

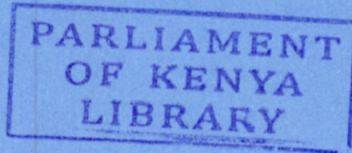
REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT



OF

THE AUDITOR-GENERAL

ON

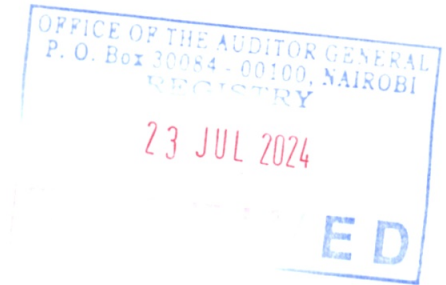
**MADIANY SUB-COUNTY
LEVEL 4 HOSPITAL**

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

COUNTY GOVERNMENT OF SIAYA

25/09/24
S.M.L.
Angela

Revised 30th June 2023



MADIANY SUBCOUNTY LEVEL 4 HOSPITAL

(County Government of Siaya)

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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1. Acronyms & Glossary of Terms

CSR	Corporate Social Responsibility
OSHA	Occupational Health & Safety Act
OPD	Out Patient Department
PFMA	Public Financial Management Act
MED SUP	Medical Superintendent
ICPAK	Institute of Certified Public Accountants of Kenya
SAGA	Semi-Autonomous Government Agency
WIBA	Work Injury Benefit Act
JICA	Japanese International Corporation Agency
HIV	Human Immune Virus
TB	Tuber Clauses
NGO	Non-Governmental Organisation
DANIDA	Danish International Development Agency
KEMSA	Kenya Medical Supplies Agency
Fiduciary Management	Key management personnel who have financial responsibility in the entity.

Key Entity Information and Management

(a) Background information

Madiany Sub County Hospital is a level 4 hospital established under gazette notice number 1828 and is domiciled in Siaya County under the Health Department. The hospital is governed by a Board of Management.

(b) Principal Activities

The principal activity/mission/ mandate of the hospital is to provide comprehensive health care.

(c) Key Management

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

- County department of health
- Board of Management
- Accounting Officer/ Medical Superintendent
- Hospital Management Team

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

SN	Designation	Name
1.	Medical Superintendent	Dr. Felix Odhiambo Oloo
2.	Head of finance	CPA John Onyango Komira
3.	Hospital Administrator	Beatrice Onserio Nyanduko
4.	Nursing Services Manager	Agripina Muyeku Khaluhi
5.	Laboratory Manager	Evans Otieno Ong'wen
6.	Pharmacy In-charge	Beryl Achieng Nyayiera
7.	Clinical Officer In-charge	Abigael Asagi Indure
8.	Rehab. Manager	Emily Akinyi Oluoch
9.	Biomedical Eng.	Jared David Osewe

(e) Fiduciary Oversight Arrangements

- County Department of Health
- County Internal Audit Unit
- County Treasury
- Office of Auditor General

- County Assembly
- Parliamentary committees

(f) Entity Headquarters

P.O. Box 803-40600
Siaya County Headquarters,
Siaya, KENYA

(g) Entity Contacts

P.O. BOX 8- 40613 Madiany
Telephone: (+254) 114443283
E-mail: madianydh@gmail.com
Website: www.siaya.go.ke

(h) Entity Bankers

Cooperative Bank of Kenya – Bondo Branch

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

(k) County Attorney

P.O. Box. 803
40600, Siaya - Kenya

The Board of Management

During the period under review the Facility did not have a Board of Management in place. The process of getting a new Board is on-going and might be completed by July 2024.

3. Key Management Team

Management	Details
 <p>Dr. Felix Odhiambo Oloo Senior Assistant Director Pharmaceutical Services/Pharmaceutical Specialist I MPH (Epidem), B. Pharmacy, B. Business Admin. (BBA) emikanto@gmail.com, Phone: 0701217750</p>	<p>Medical Superintendent</p>
 <p>Agripina Muyeku Khaluhi Bachelor of Science in Nursing (BScN) agripinamuyeku@yahoo.com, Phone, 0729011165</p>	<p>Nursing Services Manager</p>
 <p>Beatrice Nyanduko Onserio Dip. Secretarial Duties beaty205@gmail.com, Phone: 0720703596</p>	<p>Assist. Office Admin.</p>
 <p>John Onyango Komira. BCom (Finance); CPA-K komira20151@gmail.com, Phone: 0722348145</p>	<p>Accountant</p>

*Madiany Subcounty Level 4 Hospital (County Government of Siaya)
Annual Report and Financial Statements for The Year Ended 30th June 2023*



Evans Otieno Ong'wen

BSC Medical laboratory Sciences

Higher Dip. HSM

evansongwen@yahoo.com, Phone: 0724370934

Laboratory Manager

4. Chairman's Statement

During the period under review the Facility did not have a Board of Management in place. The process of getting a new board is ongoing and might be completed by July 2024.

