

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**



**OF**

**THE AUDITOR-GENERAL**

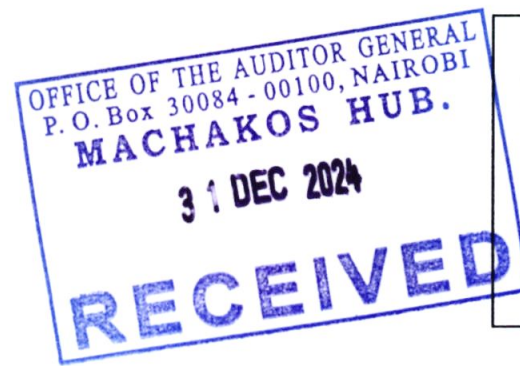
**ON**

**TSEIKURU LEVEL 4 HOSPITAL**

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

**COUNTY GOVERNMENT OF KITUI**

PAPERS LAID	
DATE	6/3/2025
TABLED BY	Dep. Mas. Whip
COMMITTEE	
CLERK AT THE TABLE	M. Galim



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## **Tseikuru Level 4 Hospital (Kitui County Government)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2024**

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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
SCMA	Supply Chain Management Assistant
HRIO	Health Records & Information Officer
OSHA	Occupational Health & Safety Act
MET	Medical Engineer Technologist
PHO	Public Health Officer
PFMA	Public Financial Management Act
CECM	County Executive Committee Member
FY	Financial Year
Fiduciary Management	Key management personnel who have financial responsibility in the entity.

## **2. Key Entity Information and Management**

### **(a) Background information**

Tseikuru Level IV Hospital is a gazetted public health facility by ministry of Health, Kenya Master Health Registry Number 12805, domiciled in Mwingi North Sub County in Kitui County under the Health department.

The hospital is governed by a board of management which comprises of eight (8) members from various professional backgrounds and the medical superintendent as the secretary.

### **(b) Principle Activities**

The principal activity of the hospital is to provide health services to the people of Kitui and the Government of Kenya as a whole.

**Vision:** To have a community with healthy residents who embrace preventive healthcare and access affordable and equitable healthcare services.

**Mission:** To provide accessible, affordable healthcare services to all by strengthening healthcare systems.

The hospital offers among other services, Pharmacy, Comprehensive Care Clinic, Mother Child Health Clinic, Laboratory, Nutrition, Nursing, Inpatient Care, Theatre services, Pediatric Services, New Born Unit services, and Tuberculosis clinic services.

### **(c) Key Management**

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

- County Department of Health
- Board of Management
- Medical Superintendent
- Hospital Management Team

**Key Entity Information and Management (continued)**

**(d) Fiduciary Management**

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

No.	Designation	Name
1.	CECM Finance	-Peter Mwikya Kilonzo
2.	Chief Officer Finance	-CPA John Kimwele
3.	CECM Health	-Ruth Koki
4.	Chief Officer Health – Medical Services	-Dr. Benson Musyoka
5.	Chief Officer Health – Public Health and Sanitation	-Lynn Kitwan
6.	Chief Officer Health – Drugs and Medical Supplies	-Aggey Kamba
7.	Medical Superintendent	-Dr. Isaac Musili

**(e) Fiduciary Oversight Arrangements**

1. Kitui County Assembly
2. Kitui County Assembly Health and Sanitation Committee.
3. Kitui County Assembly Public Investment and Accounts Committee.
4. Kitui County Assembly County Budget and Appropriation Committee
5. Kitui County Assembly Finance and Economic Planning Committee
6. Kitui County Budget and Economic Forum
7. Office of the Auditor General

**(f) Entity Headquarters**

P.O. Box 613-90400  
TSEIKURU  
MWINGI

**(g) Entity Contacts**

Telephone: (+254) 713116269  
E-mail: tseikurusubdistrict@yahoo.com  
Website: www.kitui.go.ke

**(h) Entity Bankers**

Commercial Banks (*Kenya Commercial Bank*)

**Key Entity Information and Management (continued)**

**(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

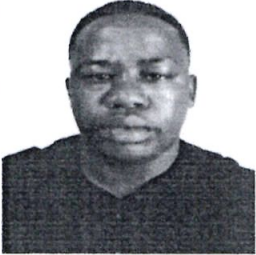



**(k) County Attorney**

P.O. Box.33-90200  
KITUI, Kenya

### 3. The Board of Management

Ref	Directors	Details
1.	John Maluki Ngoru	Chairperson
2.	Stephen Matei	Sub County Administrator
3.	Josphat Mwendwa Mukiti	Representative, Business Community
4.	Titus Kyalo Ngui	Representative, Professional Groups
5.	Mary Maiu Muisyo	Representative, Active Women Groups
6.	Robert Musembi	Representative, Dominant Faith Based Organizations (FBOs)
7.	Ndanu John	Representative, Youth through National Youth Council
8.	Syengo Kirugi	Representative, People living with Disability (PLWDs)
9.	 Dr. Isaac Musili	<b>The Board Secretary</b> D.o.B: 1994 <b>Qualification:</b> Bachelor of Medicine and Bachelor of Surgery

**4. Key Management Team**

Ref	Management	Details
1.	 Dr. Isaac Musili Edward	<b>Medical Superintendent</b> YOB:1994 <b>Qualification:</b> Bachelor of Medicine and Bachelor of Surgery
2.	 Dennis Muthoka Mwaniki	<b>Health Administrative Officer</b> YOB:1993 <b>Qualification:</b> Bachelor of Business and Information Technology.
3.	 John Kyalo Ndambuki	<b>Nursing Officer in Charge</b> YOB:1977 <b>Qualification:</b> Bachelor of Science in Nursing
4.	 Annastacia Kanini Vaati	<b>Snr. Accountant</b> <b>Qualification :</b> <ul style="list-style-type: none"> <li>➤ Bachelor of Commerce</li> <li>➤ CPA K</li> </ul>

**5. Chairman’s Statement**

Throughout the financial year ending June 2024, Tseikuru Level IV Hospital has remained committed to its mission of providing high-quality healthcare services to our community. We have achieved several notable milestones:

One of the achievements we are proud of is having Patient Care Excellence: We have continued to focus on delivering exceptional patient care. Our dedicated medical and administrative teams have worked tirelessly to ensure the well-being and comfort of our patients.

Despite our achievements, we have encountered certain challenges which include resource management. Like many healthcare institutions, we faced resource constraints, including shortages of medical supplies and increased demand for healthcare services.

