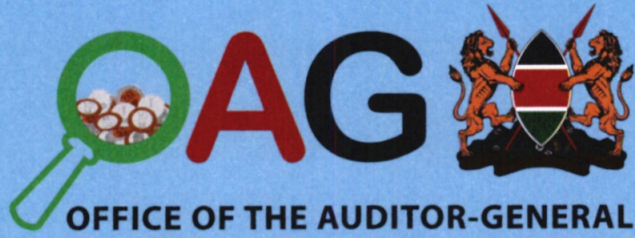


REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**



	PAPERS LAID
DATE	16/11/2023
OF ABLED BY	Majority Whip.
COMMITTEE	—
CLERK AT THE TABLE	Innocent

**THE AUDITOR-GENERAL**

**ON**

**CHULAIMBO COUNTY LEVEL 4 HOSPITAL**

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

**COUNTY GOVERNMENT OF KISUMU**



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# **CHULAIMBO COUNTY Level 4 HOSPITAL** **(Kisumu County Government)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

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

***Chulaimbo County Level 4 Hospital (Kisumu County Government)***  
***Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022***

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**I. KEY ENTITY INFORMATION AND MANAGEMENT**

**(a) Background information**

Chulaimbo County Hospital is a level (4) hospital established under gazette notice number **xxx** and is domiciled in Kisumu County under the Health Department. The hospital is governed by a Board of Management.

**(b) Principal Activities**

The principal activity/mission/ mandate of the *hospital* is to ...

**Mission:**

To transform the livelihood of the people of Kisumu County through responsive and sustainable technologically- driven evidence – based and client centred health system for accelerated attainment of highest standards of health.

**Vision**

Adynamic, excellent, and globally competitive county health services, that contribute to a healthy and productive population.

**(c) Key Management**

Management

<b>Ref</b>	<b>Directors</b>	<b>Role</b>
1.	David Okeyo	<b>Chairman of the board</b>
2.	Mrs Elizabeth Kibwana	<b>Financial</b>
3.	Mr. Max Modi	<b>HCS D</b>
4.	Lab Manager	<b>Faith Based</b>
5.	Dr. Rukia Aksam	<b>Secretary (medical Superintendent)</b>

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2022 and who had direct fiduciary responsibility were:

**Chulaimbo County Level 4 Hospital (Kisumu County Government)**  
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No.	Designation	Name
1.	Medical Superintendent	<b>Dr. Rukia Aksam</b>
2.	Head of finance	<b>Joyce Odhiambo</b>
3.	Head of supply chain	<b>Julius Sako</b>
4.	Lab Manager	<b>John Oyugi</b>
5.	Pharmacist	<b>Dr. Sammerion Nyawara</b>

*(Include all positions regarded as top management in your organisation).*

**(e) Fiduciary Oversight Arrangements**

Audit committee: this consist of internal auditors attached to the department of health who reviews the financial documents and give the reports thereon.

**(f) Chulaimbo County Hospital Headquarters**

P.O. Box 5-40100, Maseno  
Kisumu-Busia Highway  
Kisumu, KENYA

**(g) Contacts**

Telephone: (+254) 0101596022  
E-mail: [chulaimboincharge@gmail.com](mailto:chulaimboincharge@gmail.com)  
Website:

**(h) Entity Bankers**

Kenya Commercial Banks

**(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

***Chulaimbo County Level 4 Hospital (Kisumu County Government)***  
***Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022***

---

City Square 00200  
Nairobi, Kenya

**(k) County Attorney**

P.O. Box. XXX  
xxx, Kenya

## II. THE BOARD OF MANAGEMENT

<b>Ref</b>	<b>Directors</b>	<b>Role</b>
1.	David Okeyo	<b>Chairman of the board</b>
2.	Mrs Elizabeth Kibwana	<b>Financial</b>
3.	Mr. Max Modi	<b>HCSO</b>
4.	Lab Manager	<b>Faith Based</b>
5.	Dr. Rukia Aksam	<b>Secretary (medical Superintendent)</b>

**III. MANAGEMENT TEAM**

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Medical Superintendent	<b>Dr. Rukia Aksam</b>
2.	Head of finance	<b>Joyce Odhiambo</b>
3.	Head of supply chain	<b>Julius Sako</b>
4.	Lab Manager	<b>John Oyugi</b>
5.	Pharmacist	<b>Dr. Sammerion Nyawara</b>

**IV. CHAIRMAN'S STATEMENT**

It is my pleasure to present the Hospital 2021/2022 annual report and financial statements. The Board of management is proud of the achievements realised by the hospital in this period towards a world class patient centred specialized care Hospital. CCH is a public of choice in Kisumu West and beyond that offers quality health care to patients from the lake region and beyond. Building on the gains made in the previous years, reinforced by clear systems and processes as well as enabling environment the year 2021/2022 reaffirmed our strong sense of purpose in delivering high quality personalized care with sharp edge of innovation.

