

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

**OF**



**THE AUDITOR-GENERAL**

**ON**

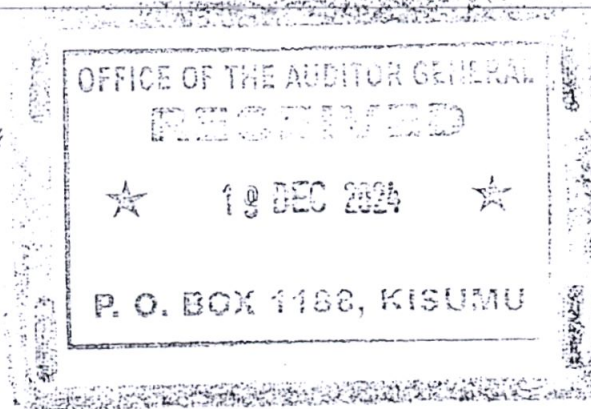
**UKWALA SUB-COUNTY LEVEL 4  
HOSPITAL**

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

**COUNTY GOVERNMENT OF SIAYA**

PAPERS LAID	
DATE	5/3/25
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COMMITTEE	—
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Revised 31<sup>st</sup> June 2024



*(Add your Hospital's Logo)*

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# UKWALA LEVEL 4 HOSPITAL ( County Government of Siaya)

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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

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**1. Acronyms & Glossary of Terms**

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

## 2. Key Entity Information and Management

### (a) Background information

Ukwala Sub County Hospital is a level 4 hospital established under gazette notice number 1828 and is domiciled in Siaya County under the Health Department. A Board of Management governs the hospital.

### (b) Principal Activities

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

### (c) Key Management

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

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

### (d) Fiduciary Management

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

SN	Designation	Name
1.	Medical Superintendent	Dr. Belinda Akinyi
2.	Head of finance	John Otieno Ousa
3.	Hospital Administrator	Argwings Omondi
4.	Nursing Services Manager	Joice Arenya
5.	Laboratory Manager	Elias Wayodi
6.	Pharmacy In-charge	Dr. Elias Onyango
7.	Clinical Officer In-charge	Emily Kariuki
8.	Rehab. Manager	
9.	Biomedical Eng.	

### (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 803-40600  
Siaya County Headquarters.  
Siaya, KENYA

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**(g) Entity Contacts**

P.O. BOX  
Telephone:  
E-mail:  
Website: [www.siaya.go.ke](http://www.siaya.go.ke)

**(h) Entity Bankers**

KCB Bank of Kenya – Ugunja Branch

**(i) Independent Auditors**

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

**(j) Principal Legal Adviser**

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

**(k) County Attorney**

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

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### **3. The Board of Management**

During the period under review, the Facility did not have a Board of Management in place. The process of getting a new Board is on-going.

4. Key Management Team

Management	Details
<p><b>Dr. Belinda Akinyi</b>                      MBChB, FMed                      Email Phone 0114745339</p>	<p>Medical Superintendent</p>
<p><b>Joice Arenya</b>                      Bachelor of Science in Nursing (BScN)                      Email Phone 0722570619</p>	<p>Nursing Services Manager</p>
<p><b>Argwings Omondi</b>                      Diploma in Business Admin                      Email Phone 0722674796</p>	<p>Hospital Admin</p>
<p><b>John Otieno Ousa 0713704261</b>                      BCom</p>	<p>Accountant</p>

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

Email      Phone:	
<p><b>Elias Wayodi</b>                      BSC Medical laboratory Sciences                      Higher Dip. HSM</p>	<p>Laboratory In charge</p>
<p><b>Dr. Elias Onyango</b>                      Bachelors in Pharmacy</p>	<p>Pharmacy in charge</p>
<p><b>Emily Kariuki</b></p>	<p>Clinical Officer In charge</p>

**5. Chairman's Statement**

During the period under review, the Facility did not have a Board of Management in place. The process of getting a new board is ongoing.

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

I am pleased to present a summary of Ukwala Sub County Hospital's annual report and financial statements for the financial year 2023/24. This report highlights the hospital's financial and operational performances as well as its' strategic plans.

### **Operational Performance.**

The hospital provides a variety of specialized medical services ranging from maternal & child health, paediatrics, minor surgical services, medical services, gynaecological and rehabilitation amongst others. With our dedicated team of healthcare personnel, we offer safe, timely, efficient and effective medical services that are patient-centred to the population we serve, making Ukwala Subcounty Hospital the facility of choice to our patients. In this financial year the facility attended to 3,0440 patients. We strive to improve our catchment population and services provided so as to provide good health care to our patients.

### **Centres of Excellence.**

Ukwala Sub- County Hospital has established centre of excellence in HIV, TB and Nursing training and services delivery. The facility is doing its best in TB diagnosis, treatment and follow-up. These follow-ups have greatly improved the prognosis of patients with regards to the fight against chronic illnesses. Being a one-stop centre for provision of most, if not all, medical services has led to better prognosis and outcomes in the patients we serve.

### **Financial Performance.**

The hospital relies majorly on internally generated revenue to cover all its operations and maintenance expenses. In the financial year under review, the hospital generated a total of Kshs. 7,667,295 (inclusive of NHIF) which is an increase in revenues collected in comparison with the last financial year. This can be attributed to the more and better medical services we provided, provision of services 24/7 and increased inpatient capacity. Despite the increase in revenue, the hospital's funding gap still stands at 14million (total debts + NHIF/Linda Mama dues) thus affecting financial sustainability of the hospital. However, the hospital is closely following up with NHIF for reimbursements to aid it clear off its pending debts.

### **Acknowledgement.**

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

**Dr. Belinda Akinyi**  
**Secretary to the Board**

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## 7. Statement of Performance Against Predetermined Objectives

Ukwala Sub-county Hospital has strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY 2023- FY 2024. These strategic pillars/ themes/ issues are as follows:

Pillar /theme/issue 1: increase inpatient bed capacity

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

Ukwala Sub-county Hospital develops its annual work plans based on the above pillars/themes. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Hospital achieved its performance targets set for the FY 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:	Increase inpatient bed capacity	-increase in number of beds. -increase in number of inpatient admissions.	-Convert and renovate some staff houses to wards. - Purchase more beds for inpatient.	- Number of inpatient admissions increased. -More beds purchased for inpatient. - Decrease in number of referrals due to increased bed capacity.
Pillar/ theme/ issue 2:	Improve service delivery & revenue collection	-Range of medical services offered. -Services turnaround time. -Employ more health providers.	-Wider variety of services offered including rehabilitation. -More laboratory services offered with decreased turnaround time.	-Rehabilitative services availability. -Employed more health providers as casuals hence better services with shorter turnaround times.