We are looking forward to expanding our services. The Hospital plans to open and operationalize our theatre, expand our medical specialties, and reach out to underserved areas to fulfill our commitment to comprehensive healthcare accessibility. We are also looking forward to having a Patient-Centric Approach. Our focus will remain on putting patients at the center of our efforts. We will enhance patient experience, improve communication, and provide personalized care tailored to individual needs.

In conclusion, I sincerely thank our dedicated staff, loyal patients, stakeholders, and the community for their unwavering support. The Hospital will continue to be a beacon of healthcare excellence, dedicated to improving lives through compassionate, quality care within the community and the county.

.....

**Name : John Maluki Ngoru**  
**Chairman to the Board**

## **6. Report of The Medical Superintendent**


Tseikuru Level IV Hospital is a gazetted public health facility by the Ministry of Health, Kenya Master Health Facility Registry Number 12805. It is domiciled in Kitui County – Mwingi North Sub County under the Health Department.

The principal activity of the Tseikuru Level IV Hospital is to provide health services to the people of Kitui and the Government of Kenya as a whole. The vision is to have a community with healthy residents that embrace preventive healthcare and have access to affordable and equitable healthcare services. The mission of the hospital is providing accessible, affordable quality healthcare services to all through strengthening health care systems, scaling up health interventions, partnership and innovation and empowering communities to foster sustainable social and economic growth.

During the period ending 30<sup>th</sup> June 2024, the annual disbursement made to Tseikuru Level IV Hospital was Ksh. 7,148,400 against the budgeted Ksh. 8,460,000 leading to a deficit of Ksh. 1,311,600. This has created pending payments at the end of this reporting period.

As the Hospital, we experienced some other challenges as noted above by the Chairperson of the Board that we are looking forward to work closely with the County Government in finding their solutions. In addition, the hospital was affected so much in the fourth quarter of the financial year experienced by the nationwide clinical officer's strike that jeopardized medical operations.

The Board is composed of the Board members and the secretary to the Board. The members are appointed and gazetted by the County Executive Committee Member for Health and Sanitation under section 5 of the Kitui County Health Facilities Management Committees Act, 2014, and are tasked with management and approval of the budget estimates while the secretary implements the budgets by undertaking the day-to-day activities at the Hospital.



.....

**Name : Dr. Isaac Musili**

**Secretary to the Board**

**7. Statement of Performance Against Predetermined Objectives**

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

Tseikuru Level IV Hospital has 3 strategic pillars These strategic pillars are as follows:

<b>Strategic Pillar, Theme, Issues</b>	<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
Provide Reliable Medical services to all citizen	To provide reliable Medical Services	-Number of Medical Staff -adequate pharmaceuticals and non-Pharmaceuticals stock levels	-Maintaining proper staff levels -Maintaining Proper Pharmaceuticals and Non-Pharmaceuticals	-Staff Levels improved -Improved Pharmaceuticals and Non-Pharmaceuticals
Increased Revenue	To Increase Revenue Collected	NHIF Claims received	Follow up on the NHIF Claims not received	NHIF Claims received
Customer/Patient Satisfactory	To increase the number of Patients satisfied	-Number of patients served -Number of Complaints solved	Improve customer care services	Increased number of patients

## **8. Corporate Governance Statement**

Tseikuru Level IV Hospital is governed by a Board of Management comprising of eight (8) members and the secretary to the Board who is the accounting officer for the hospital. The board for the period ending 30<sup>th</sup> June 2024 was gazetted on 25<sup>th</sup> June 2021 as per Kenya Gazette Notice Number 6317.

The functions of the board of management include:

- a. Supervise and control the administration of funds allocated to the hospital;
- b. Through minutes, request the CECM to open and operate a bank account;
- c. Make sure the basic books of accounts for the Hospital are kept;
- d. Making sure records of accounts for income and expenditure and assets and liabilities are kept;
- e. Provide oversight to the hospital; among others

A member shall be added or removed according to the existing regulations on the establishment of boards of management.

The remuneration of the board members is as advised by SRC.

However, the appointment of Board members was revoked as per the Gazette Notice Number 13546 dated 6<sup>th</sup> October 2023.

**9. Management Discussion and Analysis**

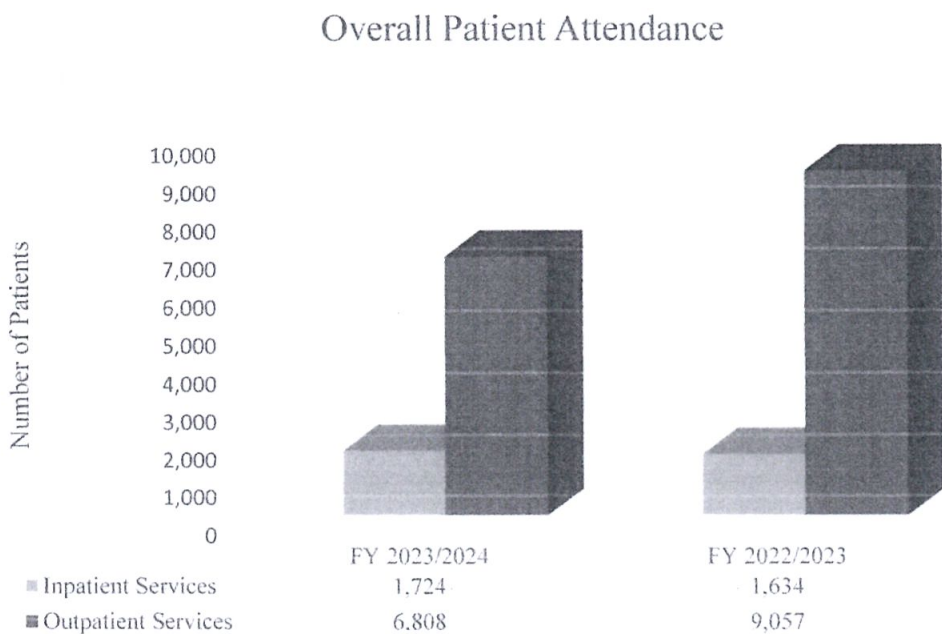
**A) Clinical/operational performance**

**a) Bed capacity of Tseikuru Level IV Hospital**

Ward/FY	2023/2024	2022/2023	2021/2022
Maternity ward	26	26	26
General wards	16	16	16
Peadriatric Ward	20	20	20
<b>Total</b>	<b>62</b>	<b>62</b>	<b>62</b>

The facility has had a constant number of beds over the last 3 years.

