 th Jun 2023 (current)	0	0	0	0	0	0	0	0

Notes to the Financial Statements (Continued)

32. Intangible Assets-Software

Description	Insert Current FY 2022/2023	Insert Comparative FY 2021/2022
	KShs	KShs
Cost		
At beginning of the year	0	0
Additions	0	0
Additions-Internal development	0	0
Disposal	(0)	(0)
At end of the year	0	0
Amortization and impairment		
At beginning of the year	0	0
Amortization for the period	0	0
Impairment loss	0	0
At end of the year	0	0
NBV	00	00

33. Investment Property

Description	Insert Current FY 2022/2023	Insert Comparative FY 2021/2022
	KShs	KShs
At beginning of the year	0	0
Additions	0	0
Disposals during the year	(0)	(0)
Fair value gain	0	0
Depreciation (where investment property is at cost)	(0)	(0)
Impairment	(0)	(0)
At end of the year	0	0

(For investment property held at fair value, changes in fair value should go through the statement of financial performance. Where cost model is elected, depreciation and impairment should not be charged. Investment measured at fair value should be evaluated at the end of the reporting period for changes in fair value.). Entity should disclose the independent valuers, rental income from the

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investment property if any and the direct costs attributed to the investment property. Any charges on the investment property as well as any difficulty in classifying this asset as an investment property.

Notes to the Financial Statements (Continued)

34. Trade and other Payables

Description	Insert Current FY 2022/2023		Insert Comparative FY 2021/22	
	KShs		KShs	
Trade payables	0		0	
Employee dues	25,000		0	
Third-party payments (e.g. unremitted payroll deductions)	0		xxx	
Audit fee	0		xxx	
Doctors' fee	0		xxx	
Total trade and other payables	25,000		xxx	
Ageing analysis:	Current FY	% of the Total	Compa rative FY	% of the total
Under one year	25000	2%	0	0%
1-2 years	0	%	0	0%
2-3 years	0	%	0	0%
Over 3 years	0	%	0	0%
Total	25000	%	00	0%

35. Refundable Deposits from Customers/Patients

Description	Insert Current FY 2022/23		Insert Comparative FY 2021/22	
	KShs		KShs	
Medical fees paid in advance	0		0	
Credit facility deposit	0		0	
Rent deposits	0		0	
Others (specify)	0		0	
Total deposits	00		00	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	0	%	0	%
1-2 years	0	%	0	%
2-3 years	0	%	0	%

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	0	%	0	%
Over 3 years				
Total	0	%	0	%

Notes to the Financial Statements (Continued)

36. Provisions

Description	Lease provision KShs	Grants 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	00	0	0	0
Current Provisions	0	0	0	0
Non-Current Provisions	0	0	0	0
Total Provisions	00	0	0	0

37. Finance Lease Obligation

Description	Insert Current FY 2022/2023 Kshs	Insert Comparative FY 2021/2022 Kshs
Current Lease obligation	0	0
Long term lease obligation	0	0
Total 0	0	00

38. Deferred Income

Description	Insert Current FY 2022/2023 KShs	Insert Comparative FY 2021/2022 KShs
Current Portion	0	0
Non-Current Portion	0	0
Total	0	00

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Nyamarimba Hospital (Kisumu County Government)
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Notes to the Financial Statements (Continued)

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

Description	National government	International funders (domestic)	Public contributions and donations	Total
Balance b/f	0	00	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	Insert Current FY 2022/2023	Insert Comparative FY 2021/2022
	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	Insert Current FY 2022/2023	Insert Comparative FY 2021/2022
	KShs	KShs
Current Obligation	0	0
Non-Current Obligation	0	0
Total	00	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	Current FY	Accumulative FY
	2022/23	2021/22
	KShs	KShs
Fair value of service concession assets recognized under PPE	0	0
Accumulated depreciation to date	(0)	0
Net carrying amount	<u>00</u>	<u>00</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 Benefit Liabilities

Description	Current FY	Non-current FY
	2022/2023	2021/2022
	KShs	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)	00	00

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

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Notes to the Financial Statements (Continued)

42. Cash Generated from Operations

Description	Insert Current FY KSh	Insert Comparative FY KSh
Surplus for the year before tax	0	0
Adjusted for:		
Depreciation	0	0
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	(0)	(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	0	0

(The total of this statement should tie to the cash flow section on net cash flows from/ used in operations)

Notes to the Financial Statements (Continued)