5. Report of The Medical Superintendent

I am pleased to present a summary of Madiany Sub county Hospital's annual report and financial statements for the financial year 2022/23. This report highlights the hospital's financial and operational performances as well as its' strategic plans.

Operational Performance.

The hospital provides a variety of specialized medical services ranging from maternal & child health, paediatrics, minor surgical services, medical services, gynaecological and rehabilitation amongst others. With our dedicated team of healthcare personnel, we offer safe, timely, efficient and effective medical services that are patient-centred to the population we serve, making Madiany Subcounty Hospital the facility of choice to our patients. In this financial year the facility attended to 50,000 patients in total with 85% of them being in-patients. We strive to improve our catchment population and services provided so as to provide holistic care to our patients.

Centres of Excellence.


Madiany Sub-county Hospital has established centre of excellence in TB, HIV and Nursing training and services delivery. The facility boasts as the best in TB diagnosis, treatment and follow-up in the region having been one of the 9 facilities in the country to be stationed with the portable Chest X-ray machines. This has greatly improved the prognosis of patients with regards to the fight against chronic illnesses. Being a one-stop centre for provision of most, if not all, medical services has led to better prognosis and outcomes in the patients we serve.

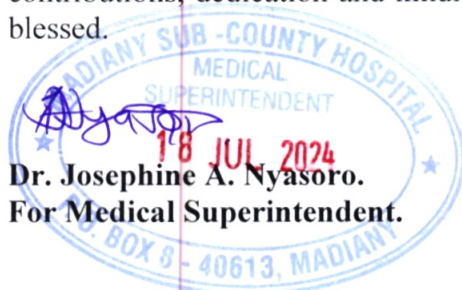
Financial Performance.

The hospital relies majorly on internally generated revenue to cover all its operations and maintenance expenses. In the financial year under review, the hospital generated a total of Kshs. 21,418,104 (inclusive of NHIF) which marked a 73% increase in revenues collected in comparison with the last financial year. This can be attributed to the more and better medical services we provided, provision of services 24/7 and increased inpatient capacity. Despite the increase in revenue, the hospital's funding gap still stands at 11million (total debts + NHIF/Linda Mama dues) thus affecting financial sustainability of the hospital. However, the hospital is closely following up with NHIF for reimbursements to aid it clear off its pending debts of 4.3million as at end of this financial year.

Acknowledgement.

The positive increase in number of patients seeking healthcare services at the hospital serves as a testimony to the love, care and outstanding medical services our dedicated staffs offer to our patients thus providing holistic care and better outcomes and prognosis to the patients. We are also grateful and forever indebted to the hospital's sponsors, stakeholders and Siaya county government for their support, contributions, dedication and kindness in ensuring Madiany Sub-county Hospital operates smoothly. Be blessed.


Dr. Josephine A. Nyasoro.
For Medical Superintendent.



6. Statement of Performance Against Predetermined Objectives

Madiany Sub-county Hospital has 2 strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY 2022- FY 2023. These strategic pillars/ themes/ issues are as follows:

Pillar /theme/issue 1: increase inpatient bed capacity

Pillar/theme/issue 2: improve services and revenue collection

Madiany Sub-county Hospital develops its annual work plans based on the above 2 pillars/themes. 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 2 strategic pillars, as indicated in the diagram below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Pillar/ theme/ issue 1:	Increase inpatient bed capacity	-increase in number of beds. -increase in number of inpatient admissions.	-Convert and renovate some staff houses to wards. - Purchase more beds for inpatient.	- Number of inpatient admissions increased. -More beds purchased for inpatient. - Decrease in number of referrals due to increased bed capacity.
Pillar/ theme/ issue 2:	Improve service delivery & revenue collection	-Range of medical services offered. -Services turnaround time. -Employ more health providers.	-Wider variety of services offered including rehabilitation. -More laboratory services offered with decreased turnaround time.	-Rehabilitative services availability. -Employed more health providers as casuals hence better services with shorter turnaround times.

7. Corporate Governance Statement

During the period under review the Facility did not have a Board of Management in place. The process of getting a new Board is on-going and might be completed by July 2024.

8. Management Discussion and Analysis

Operational Performance.

