

REPUBLIC OF KENYA



Enhancing Accountability

REPORT



OF

THE AUDITOR-GENERAL

ON

**SIGOMERE SUB-COUNTY LEVEL 4
HOSPITAL**

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

COUNTY GOVERNMENT OF SIAYA

	PAPERS LAID
DATE	5/3/2025
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COMMITTEE	—
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OFFICE OF THE AUDITOR GENERAL

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P. O. BOX 1188, KISUMU

Revised 30th June 2024



SIGOMERE SUB COUNTY HOSPITAL

SIGOMERE SUB COUNTY LEVEL 4 HOSPITAL

Siaya County Government

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2024

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

Sigomere Sub County Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

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1. Acronyms & Glossary of Terms

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

CSR	Corporate Social Responsibility
OSHA	Occupational Health & Safety Act
PFMA	Public Financial Management Act
MED SUP	Medical Superintendent
Fiduciary Management	Key management personnel who have financial responsibility in the entity.
SDG	Sustainable Development Goals
OPD	Out Patient Department
CHS	Centre for Health Solutions
KEMRI	Kenya Medical Research Institute
ISO	International Standard Organization
NGO	Non-Governmental Organization
MCA	Member of County Assembly
HMT	Hospital Management Team
NHIF	National Insurance Fund
CIDP	County Integrated Development Plan
IPSAS	International Public Sector Accounting Standard
HBA	Adult haemoglobin
SCH	Sub County Hospital
PPE	Personal Protective Equipment
PFM	Public Finance Management
NIUPLAN	Nairobi Integrated Urban Management Master Plan

2. Key Entity Information and Management

(a) Background information

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

(b) Principal Activities

Services offered in Sigomere Sub county Hospital ranges from curative to preventive outpatient to inpatient services. Some of the departments available include:

1. Ultrasonography
2. Outpatient consultation
3. Laboratory with general and few specialized tests
4. Minor theatre/Casualty
5. MCH services including family planning
6. Maternity services
7. Inpatient services; pediatricians, general medical, surgical cases and partly gynecological cases.
8. Pharmacy department also available.

Vision

Sigomere Hospital shall strive to be the best Sub County Hospital with affordable accessible health care in a manner that exceeds patient expectations.

Mission

Our mission as Sigomere Hospital is to continuously improve health care for the public in collaboration with other stakeholders by evaluating healthcare organizations and inspiring them to excel in providing them to excel in providing safe and effective care of the highest quality and value.

Core Objectives

- Working together as a team for patients come first in everything we do.
- Respect and dignity to be given to our patients
- Commitment to quality health care
- Improving lives
- Everyone Counts
- Showing compassion to patients

(c) Key Management

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

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

(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:

1.	Medical Superintendent	Ousborn Odhiambo
2.	Head of finance	Kennedy Ooko
3.	Nursing Manager	Rèbecca Wamukoya
4.	Hospital Administrator	Mary Okwako

(e) Fiduciary Oversight Arrangements

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

Key Entity Information and Management (continued)

(f) Entity Headquarters

P.O. Box 36 Sigomere
Ugunja Bukura Highway
Sigomere
KENYA

(g) Entity Contacts

Telephone: (+254) 0705025864
E-mail: sigomerehospital @ gmail.ke
Website: www.go.ke

(h) Entity Bankers

Kenya commercial Bank
1162169087
1106089049

(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

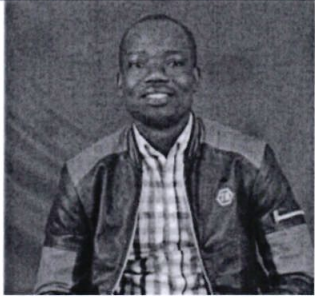


(k) County Attorney

P.O. Box.7
Siaya. Kenya

3. The Board of Management

Ref	Directors	Details
1.	Director 1 <i>(Insert each Director's passport-size photo and name, and key profession/academic qualifications)</i>	Provide a concise description of each Director's age, key qualifications, and work experience. Indicate whether the director is independent or an executive director and which committee of the Board the director chairs where applicable. Indicate whether the director is independent and or whether alternate.
2.	Director 2	
3.	Director 3	
4.	Director 4/Alternate	
5.	MED SUP	
6.	Entity Secretary	Indicate whether the secretary is a member of ICS as required under the Mwingozo code in addition to their other details.

4. Key Management Team

Ref	Management		Details
1.	OUSBORN ODHIAMBO MEDICAL SUPERITENDANT		-BSC Clinician
2.	KENNEDY OOKO HOSPITAL ACCOUNTANT		B.COM
3.	REBECA AMUKOYA NURSING INCHARGE		-KRCHN
4.	MARY OKWAKO HOSPITAL ADMINISTRATOR		-Diploma in Administration

5. Chairman's Statement

During the year under review the facility did not have an active Board of management this because the term of services of the previous board had expired. In the subsequent year (FY 2023-2024) endeavour to establish the board of management.

6. Report of The Medical Superintendent

Sigomere sub county hospital is a level 4 hospital in Ugunja sub county, Siaya County lying on approximately 2.5 acres of land and is headed by Medical superintendent as the head and having a HMT that makes decisions supported by the Board on the availability basis. It's a public facility supervised by the Ministry of Health. Services offered range from curative to preventive outpatient to inpatient services. Some of the departments available include:

1. Ultrasonography
2. Outpatient consultation
3. Laboratory with general and few specialized tests
4. Minor theatre/Casualty
5. MCH services including family planning
6. Maternity services
7. Inpatient services; paediatric, general medical, surgical cases and partly gynaecological cases.
8. Pharmacy department also available.

Currently, the facility has 57 staff majority non-technical. The facility has 5 clinical officers, 11 nurses, 4 laboratory technicians, 2 pharmacy technicians and 4 health records officers. Top of the non-technical team are the hospital accountant, hospital administrator and a public health officer. Of importance the facility envisages to include further SDPs eg

1. Dental unit
2. Eye unit
3. Radiology unit
4. Operational maternity theatre if not combined theatre
5. ENT department
6. Procurement department
7. Social work
8. Mortuary

Actualization of this would rely on the support local leadership of the community i.e. political, county government of Siaya and facility funds through FIF.

Further to the above plans the facility suffers major setbacks in staffing, financial deficits and infrastructure. The standard staffing requirements for a level 4 hospital are not met and thus poses a management risk and even compromises the quality of care given.

With erratic and inadequate finances the facility max is unable to implement most of its plans.

The sources of money for the facility are:

1. Facility fee for service collection (FIF)
2. NIHF rebates
3. Linda mama
4. Grants from the facility
5. UHC capitation

Of the sources mentioned the only assured amount is the FIF which is approximately 3 to 4 million shillings annually with improvements expected due to improved quality of services and even introduction of other tests in the laboratory. Follow up and consolidation of other sources of funds is not adequate since the reimbursements are erratic and not clear payment schedules. Reconciliations cannot reveal the claim amounts versus the actual figures paid since they don't match.

With infrastructure as major component we have a deficit on land as priority without a title deed by the facility. Structures in the facility some are dilapidated while some are inadequate and of poor standards hence the need to put up more and modern buildings. Our desire and wish would be that social Health Insurance Fund would improve the money flow into the facility to enable the much needed improvements. As government entities we also desire extra funding from the government for daily running and even to support in the development plans of the facility. Regular engagements and support would allow us to achieve the desired results.


Name

Secretary to the Board

7. Statement of Performance Against Predetermined Objectives

Sigomere Sub county hospital has 2 strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY 23 FY24. These strategic pillars/ themes/ issues are as follows:

Pillar /theme/issue 1:

Pillar/theme/issue 2:

Sigomere Sub County Hospital develops its annual work plans based on the above pillars/Themes/Issues. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The achieved its performance targets set for the FY 2023/2024 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:				
Health and Sanitation	To reduce mortality from preventable deaths	Reduce disease burden in Siaya County	% of Clients counselled and tested for HIV	85%
			% of HIV positive clients linked to care	98%
	% of WRA who know their HIV status		93%	
	Percentage of HEI turning HIV positive at 18 months		2%	
	% of clients wjth viral load <1000c/ml		90%	
	No. of accredited CHVs given feedback		28	
	No. of CHAs sensitized on eye health		28	
	No. of half jackets distributed		100	
	No. of CHVs sensitized on NCDs		28	
	No. of CHAs trained on community MNH		28	
	To provide accessible and appropriate diagnostic and curative services			

8. Corporate Governance Statement

During the year under review the facility did not have an active Board of management this because the term of services of the previous board had expired. In the subsequent year (FY 2023-2024) endeavour to establish the board of management.