**8. Corporate Governance Statement**

During the period under review, the Facility did not have a Board of Management in place. The process of getting a new Board is on-going.

## **9. Management Discussion and Analysis**

### **Operational Performance.**

The hospital provides a variety of specialized medical services ranging from maternal & child health, paediatrics, minor surgical services, medical services, gynaecological and rehabilitation amongst others. With our dedicated team of healthcare personnel, we offer safe, timely, efficient and effective medical services that are patient-centred to the population we serve, making Ukwala Subcounty Hospital a facility of choice to our patients. The hospital management in conjunction with the county government are planning to have an inpatient complex built for the facility for better coverage of inpatient and also have more specialised personnel render their services and have a functional operating theatre thus decentralize health care services further.

### **Financial Performance.**

The hospital relies majorly on internally generated revenue to cover all its operations and maintenance expenses. In the financial year under review, the hospital generated from rendering of medical services a total of Kshs 7,667,295. (Inclusive of NHIF) which was an increase in revenues collected in comparison with the last financial year. This can be attributed to the more and better medical services we provided, provision of services 24/7 and increased inpatient capacity. Despite the increase in revenue, the hospital's funding gap still stands at 14million (total debts + NHIF/Linda Mama dues) thus affecting financial sustainability of the hospital. However, the hospital is closely following up with NHIF and boosting collection of FIF to aid it clear off its pending debts.

### **Clinical/operational performance**

The hospital currently has a bed capacity of 48 in total in the 4 wards as follows: Children 12 male medical- 10; female medical- 14; maternity 12 Plans are underway to build an inpatient complex thus increase the bed capacity to the required 150 beds. Overall patient attendance during the year for both inpatient and outpatient was 3,0440 Accident and Emergency attendance for the year was 132 with majority being attributed to road traffic accidents and partly assault cases. The hospital offers specialised clinic on Tuesday(s) of every week for the chronic diseases. The average length of stay for in patient during admission ranges from 3-10 days with very chronic cases going even up to 14days. The daily bed occupancy rate ranges from 3 to 14 Mortality rate for maternal was 0% throughout the period in review. The surgical theatre is yet to be operational. The hospital is also in partnership with Centre for Health Solutions (CHS) through the county government of Siaya and receives support in carrying out various activities.

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*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024*

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**Financial performance that includes: -**

During the period under review the Hospital generated a total of Kshs 7,667,295 broken down as: -

In kind from the County Government	Kshs.	4,816,646
Rendering medical services	Kshs.	7,667,295
Miscellaneous income from medical camp	Ksh	51,000

The funds were utilised as follows:

Medical and clinical costs amounted to	Kshs.	5,202,617
Employee costs amounted to	Kshs.	3,511,613
Repairs and Maintenance amounted to	Kshs.	850,565
Grants and subsidies amounted to	Kshs.	1,468,118
General Expenses amounted to	Kshs.	2,374,087

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

### *i) Sustainability strategy and profile*

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

#### *Sustainability strategy and profile*

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

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

### *ii) Environmental performance*

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

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

### *iii) Employee welfare*

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

### *iv) Market place practices-*

- a) Responsible competition practice.*

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

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

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

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

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

***d) Product stewardship***

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

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

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

**1. Report of The Board of Management**

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

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**Auditors**

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

By Order of the Board

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

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

The Board of Management accepts responsibility for the Hospital’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the PFM County Government Regulations, 2015. The Board members are of the opinion that the Hospital’s financial statements give a true and fair view of the state of Hospital’s transactions during the financial year ended June 30, 2024, and of the Hospital’s financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Hospital, which have been relied upon in the preparation of the Hospital’s financial statements as well as the adequacy of the systems of internal financial control.

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

**Approval of the financial statements**

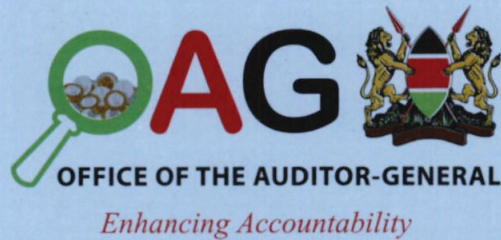
The Hospital’s financial statements were approved by the Board on 16/12/24 and signed on its behalf by:

.....  
Name:  
Chairperson  
Board of Management

Dr. Belinda Arinyi  
Name:  
Accounting Officer

# REPUBLIC OF KENYA

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Monrovia Street  
P.O Box 30084-00100  
NAIROBI

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

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### **PREAMBLE**

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

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

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.

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

## REPORT ON THE FINANCIAL STATEMENTS

### Qualified Opinion

I have audited the accompanying financial statements of Ukwala Sub-County Level 4 Hospital - County Government of Siaya set out on pages 1 to 55, which comprise of the statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of changes in net asset, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Ukwala 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 do comply with the Public Finance Management Act, 2012, the County Governments Act, 2012, Health Act, 2017 and the Siaya County Health Services Act, 2019.

### Basis for Qualified Opinion

#### 1. Inaccuracies in the Financial Statements.

The statement of changes in net assets for the year ended 30 June, 2024 reflects opening balance of Kshs.3,051,801. However, audited financial statements for the year ended 30 June, 2023 reflects closing balances of negative Kshs.62,387, resulting in an unexplained variance of Kshs.3,114,188. Further, the statement of financial position reflects accumulated surplus and capital fund of Kshs.998,853 and Kshs.2,087,777 respectively while the statement of changes in net assets reflects Kshs.3,086,630 and nil respectively resulting in unexplained variance of Kshs.2,087,777 for each respectively.

