



REPUBLIC OF KENYA



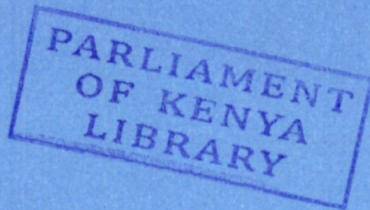
OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL



ON

**KISAU SUB-COUNTY LEVEL
4 HOSPITAL**

**FOR THE YEAR ENDED
30 JUNE, 2022**

COUNTY GOVERNMENT OF MAKUENI

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30081 - 00100, NAIROBI
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24 JUN 2024
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**KISAU SUB COUNTY Level 4 HOSPITAL
(Makueni County Government)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2022

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

17/09/24
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Kisau Sub County Level 4 Hospital (Makueni County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2022

*Kisau Sub County Level 4 Hospital (Makueni County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2022*

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I. Key Entity Information and Management

(a) Background information

Kisau Sub County Hospital(KSCH) is a level 4 hospital established under gazette notice number Vol CXI –No. 103 of 11th December 2011 and is domiciled in Makueni County under the health Department. The hospital lies on Wote Masii road at Mbumbuni Market in Kisau/kiteta ward. The hospital is governed by a Board of Management.

(b) Principal Activities

Vision

An efficient and high-quality health care system that is accessible, equitable and affordable for all Kenyan.

Mission

To promote and participate in the provision of integrated and efficacious promotive, preventive, curative and rehabilitative health care services to all Kenyans.

Strategic Objectives

1. Eliminate Communicable Conditions
2. Halt, and reverse the rising burden of non-Communicable conditions.
3. Minimize exposure to health risk factors
4. Provide essential health services

(c) Key Management

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

1. County department of health
2. Board of Management
3. Accounting Officer/ Medical Superintendent
4. Health Management Team

(d) Fiduciary Management

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

Designation	Name
1. Medical Superintendent	Augustus Maundu
2. Head of finance	Wambua Savali
3. Head of Administration	Nyamai Zacheaus
4. Head of supply chain	Daniel Mumo
5. Nursing officer Incharge	Ceaser Kisyula

(e) Fiduciary Oversight Arrangements

- **Makueni County Assembly;** The County Assembly enacted the various legislation and performed the oversight required through the department of Health Services i.e. Makueni County Health Act 2017, Makueni County Community Health Strategy Act. They also reviewed the external audit reports and financial statements of the County Government as required by the law.
- **Controller of Budget (COB);** COB Provided the required guidelines in budget execution, through the county government and processed requisition for funds transferred to the hospital by Makueni County Government department of health services and provided oversight in budget implementation.
- **National Treasury (NT);** The NT Processed exchequer funds received from Makueni County Government, provided guidelines in preparation of hospital annual reports and financial statements.
- **Commission on Revenue Allocation (CRA);** CRA provided support in revenue allocation indirectly via Makueni County Government and also undertook the County Credit Rating;
- **Makueni County Audit Committee;** The Committee supported the hospital by reviewing internal audit reports shared by department of health services and ensured corrective actions were taken to safeguard the internal controls of the County's financial operations. It also spearheaded preparation of the county risk management framework which was disseminated to the hospital.
- **Public Sector Accounting Standards Board;** the board developed the financial reporting templates and provided guidance on the accounting standards to be adopted by level 4 and 5 County Hospitals.
- **County health authority to incur expenditure committee.** The committee has been reviewing hospital budget, implementation, hospital operations and pending bills report to ensure that funds received are accounted for, suppliers are paid in good time and the hospital continues to offer high quality health care services.

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- **Drugs and therapeutic committee** – The committee is established to oversee medication safety and management and pharmacy regulation.
- **Medical board** - whose primary function is to act as an advisory body to the management

(f) Hospital Headquarters

Kisau Sub County Hospital
P.O. Box 144-90127- Mbumbuni
Along Wote Masii Road
Makueni, Kenya

(g) Contacts

Telephone: (+254) 768147752
E-mail: kisausch@gmail.com

(h) Bankers

Kenya Commercial Bank Ltd
Wote – Branch
MAKUENI

(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.78-90300
MAKUENI, Kenya

II. The Board of Management

Ref	Directors	Details
1.	 Geoffrey Mutua Kimwatu - ChairMan	Age:65 years Key qualifications: Retired senior principal Work experience:34years He's the chairman of the hospital board of Management
2.	 Reverend Gesmarck Kiso	Age: 57 years Key qualifications: lecturer Nduluku bible college, with 25 years of work experience. He is a member of the Board.
3.	 Susan Nzilani Mutiku	Age: 45 years She holds a Diploma in supply chain management, with approximately 20 years of experience.
4.	 Dr.Mwasi Benson – Secretary of the Board	He is the medical superintended of the Hospital and secretary to the Board. He is 38 years old. He holds Bachelor of pharmacy, with 14 years of Work Experience in Medical field.

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5.	 Nyamai Zacheaus	He is the Hospital Administrative Officer(HAO) and co-opted member of the board. Age:29 years. He holds a Bachelor of Health Systems Management, with 5 years of work experience in Health Management.
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III. Management Team

Ref	Management	Details
1.	 Dr. Mwasi Benson – Medical Superintendent	He is the Medical Superintendent of the Hospital. Holds a Bachelor's degree in Pharmacy from University of Oriente, Cuba and previously worked as the Sub County Medical Officer of Health Kibwezi East. He is the Chairperson of the committee.
2.	 Nyamai Zacheaus – Hospital Administrative Officer	He is the HAO of the Hospital. Holds a Bachelor's degree in Health Systems Management from Kenyatta University. He is the secretary to the Committee
3.	 Ceaser Kisyula – Nursing Officer Incharge	He is the Nursing Officer, He holds a Bachelor of Science in Nursing from the University of Nairobi, and diploma in Nursing (KRCHN) at Kenya Medical Training College. He is a member of the committee.
4.	 CPA Christine Mumbe	She is the Head of Finance. Holds a Bachelor's degree in Commerce Finance option from KCA university and a Certified Public Accountant of Kenya, a member of ICPAK She is a member of the committee.

IV. Chairman's Statement

The FY2021/22 was a year of mixed fortunes. The hospital continued to offer quality health care services despite the challenges of Covid 19 pandemic which affected most of our hospital operations. I am pleased to report that Kisau Sub County Hospital has continued to perform well and offering the much-needed services to the community and the citizens of Makueni County. I take this opportunity to share with you my views on the key initiatives and achievements we have had over the year.

Financial performance

In the year ended 30th June, 2022, the Hospital had projected revenues of Kshs14,200,000 consisting of from own source revenue (Facility Improvement Fund, NHIF reimbursements, Edu Afya) and Transfers from County Government to support Makueni Care program. The board through public participation platforms continued to create awareness and encourage residents to register under Makueni Care and NHIF cover within the Hospital catchment area.

Service delivery

Once again, our staff have demonstrated their compassion as they delivered excellent health care Services. The challenges faced this past year are quite a handful – Shortage in supply of commodities, staff shortages, and lack of adequate infrastructure etc. Despite the challenges we faced throughout the year, together we saved lives and contributed to the health of our community.

Projects

In the FY2021/22 much of the hospital finances were channelled to operations and maintenance and therefore very little was left for development projects. This was contributed by increased costs of running the facility and dwindling revenues. However, through support of the County Government in-conjunction with Kenya Rural Road Authority(KERRA) they were able to Cabro pave the hospital compound and hence face lifting the facility.* This was under the National government UHC to improve access to the hospitals. In addition, the County Government constructed counselling unit, this reduced congestion of our staff and also improved on handling of the patients who need psychosocial care.

Outlook

The hospital board and management will continue to lobby our stakeholders including county government to support in several projects which require immediate interventions. This include: 1)

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renovation of outpatient block which is our main hospital block were majority of our patients are attended, 2) Patient waiting bays and 3). Hospital Administration block.

My fellow board members endeavour to involve the local leadership especially during the public participation meetings for budget preparation, so as to have these needs allocated funds. We tried to do so during that last FY albeit unsuccessfully but we will not tire.

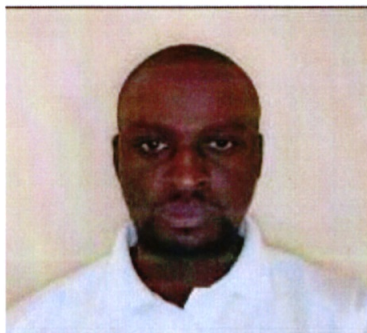
Conclusion

I wish thank my fellow members of the Board of Management and management team for providing supportive and complementary role while making progressive decisions towards directing this hospital. I am impressed with their wealth of knowledge and experience in many different business and operational settings. I strongly assure that Kisau Sub County Hospital shall remain committed and will deliver exceptional services consistent to needs of the patients and Kenyans without compromising the principles of corporate governance, ethics and sustainability.