9. Management Discussion and Analysis

Sigomere sub county Hospital is headed by medical superintendent Ousbomb Odhiambo and also supported by NSN Rebecca Wamukoya , HAO Mary Okwako and an Accountant Carolyn Omondi. The above team is closely supported by a Hospital management team [HMT] that comprises of departmental heads. Important operational decisions are supported by concerns from individual staff through general staff meetings that are planned and conducted every quarter. Community engagement are also undertaken through public forum eg barazas, outreaches and even Community Health Assistant [CHA] attached to the facility. The facility is made up of different cadres ranging from clinical officers, nurses, laboratory and even the subordinate staffs that take part in day to day activities of the facility.

Currently the facility lacks an active Board since the selection is done by the assembly through the CECM Health which the process is underway. Supervision on management and general running of the facility is done through the sub county Health Management team [SCHMT] led by a sub county medical officer of health and also by the county through the county Health Management team [CHMT] headed by the chief officer Health [COH].

Financial performance

Revenue sources,

The facility gets funding from facility improvement funds [FIF] own source revenue, drawing rights given by the county, donations in kind. National Hospital Insurance fund [NHIF] and Linda Mama rebates/disbursements. Over the period in question Financials Year 2023-2024 the facility realized total revenues amounting to **KShs 48,157,951.00** and incurred expenditures of **KShs 43,307,718.00** giving a surplus of **KShs 4,850,233.00**. The facility accrued account trade payables of **KShs 3,088,905.00** and **KShs 4,865,901.00** as receivables from exchange transactions. Facility's inventories for the period was **KShs. 1,153,700.00**

Utilisation of funds

Despite increase in FIF collection we would also like to state that the facility is owed large sums of money through NHIF and Linda Mama schemes due to non-payment of claims. The accumulated claims way above 8 million shillings. If the said amount could be paid as envisaged the facility would go a long way in improving service delivery and even on the general infrastructure and to address the payable adequately.

With the above information, the facility through its management would like to state that there are numerous areas of deficiency that as a facility we envisage to address going forward e.g. staffing to improve on the existing numbers and also include other new cadres e.g. medical officers, dental specialists and even eye specialist to ensure other services are

rendered to the public. In this breath the facility would also like to state that we are in serious need of infrastructural improvement as the would go a long way in ensuring the population gets services within and the quality is also guaranteed e.g. modern maternity, in patient complex, modern laboratory and even a mortuary.

Clinical/operational performance

In line with the improved services in the facility over the past year the bed occupancy significantly increased from an average of 60-87% with a total bed capacity of 25 beds. On and off on some occasions the patients have to share beds. In the same breath with an upsurge in client flow the outpatient and MCH[maternal child health] units have faced serious congestion necessitating the need for expansion and even additional staffs to run them. The average length of hospital stay at 2 days and mortality rate below 1%. With clinical care improvements the facility currently runs specialized clinics in;

1. Psychiatry/epilepsy clinic.
2. Paediatric outpatient clinic
3. Sickle cell clinic
4. Medical outpatient clinic with Hypertension and diabetes being key.

Currently the special clinics has a total population of approximately 630 clients all of which attend and get services at the facility.

With the realization that the facility is seriously understaffed the management has undertaken to have some Moues [Memorandum of understanding] with a few institutions within the region that send their students for rural attachment eg KMTC –Kenya Medical Training College, Matibabu school of nursing, and Uzima university helping breech some of the glaring staffing deficiencies and even from some of the technical institutes.

With steady upward trend in patient numbers and care the facility through its management is currently actively undertaking to ensure we venture into new areas and even further address the challenges of the community and also improve on the already existing structures at the facility. The facility is open to further engagements and even partnerships that would enhance on service delivery and even enhance acceptability to the people we serve.

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Name: Ousborn Odhiambo
Medical Superintendent


10. Environmental And Sustainability Reporting

Sigomere Sub -County Hospital exists to transform lives. It's what guides us to deliver our strategy, putting the client/Citizen first, delivering health services, and improving operational excellence. Below is an outline of the organisation's policies and activities that promote sustainability.

1. Sustainability strategy and profile

Sigomere Sub-County Hospital has identified the following sustainability priorities; consultative planning and budgeting process, improving own source revenue collection and sourcing for local service providers. In consultative planning and budgeting process, the county has ensured all stakeholders are brought on board in project identification, implementation to completion and this has ensured project ownership by the intended beneficiaries and ultimately creating the desired impact. The county has developed own source revenue collection strategy as a deliberate effort of laying down strategies of improving own source revenue collected within the county. These efforts are aimed at boosting the fiscal resource basket of the county that is largely supported by the exchequer from the National Government. In the end, the county is also promoting sourcing of services from local providers with an objective of 'buying Siaya building Siaya'. This translates to promoting local goods and services that will ultimately build the local economy. While implementing the above sustainability priorities, there are broad political and macroeconomic trends from the National outlook that are likely to affect their realization. The major macroeconomic trend projected is high cost of inflation in the country. The high inflation rate will affect the cost of living and production cost that will negatively affect the business environment and eventually own source revenue collection. Similarly, the country is also headed in the electioneering period and the political environment interfere with the sustainability priorities. Notwithstanding, the county will align its policies to adjust to the microeconomic conditions and implement succession management plan in the transition period to manage the political environment.

. However, in the course of implementation, there are challenges experienced across departments. They include; effects of covid-19, inadequate staffing, inadequate funding and delays in disbursement of funds

2. Environmental performance

Sigomere Sub Hospital is yet to establish an environmental policy however, the county has adopted National laws to guide the public and help in compliance with environmental laws. Some of the environmental and climate change issues experienced in the County include; deforestation in hills, flooding in areas near water bodies, pollution in urban areas, drought and famine, invasive species, loss of biodiversity and change in water levels especially in Lake Victoria. To manage these environmental hazards, the county is; **developing policies that will help protect the environment**; investing in woodlots to promote tree planting, establishing designated dumping sites for waste management; promoting irrigation; establishing dykes in flood prone areas; preserving indigenous trees and certain wild animals.

3. Employee welfare

To improve staff performance, Sigomere Sub Hospital has initiated capacity building programmes to staffs through trainings by Kenya School of Government and partners such as World bank. Further, the Human Resource department coordinates staff appraisal, performance contracting and propose rewards and sanctions.

The County has complied to Occupational Safety and Health Act of 2007, (OSHA) by providing adequate office space that is regularly cleaned, providing sanitation facilities, regular trainings on drug and substance abuse and providing PPEs (Personal Protective Equipment) to staffs in health-related fields.

4. Market place practices-

In 2019, the County Government was declared a corruption free zone after engagements with Ethics and Anti-corruption commission. The county government advocates for fairness in service provision, resource allocation, open bidding, evaluation and awarding of tenders to suppliers. All advertisement of tenders and communications are done through the County Government website and official social media platforms. The county has fully embraced the e-procurement system to help in the tendering process. To successful suppliers, the county makes timely payment of goods and services delivered and made efforts of settling pending bills owed to creditors. The County expect quality goods and services despite not having a quality assurance unit to check on standards. Nonetheless, the process of ISO certification is on course.

5. Community Engagements-

Sigomere Sub Hospital is fostering interaction with businesses, NGOs and other key stakeholders to address social problems through Corporate Social Responsibility (CSR) agenda. Various sectors have partnered with NGO's to provide CSR services. In health sector, the county has partnered with NGO's to provide polio vaccine to new born in the communities, training of expectant mothers, providing mosquito nets and providing food supplements. In agriculture, through partners, farmers have benefited from free extension services, provision of certified seeds and fertilizers, provision of fingerlings and fishing gears.

i) Market place practices-

a) Responsible competition practice.