In the circumstances, the accuracy and fair statement of net assets balance of Kshs.3,086,630 could not be confirmed.

#### 2. Unsupported In-Kind Contributions

The statement of financial performance reflects in-kind contributions amounting to Kshs.4,816,646, as disclosed in Note 7 to the financial statements. Included in the amount is medical supplies from donated by the County Government of Siaya totaling to Kshs.1,850,000 out of which Kshs.1,250,000 in respect of non-pharmaceutical were not supported with schedules.

In the circumstances, the accuracy and completeness of in-kind contribution from the County Government of Kshs.4,816,646 could not be confirmed.

### **3. Unsupported Medical Services Income**

The statement of financial performance reflects Kshs.9,580,690 in respect to medical services income as disclosed in Note 11 to the financial statements. Included in the amount is the National Health Insurance Fund reimbursement of Kshs.4,227,349. However, the income was not supported with relevant documents including claims and monthly statements.

In the circumstances, the accuracy and completeness of medical services income of Kshs.9,580,690 could not be confirmed.

### **4. Non-Disclosure of Non -Current Assets**

The statement of financial position reflects nil property, plant and equipment balance as at 30 June, 2024. However, review of the Hospital records and physical inspection carried out in the month of December, 2024 revealed existence of various assets including land, buildings, motor vehicles, furniture, computers and equipment utilized by the Hospital in service delivery, which were not disclosed in the financial statements. Further, the ownership documents for land were not provided for audit.

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

### **5. Trade and Other Payables**

The statement of financial position as disclosed in Note 34 to the financial statements reflects trade and other payables balance of Kshs.1,744,724. Review of creditors records revealed a balance of Kshs.14,088,500 resulting to un-reconciled variance of Kshs.12,343,776. Further, included in the figure are trade payables that had been outstanding since 2017. This is contrary to Section 53 (8) of the Public Procurement and Disposal Act, 2015 which states that an Accounting Officer shall not commence any procurement proceedings until satisfied that sufficient funds to meet the obligations of the resulting contract (s) are reflected in approved budget estimates.

In the circumstances, the accuracy and completeness of the trade payable balance of Kshs.1,744,724 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Garissa County Referral 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.

## **Key Audit Matters**

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

## **Other Matter**

### **Unresolved Prior Year Matters**

In the previous year's audit report, several matters were, raised under Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management has not indicated that the issues have been resolved, evidence to that effect was not provided.

## **Other Information**

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

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

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

### **Conclusion**

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

## Basis for Conclusion

### 1. Deficiencies in Implementation of Universal Health Coverage (UHC)

Review of Hospital records and interviews on verification of services offered, equipment used and medical specialists in the Hospital at the time of audit revealed that the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits by staff requirements as detailed below:

**Table I: Personnel Requirements**

Personnel	Level 4 Standard	Actual Numbers	Deficit
Medical Officers	16	2	15
Anaesthesiologists	2	0	2
General Surgeons	2	0	2
Gynaecologists	2	0	2
Paediatrics	2	0	2
Radiologists	2	0	2
Kenya Registered Community Health nurses	75	22	53

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

Equipment/Machine	Level 4 standard	Actual Numbers	Deficit
Bed Capacity	150	60	90
Incubators (New-Born)	5	4	1
Cots	5	0	5
Resuscitative in Theatre	1	1	-
Resuscitative in Labour Ward	2	1	1
Functional ICU Beds	6	0	6
HDU Beds	6	0	6
Renal Unit with Dialysis Machines	5	0	5
Functional Operating Theatre's Maternity and General	2	0	2

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

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

## **1. Inefficient Revenue Management System**

Included in the statement of financial performance for the year ended 30 June, 2024 is revenue from exchange transactions amounting to Kshs.9,580,690 as disclosed in Note 11 of the financial statements. Review of the Revenue Management System revealed that the hospital experienced data loss for the half-year period from July, 2023 to December, 2023. Management provided hardcopy records as a backup. It was explained that the data loss occurred during system maintenance carried out by the vendor in December, 2023. Although Management stated that the County Government of Siaya had initiated the rollout of a centralized system for all health facilities in the County, Ukwala Hospital had not yet benefited from the project at the time of the audit.

In the circumstances, the reliability of the revenue management system could not be confirmed.

## **2. Late submission of the Financial Statements**

The financial statements for the Hospital were submitted to the Auditor-General on 18 October, 2024, which is eighteen (18) days later than the statutory deadline of 30 September, 2024. This is contrary to Section 47(1) of the Public Audit Act, 2015 which provides that the financial statements required under the Constitution, the Public Finance Management Act, 2012 and any other legislation, shall be submitted to the Auditor-General within three (3) months after the end of the fiscal year to which the accounts relate.

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

## **3. Lack of Approved Budget**

The Management did not prepare estimates of income and expenditure and submit the same to the respective County Executive Committee Members as required by Section 149(2) of the Public Finance Management Act, 2012 which states that an accounting officer of County Government entity should prepare entity's expenditure estimates and submit them to County Executive Committee Member for Finance. Although the statement of comparison of budget and actual amounts was prepared and included in the financial statements, the source of budget amounts reflected in the statement could not be confirmed.

In the circumstances, Management was in breach the law.

## **4. Non-Disclosure of Head of Finance Membership Number**

The Institute of Certified Public Accountants of Kenya (ICPAK) membership number for the finance officer who signed the financial statements was not disclosed in the relevant sections of the financial statements. This was contrary to the requirements by the Annual Financial Reporting Template issued by the Public Sectors Accounting Standards Board (PSASB).

In the circumstances, the presentation of the Hospital's financial statements for the year ended 30 June, 2024 does not comply with the PSASB prescribed format.

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 are in compliance, 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 effects of the matter described in the basis of conclusion on Effectiveness of Internal Controls, Risk Management and Governance Section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### Basis for Conclusion

#### 1. Weaknesses in IT Internal Controls

During the year under review the Hospital did not have an IT strategy committee and IT steering committee. This may result to inadequacy in IT governance, which forms a critical part of the Hospital governance structure. Further, the Hospital did not have disaster management and recovery policies in place including fire suppression systems. In addition, the Hospital did not have business continuity plan and the IT continuity plan including an off-site back-up plan.