Geoffrey Mutua Kimwatu
Hospital Board Chairman



V. Report of The Chief Executive Officer



“Kisau sub county hospital epitomises the gradual and consistent improvement in a resource scarce environment”

Augustus Maundu – Medical superintendent

Team work, good leadership and governance are key to success of organizations. These have been our key pillars in the success of the hospital in the financial year.

Investment in Healthcare is driven by health programs and investment areas, as well as by the well-known WHO health system building blocks. These are adequate human resources for health, efficient service delivery system, adequate health infrastructure, access to essential health products, adequate health information, and adequate health financing and comprehensive health leadership.

1. Service delivery

In this financial year, we have taken great steps in ensuring improvement in the services offered in the facility. Waiting times for patients were a challenge in the past but adding clinical staff and ensuring attending to patients is done on time has greatly improved this quality indicator. Weekly continuous medical education meetings have continued to build skills and knowledge among staff.

2. Governance and leadership

The hospital enjoys good leadership and governance. There is great working relationship between the hospital management and the hospital board. This has resulted to good working environment.

3. Health infrastructure

Over recent years there has been a slow expansion of services due to infrastructural challenges, lack of various equipment and additional human resource for health.

In order to realize its dream of being efficient and high-quality health care hospital that is accessible, equitable and affordable for all Kenyans, the hospital management has continuously engaged various stakeholders to strengthen health investment in line with the WHO building blocks. In this financial year the county government, through the department of health constructed a counselling booth in the hospital. This will ensure an apt working environment for the psychological counselor and help ameliorate the space constraints we face as a hospital.

The county government lobbied for paving of the pathway from the gate to the waiting bay through KERRA hence improving the face of the hospital. We completed the renovation of the Hospital's Burning Chamber. It was done by our own FIF collections. This has allowed environmental hygiene and cleanliness.

4. Human resource for health

Additional recruitment of staff in various departments has greatly affected the performance of the hospital. We have clinical officers, an orthopedic technologist who have been recruited by the hospital to support and ensure continuous service delivery.

5. Health commodities and vaccines

Over the financial year, there was great commodities supply issues. We have had episodes of pharmaceutical stock outs, lack of key non pharmaceutical commodities like gloves and also laboratory supplies.

6. Healthcare financing

We have improved in revenue collection and surpassed our annual target of Ksh 14,200,000 to collect. This is through prudent revenue collection methods, having cash less payments mode and automation of processes.

7. Health information

Patient records are well managed, easily retrieved, turnaround time shortened resulting in improvement in overall patient satisfaction. There's urgent need to automate the outpatient

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services through hospital management and information system so as to greatly improve service delivery efficiency in the hospital

Despite our achievements, we still face challenges namely; 1). Staff shortage especially nurse, laboratory technician. 2). Shortages in pharmaceutical and non-pharmaceutical commodities, 3). Inadequate hospital infrastructure 4). 5). Unreliable supply of both water and electricity 6). Lack of an ambulance amongst others.



Augustus maundu
Chief Executive Officer- Kisau Sub County Hospital

VI. Statement of Performance Against Predetermined Objectives

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

Kisau Sub- County hospital has several strategic pillars and objectives within the current Strategic Plan for the FY 2021- 2022. These strategic pillars are as follows;

- Pillar 1: Financing
- Pillar 2: Medical Products and commodities
- Pillar 3: Health work force
- Pillar 4: Health Information
- Pillar 5: Service delivery
- Pillar 6: Governance

Kisau sub-county hospital develops its annual work plans based on the above pillars. 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 2021/2022 period for its strategic pillars, as indicated in the table below:

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Pillar	Objective	Key Indicators	Activities	Achievements
Financing	1.Increase revenue collection 2.Automate the revenue collection	1. Increased revenue collection Use of computers to collect revenue	1.Collect more revenue and seal all revenue leakages 2.network the outpatient department and purchase more computers-plans underway.	Revenue was increased from Kshs. 1,000,000 to Kshs.2,000,000 for both FIF and NHIF 2.Networking plan is underway.
Medical Products and commodities	1.Havel fewer stock outs 2. reduce pilferage and waste	1 Automated stocking system 2, Routine stock taking to be done	1.Intoroduce a system of restocking at reorder levels 2.introduction of stock taking every quarter	1.Trained the staff on reorder levels so that the orders can be done on time 2. we have seen less pilferage and theft
Health work force	1. Increase staff awareness and knowledge on diverse topics 2.encourage team work for the staff	1. Continuous medical education attendance register 2.a team building activity to report to be done	1.Conduct weekly continuous medical education on diverse topics 2 Take the Hospital management team members	1.Weekly CMEs conducted on diverse topics 2.Staff were taken on a team building activity to Mombasa in October 2022

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			for a tem building activity	
Health Information	1.Improve quality of data 2. Improve records management	1.Accurate data is recorded 2. Data collection is simplified and efficiency	1. Ensure data audits are conducted monthly 2Automate data collection	1. Data audits are conducted regularly 2.Automation has already started with networking done at OPD
Service delivery	1.Reduce waiting times at all service delivery points 2. Improve on customer service in all areas	1.Reduced waiting times for clients 2.Better customer service experience for the clients	1.Carry out survey on waiting time 2.train staff on customer service and establish a desk for customer service	1. Survey was carried out to establish the waiting times 2.1 Introduced a customer service desk and sensitized the staff
Governance	1.Involve all parties and stakeholders in the management of the hospital	All stakeholders are involved	Have regular meeting s with Health management teams, Hospital Board members	Active committees where meetings are held regularly with the relevant committees

VII. Corporate Governance Statement

Kisau SCH hospital in the last financial year 2021-2022 held four (4) board meetings one (1) in each quarter and all the nine (9) board members fully attended all the meetings. The process of appointment of the board members is done by the County Executive Committee Member of the department of Health Services Makueni County who are gazetted before they resume office. This is done in consultation with Hospital in-charge. The facility in-charge coordinates the selection process of new HMC members at least six months before the expiry of the term of each member.

The current Hospital Management Board which was gazette on 26th March 2021 via gazette Vol CXXIII No 59

The Board members are as follows

1. Geoffrey Mutua Kimwatu Chairman
2. Reverend Gesmarck Kiso
3. Susan Nzilani Mutiku
4. Elizabeth Mueni Kamwela
5. Musila Onesmus Mumo
6. Onesmas K.Nzangi
7. Solomon Mutia
8. Dr.Mwasi L.B Secretary/Medical Superintendent -
9. Sub County MOH-EX Official
10. Sub County Administrator-Ex Official
11. Deputy County Commissioner-Ex Official

Meetings Held

In the FY2021/22 the board held four (4) meeting in the whole year. i.e. 13th July 2021, 7th October 2021, 17th January 2022 and 12th April 2022.

Selection of Board Members

The CEC Health appoints 7 or 9 members, apart from the ex-officio, Must meet the following criteria:- shall hold office for a period of three years, Members are eligible for appointment for one further term, members must hold at least an O-Level certificate of education or its equivalent and Members should reside or work in the hospital's service area.

Administration representative.

County Director of Medical Services/ Sub- County Medical Services Officer or representative.

Medical Superintendent/ Officer of Health In-Charge - who shall be the Secretary

The following shall also be adhered to

1. One person with knowledge and experience in finance and administration matters.
2. One person nominated by women's groups
3. One person nominated by the Faith-Based Organizations.
4. Two persons nominated by recognized Community Based Development Organizations of whom one shall be a woman.

ORGANIZATION OF THE BOARD

- Chairperson – Appointed by the County Executive of Health (CEC).
- Secretary – The Hospital In-charge.
- 2 Standing sub-committees:
 - *Finance and General-Purpose sub-committee.*
 - *Quality of Health Care Services sub-committee.*
- HMB Chair, Secretary and Chairs of sub-committees may form an ad hoc committee to deal with an emergency.

Finance and general-purpose Sub committee

- a) Review targets for the facilities, compare actual collections vs targets
- b) Review expenditure plans for facilities and ensure they are being spent in accordance with the plans and AIEs
- c) Review financial aspects of long term and annual development plans

Quality of health care sub committee

- a) Review the service delivery indicators
- b) Review areas of improvement in service delivery points
- c) Review complains is any raised by members of the community against the hospital

Responsibilities of the Chairman

- a) Convening HMB meetings in conjunction with the Secretary.
- b) Presiding over HMB meetings.
- c) Overseeing the formation of sub committees and the integration of their activities with the work of the Board.
- d) Ensuring effective development of HMB members.

- e) Ensure evaluation of the Boards effectiveness and implementation of activities and goals.
- f) Planning for leadership succession.

Responsibilities of the secretary

- a) Keeping accurate records of HMB meetings, attendance, decisions, long term plans and goals, and policies.
- b) Setting meeting schedules and preparation of minutes and circulating meeting materials.
- c) Communicating key policy decisions to the hospital teams and HMB
- d) Planning for leadership succession.
- e) Maintaining HMB policy and other resource manuals

Remuneration of members

- Sitting allowances are determined by the Permanent Public Service Remuneration Review Board.
- Details disseminated through administrative circulars to be issued from time to time by the County or MOH.