The hospital provides a variety of specialized medical services ranging from maternal & child health, paediatrics, minor surgical services, medical services, gynaecological and rehabilitation amongst others. With our dedicated team of healthcare personnel, we offer safe, timely, efficient and effective medical services that are patient-centred to the population we serve, making Madiany Subcounty Hospital the facility of choice to our patients. In this financial year the facility attended to 50,000 patients in total with 85% of them being in-patients. Increase in the inpatient capacity by converting and renovating staffs houses to wards led to positive input in revenue collections for this financial year due to decreased referrals and increase in inpatient admissions. The hospital management in conjunction with the county government are planning to have an inpatient complex built for the facility for better coverage of inpatient and also have more specialised personnel render their services and have a functional operating theatre thus decentralize health care services further.

Financial Performance.

The hospital relies majorly on internally generated revenue to cover all its operations and maintenance expenses. In the financial year under review, the hospital generated from rendering of medical services a total of Kshs. 21,418,715 (inclusive of NHIF) which marked a 73% increase in revenues collected in comparison with the last financial year. This can be attributed to the more and better medical services we provided, provision of services 24/7 and increased inpatient capacity. Despite the increase in revenue, the hospital's funding gap still stands at 11million (total debts + NHIF/Linda Mama dues) thus affecting financial sustainability of the hospital. However, the hospital is closely following up with NHIF for reimbursements to aid it clear off its pending debts of 4.3million as at end of this financial year.

Clinical/operational performance

The hospital currently has a bed capacity of 49 in total in the 5 wards as follows: paediatrics-8; male medical- 8; female medical- 13; maternity-20. Plans are underway to build an inpatient complex thus increase the bed capacity to the required 150 beds. Overall patient attendance during the year for both inpatient and outpatient was 50,000. Accident and Emergency attendance for the year was 2,500 with majority being attributed to road traffic accidents and partly assault cases. The hospital offers specialised clinic on Tuesday(s) of every week for the chronic diseases and 1st Wednesday of each month there's Psychiatry clinic led by the county's Psychiatrist. The average length of stay for in patient during admission ranges from 3-10 days with very chronic cases going even up to 14days. The daily bed occupancy rate ranges from 30% to 70%. Mortality rate for maternal was 0% throughout the period in review. The surgical theatre is yet to be operational. The hospital is also in partnership with Centre for Health Solutions (CHS) through the county government of Siaya and receives support in carrying out various activities from Non-governmental Organizations (e.g Rafiki wa Maendeleo).

Madiany Subcounty Level 4 Hospital (County Government of Siaya)
Annual Report and Financial Statements for The Year Ended 30th June 2023

Financial performance that includes: -

During the period under review the Hospital generated a total of Kshs. 24,262,819 broken down as: -

In kind from the County Government Kshs. 2,844,104
Rendering medical services Kshs. 21,418,715 (including NHIF receivable – Kshs. 11,711,329)

The funds were utilised as follows:

Medical and clinical costs amounted to	Kshs. 7,913,646
Employee costs amounted to	Kshs. 3,774,060
Repairs and Maintenance amounted to	Kshs. 946,964
Grants and subsidies amounted to	Kshs. 1,204,818
General Expenses amounted to	Kshs. 4,273,255

9.Environmental and Sustainability Reporting

i) Sustainability strategy and profile

Madiany Subcounty level 4 hospital exists to transform lives. It is what guides the facility to deliver on its strategic mandate by putting the client/Citizen first while providing quality health services, and improving on operational efficiency. Below is an outline of the of the Facility's policies and activities that promote sustainability.

Sustainability strategy and profile

Madiany Sub County level 4 hospital has identified the following sustainability priorities: -

- Improving the Hospital infrastructure
 - Increasing the Hospital bed capacity
 - Improving on collections from facility improvement fund (FIF)
 - Bringing on board development partners to support the Hospital
- Enhancing working relations with the National Hospital insurance fund (NHIF).

ii) Environmental performance

Madiany subcounty level 4 hospital is yet to develop an environmental policy. However, the Hospital endeavours to continue adopting and adhering to the National policies and regulations that guide compliance with the existing environmental management laws.

Currently the Hospital is grappling with the challenge of disposal of biomedical waste products generated in the cause of its operations.

iii) Employee welfare

The Facility endeavours to continuously comply with Occupational Safety and Health Act ,2007 (OSHA) by providing adequate office space that is regularly cleaned; providing sanitation facilities; regular training on drug and substance abuse and adequate PPE for frontline health staff

iv) Market place practices-

- a) Responsible competition practice.***

The Facility as an appendage of the County Government was declared a corruption free zone after engagement with the officers from the Ethics and Anticorruption Commission. The Facility advocates for fairness in the provision of its services to the public.

b) Responsible Supply chain and supplier relations

The Facility treats its own suppliers responsibly by honouring contracts and endeavouring to pay for goods and services received on time and clear its pending debts to suppliers in a timely manner.

c) Responsible marketing and advertisement

All advertisements of tenders for supply of goods and services for the Hospital are openly displayed in public. Similarly, advertisements for employment vacancies are publicly displayed.

d) Product stewardship

The Hospital has a padlocked complaints/suggestion box where those with complaints can anonymously register their complaints.

v) Corporate Social Responsibility / Community Engagements

The Hospital partners with players mainly NGOs in the health sector carry out various outreach services. The facility partners with NGOs to provide medical camps for screening of patients. The Facilities also supports regular clinic for mothers and new-borns.