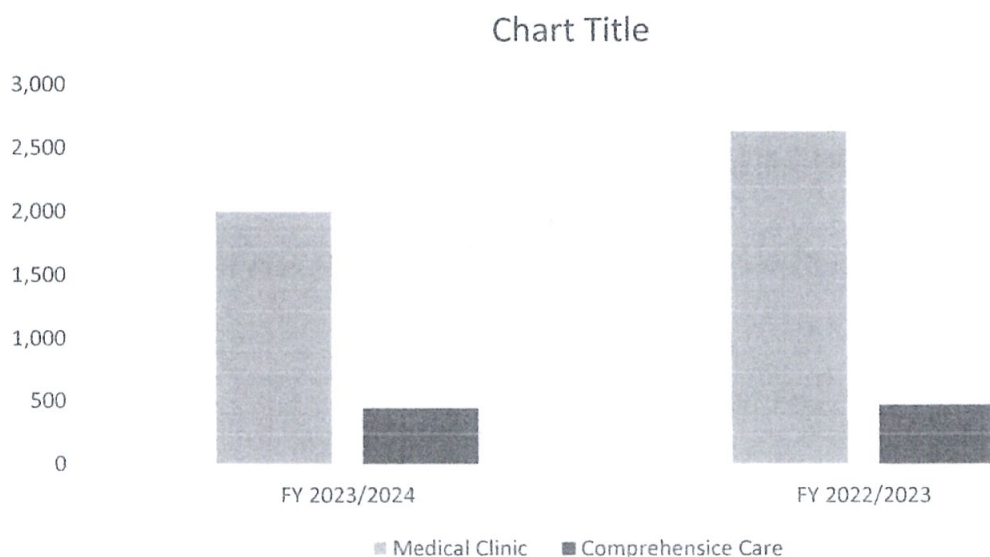
**b) Overall patient attendance for two comparative financial years for outpatient and inpatient services**



The decline in the overall patient attendance for outpatient services from FY 2022/2023 to FY 2023/2024 was attributed by the clinical officer’s nationwide strike. The inpatient department was not much affected by the clinical officers’ strike since the maternity ward was still operational.

**e) Specialized Clinic Attendance**

<b>Clinics</b>	<b>2023/2024</b>	<b>2022/2023</b>
Medical Clinic	2,002	2,635
Comprehensive Care	445	471
<b>Total</b>	<b>2,447</b>	<b>3,106</b>



**d) Surgical Theatre Operations**

<b>Theatre Operations</b>	<b>2023/2024</b>	<b>2022/2023</b>
Surgical Operations	41	117
<b>Total</b>	<b>41</b>	<b>117</b>

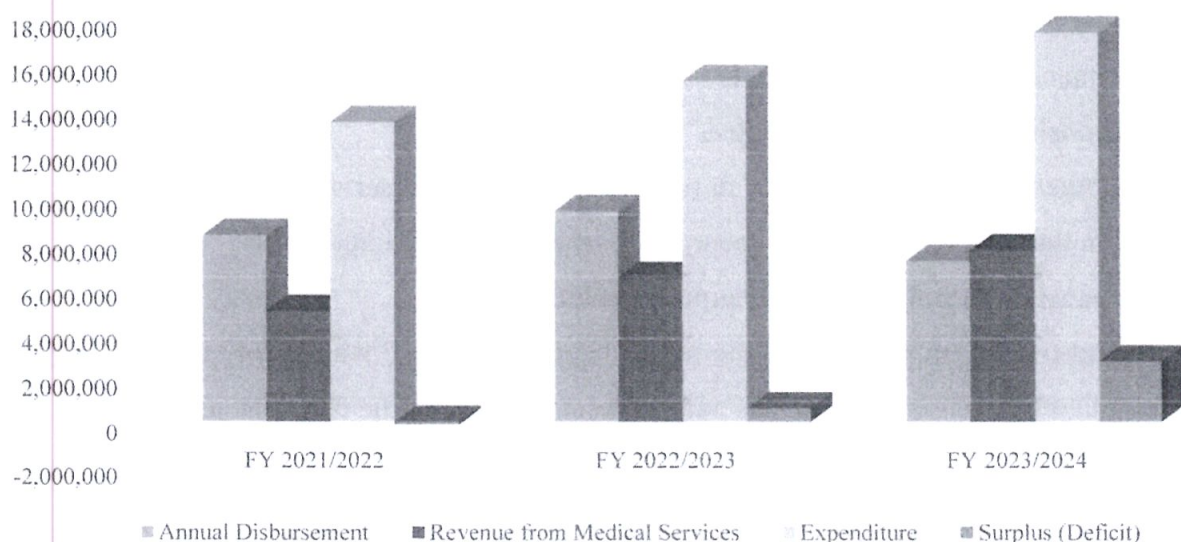
**e) Mortality rate**

<b>Ward/FY</b>	<b>2023/2024</b>	<b>2022/2023</b>
Number of Deaths	42	29
Total Population	14,640	16,412
Percentage	0.003%	0.002%

**B) Financial performance that includes: -**

In the financial year 2023/2024 the hospital received an Annual Facility Improvement Financing (FIF) of 7,148,400 as budgeted by The County Ministry of Health and Sanitation and disbursed by The County Treasury. The funds were used for procurement of medical goods and services and the hospital day to day running activities. The hospital as well generated a total of Ksh. 7,615,713 as revenue from medical services (NHIF and Mpesa transactions). The cash received within the financial year from revenue generated is swiped to the County Revenue Collection Fund.

<b>Financial Year/Particulars</b>	<b>2023/2024</b>	<b>2022/2023</b>	<b>2021/2022</b>
	<b>Kshs.</b>	<b>Kshs.</b>	<b>Kshs.</b>
Annual disbursements from County	7,148,400	9,370,081	8,291,170
Revenue from rendering medical services	7,622,065	6,386,365	4,905,883
In- kind contributions from the County	57,266,553		
Expenditure	<b>(69,346,883)</b>	<b>(15,157,874)</b>	<b>(13,329,124)</b>
<b>Surplus (Deficit)</b>	<b>2,690,135</b>	<b>598,572</b>	<b>(132,071)</b>



The annual disbursements from the county government was utilized by the hospital management for procurement of medical goods and services as per the approved budgets by the ministry of health and sanitation. The revenue collected from provision of medical services for the FY 2023/2024 amounted to Kshs. 7,615,713.

.....  
**Name : Dr. Isaac Musili**  
**Medical Superintendent**

## **10. Environmental And Sustainability Reporting**

Tseikuru Level IV Hospital exists to transform lives. It's what guides us to deliver our strategy, putting the welfare of the patient first in delivering health services to the patients of Mwingi North Sub County and the entire nation. Below is an outline of the organisation's policies and activities that promote sustainability.