Conflict Resolution Among Members

Conflicts among members is mediated by **CHMT** and shall be resolved as follows:

- a) The issue of conflict among the members shall be included in the agenda for the regular meeting, or a special meeting will be convened for the same.
- b) The members involved in the conflict shall attend the meeting in person
- c) The members shall deliberate to resolve the issues during the meeting

VIII. Management Discussion and Analysis

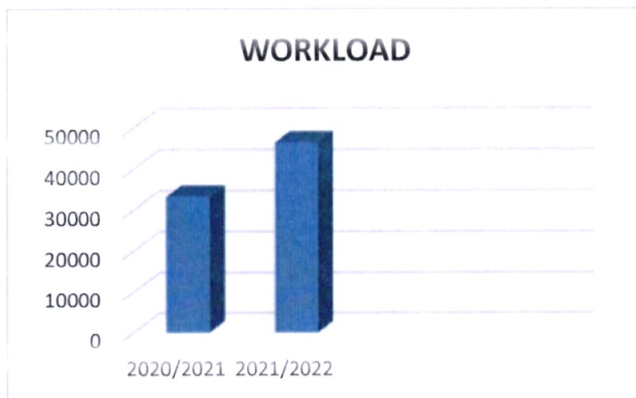
Clinical/operational performance

Kisau sub county hospital has a 26 Bed capacity. The overall patient attendance during the year for outpatient was 46,500. Average hospital stay is 3 days with bed occupancy rate of 54%.

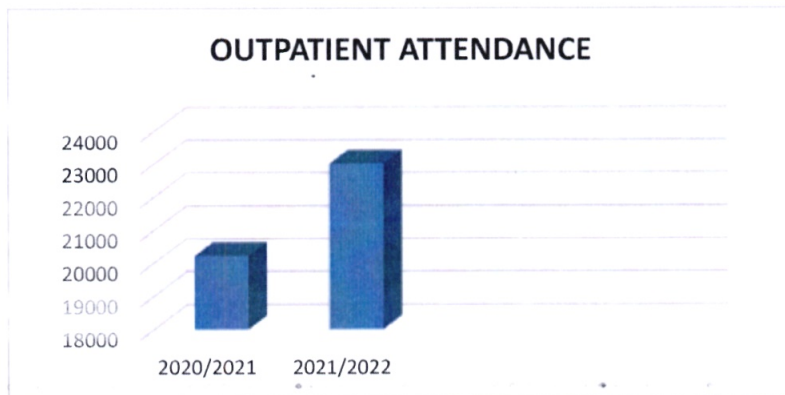
Our specialised clinic attendance was 13,825 for the year. The hospital has partnered with:

CIHEB- Kenya – support AIDS/HIV program

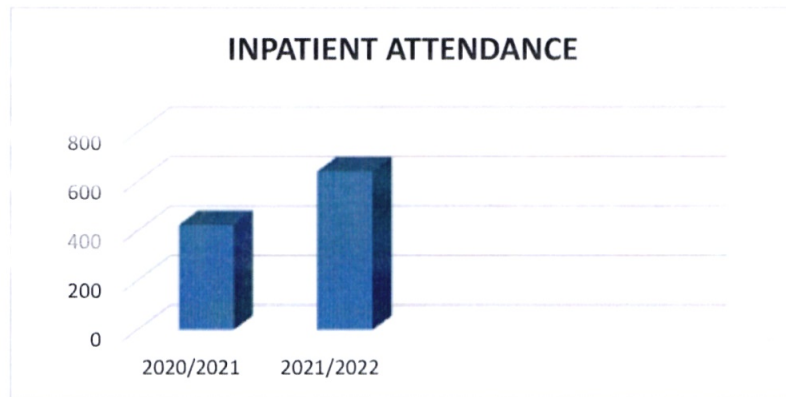
Medtronics labs - Support laboratory services



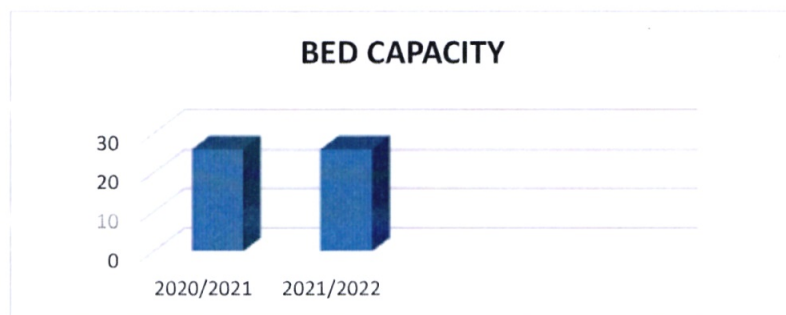
In the current year the hospital work load increased from approximately 33,284 cases to 46,500. This was contributed by improved health services provision and additional specialised services introduced in the year.



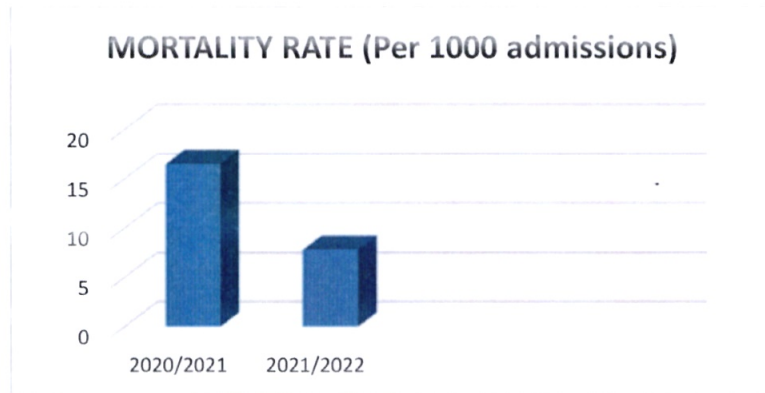
The outpatient workload grew from 20,219 to 23,006 as indicated by the graph. This was contributed by increased utilisation of the services by the community due to expanded services and improved quality services



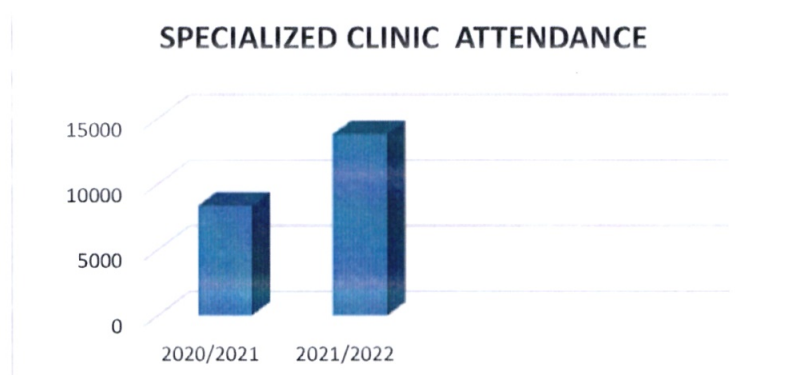
The inpatient workload grew from 396 to 600. This was contributed by increased utilisation of the services by the community due to expanded services and improved quality services.



The hospital bed capacity remained at 26 for the two years. The hospital lack enough patient wards and therefore huge investment is need in this area.



Mortality rate reduced from 17 deaths per 1000 admissions to 7 deaths per 1000 admissions, an indication of improved quality of care.



The department introduced reverse referral system where by specialist visit patients for care and treatment without the patient going to seek the health care service. This improved on the quality of Health Care and access

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to specialised clinics and hence the numbers grew from 7,500 to 13,500 patients in FY2021/22