In the circumstances, the effectiveness of risk management system at the Hospital could not be confirmed.

#### 2. Establishment of an Internal Audit Unit and Audit Committee

During the financial year under review, the hospital did not have an audit committee in place. In the absence of a functioning audit committee, monitoring and review of the effectiveness of the internal audit process, review of internal controls, risk management systems and financial statements among other functions of an audit committee did not occur which may affect good corporate governance at the Hospital. Management had also failed to rely on the internal audit department of the County Executive since there was no evidence to show that Internal Audit from the County Executive had audited the entity. This was contrary to Section 155 of the Public Finance Management Act, 2012

and Section 167(1) of the Public Finance Management (County Governments) Regulations, 2015.

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

### **3. Lack of an Approved Strategic Plan**

Review of the records and interview of Management revealed that the Hospital did not have a strategic plan and operational plan. In addition, the Hospital did not submit work plans for audit in respect to financial year under review. In the absence of matching targets and an approved strategic plan, the effectiveness of the activities of the Hospital as a tool for achieving the organizational goals on service delivery could not be confirmed. This was contrary to Section 149(2)(g) of the Public Finance Management Act, 2012 which requires an accounting officer of a County entity to prepare a strategic plan for the entity in conformity with the medium-term fiscal framework and financial objectives of the County Government.

Lack of clear targets and performance indicators makes it difficult to monitor and evaluate the Hospital's activities, weakening accountability mechanisms.

### **4. Failure to Establish a Board of Management**

During the year under review, the Hospital had not established a Board of management contrary to Section 12 of Siaya County Health Services Act, 2018. Therefore functions of the board as outlined in the Act which include providing oversight over the administration of the Hospital, promoting the development of the Hospital, approving plans and programs, approving estimates before submission to the Executive Member, supervising and controlling the administration of the funds allocated to the hospital and recommending disciplinary measures and procedures in case of violation of provisions of this Act or any other related laws were not carried out and others carried out by the management team.

In the circumstances, the effectiveness of internal controls, risk management and governance in the Hospital during the year under review could not be confirmed.

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 control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of Management and 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 control 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 Hospitals' 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 are in compliance with the authorities which govern them and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing Fund'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 overall governance and risk management and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the

effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

31 December, 2024

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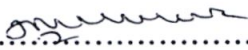

14. Statement of Financial Performance for The Year Ended 30 June 2024

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the County Government	6		
In-kind contributions from the County Government	7	4,816,646	
Grants from donors and development partners	8		
Transfers from other Government entities	9		
Public contributions and donations	10		
		<b>4,816,646</b>	
<b>Revenue from exchange transactions</b>			
Rendering of services- Medical Service Income	11	9,580,690	6,410,421
Revenue from rent of facilities	12	51,000	
Finance /Interest Income	13	0	
Miscellaneous Income	14	0	
<b>Revenue from exchange transactions</b>		<b>9,631,690</b>	<b>6,410,421</b>
<b>Total revenue</b>		<b>14,448,336</b>	<b>6,410,421</b>
<b>Expenses</b>			
Medical/Clinical costs	15	5,202,619	3,833,539
Employee costs	16	3,511,613	364,000
Board of Management Expenses	17	0	
Depreciation and amortization expense	18	0	
Repairs and maintenance	19	850,565	193,030
Grants and subsidies	20	1,468,118	1,226,991
General expenses	21	2,416,568	2,635,836
Finance costs	22	0	25,661
<b>Total expenses</b>		<b>13,449,483</b>	<b>8,279,057</b>
<b>Other gains/(losses)</b>			
Gain/Loss on disposal of non-Current assets	23		
Unrealized gain on fair value of investments	24		
Medical services contracts Gains/Losses	25		
Impairment loss	26		
Gain on foreign exchange transactions			
<b>Total other gains/(losses)</b>			
<b>Net Surplus / (Deficit) for the year</b>		<b>998,853</b>	<b>-1,868,636</b>

*(The notes set out on pages 10 to 61 form an integral part of the Annual Financial Statements.)*

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The Hospital's financial statements were approved by the Board on 16/12/2024 and signed on its behalf by:

.....		
<b>Chairman</b>	<b>Head of Finance</b>	<b>Medical Superintendent</b>
<b>Board of Management</b>	<b>ICPAK No:</b>	

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


Description	Note	2023/2024	2022/2023
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	27	1,215,716	2,087,777
Receivables from exchange transactions	28	368,500	529,200
Receivables from non-exchange transactions	29	-	
Inventories	30	3,247,138	2,367,662
<b>Total Current Assets</b>		<b>4,831,354</b>	<b>4,984,639</b>
<b>Non-current assets</b>			
Property, plant, and equipment	31		
Intangible assets	32		
Investment property	33		
<b>Total Non-current Assets</b>			
<b>Total assets (A)</b>		<b>4,831,354</b>	
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	34	1,744,724	4,423,907
Refundable deposits from customers/Patients	35		
Provisions	36		
Finance lease obligation	37		
Current portion of deferred income	38		
Current portion of borrowings	39		
Social Benefits	41		
<b>Total Current Liabilities</b>		<b>1,744,724</b>	<b>4,423,907</b>
<b>Non-current liabilities</b>			
Provisions	36		
Non-Current Finance lease obligation	37		
Non-Current portion of deferred income	38		
Non - Current portion of borrowings	39		
Service concession Arrangements	40		
Social Benefits	41		


Total non-current liabilities		-	
<b>Total Liabilities (B)</b>		<b>1,744,724</b>	<b>4,423,907</b>
<b>Net assets (A-B)</b>		<b>3,086,630</b>	<b>560,732</b>
<b>Represented by:</b>			
Revaluation reserve			
Accumulated surplus/Deficit		998,853	560,732
Capital Fund		2,087,777	
<b>Net Assets</b>		<b>3,086,630</b>	<b>560,732</b>

(The notes set out on pages 10 to 65 form an integral part of the Annual Financial Statements.)