10. Report of The Board of Management

The Hospital did not have a functional Board in place during the period under review.

Auditors

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

By Order of the Board



Dr. Josephine A. Nyasoro
For Medical Superintendent.

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

The Board of Management is responsible for the preparation and presentation of the Hospital's financial statements, which give a true and fair view of the state of affairs of the Hospital for and as at the end of the financial year (period) ended on June 30, 2023. 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 Hospital; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board of Management accepts responsibility for the Hospital's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the PFM County Government Regulations, 2015. The Board members are of the opinion that the Hospital's financial statements give a true and fair view of the state of Hospital's transactions during the financial year ended June 30, 2023, and of the Hospital's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Hospital, which have been relied upon in the preparation of the Hospital's financial statements as well as the adequacy of the systems of internal financial control.

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

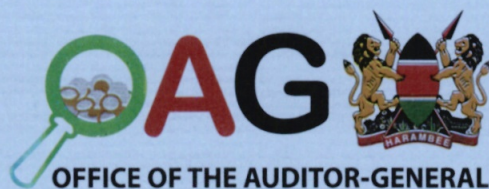
Approval of the financial statements

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

.....
Name:
Chairperson
Board of Management

.....
Name: DR. NYASORO JOSEPHINE A
Accounting Officer

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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

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

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 the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the 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 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 Madiany Sub-County Level 4 Hospital - County Government of Siaya set out on pages 1 to 33, which comprise of the

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

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 Madiany Sub-County Level 4 Hospital - County Government of Siaya as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012, the Health Act, 2017 and the County Governments Act, 2012.

Basis for Qualified Opinion

1. Variance in Revenue from Rendering of Services

The statement of financial performance reflects Kshs.21,418,715 in respect of Medical Services Income as disclosed in Note 7 to the financial statements. Included in this amount is other medical services income of Kshs.15,792,055 which includes the National Health Insurance Fund reimbursement of Kshs.4,080,726. However, the National Health Insurance Fund records revealed an amount of Kshs.3,001,840 was paid to the hospital resulting to an unexplained variance of Kshs.1,078,886.

In the circumstances, the accuracy and completeness of revenue from rendering of services of Kshs.21,418,715 could not be confirmed.

2. Non-Disclosure of Employee Costs Paid by the County Government

The statement of financial performance reflects Kshs.3,774,060 as employee costs as disclosed in Note 9 to the financial statements. The Hospital received services from fifty-nine (59) medical staff employed and paid by the county. However, the expenditure was not disclosed in the financial statements and the payroll was not provided for audit verification.

In the circumstances, the accuracy and completeness of employee costs of Kshs.3,774,060 could not be confirmed.

3. Variances Between Financial Statements and Supporting Schedule

Review of the financial statements submitted for audit revealed variances between financial statements balances and the corresponding supporting schedules resulting to unreconciled amounts as detailed below;

Component	Financial Statement Amount (Kshs.)	Supporting Schedules (Kshs.)	Variance (Kshs.)
Medical/Clinical Costs	7,913,646	7,588,674	324,972
General Expenses	4,273,255	4,097,142	176,113
Repairs and Maintenance	946,964	953,450	6,486

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

4. Variances in Trade and Other Payables

The statement of financial position reflects trade and other payables balance of Kshs.4,214,200 as disclosed in Note 16 to the financial statements. The balance includes Kshs.679,520 owed to Kenya Medical Supplies Authority (KEMSA) while KEMSA records reflect a Nil balance for 2023 resulting in an unexplained variance of Kshs.679,520

In the circumstances, the accuracy and completeness of the trade payable balance of Kshs.4,214,200 could not be confirmed.

5. Non-Disclosure of Property, Plant and Equipment

The statement of financial position reflects Nil property, plant and equipment balance. However, review of Hospital records and physical verification revealed various assets including land, buildings, motor vehicles, furniture, computers and equipment which were not disclosed in the financial statements. Further, the ownership documents for land were not provided for audit.

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

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.13,000,000 and Kshs.9,707,386 respectively resulting to an under-funding of Kshs.3,292,614 or 25% of the budget. However, the Hospital spent an amount of Kshs.11,054,439 against actual receipts of Kshs.9,707,386 resulting to an over expenditure of Kshs.1,347,053 or 14%.

Further, the statement of comparison of budget and actual amounts reflects an amount of Kshs.13,000,000 and Kshs.12,900,000 in respect to budgeted receipts and expenditure respectively. This resulted to underbudgeting of expenditures by Kshs.100,000.