Financial performance that includes

Revenue sources

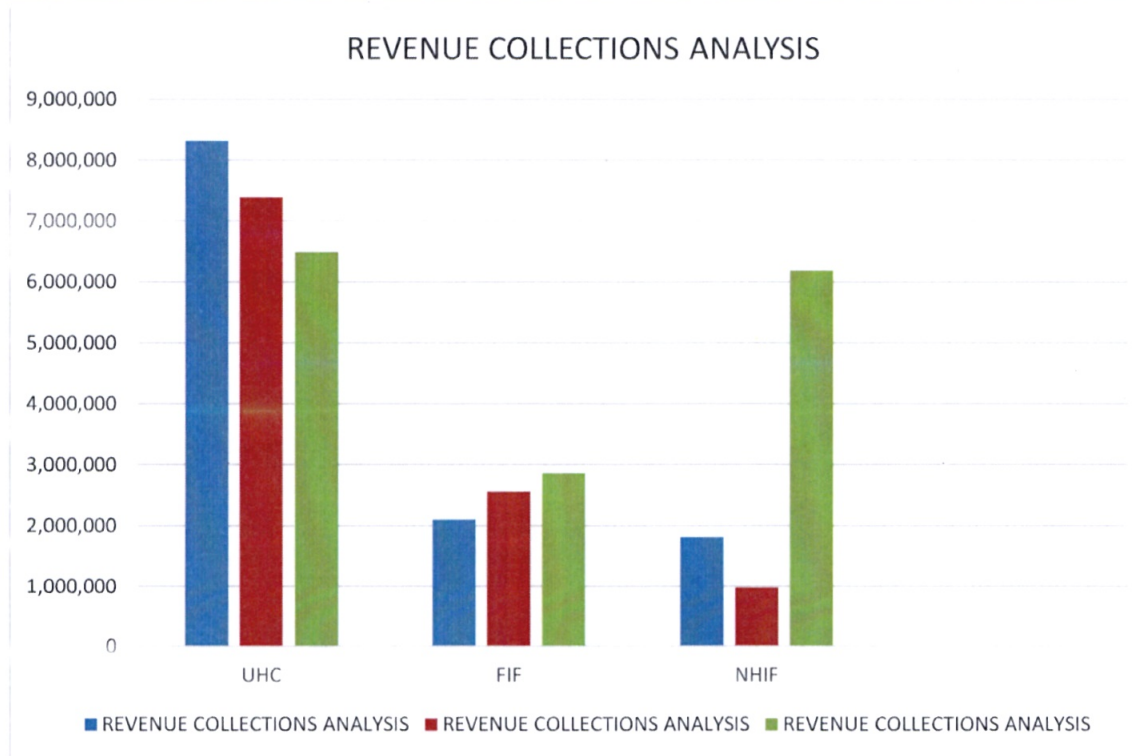
The table below shows FIF (facility improvement fund), UHC collections, and NHIF receipts collections for the year 2019/20, 2020/2021 and 2021/22. The FIF appears to demonstrate a gradual increment for the years in comparison. This could be attributed to expanded health care services and increase improved revenue collection methods.

The UHC fund shows a downward trend in the financial years. The funds from NHIF demonstrate an increased trend which is mostly caused by the disbursement of Linda mama funds to NHIF by the national treasury.

Revenue sources- NHIF, FIF, UHC

REVENUE COLLECTIONS ANALYSIS

	2019/2020	2020/21	2021/22
UHC	8,328,267	7,400,000	6,500,000
FIF	2,106,410	2,566,515	2,867,587
NHIF	1,811,765	993,260	6,191,482

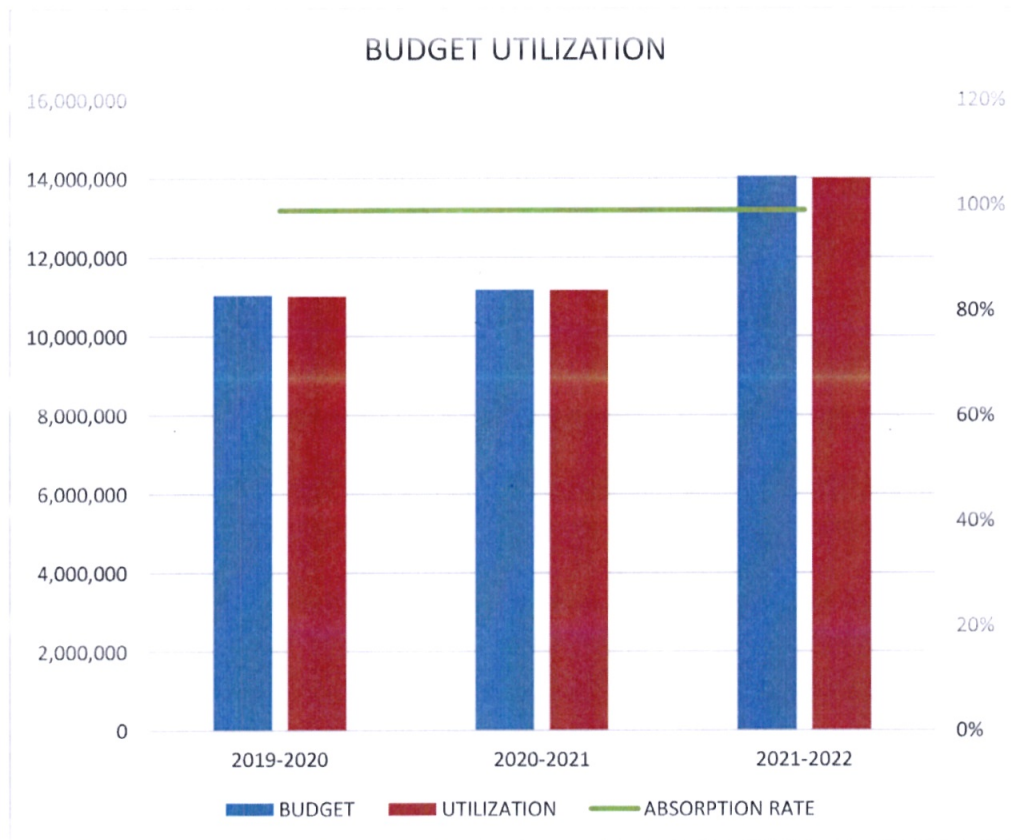


TOTAL BUDGETS -ALL REVENUE			
YEAR	BUDGET	UTILIZATION	ABSORPTION RATE
2019-2020	11,058,125	11,034,837	99%
2020-2021	11,197,305	11,182,040	99%
2021-2022	14,057,132	14,029,923	99%

utilisation of funds -100% utilisation

The hospital funds are budgeted by an executive expenditure committee that considers the priority areas to allocate resources and then come up with a budget. The budget is presented to the HMC for approval. Once approved, it is forwarded to the office of the chief officer health services for approval. Then the facility is given authority to incur expenditure.

The bar charts for total revenues for the three years demonstrate a deep in revenues in the financial years 2020-2021. This was occasioned by a cut in funding by the County government. The level of reimbursement of NHIF Funds increased in the financial year 2021-2022 where a significant increment was noted as shown in the bar chart and the graph above.



IX. Environmental and Sustainability Reporting

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

i) Sustainability strategy and profile

Stakeholder engagement

Kisau SCH key stakeholders include: patients, health care workers, employees and trade unions, suppliers, healthcare funders, government and authorities, industry associations, investors, the community and the media. Kisau SCH recognises its accountability to its stakeholders and is committed to effective and regular engagement with them, and to publicly report on its sustainability performance. Kisau SCH key stakeholders are those groups who have a material impact on, or are materially impacted by, Kisau SCH and its operations

ii) Environmental performance

The Hospital's main environmental impacts are the utilisation of resources, predominantly energy, through electricity consumption and water, and the disposal of healthcare risk waste. The Hospital is fully aware of the need to use resources responsibly and is committed to minimising its environmental impacts to the extent possible. The Hospital recognises the risks that regulatory changes, environmental constraints and climate change present to its operations. Potential impacts include rising costs, reduced access to facilities, interruptions in service, and incidents of extreme weather events as a result of climate change.

iii) Employee welfare

The focus of attracting and utilising talent in a challenging healthcare market continues to be in accident and emergency room doctors. Kisau SCH management has focused on creating conducive work environment in order to attract, train and retain workers. We have continuously through the human resource and advisory committee improved the capacity, skills and knowledge of staff through approving of trainings, Continuous Medical Educations, supporting conference attendance and supporting and financing senior courses.

iv) Market place practices

Kisau sub county hospital has made efforts to promote:

a) Responsible competition practice.

The organisation ensures all the clients are given receipt for any money paid and are given services they have paid for. The Service charter is put in strategic place for services rendered for all to read.

b) Responsible Supply chain and supplier relations

Those interested to do business the organisation, buy tenders when advertised through print and social media after every two years. Those who qualify are given orders and are paid in good time.

c) Responsible marketing and advertisement

When clients are served well, they advertise and inform others about the good quality services available which are friendly and cost effective.

d) Product stewardship

High priority in terms of accountability and honest is given on all items and supplies done, frequent checks on inventory are carried on to ensure product stewardship.

v) Corporate Social Responsibility / Community Engagements

Community engagement in ways like when we have mother's day meetings, over 200 mothers come and educated about breast feeding, hygiene practise and given. They remain part and parcel of the community and therefore it's with constant check with the community. Community trainings on different aspects remain as one of the key Corporate Social Responsibility. Education and support of the expectant and breast feeding mothers through provision of mother pack is a program designed to ensure the facility remain a centre for preferred Health Care services provision in the surrounding Community.

II. Corporate social responsibility / community engagements

Kisau SCH is committed to social responsibility and the pursuit of societal good through inclusive healthcare towards fulfilling public healthcare needs. We focus on bringing quality healthcare within the reach of all people regardless of their geographic location or economic status. Kisau SCH aspires to be a socially responsible corporate citizen delivering superior and sustainable value to all. Kisau SCH Corporate Social Responsibility initiatives express our commitment and concern to the welfare of our employees and the patients we serve. These initiatives focus on community development and health, human rights, empowering people through education and dissemination of information. The main activities undertaken during the year herein outlined below;

- The negative impact of COVID 19 on the economy and health of the people was felt globally and even locally. Kisau SCH has been vocal in sensitizing community in increasing the uptake of covid 19 vaccination, preventive measures and demystifying myths on covid 19 disease.