The Hospital's financial statements were approved by the Board on 16/12/24 and signed on its behalf by:

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

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

  
 .....  
**Medical Superintendent**

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

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	End of note in net assets or Total
As at July 1, 2022 (previous year)		3,956,413		4,920,437
Revaluation gain				
Surplus/(deficit) for the year		-1,868,636		-1,868,636
Capital/Development grants				
As at June 30, 2023 (previous year)		2,087,777		3,051,801
At July 1, 2023 (current year)		2,087,777		3,051,801
Revaluation gain				
Surplus/(deficit) for the year		998,853		998,553
Capital/Development grants				
At June 30, 2024 (current year)		3,086,630		4,050,354

(Note:

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

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

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from the County Government			
Grants from donors and development partners			
Transfers from other Government entities			
Public contributions and donations			
Rendering of services- Medical Service Income		7,667,295	6,410,421
Revenue from rent of facilities		51,000	-
Finance / interest income			
Miscellaneous receipts( <i>specify</i> )			
<b>Total Receipts</b>		<b>7,718,295</b>	<b>6,410,421</b>
<b>Payments</b>			
Medical/Clinical costs		3,352,619	1,908,439
Employee costs		544,967	364,000
Board of Management Expenses			
Repairs and maintenance		850,565	193,030
Grants and subsidies		1,468,118	1,226,991
General expenses		2,416,568	1,881,572
Finance costs			25,661
Refunds paid out			
<b>Total Payments</b>		<b>8,590,356</b>	<b>5,599,693</b>
<b>Net cash flows from operating activities</b>	42	<b>(872,061)</b>	<b>810,728</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment			
Purchase of intangible assets			

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Proceeds from the sale of PPE			
Acquisition of investments			
<b>Net cash flows used in investing activities</b>			
<b>Cash flows from financing activities</b>			
Proceeds from borrowings			
Repayment of borrowings			
Capital grants received			
<b>Net cash flows used in financing activities</b>			
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(872,061)</b>	<b>281,528</b>
Cash and cash equivalents as at 1 July	27	2,087,777	1,806,249
<b>Cash and cash equivalents as at 30 June</b>	<b>27</b>	<b>1,215,716</b>	<b>2,087,777</b>

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

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 utilisation
	A	B	c=(a+b)	d	e=(c-d)	f=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Revenue</b>						
Transfers from the County Government						
Grants from donors and development partners						
Transfers from other Government entities						
Public contributions and donations						
Rendering of services- Medical Service Income	9,560,000	-	9,560,000	7,667,295	1,892,705	80
Revenue from rent of facilities				51,000		0
Finance / interest income						
Miscellaneous receipts ( <i>specify</i> )	-	-	-		-	
<b>Total income</b>	<b>9,560,000</b>		<b>9,560,000</b>	<b>7,718,295</b>	<b>332,705</b>	<b>81</b>
<b>Expenses</b>						<b>0</b>
Medical/Clinical costs	3,600,000	-	3,600,000	3,352,619	247,381	93
Employee costs	560,000	-	560,000	544,967	15,033	97
Remuneration of directors	-		-		-	0
Repairs and maintenance	900,000		900,000	850,565	49,435	95
Grants and subsidies	2,000,000		2,000,000	1,468,118	531,882	73
General expenses	2,500,000		2,500,000	2,374,087	125,913	95
Finance costs	-		-			0
Refunds	-		-			0
<b>Total expenses</b>	<b>9,560,000</b>		<b>9,560,000</b>	<b>8,590,356</b>	<b>969,644</b>	<b>90</b>



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

### **1. General Information**

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

### **2. Statement of Compliance and Basis of Preparation**

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

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

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

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

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

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

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

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Standard	Effective date and impact
Expenses	<p>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><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 49- Retirement Benefit Plans	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

*iii) Early adoption of standards*

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

#### 4. Summary of Significant Accounting Policies

##### a. Revenue recognition

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

###### Transfers from other Government entities

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

##### ii) Revenue from exchange transactions

###### Rendering of services

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

###### Sale of goods

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

###### Interest income

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

###### Rental income

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

*Notes to the Financial Statements (Continued)*

**b. Budget information**

- c. The original budget for FY 2023/2024 was approved by Health Management Team on **30.06.2023**. 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. 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.
- d. 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.

**e. 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)*

**f. 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 derecognition. Transfers are made to or from investment property only when there is a change in use.

**g. 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)*

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**h. 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.

**i. 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)*

**j. 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.

**k. Financial instruments**

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

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

*Notes to the Financial Statements (Continued)*

**Financial assets**

**Classification of financial assets**

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

**Subsequent measurement**

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

**Amortized cost**

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

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*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.

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*Notes to the Financial Statements (Continued)*

**l. 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.

**m. 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.

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*Notes to the Financial Statements (Continued)*

**n. 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.

**o. 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.

**p. 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.

**q. 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.)*

**r. 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)*

s. **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.

t. **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.

u. **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.

v. **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)*

**w. 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.

**x. 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.

**y. Comparative figures**

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

**z. Subsequent events**

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

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

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

### **Estimates and assumptions.**

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

### **Useful lives and residual values**

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

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

### **Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xxx.

~~Provisions are measured at the management's best estimate of the expenditure required to~~ settle the obligation at the reporting date and are discounted to present value where the effect is material.



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Notes to Financial Statements Continued

6. Transfers from the County Government

Description	2023/2024	2022/2024
	KShs	KShs
<b>Unconditional grants</b>		
Operational grant		
Level 4/5 grants		
Unconditional development grants		
Other grants ( <i>specify</i> )		
<b>Conditional grants</b>		
User fee forgone		
Transforming health services for Universal care project (THUCP)		
DANIDA		
Wards Development grant		
Paediatric block grant		
Administration block grant		
Laboratory grant		
<b>Total government grants and subsidies</b>		

6 b Transfers from The County Government

Name of the Entity sending the grant	Amount recognized to financial performance of KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund	Total grant income during the year	Comparative Period
			KShs	KShs	KShs
xx County Government					
<b>Total</b>					

(Ensure that the amount recorded above as having been received from the County fully reconciles to the amount recorded by the amount recorded as transferred by the County. An acknowledgement note/receipt should be raised in favour of the sending County Government. The details of the reconciliation have been included under appendix xxx)

\*Amount recognised in the statement of financial performance should be the recurrent grant and the development grant to the extent that there are no conditions attached. Total of column 1 should tie to note 6(the part on unconditional grants).