The under-funding affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. 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. Lack of an Approved Budget

The statement of comparison of budget and actual amounts reflects budgeted revenue of Kshs.13,000,000 and budgeted expenditure of Kshs.12,900,000. However, the approved budget was not provided for audit. This is contrary to Section 28(1) and (2)(b) of the Siaya County Government Health Services Act, 2019 which states that each County health facility established under section 10 shall be a planning unit and each planning unit shall prepare annual budgetary estimates.

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

2. Lack of a Procurement Unit and Procurement Plan

Review of records revealed that the Hospital did not have a procurement unit within the facility and a procurement plan to guide its procurement activities during the year. This is contrary to Section 53(2) of the Public Procurement and Asset Disposal Act, 2015, which states that an accounting officer shall prepare an annual procurement plan. In addition, Regulation 33(1) of the Public Procurement and Asset Disposal Regulations, 2020 requires that a procuring entity establish a procurement function in accordance with Section 47 of the Act.

In the circumstances, regularity of procurements undertaken during the year could not be confirmed.

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

Review of Hospital records and interviews on verification of services offered, equipment used and medical specialists in the Hospital at the time of audit revealed that the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits of eighty (81) staff requirements or 80% of the authorized establishment.

Personnel	Level 4 Hospital Standard	Actual Numbers in Hospital	Deficit	Percentage (%)
Medical officers	16	1	15	94
Anesthesiologists	2	0	2	100
General Surgeons	2	0	2	100
Gynecologists	2	0	2	100
Pediatrics	2	0	2	100
Radiologists	2	0	2	100
Kenya Registered Community Health Nurses	75	19	56	75
Total	101	20	81	80

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

Equipment/Machine	Level 4 Hospital Standard	Actual Numbers in Hospital	Deficit	Percentage (%)
Bed Capacity	150	49	101	67
New Born Unit Incubators	5	4	1	20
New Born Unit Cots	5	0	5	100
Resuscitaire in Theatre	1	2	-	0
Resuscitaire in Labour Ward	2	1	-	0
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 Theatres - Maternity and General	2	0	2	100
Total	182	56	126	69

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

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

4. Failure to Transfer Revenue to the County Revenue Fund Account

The statement of financial performance reflects rendering services - medical services income of Kshs.21,418,715 as disclosed in Note 7 to the financial statements. However, the amount was not transferred to the County Revenue Fund Account for approval by the Controller of Budget before withdrawal. This was contrary to Regulation 81(1-3) of Public Finance Management (County Governments) Regulations, 2015 which states that a receiver of revenue shall promptly deposit into the County exchequer account all receipts due to the County Revenue Fund.

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

5. Non-Disclosure of Donated Drugs

The statement of financial performance reflects a Nil amount on grants from donors and development partners as reported in the financial statements. However, distribution data from Kenya Medical Supplies Authority (KEMSA) revealed that the Hospital received donations and program commodities drugs amounting to Kshs.17,725,701 and Universal Health Coverage of Kshs.1,119,352 but 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 ISSAI 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 CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the 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 Hospital Management Board

During the year under review the Hospital did not have a Board of Management. This is contrary to Section 12(1) of the Siaya County Government Health Services Act, 2019 which requires that a County referral and Sub County Hospital shall be governed by a Board.

In the circumstances, the effectiveness of internal controls, risk management and governance systems in place could not be confirmed.

2. Lack of Policy Documents

Review of documents and records of the Hospital revealed that it does not have in place a strategic plan, operational plan, risk management policy, disaster management and recovery policy, ICT policy and finance policy among others. This may lead to failure to prevent or detect risk as well as weak internal controls.

In the circumstances, the effectiveness of systems in place to detect and prevent risks as well as internal controls could not be confirmed.

3. Lack of Internal Audit Unit and Audit Committee

The Hospital had not established an audit committee and internal audit function which was contrary to Regulation 167(1) of the Public Finance Management (County Governments) Regulations, 2015 which requires County Government entities to establish audit committees. This would aid in monitoring the entities governance process, accountability process and control systems, offer objective advice on issues concerning risk, control, regulatory requirements and governance.

In the circumstances, the Hospital Management did not benefit from reviews on the effectiveness of the financial and non-financial performance management systems. In addition, Management was in breach of the law.

4. Understaffing

Review of staff records revealed that the Hospital had an approved staff establishment of one hundred one hundred and thirty-two (132) employees against sixty-two (62) staff in post resulting to a shortfall of seventy (70) staff.

In the circumstances, the Hospital may not have effectively offered health services to the public.

The audit was conducted in accordance with the 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 controls, risk management and governance.