### **i) Sustainability strategy and profile**

The hospital has planted trees in the hospitals compound to improve environmental sustainability of the region.

### **ii) Environmental performance**

The area around the hospital receives fair amount of rainfall.

### **iii) Employee welfare**

The hospital operates as per the set Human Resource Policies borne by the County and International levels.

### **iv) Market place practices-**

The following can be stated in relation to Tseikuru Level IV Hospital:

#### **a) Responsible competition practice.**

The organization is in existence to provide medical health services to the community and within the Mwingi North Sub County with no motive of making profits.

#### **b) Responsible Supply chain and supplier relations**

The hospital is equipped with experienced supply chain staff who coordinates with reliable suppliers to bring medical goods and offer services as per the contracts given and prepare documents for payment processing.

#### **c) Responsible marketing and advertisement**

No advertisements are done but the hospital maintains good customer care services

#### **d) Product stewardship**

Mechanisms are put in place to make sure the services are offered by the facility in an effective and efficient manner.

#### **v) Corporate Social Responsibility / Community Engagements**

Due to insufficient funding by the county government, the hospital has not actively engaged itself in CSR activities.

## **11. Report of The Board of Management**

The Board members submit their report together with the Audited Financial Statements for the year ended June 30, 2024, which show the state of the Tseikuru Level IV Hospital affairs.

### **Principal activities**

The entity's principal activities are providing quality medical healthcare services to the patients, patient support, and administration.

### **Results**

The results of the entity for the year ended June 30, 2024 are set out on page 1 to page 5

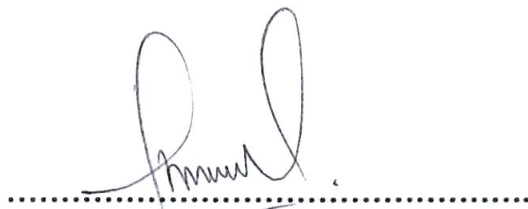
### **Board of Management**

The members of the Board who served for part of the year are shown on page vi. No additional members were added during the financial year.

### **Auditors**

The Auditor General is responsible for the statutory audit of Tseikuru Level IV Hospital per Article 229 of the Constitution of Kenya to carry out the audit for the year ended 30<sup>th</sup> June 2024 and per section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



**Name : Dr. Isaac Musili**

**Secretary to the Board**

## **12. 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 the Hospital, which give a true and fair view of the state of affairs of the Tseikuru Level IV Hospital at the end of the financial year ending 30<sup>th</sup> June 2024 and its operating results. The Board of Management is also required to ensure that the Hospital keeps proper accounting records that 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 was 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 Tseikuru Level IV Hospital for and as at the end of the financial year ended on June 30, 2024. This responsibility includes:

- i. maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period,
- ii. maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity,
- iii. designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud,
- iv. safeguarding the assets of the Hospital;
- v. selecting and applying appropriate accounting policies, and
- vi. making accounting estimates that are reasonable in the circumstances.

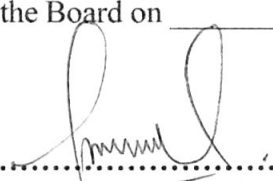
The Board of Management accepts responsibility for the Hospital's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. 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, 2024, 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: John Maluki Ngoru**  
**Chairperson**  
**Board of Management**

  
.....  
**Name: Dr. Isaac Musili**  
**Accounting Officer**  
**Tseikuru Level IV Hospital**

# REPUBLIC OF KENYA

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*Enhancing Accountability*

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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON TSEIKURU LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2024 - COUNTY GOVERNMENT OF KITUI**

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### **PREAMBLE**

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

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

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Tseikuru Level 4 Hospital – County Government of Kitui set out on pages 1 to 31, which comprise of the statement of financial position as at 30 June, 2024 and the statement of financial performance,

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*Report of the Auditor-General on Tseikuru Level 4 Hospital for the year ended 30 June, 2024 – County Government of Kitui*

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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Tseikuru Level 4 Hospital – County Government of Kitui as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the County Government Act, 2012, the Health Act, 2017 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **Non- Disclosure of Property, Plant and Equipment**

The statement of financial position reflects Nil property, plant and equipment balance as disclosed in Note 19 to the financial statements. As previously reported, 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, ownership documents for land were not provided for audit review. In addition, the Hospital did not maintain a fixed assets register to control its assets. This is contrary to Regulation 136(1) of the Public Finance Management (County Governments) Regulations, 2015 which states that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

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

### **Key Audit Matters**

Key audit matters are those matters which, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matter described in the

Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

## **Other Matter**

### **Unresolved Prior Year Matters**

In the audit report of the previous year, several paragraphs were raised. However, Management has not resolved all the prior year matters as prescribed in the reporting requirements set by the Public Sector Accounting Standards Board.

## **Other Information**

The management is responsible for the other information set out on pages iii to xvii which comprise of Key Entity Information and Management, The Board of Management, Management Team, Chairman's Statement, Report of the Medical Superintendent, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board of Management and Statement of Board of Management Responsibilities. The other information does not include the financial statements and my audit report thereon.

In connection with my audit on the Hospital's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the other information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the 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. Deficiencies In Implementation of Universal Health Coverage

Review of Hospital records and interviews on verification of services offered, equipment used and medical specialists in the Hospital as at the time of audit revealed that the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits by eight-six (86) or approximately 85 % of the authorized establishment.

Staff Requirements	Level 4 Standard	Number in Hospital	Variance	Percentage %
Medical Officers	16	2	14	88
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	13	62	83
<b>Total</b>	<b>101</b>	<b>15</b>	<b>86</b>	<b>85</b>

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

Service	Level 4 Hospital Standard	Actuals in the Hospital	Variance	Percentage
Beds	150	72	78	52
Resuscitaire (2 in Labor & 1 in Theatre)	2	1	1	50
New Born Unit incubators	5	2	3	60
New Born Unit Cots	5	6	-1	20
Functional ICU Beds	6		6	100
High Dependency Unit (HDU) Beds	6	0	6	100
Renal Unit with at least 5 Dial sis Machines	5	0	5	100
Two Functional Operational Theatres - Maternity & General	2	1	2	50

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

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

## **2. Unutilized Medical Equipment**

The statement of financial position reflects Nil property, plant and equipment balance. However, review of the assets listing and physical verification revealed that an ultrasound machine of unknown value which was donated by United States Agency for International Development (USAID) and delivered in the year 2020 was not in use. Although Management attributed the non-utilization of the machine to there being no radiology department which includes a sonographer and a radiology block, no measures have been put in place to ensure the machine is put into use.

In the circumstances, value for money for the ultrasound machine was not realized.