Notes to Financial Statements Continued

7. In Kind Contributions from The County Government

Description	2023/2024	2022/2023
	KShs	KShs
Salaries and wages	2,996,646	
Medical supplies-Drawings Rights (KEMSA)	1,850,000	
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)	0	
Utility bills	0	
<b>Total grants in kind</b>	<b>4,816,646</b>	

(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	KShs	KShs
Cancer Centre grant- DANIDA		
World Bank grants		
Paediatric ward grant- JICA		
Research grants		
Other grants (specify)		
<b>Total grants from development partners</b>		

(Provide brief explanation for this revenue)

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

Name of the Entity sending the grant	Amount recognized to Statement of financial performance	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					
JICA					
World Bank					
<b>Total</b>					

Notes to Financial Statements Continued

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9. Transfers From Other Government Entities

Description	Insert Current	Insert Comparative
	FY	FY
	KShs	KShs
Transfer from National Government (Ministry of Health)		
Transfer from xxx National Hospital		
Transfer from xxx Institute		
<b>Total Transfers</b>		

10. Public Contributions and Donations

Description	2023/2024	2022/2023
	KShs	KShs
Public donations		
Donations from local leadership		
Donations from religious institutions		
Donations from other international organisations and individuals		
Other donations( <i>specify</i> )		
Donations in kind-amortised		
<b>Total donations and sponsorships</b>		

(Provide brief explanation for this revenue)

10 (a) Reconciliations of amortised grants

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

Notes to Financial Statements Continued

11. Rendering of Services-Medical Service Income

Description	2023/2024	2022/2023
	Kshs	Kshs
Pharmaceuticals	1,047,026	655,218
Non-Pharmaceuticals	203,615	123,130
Laboratory	992,150	634,300
Radiology	74,400	112,800
Records	465,060	306,930
Inpatient	764,120	716,450
Outpatient	287,020	209,368
Physio	47,450	77,100
Eye	0	4,900
Nutrition service	23,400	88,000
Cancer Centre service	0	
Dental services	157,500	112,350
Reproductive health	0	
Pediatrics services	0	
Farewell home services	1,291,600	1,460,300
Ambulance services	0	
Other medical services income (NHIF/LINDA MAMA)	4,227,349	1,899,575
<b>Total revenue from the rendering of services</b>	<b>9,580,690</b>	<b>6,400,421</b>

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

Notes to the Financial Statements (Continued)

12. Revenue From Rent of Facilities

Description	2023/2024	2022/2023
	Kshs	Kshs
Residential property	51,000	0
Commercial property		
<b>Total Revenue from rent of facilities</b>	<b>51,000</b>	<b>0</b>

(Provide brief explanation for this revenue)

13. Finance /Interest Income

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

(Provide brief explanation for this revenue)

14. Miscellaneous Income

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

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

Notes to the Financial Statements (Continued)

15. Medical/ Clinical Costs

16. Description	2023/2024	2022/2023
	Kshs	Kshs
Dental costs/ materials	57,500	-
Laboratory chemicals and reagents	127,000	230,500
Public health activities		
Food and Ration	1,479,098	2,994,151
Uniform, clothing, and linen		
Dressing and Non-Pharmaceuticals	159,040	55,000
Pharmaceutical supplies	576,151	227,510
Health information stationery	399,140	
Reproductive health materials		
Sanitary and cleansing Materials	186,230	78,000
Purchase of Medical gases	291,460	246,378
Donations of drugs/KEMSA	1,850,000	
Other medical related clinical costs ( <i>specify</i> )	77,000	2,000.00
<b>Total medical/ clinical costs</b>	<b>5,202,619</b>	<b>3,833,539</b>

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

16 Employee Costs

Description	2023/2024	2022/2023
	Kshs	Kshs
Salaries, wages, and allowances	3,511,613	364,000
Contributions to pension schemes		
Service gratuity		
Performance and other bonuses		
Staff medical expenses and Insurance cover		
Group personal accident insurance and WIBA		
Social contribution		
Other employee costs ( <i>specify</i> )		
<b>Employee costs</b>	<b>3,511,613</b>	<b>364,000</b>

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

Notes to the Financial Statements (Continued)

17. Board of Management Expenses

Description	2023/2024	2022/2023
	Kshs	Kshs
Chairman's Honoraria		
Sitting allowance		
Mileage		
Insurance expenses		
Induction and training		
Travel and accommodation allowance		
Airtime allowances		
<b>Total</b>		

18. Depreciation and Amortization Expense

Description	2023/2024	2022/2023
	Kshs	Kshs
Property, plant and equipment		93,030
Intangible assets		
Investment property carried at cost		
<b>Total depreciation and amortization</b>		

19. Repairs And Maintenance

Description	2023/2024	2022/2023
	Kshs	Kshs
Property- Buildings	548,335	139,790
Medical equipment		
Office equipment		
Furniture and fittings	20,000	
Computers and accessories	282,230	53,240
Motor vehicle expenses		
Maintenance of civil works		
<b>Total repairs and maintenance</b>	<b>850,565</b>	<b>193,030</b>

Notes to the Financial Statements (Continued)

20. Grants And Subsidies

Description	2023/2024	2022/2023
	Kshs	Kshs
Community development and social work		
Education initiatives and programs		
Free/ subsidised medical camp		
Disability programs		
Free cancer screening		
Social benefit expenses		
Other grants and subsidies(25% Transfer to RHF)	1,468,118	1,226,991
<b>Total grants and subsidies</b>	<b>1,468,118</b>	<b>1,226,991</b>

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

21. General Expenses

Description	2023/2024	2022/2023
	Kshs	Kshs
Advertising and publicity expenses		
Waste management expenses		
Insecticides and rodenticides		
Audit fees		
Bank charges	86,151	-
Conferences and delegations		
Consultancy fees		
Contracted services		
Electricity expenses	541,981	557,950
Fuel and Lubricants	282,125	47,996
Insurance		
Research and development expenses		
Travel and accommodation allowance	268,800	306,550
General office supplies	116,502	379,150
Other fuel ( charcoal & firewood)	334,165	167,058
Courier and postal services		
Printing and stationery	460,635	959,264
Hire charges		
Rent expenses		
Water and sewerage costs	113,809	116,272
Institutional appliances		
Telephone and mobile phone services	212,400	86,596