Kisau Sub County Level 4 Hospital (Makueni County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2022

- Malezi bora program is a strategy to accelerate promotion and delivery of maternal and child health. It involves nutritional assessment, supplementation and deworming activities. Kisau SCH has been undertaking this activity annually in primary schools surrounding it.
- Health talks are ways of creating awareness and empowering the communities to take control of their own health. Chief barazas are key avenues to create this awareness by meeting the community and especially key influencers in the community.

X. Report of The Board of Management

The Board members submit their report together with the Audited Financial Statements for the year ended June 30, 2022, which show the state of Kisau sub county hospital affairs.

Principal activities

The facility offers: general outpatient and in-patient services, medical outpatient clinic, laboratory services, pharmacy services, radiology services, maternity and child welfare services, comprehensive care clinic, physiotherapy services, psychology services, ambulance services and teaching /training for KMTC students.

Results

The results of the entity for the year ended June 30, 2022 are set out on page 1 to 9.

Board of Management

The members of the Board who served during the year are shown on page vii.

Auditors

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

By Order of the Board


Augustus Maundu
Board secretary- Kisau Sub County Hospital



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

The Board of Management responsible for the preparation and presentation of the Kisau sub county 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, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the Kisau sub county hospital; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

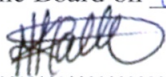
The Board of Management accepts responsibility for Kisau sub county hospital’s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Board members are of the opinion that Kisau sub county hospital’s financial statements give a true and fair view of the state of hospital’s transactions during the financial year ended June 30, 2022, and of Kisau sub county hospital’s financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for Kisau sub county 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 indicate that Kisau sub county 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 21/6/2022 and signed on its behalf by

Geoffrey Kimwatu
Chair Man Board


Agustus Maundu
Accounting Officer



REPUBLIC OF KENYA



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

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

REPORT OF THE AUDITOR-GENERAL ON KISAU SUB-COUNTY LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2022 – COUNTY GOVERNMENT OF MAKUENI

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kisau Sub-County Level 4 Hospital - County Government of Makueni set out on pages 1 to 48, which comprise of

the statement of financial position as at 30 June, 2022 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kisau Sub-County Level 4 Hospital - County Government of Makueni as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012, County Governments Act, 2012 and the Health Act, 2017.

Basis for Qualified Opinion

1. Non-Disclosure of Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.14,680,770 as disclosed in Note 31 to the financial statements. However, the balance excluded value of buildings and land. Management explained that the opening balances on buildings and land were omitted because valuation had not been done during the year under review. Further, the Hospital is built on approximately four (4) acres of land whose valuation report and title deed were not provided for audit.

In the circumstances, the accuracy, valuation and completeness of the property, plant and equipment balance of Kshs.14,680,770 could not be confirmed.

2. Unconfirmed Inventories Balance

The statement of financial position reflects inventories balance of Kshs.3,272,172 as disclosed in Note 30 to the financial statements. However, Management did not undertake end year stock take of inventories to confirm their existence and condition.

In the circumstances, the accuracy and valuation of the inventories balance of Kshs.3,272,172 could not be confirmed.

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

The statement of financial performance reflects employee costs of Kshs.3,379,552 for casuals and contractual staff as disclosed in Note 16 to the financial statements. The Hospital also received services from medical staff employed and paid by the County. However, the expenditure was not disclosed in the financial statements and the payroll was not provided for audit.

In the circumstances, the accuracy and completeness of employee costs of Kshs.3,379,552 could not be confirmed.

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Submission of Financial Statements

The financial statements of the Hospital for the year ended 30 June, 2022 were submitted for audit on 6 April, 2023, six (6) months after the statutory deadline. This was contrary to Section 68(2)(k) of the Public Finance Management Act, 2012 which requires an Accounting Officer to prepare annual financial statements for each financial year within three months after the end of the financial year and submit to the Auditor-General.

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

2. Failure to Prepare Quarterly Revenue Reports

The statement of financial performance reflects an amount of Kshs.2,601,087 in relation to the rendering of services - medical income as disclosed in Note 11 to the financial statements. However, the Hospital did not provide evidence to show that the reports were prepared and submitted the same to the County Treasury with a copy to the Auditor General. This was contrary to Regulations 64(1) of the Public Finance Management (County Governments) Regulations, 2015 which requires the Accounting Officer or receiver of revenue or collector of revenue to prepare a quarterly report not later than the 15th day after the end of the quarter.

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

3. Deficiencies in Implementation of Universal Health Coverage

Review of Hospital records and interviews on verification of services offered, equipment used and medical specialists in the Hospital at the time of audit in April, 2024 revealed that the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits of eighty-four (84) staff requirements or 83% of the authorized establishment.

Staffing Requirement	Level 4 Standard	Actual in Post	Deficit	Percentage %
Medical Officers	16	0	16	100
Anesthesiologists	2	0	2	100
General Surgeons	2	0	2	100
Gynecologists	2	0	2	100
Pediatricians	2	0	2	100
Radiologists	2	0	2	100
Registered Community Health Nurses	75	15	60	73
Total	101	15	84	83

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

Equipment / Machines	Minimum Requirement	Actual	Deficit	Percentage %
Bed Capacity	150	29	121	81
Incubators (New Born)	5	0	5	100
Cots	5	0	5	100
Resuscitaire in Theatre	1	0	1	100
Resuscitaire in Labour Ward	2	0	2	100
Functional ICU Beds	6	0	6	100
HDU Beds	6	0	6	100
Renal Unit with Dialysis Machines	5	0	5	100
Functional Operating Theatres Maternity and General	2	0	2	100

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

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

4. Lack of Policy Guidelines on Payment of Locums

The statement of financial performance reflects employee costs of Kshs.3,379,552 which includes locum allowance of Kshs.409,985 as disclosed in Note 16 to the financial statements. However, Management did not provide an approved policy document on the payment of locum allowances.

In the circumstances, the regularity of the locum allowances paid amounting to Kshs.409,985 could not be confirmed.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements 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 matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Lack of Audit Committee and Internal Audit Unit

The Hospital had not established an audit committee and an internal audit function. Further, there was no evidence that the activities of the Hospital had been audited by the internal audit department of the Makueni County Executive. This was contrary to Section 155 of the Public Finance Management Act, 2012 which requires a County Government entity to ensure that it has appropriate arrangements for conducting internal audit according to the guidelines issued by the Public Sector Accounting Standards Board.

In the circumstances, the internal controls, risk management and governance of the Hospital may not be effective.

2. Lack of Fixed Assets Register

Audit verification revealed that the Hospital did not maintain fixed assets register. This was contrary to Regulation 136(1) of the Public Finance Management (County Governments) Regulations, 2015 that provides that the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

In the circumstances, the effectiveness of controls over fixed assets management of could not be confirmed.

3. Lack of Risk Management Policy

Audit verification revealed that the Hospital did not have a Risk Management Policy that is signed and approved by the Hospital Board in place. This was contrary to Regulation 158 of the Public Finance Management (County Governments) Regulations, 2015 that provides that the County Government entity shall develop risk management strategies, which include fraud prevention mechanism; and a system of risk management and internal control that builds robust business operations.

In the circumstances, the internal controls and risk management process of the Hospital could not be confirmed.

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

Responsibilities of Management and the Board of Management

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

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

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

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

The Board of Management is responsible for overseeing the Hospital's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and

systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

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

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


 FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

26 June, 2024

Report of the Auditor-General on Kisau Sub-County Level 4 Hospital for the year ended 30 June, 2022 – County Government of Makeni

Kisau Hospital (Makueni County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2022

XIII. Statement of Financial Performance for The Year Ended 30 June 2022

Description	Notes	2021/22 Kshs	2020/21 Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6	6,500,000	-
In-kind contributions from the County Government	7	5,707,895	-
Grants from donors and development partners	8	-	-
Transfers from other Government entities	9	-	-
Public contributions and donations	10	-	-
		12,207,895	-
Revenue from exchange transactions			
Rendering of services- Medical Service Income	11	2,601,087.00	-
Revenue from rent of facilities	12	-	-
Finance /Interest Income	13	-	-
Other income (<i>specify</i>)	14	7,013,240.00	-
Revenue from exchange transactions		9,614,397	-
Total revenue		21,822,222	-
Expenses			
Medical/Clinical costs	15	3,833,523	-
Employee costs	16	3,379,552	-
Board of Management Expenses	17	180,000	-
Depreciation and amortization expense	18	2,373,230	-
Repairs and maintenance	19	1,440,496	-
Grants and subsidies	20	-	-
General expenses	21	4,217,346	-
Finance costs	22	-	-
In kind contribution		5,707,895	-
Total expenses		21,132,042	-