43. Financial Risk Management

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

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

(i) Credit risk

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

Description	Total amount	Part performing	Part due	Impaired
	KSh	KSh	KSh	KSh
At 30 June 2022 (previous year)				
Receivables from exchange transactions		0	0	0
Receivables from –non-exchange transactions		0	0	0
Bank balances		0	0	0
Total		0	00	00
At 30 June 2023(current year)				
Receivables from exchange transactions		0	0	0
Receivables from –non-exchange transactions		0	0	0
Bank balances		0	0	0
Total		0	00	00

(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 company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The entity has significant concentration of credit risk on amounts due from... The board of management sets the company's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

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

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

Description	Less than 1	Between 1-3	Over 3	Total
	month	months	months	
	Ksh	Ksh	Ksh	Ksh
At 30 June 2022				
Trade payables	0	0	0	0
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	00	00	00	00
At 30 June 2023				
Trade payables	0	0	0	0
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	00	00	00	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 company's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the entity's exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

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

Description	KShs K'000	Other currencies	Total KShs
At 30 June 20xx			
Financial assets (investments, cash, debtors)	0	0	0
Liabilities			
Trade and other payables	0	0	0
Borrowings	0	0	0
Net foreign currency asset/(liability)	0	0	0

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 2023			
Financial assets (investments, cash, debtors)	1,068,341.25	0	1,068,341.25
Liabilities			
Trade and other payables	25,0000	0	25,0000.00
Borrowings	0	0	0
Net foreign currency asset/(liability)	0	0	0

Foreign currency sensitivity analysis

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

Description	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
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 company's interest rate risk arises from bank deposits. This exposes the company to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the company's deposits.

Management of interest rate risk

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

Notes to the Financial Statements (Continued)

Sensitivity analysis

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

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

xxx County Government is the principal shareholder of the entity, 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	Interim Current FY	Interim
	2022/2023	Comparative FY
	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	00	00
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	00	00
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	00	00

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Description	Insert Current	Insert
	FY 2022/2023	Comparative FY 2021/2022
	Kshs	Kshs
d) Key management compensation		
Directors' emoluments	0	0
Compensation to the medical Sup	00	00
Compensation to key management	0	0
Total	00	00

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	Insert Current	Insert
	FY 2022/2023	Comparative FY 2021/2022
	Kshs	Kshs
Court case xxx against the company	0	0
Bank guarantees in favour of subsidiary	0	0
Total	0	0

(Give details)

47. Capital Commitments

Capital Commitments	Insert Current	Insert
	FY 2022/2023	Comparative FY 2021/2022
	Kshs	Kshs
Authorised For	0	0
Authorised And Contracted For	0	0
Total	00	00

(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 Health. 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.

19. Appendices

Appendix 1: Progress on Follow Up of Auditor Recommendations

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

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

Guidance Notes:

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

.....
 Accounting Officer *5/7/23*

**OFFICER IN-CHARGE
 NYAMARIMBA SUB-COUNTY
 HOSPITAL
 P.O. BOX 9, SONDU.**

Nyamaringba Hospital (Kisumu County Government)
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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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Appendix III: Inter-Entity Confirmation Letter

[Insert your Letterhead]

[Insert name of beneficiary entity]

[Insert Address]

The *[insert SC/SAGA/Fund name here]* wishes to confirm the amounts disbursed to you as at 30th June 20XX as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by <i>[Insert name of beneficiary entity]</i> as at 30 th June 20XX							
Reference Number	Date Disbursed	Amounts Disbursed by <i>[SC/SAGA/Fund]</i> (KShs) as at 30 th June 20XX				Amount Received by <i>[beneficiary entity]</i> (KShs) as at 30 th June 20XX (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
Total							

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

Head of Accounts Department of the beneficiary entity:

Name Noses Name Sign [Signature] Date 3/8/23

OFFICER IN CHARGE
NYAMARIMBA HOSPITAL
P.O. BOX 9, LISIYU

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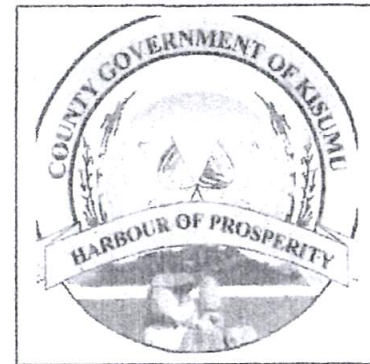
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*XX Hospital (XX County Government)
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Appendix V: Disaster Expenditure Reporting Template

Category of Expenditure	Disaster Type	Category of Disaster Related Activity that Expenditure is for	Expenditure Amount (RMB)	Comments

Revised 30th June 2023



**NYAMARIMBA Level 4 HOSPITAL
(KISUMU County Government)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2023

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