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

11 July, 2024

Madiany Subcounty Level 4 Hospital (County Government of Siaya)
Annual Report and Financial Statements for The Year Ended 30th June 2023

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

Description	Notes	2022/23	2021/22
		Kshs	Kshs
Revenue from non-exchange transactions			
In-kind contributions from the County Government	6	2,844,104	3,445,176
		0	0
Revenue from exchange transactions			
Rendering of services- Medical Service Income	7	21,418,715	13,777,591
Revenue from exchange transactions		21,418,715	13,777,591
Total revenue		24,262,819	17,222,767
Expenses			
Medical/Clinical costs	8	7,913,646	3,216,197
Employee costs	9	3,774,060	3,813,278
Repairs and maintenance	10	946,964	729,364
Grants and subsidies	11	1,204,818	1,898,430
General expenses	12	4,273,255	3,381,484
Total expenses		18,112,743	13,038,753
Net Surplus/(Loss) for the year		6,150,076	4,184,014

The Hospital's financial statements were approved by the Board on 18/7/2024 and signed on its behalf by:

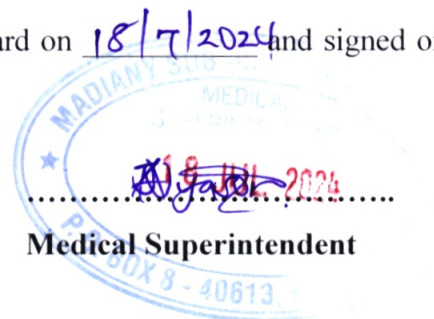
.....
Chairman

Board of Management


Head of Finance

ICPAK No: 8184


Medical Superintendent




*Madiany Subcounty Level 4 Hospital (County Government of Siaya)
Annual Report and Financial Statements for The Year Ended 30th June 2023*

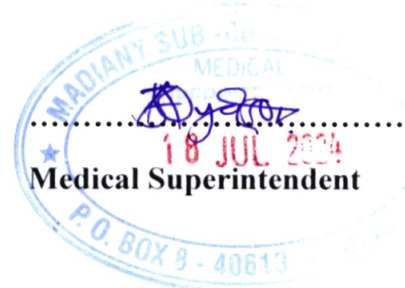
15. Statement of Financial Position as at 30th June 2023

Description	Notes	2022/23	2021/22
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	13	1,375,006	2,722,059
Receivables from exchange transactions	14	11,711,329	1,461,955
Inventories	15	1,461,955	5,546,337
Total Current Assets		14,548,290	9,730,351
Non-current assets			
Property, plant, and equipment		-	-
Total Non-current Assets		-	-
Total assets		14,548,290	9,730,351
Liabilities			
Current liabilities			
Trade and other payables	16	4,214,200	5,546,337
Total Current Liabilities		4,214,200	5,546,337
Non-current liabilities			
Provisions		-	-
Total Non-current liabilities		-	-
Total Liabilities		4,214,200	5,546,337
Net assets		10,334,090	4,184,014
Accumulated surplus/Deficit		10,334,090	4,184,014
Total Net Assets and Liabilities		10,334,090	4,184,014

The Hospital's financial statements were approved by the Board on 18/7/2024 and signed on its behalf by:

.....
Chairman
Board of Management


.....
Head of Finance
ICPAK No: 8184



Madiany Subcounty Level 4 Hospital (County Government of Siaya)
Annual Report and Financial Statements for The Year Ended 30th June 2023

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

	Revaluation reserve	Accumulated surplus/Deficit	Capital	Total
As at July 1, 2021	-	0		0
Revaluation gain	-	0	-	0
Surplus/(deficit) for the year	-	4,184,014	-	4,184,014
Capital/Development grants	-	0	-	0
As at June 30, 2022	-	4,184,014	-	4,184,014
At July 1, 2022	-	4,184,014	-	4,184,014
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	6,150,076	-	6,150,076
Capital/Development grants	-	-	-	-
At June 30, 2023	-	10,334,090	-	10,334,090

*Madiany Subcounty Level 4 Hospital (County Government of Siaya)
Annual Report and Financial Statements for The Year Ended 30th June 2023*

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

Description		2022/23	2021/22
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Rendering of services- Medical Service Income		9,707,386	12,315,636
Total Receipts		9,707,386	12,315,636
Payments			
Medical/Clinical costs		4,169,046	3,216,197
Employee costs		929,956	368,102
Repairs and maintenance		911,964	729,364
Grants and subsidies		1,204,818	1,898,430
General expenses		3,838,655	3,381,484
Total Payments		11,054,439	9,593,577
Net cash flows from operating activities		(1,347,053)	2,722,059
Cash flows from investing activities			
Purchase of property, plant, and equipment & intangible assets		-	-
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Proceeds from borrowings		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(1,347,053)	-
Cash and cash equivalents at 1 July 2022	13	2,722,059	-
Cash and cash equivalents at 30 June 2023		1,375,006	2,722,059