- By offering quality service to all clients visiting the facility

-By ensuring, that clients are being handled with a positive altitude.

- By taking services closer to the community e.g. integrated outreaches supported by the facility.
- By ensuring that there are adequate supply of the commodities within the facility.
- By ensuring that the general sanitation is up to date.
- By ensuring that there is adequate personnel to reduce time hostage.

b) Responsible Supply chain and supplier relations

- By ensuring that supply is paid in time
- By ensuring that all the products supplied by the supplier are inspected by the authorizing officer
- By allowing them to participate in open tenders
- By ensuring we treat our suppliers like partners
- By maintaining regular communication
- Coming up with detailed and fair supplier agreement
- By employing the right technology and personnel
- By evaluation and monitoring the risks

c) Responsible marketing and advertisement

INCLUSIVITY

By including community members in decision making

-TRANSPARENT

By engaging Hospital Management Team in daily activities of the facility eg budget making

-RESPECTING CONSUMER AND PRIVACY

By ensuring that clients privacy is confidentiality are adhered to, by handling clients with a lot of respect.

-SOCIAL RESPONSIBILITY

By ensuring community outreaches are organized by facility

-ACCURACY AND TRUTHFULNESS

By handling clients with a lot of care and be in a position to tell the client the truth about the services offered.

d) Product stewardship product

- Inspection of products supplied within the facility by the departmental user
- Ensuring that goods and services are of reasonable quality
- Protection of consumer health supply and economic interest.
- Investigating complains relating to false or misleading information regarding the facility

-Encouraging health care workers to conduct their affairs in a way that is not determined to the interest of the clients coming to seek health care services.

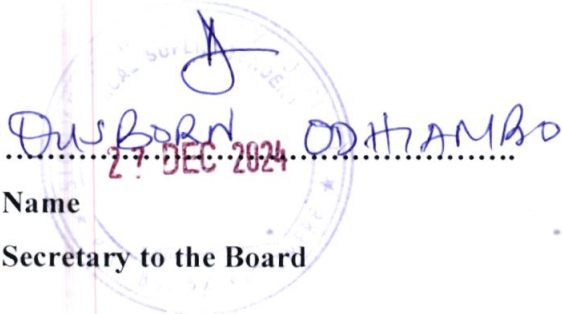
ii) Corporate Social Responsibility / Community Engagements

The organisation gives details of CSR activities carried out in the year and the impact to the society.

Give evidence of community engagement including charitable giving (cash and material), Corporate Social Investment and other forms of community engagements.

11. Report of The Board of Management

The hospital did not have a board of management in the financial year 2023/2024



Dusborn Odhiambo
27 DEC 2024
Name
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 Sigomere Sub county hospital, which give a true and fair view of the state of affairs of Sigomere Sub county hospital at the end of the financial year/period and the operating results of Sigomere Sub county hospital for that year/period. The Board of Management is also required to ensure that Sigomere Sub county hospital keeps proper accounting records which disclose with reasonable accuracy the financial position of Sigomere Sub county hospital. The council members are also responsible for safeguarding the assets of Sigomere Sub county hospital

The Board of Management is responsible for the preparation and presentation of Sigomere Sub county hospital financial statements, which give a true and fair view of the state of affairs of Sigomere Sub county hospital for and as at the end of the financial year (period) ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of Sigomere Sub county 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 Sigomere Sub county hospital 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 Sigomere Sub county hospital's financial statements give a true and fair view of the state of Sigomere Sub county hospital transactions during the financial year ended June 30, 2024, and of Sigomere Sub county hospital financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for Sigomere Sub county hospital which have been relied upon in the preparation of Sigomere Sub county hospital 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 Sigomere Sub county hospital will not remain a going concern for at least the next twelve months from the date of this statement.

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 Sigomere *hospital's* affairs.

By Order of the Board

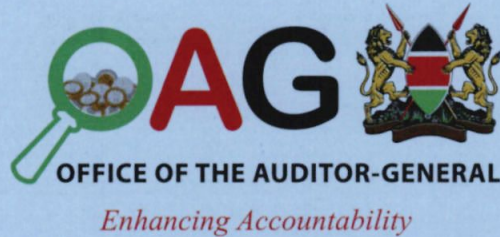
.....
Name:
Chairperson
Board of Management

Approval of the financial statements



REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON SIGOMERE SUB - COUNTY LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2024 – COUNTY GOVERNMENT OF SIAYA

PREAMBLE

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

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

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 Sigomere Sub-County Level 4 Hospital set out on pages 1 to 56, which comprise of the statement of financial position

Report of the Auditor-General on Sigomere Sub-County Level 4 Hospital for the year ended 30 June, 2024 – County Government of Siaya

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

In my opinion, except for the 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 Sigomere Sub-County Level 4 Hospital as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the County Governments Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Revenue from Non-Exchange Transactions

The statement of financial performance reflects the revenue from non-exchange transactions amount of Kshs.35,817,030 which consist of in-kind contributions and grants and development partners amount of Kshs.22,841,919 and Kshs.12,975,111 respectively, as disclosed in Note 7 and Note 8 to the financial statements. However, this amount of Kshs.35,817,030 was not posted to the cash book and cannot be trace to the Hospital's bank statements. Further, the approval of the County Executive Committee member for finance to receive a grant or donation from a development partner and the acknowledgement of receipt of the grants were not availed for audit verification.

In addition, the grant agreement between the donor and the recipient to confirm the terms and conditions of the grant was also not availed for audit verification.

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

2. Non-Disclosure of Property, Plant and Equipment.

The statement of financial position reflects property, plant and equipment balance of Kshs.2,235,641 as disclosed in Note 31 to the financial statements. However, review of Hospital records and physical inspection revealed assets including land, buildings, one (1) motor vehicles, two (2) motor bikes, and three (3) equipment were not included in the financial statements. Further, the ownership documents for the assets and the valuation report for the assets were not provided for audit verification.

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

3. Inaccuracy in the Statement of Cash Flows

The statement of financial performance reflects in kind contributions from the County Government amount of Kshs.22,841,919 which is at variance with the statement of cash flows reflecting Nil (0) contributions from the County Government. The variance of Kshs.22,841,919 has not been reconciled. Further, net cash flow from operating activities reflects Nil (0) balance, while re-computation of net cash flows from operating activities was negative 15,649 which has not been explained.

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

4. Medical/Clinical Costs

The statement of financial performance reflects medical clinical cost expenditure amount of Kshs.18,609,636 as disclosed in Note 15 to the financial statements. Hospital purchased a blood storage fridge of Kshs.119,500, which was classified under medical/clinical costs instead of property, plant and equipment.

In the circumstances, the accuracy and completeness of the expenditure on medical/clinical costs of Kshs.18,609,636 could not be confirmed.

5. Grants from Donor and Development Partners

The statement of financial performance reflects grants from donors and development partners amount of Kshs.12,971,111 as disclosed in Note 8 to the financial statements. However, the following anomalies were observed:

- i. The Hospital did not provide agreements with the donors stipulating the conditions of the donations and grants
- ii. The drugs amounting to Kshs.12,975,111 donated by different donors were delivered at Sigomere Sub-County Hospital via various invoices and delivery notes. However, the deliveries were not supported with counter receipt vouchers for the delivered drugs as well as inspection and acceptance Committee Minutes for all the drugs donated were not availed for audit verification and
- iii. The Hospital failed to account for the donated drugs separately in their inventory as at the end of the financial year.

In the circumstances, the accuracy and completeness of the donated drugs costs of Kshs.12,975,111 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Sigomere 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 for the year ended 30 June, 2024 reflects a budgeted revenue of Kshs.53,000,000 against actual revenue of Kshs.48,157,950, resulting in an under funding of Kshs.4,842,050. Similarly, the statement reflects a total expenditure of Kshs.43,307,718 against the actual revenue of Kshs.48,157,950 resulting in under-utilization of Kshs.4,850,232.

The under-funding and under-utilization 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. 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

Non-Implementation of Prior Year Audit Recommendation

In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues or given any explanation for failure to implement the recommendations.