## **3. Long Outstanding Trade and Other Payables**

The statement of financial position and as disclosed in Note 20 to the financial statements reflect trade and other payables balance of Kshs.1,171,453. Included in the balance are trade payables amounting to Kshs.391,850 which had been outstanding for more than one (1) year. This is Contrary to Section 53 (8) of the Public Procurement and Asset Disposal Act, 2015 which states that an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contracts are reflected in approved budget estimates.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of 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 governance were not effective.

### **Basis for Conclusion**

#### **1. Lack of Hospital Management Board**

During the financial year under review, the Hospital Board had not been established. Management indicated and provided a copy of the Kitui Health Facilities Improvement Financing Bill, 2024 which is awaiting approval by the County Assembly to provide for the

formation of the Hospital Management Board. As a result, the annual report and the financial statements for the year ended 30 June, 2024 have not been signed by the Chairman of the Hospital Board in accordance to the reporting framework prescribed for by the Public Sector Accounting Standards Board (PSASB).

In the circumstances, the Hospital may not achieve its strategic objectives.

## **2. Expiry of Medical Supplies**

The statement of financial position reflects inventories balance of Kshs.896,970 as disclosed in Note 18 to the financial statements. Review of the stores records on pharmaceuticals and non-pharmaceuticals revealed that 34 units of various drugs of undetermined value had expired.

In the circumstances, the effectiveness of internal controls on management of pharmaceutical and non-pharmaceutical could not be confirmed.

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

### **Responsibilities of the Management and Board of Management**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements which 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**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**10 January 2025**

**Tseikuru Level 4 Hospital (Kitui County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024**


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

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the County Government	6	7,148,400	9,370,081
In- kind contributions from the County Government	7	57,266,553	-
		<b>64,414,953</b>	<b>9,370,081</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Medical Service Income	8	7,622,065	6,386,365
<b>Revenue from exchange transactions</b>		<b>7,622,065</b>	<b>6,386,365</b>
<b>Total revenue</b>		<b>72,037,018</b>	<b>15,756,446</b>
<b>Expenses</b>			
Medical/Clinical costs	9	2,226,970	3,036,900
Employee costs	10	1,682,201	1,800,000
Repairs and maintenance	11	497,700	827,715
General expenses	12	2,810,507	3,781,394
Refunds to the County Government	13	4,862,952	5,711,865
In- kind contributions expense	14	57,266,553	-
<b>Total expenses</b>		<b>69,346,883</b>	<b>15,157,874</b>
<b>Net Surplus / (Deficit) for the year</b>		<b>2,690,135</b>	<b>598,572</b>

The notes set out on pages 6 to 29 form an integral part of the Annual Financial Statements.

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

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

  
.....  
**Head of Finance**  
**ICPAK No:19698**

  
.....  
**Medical Superintendent**  
**Tseikuru Level 4 Hospital**


**15. Statement of Financial Position As At 30<sup>th</sup> June 2024**

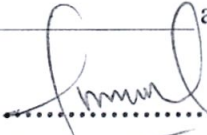
Description	Note	2023/2024	2022/2023
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	15	1,814	66,544
Receivables from exchange transactions	16	3,429,305	674,500
Receivables from non-exchange transactions	17	-	700,000
Inventories	18	896,970	-
<b>Total Current Assets</b>		<b>4,328,089</b>	<b>1,441,044</b>
<b>Non-current assets</b>			
Property, plant, and equipment	19	-	
<b>Total Non-current Assets</b>			
<b>Total assets (A)</b>		<b>4,328,089</b>	<b>1,441,044</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	20	1,171,453	974,543
<b>Total Current Liabilities</b>		<b>1,171,453</b>	<b>974,543</b>
<b>Non-current liabilities</b>			
<b>Total Non-current liabilities</b>			
<b>Total Liabilities (B)</b>		<b>1,171,453</b>	<b>974,543</b>
<b>Net assets (A-B)</b>		<b>3,156,636</b>	<b>466,501</b>
<b>Represented by:</b>			
Revaluation reserve		-	-
Accumulated surplus/Deficit		3,156,636	466,501
Capital Fund			-
<b>Net Assets</b>		<b>3,156,636</b>	<b>466,501</b>

The notes set out on pages 6 to 29 form an integral part of the Annual Financial Statements.

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

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

  
.....  
**Head of Finance**  
**ICPAK No:19698**

  
.....  
**Medical Superintendent**  
**Tseikuru Level 4 Hospital**

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

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
<b>As at July 1, 2022</b>		<b>(132,071)</b>		<b>(132,071)</b>
Revaluation gain				-
Surplus/(deficit) for the year		598,572		<b>598,572</b>
Capital/Development grants				-
<b>As at June 30, 2023</b>	-	<b>466,501</b>	-	<b>466,501</b>
				-
<b>At July 1, 2023</b>	-	<b>466,501</b>	-	<b>466,501</b>
Revaluation gain				-
Surplus/(deficit) for the year		2,690,135		<b>2,690,135</b>
Capital/Development grants				-
<b>At June 30, 2024</b>	-	<b>3,156,636</b>	-	<b>3,156,636</b>

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

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from the County Government		7,848,400	9,207,821
Rendering of services- Medical Service Income		4,862,952	5,711,865
<b>Total Receipts</b>		<b>12,711,352</b>	<b>14,919,686</b>
<b>Payments</b>			
Medical/Clinical costs		2,460,220	3,034,650
Employee costs		1,778,201	1,694,400
Repairs and maintenance		581,205	744,210
General expenses		3,097,812	3,535,946
Refunds to the County Government		4,858,644	5,711,865
<b>Total Payments</b>		<b>12,776,082</b>	<b>14,721,071</b>
<b>Net cash flows from operating activities</b>	21	<b>(64,730)</b>	<b>198,615</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment & intangible assets			
<b>Net cash flows used in investing activities</b>			
<b>Cash flows from financing activities</b>			
<b>Net cash flows used in financing activities</b>			
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(64,730)</b>	<b>198,615</b>
Cash and cash equivalents as at July 1, 2023	15	66,544	(132,071)
<b>Cash and cash equivalents as at June 30, 2024</b>	15	<b>1,814</b>	<b>66,544</b>