Madiany Subcounty Level 4 Hospital (County Government of Siaya)
Annual Report and Financial Statements for The Year Ended 30th June 2023

i) Statement of Comparison of Budget and Actual Amounts for Year Ended 30 Jun 2023

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						
Rendering of services- Medical Service Income	13,000,000		13,000,000	9,707,386	3,292,614	75
Total income	13,000,000	-	13,000,000	9,707,386	3,292,614	75
Expenses						
Medical/Clinical costs	4,000,000		4,000,000	4,169,046	-169,046	104
Employee costs	850,000		850,000	929,956	-79,956	109
Repairs and maintenance	1,000,000		1,000,000	911,964	88,036	91
Grants and subsidies	3,250,000		3,250,000	1,204,818	2,045,182	37
General expenses	3,800,000		3,800,000	3,838,655	-38,655	101
Total Expenses	12,900,000	0	12,900,000	11,054,439	1,845,561	86
Surplus for the period	100,000	0	100,000	1,347,053	1,447,053	
Capital expenditure	0	0	0	0	0	

Variance explanation

1. The actual income received was lower than was anticipated at the time of budgeting.
2. Actual grants paid out were much lower than budgeted because the Hospital requested to be allowed to plough back some of the grants due to pressing needs at the facility.

ii) Notes to the Financial Statements

1. General Information

Madiany Subcounty Level 4 Hospital is established by and derives its authority and accountability from Health Act. The entity is wholly owned by the County Government of Siaya and is domiciled in Siaya County in Kenya. The entity's principal activity is provision of comprehensive health services

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 Hospital's accounting policies. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Hospital. The financial statements have been prepared in accordance with the PFM Act, and the PFM County Government Regulations, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

iii) 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. 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>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>

Madiany Subcounty Level 4 Hospital (County Government of Siaya)
Annual Report and Financial Statements for The Year Ended 30th June 2023

Standard	Effective date and impact
	<p>(a) The nature of such social benefits provided by the Entity.</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Entity’s financial performance, financial position and cash flows.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</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>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>

Madiany Subcounty Level 4 Hospital (County Government of Siaya)
Annual Report and Financial Statements for The Year Ended 30th June 2023

Standard	Effective date and impact
	<ul style="list-style-type: none"> • <i>IPSAS 29: Financial instruments: Recognition and Measurement</i> Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.

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><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires: -</p> <ol 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.

iii) Early adoption of standards

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

iv) 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.

b. Budget information

The original budget for FY 2022/2023 was approved by Health Management Team on **30.06.2022**. 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. 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.

c. Taxes

Sales tax/ Value Added Tax

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

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

Notes to the Financial Statements (Continued)

d. Investment property

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

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

e. Property, plant and equipment

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

Notes to the Financial Statements (Continued)

f. Leases

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

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

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

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

g. Intangible assets

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

Notes to the Financial Statements (Continued)

h. Research and development costs

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

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

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

i. Financial instruments

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

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

Notes to the Financial Statements (Continued)

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Notes to the Financial Statements (Continued)

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

The entity did not have any impairments for the period under review.

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.

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, 2023.

v) Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

- The condition of the asset based on the assessment of experts employed by the Entity.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.

- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset.

Provisions

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

Notes to Financial Statements

6. In Kind Contributions from The County Government

Description	2022/23	2021/22
Salaries and wages	2,844,104	3,445,176
Pharmaceutical and Non-Pharmaceutical Supplies	0	-
Medical supplies-Drawings Rights (KEMSA)	0	0
Utility bills	0	0
Total grants in kind	2,844,104	3,445,176

7. Rendering of Services-Medical Service Income

Description	2022/23	2021/22
	KShs	KShs
Pharmaceuticals	989,360.00	908,143
Non-Pharmaceuticals	-	-
Laboratory	1,272,680.00	1,193,445
Records	409,755.00	417,336
Inpatient	983,285.00	1,006,199
Eye	14,100.00	21,688
Xray	20,050.00	-
OPD	130,145.00	76,828
Physio	111,580.00	144,270
Nutrition service	9,000.00	9,286
Ultra Sound	71,400.00	-
Dental services	-	-
Reproductive health	-	-
Paediatrics services	-	-
Morgue	1,615,305.00	1,447,000
Other medical services income (NHIF & LINDA MAMA)	15,792,055.00	8,553,396
Total revenue from the rendering of services	21,418,715.00	13,777,591

Notes to the Financial Statements (Continued)