Other Information

The Management is responsible for the other information set out on page iii to xx which comprises of Key Entity Information and Management, Board of Management, Key Management Team, Report of the Medical Superintendent, Statement of Performance

Against Predetermined Objectives, Corporate Governance statement, Management Discussion and Analysis, Environmental and Sustainability Reporting and Report of the Board of Management. The Other Information does not include the financial statements and my audit report thereon.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects 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. Lack of a Strategic Plan and Other Policy Documents

Review of the records revealed that Sigomere Sub-County Level 4 Hospital does not have a strategic plan and it is not clear how the Hospital will be able to attain its strategic goals and objectives.

In addition, the Hospital Management did not provide the Hospital's operational plan and the depreciation policy of the assets and as result the basis on computation of depreciation on Hospital assets could not be confirmed. This is contrary to Section 149 (2) of the Public Finance Management Act, 2012 which states that in carrying out a responsibility imposed by subsection (1), an accounting officer shall, in respect of the entity concerned— (g) prepare a strategic plan for the entity in conformity with the medium-term fiscal framework and financial objectives of the county government.

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

2. Lack of Quarterly Stock Taking Reports

The Management of the Hospital did no provide quarterly reports for audit review contrary to Regulation 171 (1) which states that the head of the procurement function of a

procuring entity shall conduct quarterly and annual stock taking pursuant to section 162(2) of the Act.

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

3. Lack of a Disposal Plan

During the audit, it was noted that Sigomere Sub-County Hospital did not have an Asset Disposal Plan for the year 2023-2024. It was also noted that two moto bikes and one vehicle had been grounded and needed to be disposed but this did not happen because there was no a disposal plan in place. This was contrary to Regulation 176(1) of the Public Procurement and Asset Disposal Regulations, 2020 stipulates that an accounting officer of a procuring entity shall ensure that an annual assets disposal plan is prepared of items declared as unserviceable, surplus or obsolete, obsolescent store, assets and equipment.

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

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

Review of records provided revealed that the Hospital had significant deficit in staff, essential services and Hospital equipment and machines as tabulated below:

S/No.	Category	Recommended by the Kenya Quality Model for Health	In-Post	Deficit	%Deficit
Staffing Requirement					
1.	Medical Officers	16	0	16	100%
2.	Anesthesiologists	2	0	2	100%
3.	General Surgeons	2	0	2	100%
4.	Gynecologists	2	0	2	100%
5.	Pediatricians	2	0	2	100%
6.	Radiologists	2	0	2	100%
7.	Registered Community Health Nurses	75	11	64	85%
Bed Capacity					
1	Bed Capacity	150	24	1	84%
Equipment & Machines					
1	Incubators (newborn)	5	1	4	80%
2	Cots	5	2	3	60%

The deficiencies contravene the First Schedule of the Health Act, 2017 and imply that accessing highest attainable standards 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 been achieved.

Further, this contravened the Kenya Quality Model for Health Policy Guidelines and hindered the realization of the Government program on Universal Health Coverage (UHC).

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect(s) of the matter(s) 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 Internal Audit Report

Review of records of the Hospital records revealed that there was no signed written internal audit report for the Financial Year 2023/2024. Further, there was no evidence to confirm that an annual audit plan for the Hospital was developed and approved by the audit committee. It was therefore, not possible to establish how the internal audit for the Hospital was to be carried out in the year under review without an approved internal audit work plan.

Under the circumstances, the assurance on effectiveness of the internal controls and risk management put in place by Management could not be confirmed.

2. Lack of Automation of Revenue Management System

Review of the revenue collection system revealed that it was manual and required the revenue accountant to manually collect the revenue, issue manual receipts, post to the cashbook and bank the cash collected and do reconciliations afterwards. The system

therefore, is prone to human manipulation and error which could have contributed to the under collection of revenue.

In the circumstances, the effectiveness of internal controls on management of revenue could not be confirmed.

3. Incomplete Fixed Assets Register.

Review of the Sigomere Sub- County fixed assets register revealed that the register had no net book values, acquisition dates, acquisition amounts, sources of funds, mode of acquisition, serial number, current location and other information which is required to be included in the register. This was contrary to Section 149. (2)(o) of the Public Finance Management Act, 2012 which states that the Accounting Officer shall ensure that the respective County Government entity has adequate systems and processes in place to plan to procure, account for, maintain, store and dispose of assets, including an asset register that is current, accurate and available to the relevant County Treasury or the Auditor-General;

In the circumstances, existence, proper safeguard, ownership and valuation of the Hospital fixed assets could not be confirmed.

4. Lack of a Risk Management Policy.

Review of the documents availed for audit during the audit exercise revealed that the Hospital did not have a Risk Management Policy in place for the year under review. This lack of a Risk Management Policy could adversely affect the robustness of Hospital's business operations. Lack of a Risk Management Policy is contrary to Regulation 158 of the Public Finance Management (County Governments) Regulations, 2015 which states that the Accounting Officer shall ensure that the County Government entity develops risk management strategies, which include fraud prevention mechanism a system of risk management and internal controls that builds robust business operations.

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

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

Responsibilities of the Management and those Charged with Governance

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

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Hospital's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities

that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

31 December, 2024

Sigomere Sub County Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

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

Description	Note	30 th June 2024	30 th June 2023
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6	00	00
In-kind contributions from the County Government	7	22,841,919.00	2,685,000.00
Grants from donors and development partners	8	12,975,111.00	00
Transfers from other Government entities	9	0.00	00
Public contributions and donations	10	0.00	00
		35,817,030	2,685,000.00
Revenue from exchange transactions			
Rendering of services- Medical Service Income	11	12,340,921.00	4,800,416.00
Revenue from rent of facilities	12	00	00
Finance /Interest Income	13	0.00	00
Miscellaneous Income	14	0.00	00
Revenue from exchange transactions		12,340,920.00	4,800,416.00
Total revenue		48,157,951.00	7,485,416.00
Expenses			
Medical/Clinical costs	15	18,609,636.00	3,221,048.00
Employee costs	16	21,099,476.00	2,685,000.00
Board of Management Expenses	17	0.00	00
Depreciation and amortization expense	18	0.00	00
Repairs and maintenance	19	126,208.00	53,587.00
Grants and subsidies	20	192,331.00	458,769.00
General expenses	21	3,280,067.00	497,237.00
Finance costs	22	0.00	95,180.00
Total expenses		43,307,718.00	7,204,119.00
Other gains/(losses)			
Gain/Loss on disposal of non-Current assets	23	0.00	00

Sigomere Sub County Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

Description	Note	30 th June 2024	30 th June 2023
		Kshs	Kshs
Unrealized gain on fair value of investments	24	0.00	00
Medical services contracts Gains/Losses	25	00	00
Impairment loss(Waivers)	26	0.00	00
Gain on foreign exchange transactions			00
Total other gains/(losses)		00	00
Net Surplus / (Deficit) for the year		4,850,233.00	474,595.00

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:


Medical Superintendent
Ousborn Odhiambo

Sigomere Sub County Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

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

Description	Note	30 th June 2024	130 th June 2023
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	27	1,201,100.00	1,517,205.00
Receivables from exchange transactions	28	4,865,901.00	3,359,492.00
Receivables from non-exchange transactions	29	0.00	00
Inventories	30	1,153,700.00	324,120.00
Total Current Assets		7,220,701.00	5,200,817.00
Non-current assets			
Property, plant, and equipment	31	2,235,641.00	00
Intangible assets	32	00	00
Investment property	33	00	00
Total Non-current Assets		00	00
			00
Total assets (A)		9,456,342.00	5,200,817.00
Liabilities			
Current liabilities			
Trade and other payables	34	3,088,905.00	3,683,612.00
Refundable deposits from customers/Patients	35	00	00
Provisions	36	00	00
Finance lease obligation	37	00	00
Current portion of deferred income	38	00	00
Current portion of borrowings	39	00	00
Social Benefits	41	00	
Total Current Liabilities		3,088,905.00	3,683,612.00
Non-current liabilities			00
Provisions	36	00	00
Non-Current Finance lease obligation	37	00	00
Non-Current portion of deferred income	38	00	00
Non - Current portion of borrowings	39	00	00