Kisau Hospital (Makueni County Government)

Annual Report and Financial Statements for The Year Ended 30th June 2022

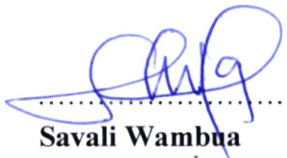
Other gains/(losses)			
Gain on disposal of non-Current assets	23	-	-
Unrealized gain on fair value of investments	24	-	-
Medical services contracts Gains/Losses	25		-
Impairment loss	26	-	-
Gain on foreign exchange transactions		-	-
Total other gains/(losses)			-
Net Surplus for the year		690,180	-
Attributable to:			
Surplus/(deficit) attributable to minority interest		-	-
Surplus attributable to owners of the controlling entity			-
		690,180	-

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

The Hospital's financial statements were approved by the Board on 21/6/2022 and signed on its behalf by



Geoffrey Kimwatu
Chairman
Board Of Management



Savali Wambua
Head Of Finance
ICPAK No:22689



Augustus Maundu
Medical Superintendent

Kisau Sub County Hospital (Makueni County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2022

XIV. Statement of Financial Position as of 30th June 2022

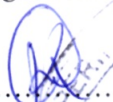
Description	Notes	2021/22 Kshs	2020/21 Kshs
Assets			
Current assets			
Cash and cash equivalents	27	2,567,442.90	-
Receivables from exchange transactions	28	555,258	-
Receivables from non-exchange transactions	29	-	-
Inventories	30	3,272,172	-
Total Current Assets		6,394,872	-
Non-current assets			
Property, plant, and equipment	31	14,680,770	-
Intangible assets	32	56,000	-
Investment property	33	-	-
Total Non-current Assets		14,736,770	-
Total assets		21,131,641.90	-
Liabilities			
Current liabilities			
Trade and other payables	34	-	-
Refundable deposits from customers/Patients	35	-	-
Provisions	36	-	-
Finance lease obligation	37	-	-
Current portion of deferred income	38	-	-
Current portion of borrowings	39	-	-
Total Current Liabilities		-	-
Non-current liabilities			
Provisions	36	-	-
Non-Current Finance lease obligation	37	-	-
Non-Current portion of deferred income	38	-	-
Non - Current portion of borrowings	39	-	-
Service concession liability	40	-	-

Kisau Sub County Hospital (Makueni County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2022


Description	Notes	2021/22	2020/21
		Kshs	Kshs
Total Non-current liabilities		-	-
Total Liabilities			-
Net assets			-
Revaluation reserve		-	-
Accumulated surplus/Deficit		690,180	-
Capital Fund		20,441,461.90	-
Total Net Assets and Liabilities		21,131,641.90	-

(The notes set out on pages 26 to 43 form an integral part of the Annual Financial Statements.)

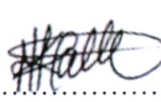
The Hospital's financial statements were approved by the Board on 21/6/2022 and signed on its behalf by:



.....
Geoffrey Kimwatu
Chairman
Board Of Management



.....
Savali Wambua
Head Of Finance
ICPAK No:22689



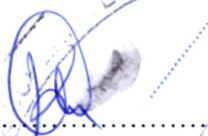
.....
Augustus Maundu
Medical Superintendent


Kisau Sub County Hospital (Makueni County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2022


XV. Statement of Changes in Net Asset for The Year Ended 30 June 2022

	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2020	-	-	-	-
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	-	-	-
Capital/Development grants	-	-	-	-
As at June 30, 2021	-	-	-	-
	-			
At July 1, 2021	-	-	-	-
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	690,180	-	690,180
Capital/Development grants	-		20,441,461.90	20,441,461.90
At June 30, 2022	-	690,180	20,441,461.90	21,131,641.90

The Hospital's financial statements were approved by the Board on 21/6/2022 and signed on its behalf by:


 Geoffrey Kimwatu
 Chairman
 Board Of Management


 Savali Wambua
 Head Of Finance
 ICPAK No:22689


 Augustus Maundu
 Medical Superintendent

Kisau Sub County Hospital (Makueni County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2022

XVI. Statement of Cash Flows for The Year Ended 30 June 2022

Description	Note	2021/22 Kshs	2020/21 Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government		6,500,000	-
Grants from donors and development partners		-	-
Transfers from other Government entities		-	-
Public contributions and donations		-	-
Rendering of services- Medical Service Income		2,601,087	-
Revenue from rent of facilities		-	-
Finance / interest income		-	-
Other receipts(<i>specify</i>)		7,013,240	-
Total Receipts		16,144,327	-
Payments			
Medical/Clinical costs		3,833,523.	-
Employee costs		3379552	-
Board of Management Expenses		180,000	-
Repairs and maintenance		1,440,496	-
Grants and subsidies			-
General expenses		4,217,346	-
Finance costs			-
Refunds paid out			-
Total Payments		13,050,917	-
Net cash flows from operating activities	41	2,508,152	-
Cash flows from investing activities			
Purchase of property, plant, equipment, & intangible assets		(900,000)	-
Proceeds from the sale of property, plant, and equipment			-
Acquisition of investments			-
Net cash flows used in investing activities		(900,000)	-
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Capital grants received		-	-
Net cash flows used in financing activities		-	-


Kisau Sub County Hospital (Makueni County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2022

Net increase/(decrease) in cash and cash equivalents		1,608,152	-
Cash and cash equivalents at 1 July	27	959,289.90	-
Cash and cash equivalents at 30 July	27	2,567,441.90	-


The notes set out on pages 26 to 43 form an integral part of the Annual Financial Statements. The Hospital's financial statements were approved by the Board on 21/6/2020 and signed on its behalf by:



.....
Geoffrey Kimwatu
Chairman
Board Of Management

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Savali Wambua
Head Of Finance
ICPAK No:22689



.....
Augustus Maundu
Medical Superintendent

XVII. Statement Of Comparison of Budget and Actual Amounts For The Year Ended 30 June 2022

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	a	b	c=(a+b)	d	e=(c-d)	f=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	
Revenue						
Transfers from the County Government	6,500,000	-	6,500,000	6,500,000	-	100%
Grants from donors and development partners	-	-	-	-	-	-
Transfers from other Government entities	-	-	-	-	-	-
Public contributions and donations	-	-	-	-	-	-
Rendering of services- Medical Service Income	2,601,087	-	2,601,087	2,601,087		100%
Revenue from rent of facilities	-	-	-	-	-	-
Finance / interest income	-	-	-	-	-	-
Other receipts (<i>specify</i>)	7,013,240	-	7,013,240	7,013,240	-	100%
Total income	16,114,327	-	16,114,327	16,114,327		110.68%
Expenses						
Medical/Clinical costs	3,862,730	-	3,862,730	3,833,523	29207	99.2%
Employee costs	3,379,600	-	3,379,600	3,379,552	48	100%
Remuneration of directors	180,000	-	180,000	180,000	-	100%
Repairs and maintenance	1,490,440	-	1,490,440	1,440,496	49,944	96.6%
Grants and subsidies		-		-	-	-
General expenses	4,244,362	-	4,244,362	4,217,346	27016	99.4%
Finance costs		-		-	-	-
Refunds		-		-	-	-
Total expense	13,157,132	-	13,157,132	13,050,917		
Capital expenditure	900,000	-	900,000	900,000		-
Surplus for the period		-		3,063,410	-	-

reconciliation

Surplus-----3,063,410

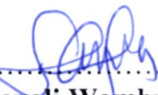
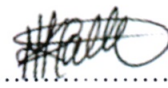
Depreciation------(2373230)

As per the statement of performance-690,180

The notes set out on pages 26 to 43 form an integral part of the Annual Financial Statements. The Hospital's financial statements were approved by the Board on 21/6/2022 and signed on its behalf by:




Geoffrey Kimwatu
Chairman
Board Of Management


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Savali Wambua
Head Of Finance
ICPAK No:22689
.....
Augustus Maundu
Medical Superintendent

XVIII. Notes To the Financial Statements

1. General Information

Kisau Sub County Hospital is established by and derives its authority and accountability from Public Finance Management Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is provision of Health Care 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 areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed. 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 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

IPSASB deferred the application date of standards from 1st January 2022 owing to Covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

Notes to the Financial Statements (Continued)

i. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.

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

Kisau Sub County Hospital Makeni County Government
Annual Report and Financial Statements for The Year Ended 30th June 2022

	(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits.</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p>
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p>

	The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, 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: 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

ii. Early adoption of standards

The entity did not early – adopt any new or amended standards in the FY2021/2022.

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.

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.

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.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.

Rental income

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

Notes to the Financial Statements (Continued)

b) Budget information

The original budget for FY 2021/22 was approved by Board on 13th July 2021, this covered the 1st quarter of the year. Subsequent additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities for quarters 2,3 & 4. 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 entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

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

c) Taxes

Sales tax/ Value Added Tax

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

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

d) Investment property

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

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

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts

as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

f) Leases

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

lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

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

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

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

g) Intangible assets

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

h) Research and development costs

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

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

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

i) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments

or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive

intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an

integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or an entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Loans and borrowing

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

i) 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.

j) 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.