8. Medical/ Clinical Costs

Description	2022/23	2021/22
	KShs	KShs
Laboratory chemicals and reagents	234,400	146,000
Food and Ration	5,067,816	1,593,107
Dressing and Non-Pharmaceuticals	994,410	242,400
Pharmaceutical supplies	1,418,020	984,190
Sanitary and cleansing Materials	48,000	32,400
Purchase of Medical gases	151,000	218,100
Total medical/ clinical costs	7,913,646	3,216,197

9. Employee Costs

Description	2022/23	2021/22
	KShs	KShs
Salaries, wages, and allowances	3,774,060	3,813,278
Employee costs	3,774,060	3,813,278

10. Repairs and Maintenance

Description	2022/23	2021/22
	KShs	KShs
Property- Buildings	520,714	579,364
Medical equipment	35,000	0
Office equipment	232,000	150,000
Furniture and fittings	55,000	0
Computers and accessories	104,250	0
Motor vehicle expenses	0	0
Maintenance of civil works	0	0
Total repairs and maintenance	946,964	729,364

Notes to the Financial Statements (Continued)

11. Grants and Subsidies

Description	2022/23	2021/22
	KShs	KShs
Other grants and subsidies (Transfer 25%)	1,204,818	1,898,430
Total grants and subsidies	1,204,818	1,898,430

12. General Expenses

Description	2022/23	2021/22
	KShs	KShs
Advertising and publicity expenses	230,000	0
Bank charges	31,284	22,594
Conferences and delegations	100,000	0
Electricity expenses	796,566	894,180
Refined fuel	560,100	321,610
Research and development expenses	0	0
Travel and accommodation allowance	405,200	697,300
Other fuel (charcoal & firewood)	642,850	0
Courier and postal services	0	28,350
Printing and stationery	678,755	435,900
Hire charges	0	0
Purchase of household appliances	-	470,000
Water and sewerage costs	187,700	191,150
Skills development levies	0	0
Telephone and mobile phone services	64,000	220,400
General office supplies	326,800	0
Staff training and development	250,000	100,000
Total General Expenses	4,273,255	3,381,484

Notes to the Financial Statements (Continued)

13. Cash and Cash Equivalents

Description	2022/23	2021/22
	KShs	KShs
Current accounts	1,375,006	2,722,059
Total cash and cash equivalents	1,375,006	2,722,059

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

Description		2022/23	2021/22
Financial institution	Account number	KShs	KShs
a) Current account			
Cooperative Bank	114162336100	1,373,627	2,719,817
Cooperative Bank	114123361102	1,379	2,242
Sub- total		1,375,006	2,722,059
Grand total		1,375,006	2,722,059

14. Receivables from Exchange Transactions

Description	2022/23	2021/22
	KShs	KShs
Medical services receivables	11,711,329	1,461,955
Total receivables	11,711,329	1,461,955

Analysis of Receivables From Exchange Transactions

Description	2022/23	2021/22
	KShs	KShs
Other debtors (<i>non-exchange transactions</i>)	11,711,329	1,461,955
Less: impairment allowance	0	
Total	11,711,329	1,461,955

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15. Inventories

Description	2022/23	2021/22
	KShs	KShs
Pharmaceutical supplies	1,461,955	5,546,337
Total	1,461,955	5,546,337

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16. Trade and other Payables

Description	2022/23		2021/22	
	KShs		KShs	
Trade payables	4,214,200		5,546,337	
Total trade and other payables	4,214,200		5,546,337	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the total
Under one year		%		%
1-2 years		%		%
2-3 years	4,214,200	100%	5,546,337	100%
		%		%
Over 3 years				
Total	4,214,200	100%	5,546,337	100%

17. Cash Generated from Operations

Description	2022/23		2021/22	
	KShs		KShs	
Increase in payments received in advance				
Net cash flow from operating activities	1,347,053		2,722,059	

Notes to the Financial Statements (Continued)

i) 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:

ii) 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:

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 no significant concentration of credit risk. 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.

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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.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2022				
Trade payables	0	0	5,546,337	5,546,337
Total	0	0	5,546,337	5,546,337
At 30 June 2023				
Trade payables	0	0	4,214,200	4,214,200
Total	0	0	4,214,200	4,214,200

(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:

The entity did not have any transactions in foreign currency during the period under review.

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.

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.

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.

iii) 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:

iii) 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.

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Siaya 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

iv) Segment Information

The Hospital does not operate in different geographical regions

v) Contingent Liabilities

The Hospital does not have contingent liabilities

vi) Capital Commitments

The Hospital does not have capital commitments

vii) Events after the Reporting Period

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

viii) 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 Siaya.

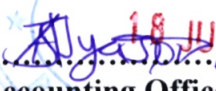
ix) Currency

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

Appendices

Appendix 1: Progress on Follow Up of Auditor Recommendations

There was no previous year's auditor recommendation as this is the first audit.


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Accounting Officer