Sigomere Sub County Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

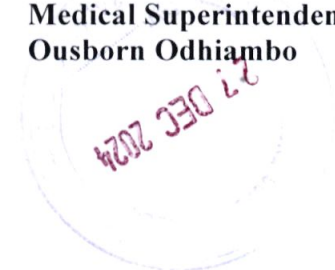
Description	Note	30 th June 2024	130th June 2023
		Kshs	Kshs
Service concession Arrangements	40	00	00
Social Benefits	41	00	00
Total non-current liabilities		00	00
Total Liabilities (B)		3,088,905.00	3,683,612.00
			00
Net assets (A-B)		6,367,438.00	1,517,205.00
			00
Represented by:			00
Revaluation reserve		00	
Accumulated surplus/Deficit		4,850,233.00	474,595.00
Capital Fund		1,517,205.00	1,042,610.
Net Assets		6,367,438.00	1,517,205.00

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:


.....
Medical Superintendent
Ousborn Odhiambo



Sigomere Sub County Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

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

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2022 (previous year)	0	1,042,610.00		1,042,610.00
Revaluation gain	0	-		-
Surplus/(deficit) for the year	-	474,595.00		474,595.00
Capital/Development grants	-	-		
As at June 30, 2022 (previous year)	0	1,517,205.00		1,517,205.00
At July 1, 2023 (current year)	0	1,517,205.00		1,517,205.00
Revaluation gain	0	-		0
Surplus/(deficit) for the year	-	4,850,233.00		4,850,233.00
Capital/Development grants	-	-		
At June 30, 2024 (current year)	0	6,367,438.00		6,367,438.00

Sigomere Sub County Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

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

Description	Note	30 th June 2024	30 th June 2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government			00
Grants from donors and development partners			00
Transfers from other Government entities		00	00
Public contributions and donations		00	00
Rendering of services- Medical Service Income		7,475,039.00	4,800,416.00
Revenue from rent of facilities		00	00
Finance / interest income		00	00
Miscellaneous receipts(<i>specify</i>)		00	00
Total Receipts		7,475,039.00	4,800,416.00
Payments			
Medical/Clinical costs	14	3,892,082.00	3,221,048.00
Employee costs	15		
Board of Management Expenses		0.00	00
Repairs and maintenance	18	126,208.00	53,587.00
Grants and subsidies	19	192,331.00	458,769.00
General expenses	20	3,280,067.00.00	690,525.00
Finance costs	21	0.00	95,190.00
Refunds paid out		0.00	00
Total Payments		7,490,688.00	4,519,119.00
Net cash flows from operating activities	42	00	00
Cash flows from investing activities		00	00
Purchase of property, plant, equipment		00	
Purchase of intangible assets		00	00
Proceeds from the sale of PPE		00	00
Acquisition of investments		00	00
Net cash flows used in investing activities		4,850,233.00	474,595.00
Cash flows from financing activities		00	
Proceeds from borrowings		00	00
Repayment of borrowings		00	00
Capital grants received			00

Sigomere Sub County Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

Net cash flows used in financing activities		(00)	00
Net increase/(decrease) in cash and cash equivalents		4,850,233.00	474,595..00
Cash and cash equivalents as at 1 July 2023	27	1,517,205.00	1,517,205.00
Cash and cash equivalents as at 30 June2024	27	1,201,100.00	1,517,205.00

Sigomere Sub County Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	a	b	c=(a+b)	d	e=(c-d)	f=d/c %
	KShs	KShs	KShs	KShs	KShs	
Revenue						
Transfers from the County Government	3,000,000	20,000,000	23,000,000	22,841,919	158,081	99%
Grants from donors and development partners		17,000,000	17,000,000	12,975,111	4,024,889	76%
Transfers from other Government entities	00	00	00	00	00	%
Public contributions and donations	00	00	00	00	00	%
Rendering of services- Medical Service Income	7,500,000	5,500,000	13,000,000	12,340,920.00	659,080	95%
Revenue from rent of facilities	00	00	00	00	00	%
Finance / interest income	00	00	00	00	00	%
Miscellaneous receipts (<i>specify</i>)	00	00	00	00	00	%
Total income	10,500,000	42,500,000	53,000,000	48,157,950	4,842,050	91%
Expenses						
Medical/Clinical costs	3,950,000.00	17,000,000	20,950,000	18,609,636	2,340,364	89%
Employee costs	2,500,000.00	20,000,000	22,500,000.	21,099,476.00	1,400,524	94%
Remuneration of directors	00	00	00	0.00	00	%
Repairs and maintenance	200,000.00	00	200,000.00	126,208.00	73792.00	63%
Grants and subsidies	350,000.00	00	350,000.00	192,331.00	157,669.00	55%
General expenses	3,500,00.00	00	3,500,000.00	3,280,067.000	219,933.00	94%
Finance costs	00.00	00	0.00	0	0	%
Total Expenditure	10,500,000	37,000,000	47,500,000	43,307,718	4,192,282	91%
Refunds	00	00	00	00	00	%
Surplus for the period				4,850,233.00		

*Sigomere Sub County Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024*

19. Notes to the Financial Statements

1. General Information

Sigomere Sub Hospital entity is established by and derives its authority and accountability from Health Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is.

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 Sigomere hospital accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *Sigomere Hospital*.

The financial statements have been prepared in accordance with the PFM Act, and *(include any other applicable legislation)*, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

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

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

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

Standard	Effective date and impact:
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47- Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
<p>IPSAS 48- Transfer Expenses</p>	<p><i>Applicable 1st 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>
<p>IPSAS 49-</p>	<p><i>Applicable 1st January 2026</i></p>

Standard	Effective date and impact:
Retirement Benefit Plans	The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

iii) Early adoption of standards

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

4. Summary of Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other Government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

Notes to the Financial Statements (Continued)

b. Budget information

The original budget for FY 2023/2024 was approved by Hospital Management Team on 2nd June 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the *entity did not* record additional appropriations on the FY2023,2024 budget following the HMT's approval. The *entity's* budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 1 under section **16** of these financial statements.

c. Taxes

Sales tax/ Value Added Tax

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

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

Notes to the Financial Statements (Continued)

d. Investment property

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

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

e. Property, plant and equipment

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

Notes to the Financial Statements (Continued)

f. Leases

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

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

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

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

g. Intangible assets

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

Notes to the Financial Statements (Continued)

h. Research and development costs

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

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

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

i. Financial instruments

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

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

Notes to the Financial Statements (Continued)

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Notes to the Financial Statements (Continued)

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

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

Financial liabilities

Classification

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

Notes to the Financial Statements (Continued)

j. Inventories

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

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

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

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

k. Provisions

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

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

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

Notes to the Financial Statements (Continued)

l. Social Benefits

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

m. Contingent liabilities

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

n. Contingent assets

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

o. Nature and purpose of reserves

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

p. Changes in accounting policies and estimates

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

Notes to the Financial Statements (Continued)

q. Employee benefits

Retirement benefit plans

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

r. Foreign currency transactions

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

s. Borrowing costs

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

t. Related parties

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

Notes to the Financial Statements (Continued)

u. Service concession arrangements

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

v. Cash and cash equivalents

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

w. Comparative figures

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

x. Subsequent events

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

Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Entity's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could

result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions.

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

Useful lives and residual values

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

The condition of the asset based on the assessment of experts employed by the Entity.

The nature of the asset, its susceptibility and adaptability to changes in technology and processes.

The nature of the processes in which the asset is deployed.

Availability of funding to replace the asset.

Changes in the market in relation to the asset.