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.

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.

k) 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.

l) 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.

m) 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.

n) 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.

o) 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.

p) 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.

q) 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.

r) Comparative figures

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

s) 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, 2022.

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.

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.

6. Transfers From the County Government

Description	2021/22	2020/21
	KShs	KShs
Unconditional grants		
Operational grant	6,500,000	-
Level 5 grants	-	-
Other grants	-	-
	-	-
Conditional grants	-	-
User fee forgone	-	-
Transforming health services for Universal care project (THUCP)	-	-
DANIDA	-	-
Wards Development grant	-	-
Paediatric block grant	-	-
Administration block grant	-	-
Laboratory grant	-	-
Total government grants and subsidies	6,500,000	-

Notes to the Financial Statements (Continued)

6 Transfers from The County Government

Name of the Entity sending the grant	Amount recognized to Statement of financial performance KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year	Total 2020/21
			KShs	KShs	KShs
Makeni County Government	6,500,000	-	-	-	6,500,000
Total	6,500,000	-	-	-	6,500,000

7. In Kind Contributions from The County Government

Description	2021/22 KShs	2020/21 KShs
Salaries and wages	-	-
Pharmaceutical and Non-Pharmaceutical Supplies	5,223,958	-
Medical supplies-Drawings Rights (KEMSA)	-	-
Utility bills	483,937	-
Total grants in kind	5,707,895.00	-

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

8. Grants From Donors and Development Partners

Description	2021/22 KShs	2020/21 KShs
Cancer Centre grant- DANIDA	-	-

Kisau Sub County Hospital Makeni County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2022

World Bank grants	-	-
Paediatric ward grant- JICA	-	-
Research grants	-	-
Other grants (<i>specify</i>)	-	-
Total grants from development partners	-	-

Kisumu Sub County Hospital Makeni County Government
Annual Report and Financial Statements for The Year Ended 30th June 2022

Notes to the Financial Statements (Continued)

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	Total 2020/21
	KShs	KShs	KShs	KShs	KShs
Donor e.g., DANIDA	-	-	-	-	-
JICA	-	-	-	-	-
World Bank	-	-	-	-	-
Total	-	-	-	-	-

9. Transfers From Other Government Entities

Description	2021/22	2020/21
	KShs	KShs
Transfer from National Government (Ministry of Health)	-	-
Transfer from National Hospital Insurance Fund	-	-
Transfer from other Institutions	-	-
Total Transfers	-	-

10. Public Contributions and Donations

Description	2021/22	2020/21
	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	-	-
Total donations and sponsorships	-	-

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Notes to the Financial Statements (Continued)

10 (a) Reconciliations of amortised grants

<i>Description</i>	<i>2021/22</i>	<i>2020/21</i>
	<i>KShs</i>	<i>KShs</i>
Balance unspent at beginning of year	-	-
Current year receipts	-	-
Amortised and transferred to revenue	-	-
Conditions to be met – remain liabilities	-	-

11. Rendering of Services-Medical Service Income

<i>Description</i>	<i>2021/22</i>	<i>2020/21</i>
	<i>KShs</i>	<i>KShs</i>
Pharmaceuticals	794,780	-
Laboratory	425,050	-
Radiology	134,230	-
Orthopedic and Trauma Technology	213,450	-
Non pharms	8,400	-
Accident and Emergency Service	47,500	-
Anesthesia Service		-
Refferrals		-
Nutrition service	21,800	-
Cancer centre service		-
Dental services		-
Reproductive health		-
Paediatrics services		-
plaster		-
Other medical services income		-
Outpatient	189,670	-
Physiotherapy	4900	-
Occupational Therapy	12,750	-
Records, Cards & Files	274,577	-
Medical Exams	81,280	-
Medical Reports	67,100	-
Inpatients	322,600	-
Counselling	3000	-
Others		-
Total revenue from the rendering of services	2,601,087	-

Notes to the Financial Statements (Continued)

12. Revenue From Rent of Facilities

Description	2021/22	2020/21
	KShs	KShs
Residential property	-	-
Commercial property	-	-
Total Revenue from rent of facilities	-	-

13. Finance /Interest Income

Description	2021/22	2020/21
	KShs	KShs
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	-	-
Total finance income	-	-

14. Other Income

Description	2021/22	2020/21
	KShs	KShs
Insurance Recoveries-Makueni Care insurance Cover	135,500	-
Insurance Recoveries from NHIF	6,746,740	-
Income from sale of tender	131,000	-
Services concession income	-	-
Sale of goods (water, publications, containers etc)	-	-
Total other income	7,013,240	-

Notes to the Financial Statements (Continued)

15. Medical/ Clinical Costs

Description	2021/22	2020/21
	KShs	KShs
Dental costs/ materials	-	-
Laboratory chemicals and reagents	723,000	-
Public health activities		-
Food and Ration	1,259,330	-
Uniform, clothing, and linen	20,000	-
Dressing and Non-Pharmaceuticals	583,993	-
Pharmaceutical supplies	340,000	-
Health information stationery		-
Reproductive health materials		-
Sanitary and cleansing Materials	570,000	-
Chemical and industrial gases	40,000	-
Purchase of Medical gases		-
X-Ray/Radiology supplies	297,200	-
Total medical/ clinical costs	3,833,523	-

16. Employee Costs

Description	2021/22	2020/21
	KShs	KShs
Salaries, wages, and allowances	2,932,767	-
Contributions to pension schemes	36,800	-
Service gratuity	-	-
Performance and other bonuses	-	-
Staff medical expenses and Insurance cover	-	-
Group personal accident insurance and WIBA	-	-
Social contribution	-	-
Other employee costs <i>-locum</i>	409,985.00	-
Employee costs	3,379,552.00	-

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Notes to the Financial Statements (Continued)

17. Board of Management Expenses

Description	2021/22	2020/21
	KShs	KShs
Chairman's Honoraria	-	-
Sitting allowance	112,000	-
Mileage	-	-
Insurance expenses	-	-
Induction and training	-	-
Travel and accommodation allowance	68,000	-
Airtime allowances	-	-
Total	180,000	-

18. Depreciation And Amortization Expense

Description	2021/22	2020/21
	KShs	KShs
Property, plant and equipment	2,349,230	-
Intangible assets	24,000	-
Investment property carried at cost	-	-
Total depreciation and amortization	2,373,230	-

19. Repairs And Maintenance

Description	2021/22	2020/21
	KShs	KShs
Property- Buildings	386,201	-
Medical equipment, Plant and Machinery	850,855	-
Office equipment	-	-
Furniture and fittings	15,440	-
Computers and accessories	188,000	-
Motor vehicle expenses	-	-
Maintenance of civil works	-	-
Total repairs and maintenance	1,440,496	-

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Notes to the Financial Statements (Continued)

20. Grants And Subsidies

Description	2021/22	2020/21
	KShs	KShs
Community development and social work	-	-
Education initiatives and programs	-	-
Free/ subsidised medical camp	-	-
Disability programs	-	-
Free cancer screening	-	-
Other grants and subsidies(<i>specify</i>)	-	-
Total grants and subsidies	-	-

21. General Expenses

Description	2021/22	2020/21
	KShs	KShs
Advertising and publicity expenses	40,000	-
Catering expenses	571,400	-
Waste management expenses		-
Insecticides and rodenticides		-
Audit fees		-
Bank charges	9,114	-
Conferences and delegations		-
Consultancy fees		-
Contracted services	216,000	-
Electricity expenses		-
Insurance		-
Research and development expenses		-
Travel and accommodation allowance	924,000	-
Legal expenses		-
Licenses and permits		-
Courier and postal services		-
Printing and stationery	804,200	-
Hire charges		-
Rent expenses		-
Water and sewerage costs	260,000	-
Skills development levies		-
Telephone and mobile phone services	202,000	-

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Description	2021/22	2020/21
	KShs	KShs
Internet expenses	35,000	-
Staff training and development		-
Subscriptions to professional bodies		-
Subscriptions to newspapers periodical, magazines, and gazette notices		-
Library books/Materials		-
Parking charges		-
Refined Fuels for Transport	784,232	-
Refined Fuels for Production		-
Other Fuels	371,400	-
Other Operating Expenses		-
Total General Expenses	4,217,346	-

22. Finance Costs

Description	2021/22	2020/21
	KShs	KShs
Borrowings (amortized cost) *	-	-
Finance leases (amortized cost)	-	-
Interest on Bank overdrafts/Guarantees	-	-
Interest on loans from commercial banks	-	-
Total finance costs	-	-

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

Description	2021/22	2020/21
	KShs	KShs
Property, plant, and equipment	-	-
Intangible assets	-	-
Other assets not capitalised (<i>specify</i>)	-	-
Total gain on sale of assets	-	-