**18. Statement of Comparison of Budget and Actuals for Year Ended 30 June 2024**

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	a	b	c=(a+b)	d	e=(c-d)	f=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Revenue</b>						
Transfers from the County Government	8,460,000		8,460,000	7,148,400	1,311,600	84%
Rendering of services- Medical Service Income	7,622,065		7,622,065	7,622,065	-	100%
<b>Total income</b>	<b>16,082,065</b>	<b>-</b>	<b>16,082,065</b>	<b>14,770,465</b>	<b>1,311,600</b>	<b>92%</b>
<b>Expenses</b>						
Medical/Clinical costs	2,703,000		2,703,000	2,226,970	476,030	82%
Employee costs	1,845,200		1,845,200	1,682,201	162,999	91%
Repairs and maintenance	595,000		595,000	497,700	97,300	84%
General expenses	3,316,800		3,316,800	2,810,507	506,293	85%
Refunds	7,622,065		7,622,065	4,862,952	2,759,113	64%
<b>Total Payments</b>	<b>16,082,065</b>	<b>-</b>	<b>16,082,065</b>	<b>12,080,330</b>	<b>4,001,735</b>	<b>75%</b>
<b>Surplus for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,690,135</b>	<b>(2,690,135)</b>	
<b>Capital expenditure</b>						

**Budget notes**

The difference between the final budget and actual on comparable basis (Ksh, 1,311,600) was funds not disbursed to the Hospital in the financial year 2023/2024 as budgeted.

## **19. Notes to the Financial Statements**

### **1. General Information**

Tseikuru Level IV Hospital was established by the Ministry of Health and derives its authority and accountability from The Kenya Medical Practitioners and Dentists Council. The entity is wholly owned by the Government of Kenya and is omiciled in Mwingi North Sub County in Kitui County. The entity's principal activity is to provide medical healthcare within and outside its subcounty.

### **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 judgment in the process of applying the entity's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 18 The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the entity. The financial statements have been prepared in accordance with the PFM Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

**3. Adoption of New and Revised Standards**

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

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

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

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43	<p><i>Applicable 1<sup>st</sup> 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 cash flows of an Entity.</p> <p>The new standard requires entities to recognize, 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 1<sup>st</sup> January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously</p>

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

Standard	Effective date and impact:
IPSAS 48- Transfer Expenses	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

#### **4. Summary of Significant Accounting Policies**

##### **a. Revenue recognition**

##### **i) Revenue from non-exchange transactions**

##### **Transfers from other Government entities**

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

##### **b. Budget information**

The original budget for FY 2023/2024 was approved at the start of the Financial Year by the Ministry of Health and Sanitation – Kitui County. 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 to conclude the final budget. Accordingly, the hospital did not have any additional appropriations in the FY budget following the Board's approval. The Hospital's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on an accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 1 under section 14 of these financial statements.

**c. Taxes**

**Value Added Tax, PAYE, Withholding Tax**

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

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

**d. 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.

**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)*

**e. 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.

**f. Related parties**

The Hospital 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 hospital, or vice versa. Members of key management are regarded as related parties and comprise the directors, the board of management members, and the medical superintendent who is the manager of the hospital.

**g. 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 hospital 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.

**h. 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.

**i. Comparative figures**

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

**j. Subsequent events**

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

**5. Significant Judgments and Sources of Estimation Uncertainty**

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

*Notes to the Financial Statements (Continued)*

**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**

There were no provisions raised by management estimate based on the information available.. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Notes to Financial Statements (Continued)

6. Transfers from the County Government

Description	2023/2024	2022/2023
	KShs	KShs
Operational grant	7,148,400	9,370,081
<b>Total government grants and subsidies</b>	<b>7,148,400</b>	<b>9,370,081</b>

6 b Transfers from The County Government

Name of the Entity sending the grant	Amount recognized to Statement of financial performance*	Amount deferred under deferred income	Amount recognized in capital fund.	Total grant income during the year	2022/2023
			KShs	KShs	KShs
	KShs	KShs	KShs	KShs	KShs
Kitui County Government	7,148,400			7,148,400	9,370,081
<b>Total</b>	<b>7,148,400</b>			<b>7,148,400</b>	<b>9,370,081</b>

7. In-kind contributions from The County Government

Description	2023/2024	2022/2023
	KShs	KShs
Salaries and wages	48,345,589	
Medical supplies-Drawings Rights (KEMSA)	3,537,016	
Pharmaceuticals and Non-Pharmaceutical Supplies (MEDs)	1,713,849	
Projects	3,670,100	
<b>Total grants in kind</b>	<b>57,266,553</b>	<b>-</b>

**Notes to Financial Statements (Continued)**

**8. Rendering of Services-Medical Service Income**

Description	2023/2024	2022/2023
	Kshs	Kshs
Pharmaceuticals	264,335	321,655
Inpatient	1,354,387	511,358
Laboratory	171,808	178,750
Registration and Files	151,385	281,135
NHIF Outpatient	301,000	1,225,550
Physiotherapy	3,260	7,100
Deliveries	2,758,000	1,996,000
Antenatal Services	570,200	521,800
Other medical services income Capitation	2,047,690	1,343,017
<b>Total revenue from the rendering of services</b>	<b>7,622,065</b>	<b>6,386,365</b>

**9. Medical/ Clinical Costs**

Description	2023/2024	2022/2023
	Kshs	Kshs
Laboratory chemicals and reagents	60,000	602,750
Food and Ration	1,669,770	2,036,900
Medical Records	144,500	
Sanitary and cleansing Materials	352,700	397,250
<b>Total medical/ clinical costs</b>	<b>2,226,970</b>	<b>3,036,900</b>

**10. Employee Costs**

Description	2023/2024	2022/2023
	Kshs	Kshs
Salaries, wages, and allowances	1,434,951	1,800,000
Contributions to pension schemes	177,600	-
Staff medical expenses and Insurance cover	69,650	-
<b>Employee costs</b>	<b>1,682,201</b>	<b>1,800,000</b>

**11. Repairs And Maintenance**

Description	2023/2024	2022/2023
	Kshs	Kshs
Property- Buildings	296,000	495,335
Motor vehicle expenses	201,700	332,380
<b>Total repairs and maintenance</b>	<b>497,700</b>	<b>827,715</b>

Notes to Financial Statements (Continued)

12. General Expenses

Description	2023/2024	2022/2023
	Kshs	Kshs
Bank charges	8,577	4,089
Electricity expenses	167,750	510,000
Fuel and Lubricants	797,000	1,250,000
Travel and accommodation allowance	583,180	527,050
Printing and stationery	688,800	623,525
Water and sewerage costs	150,200	328,730
Other Fuels	350,000	538,000
Telephone and mobile phone services	65,000	-
<b>Total General Expenses</b>	<b>2,810,507</b>	<b>3,781,394</b>

13. Refunds to The County Government

Description	2023/2024	2022/2023
	KShs	KShs
Transfer to the County Government	4,862,952	5,711,865
<b>Total transfers to County Government</b>	<b>4,862,952</b>	<b>5,711,865</b>