Provisions

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

Notes to Financial Statements Continued

6. Transfers from the County Government

Description	30 th June 2024	30 th June 2023
	KShs	KShs
Unconditional grants		
Operational grant	00	00
Level 4/5 grants	00	00
Unconditional development grants	00	00
Other grants (<i>specify</i>)	00	00
	00	00
Conditional grants		
User fee forgone	00	00
Transforming health services for Universal care project (THUCP)	00	00
DANIDA	00	00
Wards Development grant	00	00
Paediatric block grant	00	00
Administration block grant	00	00
Laboratory grant	00	00
Total government grants and subsidies	00	00

6 b Transfers from The County Government

Name of the Entity sending the grant	Amount recognized to Statement of financial performance* KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year	Comparative Period
			KShs	KShs	KShs
Siaya County Government	00	00	00	00	00
Total	00	00	00	00	00

7. In Kind Contributions from The County Government

Description	30 th June 2024	30 th June 2023
	KShs	KShs
Casual Wages	2,331,380.00	2,377,970.00
Medical supplies-Drawings Rights (KEMSA)	1,742,443.00	00
Salaries for Permanent & Pensionable Staff	18,768,096.00	00
Others(specify)	.00	00
Total grants in kind	22,841,919	2,377,970.00

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

8. Grants from Donors and Development Partners

Description	30 th June 2024	30 th June 2023
	KShs	KShs
Cancer Centre grant- DANIDA	00	00
World Bank grants	00	00
Paediatric ward grant- JICA	00	00
Research grants	00	00
Other grants (<i>Development Partners</i>)	12,975,111.00	00
Total grants from development partners	12,975,111.00	00

(These were donations (ART, Anti Malaria and TB) from Development partners distributed through KEMSA and MEDS to the facility)

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

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

Notes to Financial Statements Continued

9. Transfers From Other Government Entities

Description	30 th June 2024	30 th June 2023
	KShs	KShs
Transfer from National Government (Ministry of Health)	00	00
Transfer from xxx National Hospital	00	00
Transfer from xxx Institute	00	00
Total Transfers	00	00

10. Public Contributions and Donations

Description	30 th June 2024	30 th June 2023
	KShs	KShs
Public donations	00	00
Donations from local leadership	00	00
Donations from religious institutions	00	00
Donations from other international organisations and individuals	00	00
Other donations	00	00
Donations in kind-amortised	00	00
Total donations and sponsorships	00	00

10 (a) Reconciliations of amortised grants

Description	30 th June 2024	30 th June 2023
	Kshs	Kshs
Balance unspent at beginning of year	00	00
Current year receipts	00	00
Amortised and transferred to revenue	00	00
Conditions to be met – remain liabilities	00	00

Notes to Financial Statements Continued

11. Rendering of Services-Medical Service Income

Description	30 th June 2024	30 th June 2023
	Kshs	Kshs
Pharmaceuticals	326,517.00	00
Non-Pharmaceuticals	1,332,140.00	1,405,120.00
Laboratory	1,357,549.00	1,201,310.00
Radiology	159,050.00	102,900.00
Inpatient	802,839.00	579,430.00
Outpatient	217,112.00	94,300.00
NHIF	7,819,850	1,173,830.00
Medical records	325,864.00	243,526.00
Ear Nose and Throat service	0.00	00
Nutrition service	0.00	00
Cancer centre service	0.00	00
Dental services	0.00	00
Reproductive health	0.00	00
Paediatrics services	0.00	00
Farewell home services	0.00	00
Ambulance services	00	00
Other medical services income	00	.00
Total revenue from the rendering of services	12,340,921.00	4,800,416.00

Notes to the Financial Statements (Continued)

12. Revenue From Rent of Facilities

Description	30 th June 2024	30 th June 2023
	Kshs	Kshs
Residential property	00	00
Commercial property	00	00
Total Revenue from rent of facilities	00	00

13. Finance /Interest Income

Description	30 th June 2024	30 th June 2023
	Kshs	Kshs
Interest income from Cash investments and fixed deposits	00	00
Interest income from short- term/ current deposits	00	00
Interest income from Treasury Bills	00	00
Interest income from Treasury Bonds	00	00
Interest from outstanding debtors	00	00
Total finance income	00	00

14. Miscellaneous Income

Description	30 th June 2024	30 th June 2023
	KShs	KShs
Insurance recoveries	00	00
Income from sale of tender	00	00
Services concession income	00	00
Sale of goods (water, publications, containers etc)	00	00
Write backs (Deposits, payments in advance etc)	00	00
Bad debts recovered	00	00
<i>Others</i>	00	00
Total Miscellaneous income	00	00

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Notes to the Financial Statements (Continued)

15. Medical/ Clinical Costs

Description	30 th June 2024	30 th June 2023
	Kshs	Kshs
Dental costs/ materials	00	00
Laboratory chemicals and reagents	616,226.00	431,265.00
Donations and Grants	12,975,111.00	00
Food and Ration	2,121,306.00	2,240,537.00
Uniform, clothing, and linen	24,000.00	00
Dressing and Non-Pharmaceuticals	585,238.00	271,741.00
Pharmaceutical supplies	460,012.00	277,505.00
Health information stationery	0.00	00
Reproductive health materials	0.00	00
Sanitary and cleansing Materials	69,300.00	00
Purchase of Medical gases	16,000.00	00
Drawing rights	1,742,443.00	00
Other medical related clinical costs (<i>specify</i>)		00
Total medical/ clinical costs	18,609,636.00	3,221,048.00

16. Employee Costs

Description	30 th June 2024	30 th June 2023
	Kshs	Kshs
Casual Wages	2,331,380.00	2,685,000.00
Salaries for Permanent & Pensionable Staff	18,768,096.00	00
Service gratuity	00	00
Performance and other bonuses	00	00
Staff medical expenses and Insurance cover	00	00
Group personal accident insurance and WIBA	00	00
Social contribution	00	00
Other employee costs (<i>specify</i>)	00	00
Employee costs	21,099,476.00	2,685,000.00

Notes to the Financial Statements (Continued)

17. Board of Management Expenses

Description	30 th June 2024	30 th June 2023
	Kshs	Kshs
Chairman's Honoraria	00	00
Sitting allowance	00	00
Mileage	00	00
Insurance expenses	00	00
Induction and training	00	00
Travel and accommodation allowance	00	00
Airtime allowances	00	00
Total	00	00

18. Depreciation and Amortization Expense

Description	30 th June 2024	30 th June 2023
	Kshs	Kshs
Property, plant and equipment	00	00
Intangible assets	00	00
Investment property carried at cost	00	00
Total depreciation and amortization	00	00

19. Repairs And Maintenance

Description	30 th June 2024	30 th June 2023
	Kshs	Kshs
Property- Buildings	126,208.00	53,587.00
Medical equipment		00
Plant and Machinery		00
Furniture and fittings	00	00
Computers and accessories		00
Motor vehicle expenses		00
Maintenance of civil works	00	00
Total repairs and maintenance	126,208.00	53,587.00

Notes to the Financial Statements (Continued)

20. Grants And Subsidies

Description	30 th June 2024	30 th June 2023
	Kshs	Kshs
Community development and social work	00	00
Education initiatives and programs	00	00
Free/ subsidised medical camp	00	00
Disability programs	00	00
Free cancer screening	00	00
Social benefit expenses	00	00
Other grants and subsidies(25% transfer)	192,331.00	458,769.00
Total grants and subsidies	192,331.00	458,769.00

21. General Expenses

Description	30 th June 2024	30 th June 2023
	Kshs	Kshs
Advertising and publicity expenses	00	00
Catering expenses	57,705.00	00
Water and Sewerage	47,715.00	25,000.00
Insecticides and rodenticides	60,000.00	00
Audit fees	00	00
Bank charges	86,898.00	00
Conferences and delegations	00	00
Consultancy fees	00	00
Contracted services	00	00
Electricity expenses	464,210.00	130,000.00
Fuel and Lubricants	494,000.00	110,000.00
Other Fuel	210,000.00	20,000.00
Research and development expenses	00	00
Travel and accommodation allowance	699,050.00	109,000.00
Stationery		00
Licenses and permits	00	00
Courier and postal services	00	00
General office Supplies expense	913,489.00	00
Printing and Publishing	160,000.00	55,797.00
Rent expenses	00	00
Skills development levies	00	00
Telephone and mobile phone service	87,000.00	47,440.00

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Description	30 th June 2024	30 th June 2023
	Kshs	Kshs
Internet expenses	00	00
Staff training and development	00	00
Subscriptions to professional bodies	00	00
Subscriptions to newspapers periodical, magazines, and gazette notices	00	00
Library books/Materials	00	00
Parking charges	00	00
Total General Expenses	3,280,067.00	497,237.00

22. Finance Costs

Description	30 th June 2024	30 th June 2023
	KShs	KShs
Borrowings (amortized cost) *	00	00
Finance leases (amortized cost)	00	00
Interest on Bank overdrafts/Guarantees		95,190.00
Interest on loans from commercial banks	00	00
Total finance costs	0.00	95,190.00