24. Unrealized Gain On Fair Value Investments

Description	2021/22	2020/21
	KShs	KShs
Investments at fair value	-	-
Total gain	-	-

Notes to the Financial Statements (Continued)

25. Medical Services Contracts Gains /Losses

Description	2021/22	2020/21
	KShs	KShs
Comprehensive care contracts with NHIF	-	-
Non- Comprehensive contracts care with NHIF	-	-
Linda Mama Program	-	-
Waivers and Exemptions	-	-
Total Gain/Loss	-	-

26. Impairment Loss

Description	2021/22	2020/21
	KShs	KShs
Property, plant, and equipment	-	-
Intangible assets	-	-
Total impairment loss	-	-

27. Cash And Cash Equivalent

Description	2021/22	2020/21
	KShs	KShs
Current accounts	2,567,441.90	959,289.90
On - call deposits	-	-
Fixed deposits accounts	-	-
Cash in hand	-	-
Others(<i>specify</i>)- Mobile money	-	-
Total cash and cash equivalents	2,567,441.90	959,289.90

Notes to the Financial Statements (Continued)

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

Description		2021/22	2020/21
Financial institution	Account number	KShs	KShs
a) Current account			
Kisau Sub County Hospital FIF	1144710537	549,205.50	746,725.50
Kisau Hosp Free Maternity HCSF	1144959446	2,015,290.50	201,894.50
Kisau Sub County Hosp Recurrent	1159865299	2,945.90	10,670.00
Sub- total		2,567,441.90	959,290.00
b) On - call deposits			
Kenya Commercial bank		-	-
Equity Bank – etc		-	-
Sub- total		-	-
c) Fixed deposits account			
Bank Name		-	-
Sub- total		-	-
d) Others(specify)			
cash in hand		-	-
Mobile money- Mpesa, Airtel money		-	-
Sub- total		-	-
Grand total		2,567,441.90	959,290.00

28. Receivables From Exchange Transactions

Description	2021/22	2020/21
	KShs	KShs
Medical services receivables	555,258	-
Rent receivables	-	-
Other exchange debtors	-	-
Less: impairment allowance	-	-
Total receivables	555,258	-

Notes to the Financial Statements (Continued)

29. Receivables From Non-Exchange Transactions

Description	2021/22	2020/21
	KShs	KShs
Transfers from the County Government	-	-
Undisbursed donor funds	-	-
Other debtors (<i>non-exchange transactions</i>)	-	-
Less: impairment allowance	-	-
Total	-	-

30. Inventories

Description	2021/22	2020/21
	KShs	KShs
Pharmaceutical supplies	542,558	-
Maintenance supplies	8,000	-
Food supplies	18,450	-
Linen and clothing supplies	-	-
Cleaning materials supplies	50,000	-
General supplies	80,000	-
Non-Pharmaceutical Supplies	2,573,164	-
Less: provision for impairment of stocks	-	-
Total	3,272,172	-

Notes to the Financial Statements (Continued)

31. Property, Plant and Equipment

Cost		Furniture and fittings	ICT equipment	Medical equipment	
At 1 July 2020	-				
Additions	-				
Disposals	-				
Transfers/adjustments	-				
At 30th June 2021	-				
At 1 st July 2021	-	4,270,500	880,000	11,059,500	16,210,000
Additions	-	318,000	180,000	322,000	820,000
Disposals	-				
Transfer/adjustments	-				
At 30th June 2022	-	4,588,500	1,060,000	11,381,500	17,030,000
Depreciation and impairment					
At 1 July 2020	-				
Depreciation for the year	-				
Disposals	-				
Impairment	-				
At 30 June 2021	-				
At July 2021	-				
Depreciation	-	573,562.50	352,980	1,422,687.50	2,349,230

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Disposals	-				
Impairment	-				
Transfer/adjustment					
At 30th June 2022	-				
Net book values					
At 30 th June 2021	-				
At 30 th June 2022	-	4,014,937.50	707,020	9,958,812.50	14,680,770

Notes to the Financial Statements (Continued)

32. Intangible Assets-Software

Description	2021/22	2020/21
	KShs	KShs
Cost		
At beginning of the year	-	-
Additions	-	-
Additions-Internal development	80,000	-
Disposal	-	-
At end of the year	80,000	-
Amortization and impairment		
At beginning of the year	-	-
Amortization for the period	24,000	-
Impairment loss	-	-
At end of the year	-	-
NBV	56,000	-

33. Investment Property

Description	2021/22	2020/21
	KShs	KShs
At beginning of the year	-	-
Additions	-	-
Fair value gain	-	-
Depreciation (<i>where investment property is at cost</i>)	-	-
At end of the year	-	-

34. Trade And Other Payables

Description	2021/22	2020/21
	KShs	KShs
Trade payables	-	-
Employee dues	-	-
Third-party payments (<i>unremitted payroll deductions</i>)	-	-
Audit fee	-	-
Doctors' fee	-	-
Total trade and other payables	-	-

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Notes to the Financial Statements (Continued)

35. Refundable Deposits from Customers/Patients

Description	2021/22	2020/21
	KShs	KShs
Medical fees paid in advance	-	-
Credit facility deposit	-	-
Rent deposits	-	-
Others (<i>specify</i>)	-	-
Total deposits	-	-

36. Provisions

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

37. Finance Lease Obligation

Description	2021/22	2020/21
	Kshs	Kshs
Current Lease obligation	-	-
Long term lease obligation	-	-
Total	-	-

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Notes to the Financial Statements (Continued)

38. Deferred Income

Description	2021/22	2020/21
	KShs	KShs
Current Portion	-	-
Non-Current Portion	-	-
Total	-	-

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

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

39. Borrowings

Description	2021/22	2020/21
	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	-	-
Balance at end of the period	-	-

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Notes to the Financial Statements (Continued)

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

Description	2021/22	2020/21
	KShs	KShs
Current Obligation	-	-
Non-Current Obligation	-	-
Total	-	-

40. Service Concession Arrangements

Description	2021/22	2020/21
	KShs	KShs
Fair value of service concession assets recognized under PPE	-	-
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. Cash Generated from Operations

	2021/22	2020/21
	KShs	KShs
Surplus for the year before tax	690,180	-
Adjusted:		
Depreciation	2,373,230	-
Non-cash grants received		-
Impairment		-
Gains and losses on disposal of assets		-
Contribution to provisions		-
Contribution to impairment allowance		-
Working Capital adjustments		
Increase in inventory		-
Increase in receivables	(555,258)	-
Increase in deferred income		-
Increase in payables		-
Increase in payments received in advance	-	-
Net cash flow from operating activities	2,508,152	-

Notes to the Financial Statements (Continued)

42. Financial Risk Management

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

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

(i) Credit risk

The hospital 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 board. 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 hospital's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

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Notes to the Financial Statements (Continued)

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2020				
Receivables from exchange transactions			-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	959,290	959,290	-	-
Total	959,290	959,290		-
At 30 June 2022				
Receivables from exchange transactions	555,258	555,258	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	2,567,441.9	2,567,441.90	-	-
Total	3,122,699.90	3,122,699.90	-	-

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The board of management sets the company's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

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

The table below represents cash flows payable by the 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.

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	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2021				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2022				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

(ii) Market risk

The hospital does not have an internal audit unit and therefore rely on County internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

a) Foreign currency risk

The hospital does not face any transactional currency exposures. It purchases goods and services in local currency.

b) **Interest rate risk**

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

Management of interest rate risk

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

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:

	2021/22	2020/21
	Kshs	Kshs
Revaluation reserve	-	-
Retained earnings	690,180	-
Capital reserve	20,441,461.90	-
Total funds	21,131,641.90	-
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt/ (<i>excess cash and cash equivalents</i>)	-	-
Gearing	-	-

43. Related Party Balances

Nature of related party relationships

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

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

- i) The National Government;
- ii) The Ministry of Health
- iii) Government of Makueni County
- iv) The County department of Health Services
- v) Hospital Management Committee
- vi) Hospital Executive Expenditure Committee
- vii) Hospital Management Team

Description	2021/22	2020/21
	Kshs	Kshs
Transactions with related parties		
a) Services offered to related parties		
Services to related parties	-	-
Sales of services to related parties	-	-
Total	-	-
b) Grants from the Government		
Grants from County Government	6,500,000	-
Grants from the National Government Entities	-	-
Donations in kind	-	-
Total	6,500,000	-
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for employees	-	-
Payments for goods and services for employees	-	-
Total	-	-
d) Key management compensation		
Board Allowances	-	-
Compensation to the medical Sup	-	-
Compensation to key management	-	-
Total	-	-

44. Events After The Reporting Period

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

45. Ultimate and Holding Entity

The entity is a Semi- Autonomous Government Agency under the Ministry of health. Its ultimate parent is the Government of Kenya.

46. Currency

The financial statements are presented in Kenya Shillings (Kshs).