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Internet expenses		
Staff training and development	0	15.000
Subscriptions to professional bodies		
Subscriptions to newspapers periodical, magazines, and gazette notices		
Library books/Materials		
Parking charges	-	
<b>Total General Expenses</b>	<b>2,416,568</b>	<b>2,635,836</b>

**22. Finance Costs**

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

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

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

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

**24. Unrealized Gain On Fair Value Investments**

Description	2023/2024	2022/2023
	KShs	KShs
Investments at fair value		
<b>Total gain</b>		

Notes to the Financial Statements (Continued)

25. Medical Services Contracts Gains /Losses

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

26. Impairment Loss

Description	2023/2024	2022/2023
	KShs	KShs
Property, plant, and equipment		
Intangible assets		
Investments		
<b>Total impairment loss</b>		

27. Cash And Cash Equivalentents

Description	2023/2024	2022/2023
	KShs	KShs
Current accounts	1,215,716	2,087,777
On - call deposits		
Fixed deposits accounts		
Cash in hand		
Others( <i>specify</i> )- Mobile money		
<b>Total cash and cash equivalentents</b>	<b>1,215,716</b>	<b>2,087,777</b>

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

Notes to the Financial Statements (Continued)

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

Description		2023/2024	2022/2023
Financial institution	Account number	KShs	KShs
<b>a) Current account</b>			
KCB Bank	1156803942	450,305	1,778,966
KCB Bank	1168348048	-	560
KCB Bank	1290779171	765,410	306,043
KCB Bank	1290818029	-	2,208
<b>Sub- total</b>		<b>1,215,716</b>	<b>2,087,777</b>
<b>b) On - call deposits</b>			
Cooperative bank			
Equity Bank – etc			
<b>Sub- total</b>			
<b>c) Fixed deposits account</b>			
Bank Name			
<b>Sub- total</b>			
<b>d) Others(specify)</b>			
cash in hand			
Mobile money- Mpesa, Airtel money			
<b>Sub- total</b>			
<b>Grand total</b>		<b>1,215,716</b>	<b>2,087,777</b>

28. Receivables From Exchange Transactions

Description	2023/2024	2022/2023
	KShs	KShs
Medical services receivables	368,500	529,200
Rent receivables		
Other exchange debtors		
Less: impairment allowance		
<b>Total receivables</b>	<b>368,500</b>	<b>529,200</b>

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

**Analysis of Receivables From Exchange Transactions**

Description	2023/2024		2022/2023	
	Kshs		Kshs	
	2023/2024	% of the total	2022/2023	% of the total
Less than 1 year	368,500	100%	529,200	100%
Between 1- 2 years				
Between 2-3 years				
Over 3 years				
<b>Total (a+b)</b>	<b>368,500</b>	<b>100%</b>	<b>529,200</b>	<b>100%</b>

**29. Receivables From Non-Exchange Transactions**

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

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

**Analysis of Receivables From Non-Exchange Transactions**

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

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**30. Inventories**

Description	2023/2024	2022/2023
	KShs	KShs
Pharmaceutical supplies	1,213,585	2,367,622
Non Pharmaceuticals	1,133,168	
Food supplies	21,630	
Laboratory supplies	878,755	
Cleaning materials supplies		
General supplies		
Less: provision for impairment of stocks		
<b>Total</b>	<b>3,247,138</b>	<b>2,367,622</b>

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Notes to the Financial Statements (Continued)

31. Property, Plant and Equipment

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Capital Work-in-progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
<b>Cost</b>								
At 1 July 2023 (previous year)								
Additions								
Disposals								
Transfers/adjustments								
<b>At 30<sup>th</sup> Jun 2023</b>								
At 1 July 2023 (current year)								
Additions								
Disposals								
Transfer/adjustments								
<b>At 30<sup>th</sup> Jun 2024</b>								
<b>Depreciation and impairment</b>								
At 1 July 2024 (previous year)								
Depreciation for the year								
Disposals								
Impairment								
<b>At 30 June 2024</b>								
At July 2024 (current year)								

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

Notes to the Financial Statements (Continued)

32. Intangible Assets-Software

Description	2023/2024	Comparative 2022/2023
	KShs	KShs
<b>Cost</b>		
At beginning of the year		
Additions		
Additions- Internal development		
Disposal		
<b>At end of the year</b>		
<b>Amortization and impairment</b>		
At beginning of the year		
Amortization for the period		
Impairment loss		
<b>At end of the year</b>		
<b>NBV</b>		

33. Investment Property

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

(For investment property held at fair value, changes in fair value should go through the statement of financial performance. Where cost model is elected, depreciation and impairment should not be charged. Investment measured at fair value should be evaluated at the end of the reporting period for changes in fair value.). Entity should disclose the independent valuers, rental income from the investment property if any and the direct costs attributed to the investment property. Any charges on the investment property as well as any difficulty in classifying this asset as an investment property.

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Notes to the Financial Statements (Continued)

34. Trade and other Payables

Description	2023/2024		2022/2023	
	KShs		KShs	
Trade payables	1,744,724		2,679,364	
Employee dues			1,744,543	
Third-party payments (e.g. unremitted payroll deductions)				
Audit fee				
Doctors' fee				
<b>Total trade and other payables</b>	<b>1,744,724</b>		<b>4,423,907</b>	
<b>Ageing analysis:</b>	<b>2023/2024</b>	<b>% of the Total</b>	<b>2022/2023</b>	<b>% of the total</b>
Under one year	1,744,724	100%		
1-2 years			4,423,907	100%
2-3 years				
Over 3 years				
<b>Total</b>	<b>1,744,724</b>	<b>100%</b>	<b>4,423,907</b>	<b>100%</b>

35. Refundable Deposits from Customers/Patients

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

Notes to the Financial Statements (Continued)