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

Description	30 th June 2024	30 th June 2023
	KShs	KShs
Property, plant, and equipment	00	00
Intangible assets	00	00
Other assets not capitalised (<i>specify</i>)	00	00
Total gain on sale of assets	00	00

24. Unrealized Gain On Fair Value Investments

Description	30 th June 2024	30 th June 2023
	KShs	KShs
Investments at fair value	00	00
Total gain	00	00

Notes to the Financial Statements (Continued)

25. Medical Services Contracts Gains /Losses

Description	30 th June 2024	130th June 2023
	KShs	KShs
Comprehensive care contracts with NHIF	00	00
Non- Comprehensive contracts care with NHIF	00	00
Linda Mama Program	00	00
Waivers and Exemptions	00	.00
Total Gain/Loss	00	.00

26. Impairment Loss

Description	30 th June 2024	130th June 2023
	KShs	KShs
Property, plant, and equipment	00	00
Intangible assets	00	00
Investments	00	00
Total impairment loss	00	00

27. Cash And Cash Equivalentents

Description	30 th June 2024	30th June 2023
	KShs	KShs
Current accounts	1,201,100.20	1,517,204.70
On - call deposits	00	00
Fixed deposits accounts	00	00
Cash in hand	00	00
Others(<i>specify</i>)- Mobile money	00	00
Total cash and cash equivalentents	1,201,100.00.20	1,517,20

Notes to the Financial Statements (Continued)

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

Description		30 th June 2024	30 th June 2023
Financial institution	Account number	KShs	KShs
a) Current account			
Kenya Commercial bank	1162169087	1,016,862.30	1,462,792.85
Kenya Commercial bank	1106089049	184,243.00	54,411.85
Sub- total		1,201,100.00	1,517,204.70
b) On - call deposits			00
Kenya Commercial bank		00	00
			00
Equity Bank – etc			00
Sub- total		00	00
c) Fixed deposits account			00
Bank Name			00
			00
Sub- total		1,201,100.00	1,517,204.70
d) Others(<i>specify</i>)		00	00
cash in hand		00	00
Mobile money- Mpesa, Airtel money		00	00

28. Receivables From Exchange Transactions

Description	30 th June 2024	30 th June 2023
	KShs	KShs
Medical services receivables	4,865,901.00	3,359,492.00
Rent receivables	00	00
Other exchange debtors	00	00
Less: impairment allowance	00	00
Total receivables	4,865,901.00	3,359,492.00

Analysis of Receivables From Exchange Transactions

Description	30 th June 2024		30 th June 2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	1,006,200.00	21%	00	%
Between 1- 2 years	3,860,701.00	79%	00	%
Between 2-3 years	00	%	00	%
Over 3 years	00	%	00	%
Total (a+b)	4,865,901.00	100%	00	%

29. Receivables From Non-Exchange Transactions

Description	30 th June 2024	30 th June 2023
	KShs	KShs
Transfers from the County Government	00	00
Undisbursed donor funds	00	00
Other debtors (<i>non-exchange transactions</i>)	00	00
Less: impairment allowance	00	00
Total	00	00

Analysis of Receivables From Non-Exchange Transactions

Description	30 th June 2024		30 th June 2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	00	%	00	%
Between 1- 2 years	00	%	00	%
Between 2-3 years	00	%	00	%
Over 3 years	00	%	00	%
Total (a+b)	00	%	00	%

30. Inventories

Description	30th June 2024	30th June 2023
	KShs	KShs
Pharmaceutical supplies	359,700.00	2,544,946.00
Laboratory commodities	614,000.00	00
Food supplies	0.00	00
Non pharms	180,000.00	00
Cleaning materials supplies	0.00	00
General supplies	0.00	00
Less: provision for impairment of stocks		00
Total	1,153,700.00	2,544,946.00

Sigomere Sub County Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

Notes to the Financial Statements (Continued)

31. Property, Plant and Equipment

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Cost								
At 1 July 2022 (previous year)	00	00	00	00	00	00	00	00
Additions	00	00	00	00	00	00	00	00
Disposals	00	00	00	00	00	00	00	00
Transfers/adjustments	00	00	00	00	00	00	00	00
At 30th June 2023	00	00	00	00	00	00	00	00
At 1 July 2023 (current year)	0.00	0.00	0.00	15,000	168,000	2,052,641	00	2,235,641
Additions	00	00	00	00	00	00	00	00
Disposals	00	00	00	00	(00)	00	00	00
Transfer/adjustments		00		00			00	00
At 30th June, 2024	0.00	0.00	0.00	15,000	168,000	2,052,641	00	2,235,641
Depreciation and impairment								
At 1 July 2022 (previous year)		00	00	00	00	00	00	00
Depreciation for the year		00	00	00	00	00	00	00
Disposals		00	00	00	00	00	00	00
Impairment		00	00	00	00	00	00	00
At 30 June 2024		0.00	0.00	15,000	168,000	2,052,641	00	2,235,641

Sigomere Sub County Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Capital Work in progress	Total
At July 2023 (current year)	00	00	00	00	00	00	00	00
Depreciation	00	00	00	00	00	00	00	00
Disposals	00	00	00	00	00	00	00	00
Impairment	00	00	00	00	00	00	00	00
Transfer/adjustment	00	00	00	00	00	00	00	00
At 30th June 2024	00	00	00	00	00	00	00	00
Net book values								
At 30 th June 2023 (previous)	00	00	00	00	00	00	00	00
At 30th June 2024	00	00	00	00	00	00	00	2,235,641

Sigomere Sub County Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

Notes to the Financial Statements (Continued)

32. Intangible Assets-Software

Description	30 th June 2024	30 June 2023
	KShs	KShs
Cost		
At beginning of the year	00	00
Additions	00	00
Additions–Internal development	00	00
Disposal	00	00
At end of the year	00	00
Amortization and impairment		
At beginning of the year	00	00
Amortization for the period	00	00
Impairment loss	00	00
At end of the year	00	00
NBV	00	00

33. Investment Property

Description	30 th June 2024	30 th June 2023
	KShs	KShs
At beginning of the year	00	00
Additions	00	00
Disposals during the year	00	00
Fair value gain	00	00
Depreciation (<i>where investment property is at cost</i>)	00	00
Impairment	00	00
At end of the year	00	00

Sigomere Sub County Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

Notes to the Financial Statements (Continued)

34. Trade and other Payables

Description	30 th June 2024		30 th June 2023	
	KShs		KShs	
Trade payables	3,088,905.00		3,789,489.00	
Employee dues	00		00	
Third-party payments (<i>e.g. unremitted payroll deductions</i>)	00		00	
Audit fee	00		00	
Doctors' fee	00		00	
Total trade and other payables	3,088,905.00		3,789,489.00	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the total
Under one year	423,695.00	13%	1,776,000	%
1-2 years	1,549,000	48%	2,100,910	%
2-3 years	1,248,000	39%		%
Over 3 years	00	%	00	%
Total	3,088,905.00	100%	3,789,489.00	%

35. Refundable Deposits from Customers/Patients

Description	30 th June 2024		30 th June 2023	
	KShs		KShs	
Medical fees paid in advance	00		00	
Credit facility deposit	00		00	
Rent deposits	00		00	
Others (<i>specify</i>)	00		00	
Total deposits	00		00	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	00	%	00	%
1-2 years	00	%	00	%
2-3 years	00	%	00	%
Over 3 years	00	%	00	%
Total	00	%	00	%

Sigomere Sub County Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

Notes to the Financial Statements (Continued)

36. Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	KShs	KShs	KShs	KShs
Balance at the beginning of the year	00	00	00	00
Additional Provisions	00	00	00	00
Provision utilised	(xxx)	(xxx)	(xxx)	(xxx)
Change due to discount & time value for money	(xxx)	(xxx)	(xxx)	(xxx)
Total provisions	00	00	00	00
Current Provisions	00	00	00	00
Non-Current Provisions	00	00	00	00
Total Provisions	00	00	00	00