14. In-kind contributions from The County Government

Description	2023/2024	2022/2023
	KShs	KShs
Salaries and wages	48,345,589	
Medical supplies-Drawings Rights (KEMSA)	3,537,016	
Pharmaceuticals and Non-Pharmaceutical Supplies (MEDs)	1,713,849	
Projects	3,670,100	
<b>Total grants in kind</b>	<b>57,266,553</b>	<b>-</b>

15. Cash And Cash Equivalent

Description	2023/2024	2022/2023
	KShs	KShs
Current accounts	1,814	66,544
<b>Total cash and cash equivalents</b>	<b>1,814</b>	<b>66,544</b>

Notes to Financial Statements (Continued)

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

Description		2023/2024	2022/2023
Financial institution	Account number	KShs	KShs
<b>a) Current account</b>			
Kenya Commercial Bank	1156757614	1,737	66,544
Kenya Commercial Bank	1156757428	77	-
<b>Total</b>		<b>1,814</b>	<b>66,544</b>

16. Receivables From Exchange Transactions

Description	2023/2024	2022/2023
	KShs	KShs
Medical services receivables	3,429,305	674,500
<b>Total receivables</b>	<b>3,429,305</b>	<b>674,500</b>

16 (a). Analysis of Receivables From Exchange Transactions

Description	2023/2024		2022/2023	
	Kshs		Kshs	
	2023/2024	% of the total	2022/2023	% of the total
Less than 1 year	3,429,305	100%	674,500	100%
<b>Total (a+b)</b>	<b>3,429,305</b>	<b>100%</b>	<b>674,500</b>	<b>100%</b>

16(b). Receivables From Non-Exchange Transactions

Description	2023/2024	2022/2023
	KShs	KShs
Transfers from the County Government	-	700,000
<b>Total</b>	<b>-</b>	<b>700,000</b>

Notes to Financial Statements (Continued)

17 (a) Analysis of Receivables From Non-Exchange Transactions

Description	2023/2024		2022/2023	
	Kshs		Kshs	
	2023/2024	% of the total	2022/2023	% of the total
Less than 1 year	-	-	700,000	100%
<b>Total (a+b)</b>	-	-	<b>700,000</b>	<b>100%</b>

18. Inventories

Description	2023/2024	2022/2023
	KShs	KShs
Pharmaceutical supplies	378,997	-
Non-Pharmaceutical supplies	517,973	-
<b>Total</b>	<b>896,970</b>	<b>-</b>

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*Notes to the Financial Statements (Continued)*

**19. Property, Plant and Equipment**

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
<b>Cost</b>								
At 1 July 2023 (previous year)								
Additions								
Disposals								
Transfers/adjustments								
<b>At 30<sup>th</sup> Jun 2023</b>								
At 1 July 2023 (current year)								
Additions								
Disposals								
Transfer/adjustments								
<b>At 30<sup>th</sup> Jun 2023</b>								
<b>Depreciation and impairment</b>								
At 1 July 2023 (previous year)								
Depreciation for the year								
Disposals								
Impairment								
<b>At 30 June 2023</b>								

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Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
At July 2023 (current year)								
Depreciation								
Disposals								
Impairment								
Transfer/adjustment								
<b>At 30<sup>th</sup> June 2024</b>								
<b>Net book values</b>								
At 30 <sup>th</sup> Jun 2023 (previous)								
At 30 <sup>th</sup> Jun 2024 (current)								

*The hospital has items of Property, Plant and Equipment in its list of assets. However, the items have not been valued resulting to nil balances in the PPE schedule. We are looking forward to perform a valuation of all the assets.*

Notes to the Financial Statements (Continued)

20. Trade and other Payables

Description	2023/2024		2022/2023
	KShs		KShs
Trade payables	1,006,453		974,543
Employee dues	141,000		
Third-party payments (NHIF AND NSSF)	24,000		
<b>Total trade and other payables</b>	<b>1,171,453</b>		<b>974,543</b>
<b>Ageing analysis:</b>	<b>2023/2024</b>	<b>% of the Total</b>	<b>2022/2023</b>
Under one year	779,603	67%	974,543
1-2 years	391,850	33%	-
<b>Total</b>	<b>1,171,453</b>	<b>100%</b>	<b>974,543</b>

21. Cash Generated from Operations

Description	2023/2024		2022/2023
	KShs		KShs
Surplus for the year before tax	2,690,135		598,572
<b>Adjusted for:</b>			
Depreciation			
Non-cash grants received			
<b>Working Capital adjustments</b>			
Increase in inventory	(896,970)		-
Increase in receivables	(2,054,805)		(1,374,500)
Increase in payables	196,910		974,543
<b>Net cash flow from operating activities</b>	<b>(64,730)</b>		<b>198,615</b>

**Notes to the Financial Statements (Continued)**

**22. Financial Risk Management**

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

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

**(i) Credit risk**

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2023</b>				
Receivables from exchange transactions	674,500	674,500		
Receivables from –non-exchange transactions	700,000	700,000		
Bank balances	66,544	66,544		
<b>Total</b>	<b>1,441,044</b>	<b>1,441,044</b>		
<b>At 30 June 2024</b>				
Receivables from exchange transactions	3,429,305	3,429,305		
Receivables from –non-exchange transactions				
Bank balances	1,814	1,814		
<b>Total</b>	<b>3,431,119</b>	<b>3,431,119</b>		

**Notes to the Financial Statements (Continued)**

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

**(ii) Liquidity risk management**

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2023</b>				
Trade payables	974,543			974,543
Current portion of borrowings				
Provisions				
Deferred income				
Employee benefit obligation				
<b>Total</b>	<b>974,543</b>			<b>974,543</b>
<b>At 30 June 2024</b>				
Trade payables	475,603	304,000	391,850	1,171,453
Current portion of borrowings				
Provisions				
Deferred income				
Employee benefit obligation				
<b>Total</b>	<b>475,603</b>	<b>304,000</b>	<b>391,850</b>	<b>1,171,453</b>

**Notes to the Financial Statements (Continued)**

**(iii) Market risk**

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

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

**a) Foreign currency risk**

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

Description	KShs	Other currencies	Total
	Kshs		Kshs
<b>At 30 June 2023</b>			
Financial assets (investments, cash, debtors)			
Liabilities			
Trade and other payables			
Borrowings			
Net foreign currency asset/(liability)			

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

**Notes to the Financial Statements (Continued)**

Description	KShs	Other currencies	Total
	Kshs		Kshs
<b>At 30 June 2023</b>			
Financial assets (investments, cash, debtors)			
Liabilities			
Trade and other payables			
Borrowings			
Net foreign currency asset/(liability)			

**Foreign currency sensitivity analysis**

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

Description	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
<b>2023 (previous year)</b>			
Euro	10%		
USD	10%		
<b>2023 (current year)</b>			
Euro	10%		
USD	10%		

**b) Interest rate risk**

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

**Management of interest rate risk**

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

**Notes to the Financial Statements (Continued)**

**Sensitivity analysis**

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of financial performance if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs xxx (2024: KShs xxx). A rate increase/decrease of 5% would result in a decrease/increase in surplus of KShs xxx (2023 – KShs xxx).