36. Provisions

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

37. Finance Lease Obligation

Description	Insert Current FY Kshs	Insert Comparative FY Kshs
Current Lease obligation		
Long term lease obligation		
<b>Total</b>		

38. Deferred Income

Description	Insert Current FY KShs	Insert Comparative FY KShs
Current Portion		
Non-Current Portion		
<b>Total</b>		

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

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

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

**39. Borrowings**

Description	Insert Current FY	Insert Comparative FY
	KShs	KShs
Balance at beginning of the period		
External borrowings during the year		
Domestic borrowings during the year		
Repayments of external borrowings during the year		
Repayments of domestic borrowings during the year		
<b>Balance at end of the period</b>		

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

Description	Insert Current FY	Insert Comparative FY
	KShs	KShs
Current Obligation		
Non-Current Obligation		
<b>Total</b>		

*(Current portion of borrowings are those borrowings that are payable within one year or the next financial year. Additional disclosures on terms of borrowings, nature of borrowings, security and interest rates should be disclosed).*

Notes to the Financial Statements (Continued)

40. Service Concession Arrangements

Description	Insert Current FY	Insert Comparative FY
	KShs	KShs
Fair value of service concession assets recognized under PPF:		
Accumulated depreciation to date		
Net carrying amount		
Service concession liability at beginning of the year		
Service concession revenue recognized		
Service concession liability at end of the year		

41. Social Benefits

Description	Insert Current FY	Insert previous FY
	Kshs	Kshs
Health social benefit scheme		
Unemployment social benefit scheme		
Orphaned and vulnerable benefit scheme		
People Living with Disabilities benefit Scheme		
Elderly social benefit scheme		
Bursary social benefits		
<b>Total</b>		
Current social benefits		
Non-current social benefits		
<b>Total (tie to totals above)</b>		

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

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Notes to the Financial Statements (Continued)

42. Cash Generated from Operations

Description	Insert Current	Insert
	FY	Comparative
	KShs	KShs
Surplus for the year before tax	xxx	xxx
<b>Adjusted for:</b>		
Depreciation	xxx	xxx
Non-cash grants received	(xxx)	(xxx)
Impairment	xxx	xxx
Gains and losses on disposal of assets	(xxx)	(xxx)
Contribution to provisions	xxx	xxx
Contribution to impairment allowance	xxx	xxx
<b>Working Capital adjustments</b>		
Increase in inventory	(xxx)	(xxx)
Increase in receivables	(xxx)	(xxx)
Increase in deferred income	xxx	xxx
Increase in payables	xxx	xxx
Increase in payments received in advance	xxx	xxx
<b>Net cash flow from operating activities</b>	<b>xxx</b>	<b>Xxx</b>

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

Notes to the Financial Statements (Continued)

43. Financial Risk Management

The entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The 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
<b>At 30 June 20XX (previous year)</b>				
Receivables from exchange transactions	xxx	xxx	xxx	Xxx
Receivables from –non-exchange transactions	xxx	xxx	xxx	Xxx
Bank balances	xxx	xxx	xxx	Xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>Xxx</b>
<b>At 30 June 20XX (current year)</b>				
Receivables from exchange transactions	xxx	xxx	xxx	Xxx
Receivables from –non-exchange transactions	xxx	xxx	xxx	Xxx
Bank balances	xxx	xxx	xxx	Xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>Xxx</b>

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

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

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the hospital has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The entity has significant concentration of credit risk on amounts due from . 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
<b>At 30 June 2023</b>				
Trade payables				
Current portion of borrowings				
Provisions				
Deferred income				
Employee benefit obligation				
<b>Total</b>				
<b>At 30 June 2024</b>				
Trade payables				
Current portion of borrowings				
Provisions				
Deferred income				
Employee benefit obligation				
<b>Total</b>				

Notes to the Financial Statements (Continued)

(iii) Market risk

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

The 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
<b>At 30 June 2024</b>			
Financial assets (investments, cash, debtors)	xxx	xxx	xxx
Liabilities			
Trade and other payables	xxx	xxx	xxx
Borrowings	xxx	xxx	xxx
Net foreign currency asset/(liability)	xxx	xxx	xxx

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

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Notes to the Financial Statements (Continued)

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

**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
<b>20XX (previous year)</b>			
Euro	10%	xxx	xxx
USD	10%	xxx	xxx
<b>20XX (current year)</b>			
Euro	10%	xxx	xxx
USD	10%	xxx	xxx

**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	Current Period	Comparative Period
	KShs	KShs
Revaluation reserve	xxx	xxx
Retained earnings	xxx	xxx
Capital reserve	xxx	xxx
<b>Total funds</b>	xxx	xxx
Total borrowings	xxx	xxx
Less: cash and bank balances	(xxx)	(xxx)
Net debt/ (excess cash and cash equivalents)	xxx	xxx
<b>Gearing</b>	xx%	xx%

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

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Description	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Directors' emoluments	xxx	xxx
Compensation to the medical Sup	xxx	xxx
Compensation to key management	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>

**45. Segment Information**

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

**46. Contingent Liabilities**

Contingent liabilities	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Court case xxx against the hospital	xxx	xxx
Bank guarantees in favour of subsidiary	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>

*(Give details)*

**47. Capital Commitments**

Capital Commitments	Insert Current FY	Insert Comparative FY
	Kshs	Kshs
Authorised For	xxx	xxx
Authorised And Contracted For	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>

*(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the board but at the end of the year had not been contracted or those already contracted for and ongoing)*

**48. Events after the Reporting Period**

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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 (If it is date when you expect the issue to be resolved)

**Guidance Notes:**

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from the final external audit report that is signed by Management.
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for 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**

**Appendix II: Projects Implemented by The Entity**

**Projects**

Projects implemented by the Hospital Funded by development partners

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

**Status of Projects completion**

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

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

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

Name of Transferring entity.....

Name of Beneficiary entity.....

**Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30<sup>th</sup> June (Current FY)**

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
<b>Total</b>					

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

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

Name ..... Sign ..... Date .....

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

Name ..... Sign ..... Date.....

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**Appendix IV Reporting of Climate Relevant Expenditures**

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

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**Appendix V: Disaster Expenditure Reporting Template**

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