37. Finance Lease Obligation

Description	30 th June 2024	30 th June 2023
	Kshs	Kshs
Current Lease obligation	00	00
Long term lease obligation	00	00
Total	00	00

38. Deferred Income

Description	130th June 2024	30 th JUNE 2023
	KShs	KShs
Current Portion	00	00
Non-Current Portion	00	00
Total	00	00

Sigomere Sub County Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

Notes to the Financial Statements (Continued)

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

Description	National government	International funders/ donors	Public contributions and donations	Total
Balance b/f	00	00	00	00
Additions during the year	00	00	00	00
Transfers to Capital fund	(00)	(00)	(00)	(00)
Transfers to statement of financial performance	(00)	(00)	(00)	(00)
Other transfers (<i>Specify</i>)	(00)	(00)	(00)	(00)
Balance C/F	00	00	00	00

39. Borrowings

Description	30 th June 2024	30 th June 2023
	KShs	KShs
Balance at beginning of the period	00	00
External borrowings during the year	00	00
Domestic borrowings during the year	00	00
Repayments of external borrowings during the year	(00)	(00)
Repayments of domestic borrowings during the year	(00)	(00)
Balance at end of the period	00	00

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

Description	30 th June 2024	30 th June 2023
	KShs	KShs
Current Obligation	00	00
Non-Current Obligation	00	00
Total	00	00

Notes to the Financial Statements (Continued)

40. Service Concession Arrangements

Description	30 th June 2024	30 th June 2023
	KShs	KShs
Fair value of service concession assets recognized under PPE	00	00
Accumulated depreciation to date	(00)	00
Net carrying amount	00	00
Service concession liability at beginning of the year	00	00
Service concession revenue recognized	(00)	(00)
Service concession liability at end of the year	00	00

41. Social Benefits

Description	30 th June 2024	30 th June 2023
		Kshs
Health social benefit scheme	00	00
Unemployment social benefit scheme	00	00
Orphaned and vulnerable benefit scheme	00	00
People Living with Disabilities benefit Scheme	00	00
Elderly social benefit scheme	00	00
Bursary social benefits	00	00
Total	00	00
Current social benefits	00	00
Non- current social benefits	00	00
Total (tie to totals above)	00	00

Sigomere Sub County Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

Notes to the Financial Statements (Continued)

42. Cash Generated from Operations

Description	30 th June 2024	30 th June 2023
	KShs	KShs
Surplus for the year before tax	4,850,,233.00	474,595.00
Adjusted for:		
Depreciation	00	00
Non-cash grants received	00	00
Impairment	00	00
Gains and losses on disposal of assets	00	00
Contribution to provisions	00	00
Contribution to impairment allowance	00	00
Working Capital adjustments	00	00
Increase in inventory	00	00
Increase in receivables	00	00
Increase in deferred income	00	00
Increase in payables	00	00
Increase in payments received in advance	00	00
Net cash flow from operating activities	4,850,233.00	474,595.00

Notes to the Financial Statements (Continued)

43. Financial Risk Management

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

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

(i) Credit risk

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2023 (previous year)				
Receivables from exchange transactions	00	00	00	00
Receivables from –non-exchange transactions	00	00	00	00
Bank balances	00	00	00	00
Total	00	00	00	00
At 30 June 2024 (current year)				
Receivables from exchange transactions	00	00	00	00
Receivables from –non-exchange transactions	00	00	00	00
Bank balances	00	00	00	00
Total	00	00	00	00

Notes to the Financial Statements (Continued)

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 20xx				
Trade payables	00	00	00	00
Current portion of borrowings	00	00	00	00
Provisions	00	00	00	00
Deferred income	00	00	00	00
Employee benefit obligation	00	00	00	00
Total	00	00	00	00
At 30 June 20xx				
Trade payables	00	00	00	00
Current portion of borrowings	00	00	00	00
Provisions	00	00	00	00
Deferred income	00	00	00	00
Employee benefit obligation	00	00	00	00
Total	00	00	00	00

Notes to the Financial Statements (Continued)

(iii) Market risk

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

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

a) Foreign currency risk

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

Description	KShs	Other currencies	Total
	Kshs		Kshs
At 30 June 2024			
Financial assets (investments, cash, debtors)	00	00	00
Liabilities	00	00	00
Trade and other payables	00	00	00
Borrowings	00	00	00
Net foreign currency asset/(liability)	00	00	00

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.

Sigomere Sub County Hospital (Siaya County Government)
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Notes to the Financial Statements (Continued)

Description	KShs	Other currencies	Total
	Kshs		Kshs
At 30 June 2024			
Financial assets (investments, cash, debtors)	00	00	00
Liabilities			
Trade and other payables	00	00	00
Borrowings	00	00	00
Net foreign currency asset/(liability)	00	00	00

Foreign currency sensitivity analysis

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

Description	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
20XX (previous year)			
Euro	10%	00	00
USD	10%	00	00
20XX (current year)			
Euro	10%	00	00
USD	10%	00	00

b) Interest rate risk

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

Management of interest rate risk

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

Notes to the Financial Statements (Continued)

Sensitivity analysis

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of financial performance if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs xxx (20xx: KShs xxx). A rate increase/decrease of 5% would result in a decrease/increase in surplus of KShs xxx (20xx – KShs xxx).

iv) Capital Risk Management

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

Description	2024	2023
	Kshs	Kshs
Revaluation reserve	00	00
Retained earnings	00	00
Capital reserve	00	00
Total funds	00	00
Total borrowings	00	00
Less: cash and bank balances	(00)	(00)
Net debt/ <i>(excess cash and cash equivalents)</i>	00	00
Gearing	xx%	xx%

Sigomere Sub County Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

Notes to the Financial Statements (Continued)

44. Related Party Balances

Nature of related party relationships

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

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

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

Description	30 th June 2024	30 th JUNE 2023
	Kshs	Kshs
Transactions with related parties		
a) Services offered to related parties		
Services to xxx	00	00
Sales of services to xxx	00	00
Total	00	00
b) Grants from the Government		
Grants from County Government	00	00
Grants from the National Government Entities	00	00
Donations in kind	00	00
Total	00	00
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for xxx employees	00	00
Payments for goods and services for xxx	00	00
Total	00	00
d) Key management compensation		

Sigomere Sub County Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

Description	30 th June 2024	30 th JUNE 2023
	Kshs	Kshs
Directors' emoluments	00	00
Compensation to the medical Sup	00	00
Compensation to key management	00	00
	00	00
Total	00	00

45. Segment Information

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

46. Contingent Liabilities

Contingent liabilities	30 th June 2024	30 th June 2023
	Kshs	Kshs
Court case xxx against the hospital	00	00
Bank guarantees in favour of subsidiary	00	00
Total	00	00

(Give details)

47. Capital Commitments

Capital Commitments	30 th June 2024	30 th June 2023
	Kshs	Kshs
Authorised For	00	00
Authorised And Contracted For	00	00
Total	00	00

48. Events after the Reporting Period

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

49. Ultimate and Holding Entity

The entity is a State Corporation/ or a Semi- Autonomous Government Agency under the Department of Health Its ultimate parent is the County Government of Siaya

50. 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

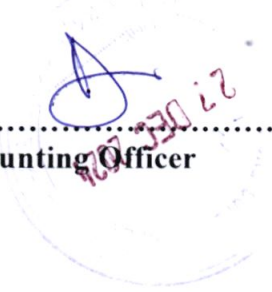
The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

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

Guidance Notes:

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

.....
Accounting Officer



Sigomere Sub County Hospital (Siaya County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

Appendix II: Projects Implemented by The Entity

Projects

Projects implemented by the Hospital Funded by development partners

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

Status of Projects completion

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

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

Sigomere Sub County Hospital (Siaya County Government)
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Appendix III: Inter-Entity Confirmation Letter

Name of Transferring entity.....

Name of Beneficiary entity.....

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

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

Head of Accounts Department - Disbursing Entity:
 Name Sign Date

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

Sigomere Sub County Hospital (Siaya County Government)
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Appendix IV Reporting of Climate Relevant Expenditures

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

*XX Hospital (XX County Government)
Annual Report and Financial Statements for The Year Ended 30th June 20xx*

Appendix V: Disaster Expenditure Reporting Template

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