**iv) Capital Risk Management**

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

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

**Notes to the Financial Statements (Continued)**

**23. 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.

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

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

Description	2023/2024	2022/2023
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>a) Services offered to related parties</b>		
Services to NHIF	3,429,305	674,500
Sales of services		
<b>Total</b>		
<b>b) Grants from the Government</b>		
Grants from County Government		700,000
Grants from the National Government Entities		
Donations in kind		
<b>Total</b>		
<b>c) Expenses incurred on behalf of related party</b>		
Payments of salaries and wages for employees		
Payments for goods and services		
<b>Total</b>		
<b>d) Key management compensation</b>		

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Description	2023/2024	2022/2023
	Kshs	Kshs
Directors' emoluments		
Compensation to the medical Sup		
Compensation to key management		
<b>Total</b>	<b>3,429,305</b>	<b>1,374,500</b>

**24. Segment Information**

The Hospital operates in Mwingi North Sub-County, Kitui County

**25. Events after the Reporting Period**

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

**26. Ultimate and Holding Entity**

The Hospital is a Semi- Autonomous County Government Agency under the Ministry of Health. Its ultimate parent is the County Government of Kitui.

**27. Currency**

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

## 20. Appendices

### Appendix 1: Progress on Follow Up of Auditor Recommendations

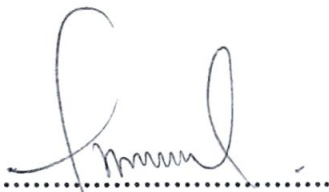
The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have provided a time frame within which we expect the issues to be resolved.

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status:  (Resolved / Not Resolved)</b>	<b>Timeframe:  (Put a date when you expect the issue to be resolved)</b>
1	Non-Disclosure of Employee Costs Paid by the County Government	The management acknowledges the audit findings on employee costs. However, the management has not resolved the issue but has provided and disclosed the employee costs paid by the county government in the financial year 2023/2024.	Not Resolved	June 2025
2	Non-Disclosure of Donated Drugs	The management acknowledges the audit findings on donated drugs. However, we have provided a total amount of drugs and disclosed in the subsequent financial year.	Not Resolved	June 2025
3	Unconfirmed Inventory Balance	The management acknowledges the audit findings on inventory balances. However, the management has provided and disclosed a confirmed balance of inventory in the financial year 2023/2024.	Not Resolved	June 2025
4	Non-Disclosure of Property, Plant and Equipment	The management acknowledges the auditor's observation identified. The County Government of Kitui commits to conduct the valuation of all the county assets to be disclosed in the Financial Statements.	Not Resolved	June 2025

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5	Non-Functional Hospital Management Committee	The hospital management has noted the audit observations. The management will engage the Ministry of Health and Sanitation to appoint a Board which will actively oversee administration of the funds, promote the development, approve plans, programs and estimates of the hospital.	Not Resolved	June 2025
6	Failure to Maintain Fixed Assets Register.	The management acknowledges the auditor's observation on Assets Register. The hospital maintains an updated list of assets whose valuation has not been done. We have not resolved the issue but the County Government of Kitui commits to conduct the valuation of all the county assets.	Not Resolved	June 2025
7	Expiry of Medical Supplies	The management acknowledges the auditor's observation on expired medical supplies. The ministry of Health and Sanitation has a HPT department and has appointed a committee to manage selection, procurement, receiving, distribution, accountability and use of Health products and technologies. It has further put in place standard operating procedures and guidelines on handling HPTs and also guidelines on receiving, distribution, redistribution and handling donated HPTs which form the majority of expiries.	Not Resolved	June 2025
8	Deficiencies in Implementation of Universal Health Coverage	Management has noted the audit observation that we did not include the issue of Deficiencies in the implementation of Universal Health. The County Government of Kitui is committed to progressively filling the Human Resources gaps for health gaps to achieve the goals of Universal Health Coverage.	Not Resolved	June 2025



.....  
**Accounting Officer**

*Tseikuru Level IV Hospital (Kitui County Government)  
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**Appendix II: Projects Implemented by The Entity**

**Projects**

Projects implemented by the Hospital Funded by development partners

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

**Status of Projects completion**

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	N/A					

*The hospital did not have any project funded by the development partners in the financial year 2023/2024. However, the hospital had a project done by the County Government of Kitui worth Ksh.3,670,100 whose particulars are provided below.*

SN	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Automated hematology analyzer, automated biochemistry analyzer, and electrolyte analyzer	3,670,100	3,670,100	100%	4,200,000	3,670,100	County Government of Kitui

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**Appendix III: Inter-Entity Confirmation Letter**

**Name of Transferring entity:** Kitui County Government - Treasury

**Name of Beneficiary entity:** Tseikuru Level IV Hospital

Confirmation of amounts received by Tseikuru Level IV Hospital as at 30 <sup>th</sup> June 2024					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
REC/0001090105	14/08/2023	700,000	-	700,000	Received
REC/0001091132	13/09/2023	700,000	-	700,000	Received
REC/0001091944	29/09/2023	700,000	-	700,000	Received
REC/0001093324	27/10/2023	700,000	-	700,000	Received
REC/0001094655	01/12/2023	700,000	-	700,000	Received
REC/0001095879	04/01/2024	700,000	-	700,000	Received
REC/0001097617	02/02/2024	700,000	-	700,000	Received
REC/0001098968	06/03/2024	700,000	-	700,000	Received
REC/0001099825	04/04/2024	700,000	-	700,000	Received
REC/0001100749	16/05/2024	700,000	-	700,000	Received
REC/0001101861	11/06/2024	148,400	-	148,400	Received
		<b>7,148,400</b>		<b>7,148,400</b>	


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

**Head of Accounts Department - Disbursing Entity:**

Name ..... Anastacia Kanini ..... Sign ..... [Signature] ..... Date ..... 27/12/2024 .....

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Head of Accounts Department - Beneficiary Entity:

Name Teddy Njalo Sign  Date 27/12/2024