Management and operations of the hospital is guided by existing, legal policy and institutional frameworks that govern health sector to ensure efficient and effective delivery services in the hospital. The Kenyans constitution 2010 under the bill of right provides the rights to the highest attainable standard of health including reproductive health care and emergency medical treatment.

In addition, the Health Act 2016 establishes a unified health system that coordinates the inter-relationship between the National Government and County health systems, provides for the regulations of health care service providers, health technologies for connected purposes. It also provides for health financing, research, traditional and alternative medicine; Environmental and public health; standards of health; reproductive health; and Emergency treatment. With this in mind and the strategic placement of CCH in the health sector, the Board is committed to ensure continued quality service delivery to the citizens.

This Strategic plan will consider the provisions of UHC and the factor in all the initiatives that will keep CCH play its role in realizing the anticipated results of this agenda on evaluation the hospital has exhibited continuous improvements in performance over the years further, I'm happy to report that the management not only achieved most of the performance targets pursuant to performance contract with the County Government but also put emphasis on the measures that are directed at realizing the CCH.

On behalf of the Board, I would like to thank all the stakeholders especially the County government department of Health, Development Partners for the support they continue to accord the Hospital without which our achievements would not have been realized. As we move in to the new Financial Year, I would like to express my gratitude to CCH staff, specialist' team leader and Board who take such pride in their work, and who exemplify our hospital's mission and values each day.



.....

**Mr. DAVID OKEYO**  
**Chairman**  
**Board of Management**

## **V. REPORT OF MEDICAL SUPERINTENDENT**

### **Background**

**Chulaimbo** County Hospital has been in existence for more than a century, having been established in the early 2000s to cater for the health needs of the workers at the then port town of Kisumu. Since then, it has grown to become the referral hospital serving various Sub-Counties within its locality. The hospital's revenue is derived from Facility improvement funds (FIF) and monies appropriated from the county Treasury.

The total expenditures during the period amounted to **9,893,225** representing 100% total approved budget.

Top drivers of the budget were medical drugs, Staff remunerations, non-pharmaceuticals, patient's food,

Laboratory, contracted Services among others, High utilization rate realized.

### **Revenue**

The HMB and hospital management realized great achievement in terms of revenue generation, which has grown compared to the previous financial year 2020/2021, infrastructural development.

### **Challenges**

Chulaimbo based on the population that its serves is faced with a lot of challenges ranging from global issues, financial constraints, inadequate human resource, environmental challenges, infrastructural i.e. dilapidated buildings, and technological growth that the hospital have to adopt in order to succeed in the healthcare service delivery.

Looking forward

Modern Technology is one of the pillars of the Strategic Plan. The hospital has embarked on this journey to increase operational efficiencies, enhance customer experience through consistent and patient focused.


Service delivery and informed decision-making aided by the business intelligence. Crucial to this will be the implementation of the key operational systems, the Hospital Information Management System (HMIS)).

Appreciation.

### **APPRECIATION**

I take this opportunity to express my sincere gratitude and appreciation to the Ministry of health, county government of Kisumu, development partners, stakeholders, management, and staff for their continued support, which made us, achieve these results.

I look forward to your continued support in the year 2022/2023.

.....  


**Dr. Rukia Aksam**

**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.

Chulaimbo County Hospital has 5 objectives within the current strategic plan for the year 2019-2024, they are as follows;

**OBJECTIVES**

1. To offer quality healthcare services under one roof in a most effective and efficient for the satisfaction of the customer.
2. Modernize infrastructure machinery and equipment.
3. To attain financial sustainability.
4. To strengthen the human resource capacity.
5. To develop the facility health management information system.

Chulaimbo County hospital develops its annual work plans based on the above 5 objectives. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The Chulaimbo County Hospital achieved its performance targets set for the FY 2021-2022 period for its strategic pillars, as indicated in the table below:

<b>Strategic Pillar/Theme/Issues</b>	<b>1. Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
Pillar- To provide Integrated Accessible and Quality Healthcare Services Through Effective and Efficient Infrastructure, Training Research and Partnership	2. To offer quality healthcare services under one roof in a most effective and efficient for the satisfaction of the customer	-To reduce referrals to other facilities. -To diversify range of services offered by CCH. -To fast-track efficiency and staff satisfaction through the use of modern facility.	Establish quality healthcare standards. (accreditation) -Strengthen client follow up mechanisms and systems (Referral clinics established). -Strengthen partnership with communities, public and private sectors. -initiate provider	-Improved quality of healthcare. -Expanded client base. -Improved facility reputation. -Strengthened partnership with communities, public and private sector.

**Chulaimbo County Level 4 Hospital (Kisumu County Government)**  
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			driven insurance.	
	3. Modernize infrastructure, machinery, and equipment	-To develop an infrastructure master plan. -Fully equip the facility.	-To develop a master plan.	Investor identified by the county government to help with development of a master plan.
	4. To attain financial sustainability	-Cost rationalization institutionalize resource mobilization. -Enhance internal control mechanisms. - Diversification of revenue generation streams	Conduct market survey for costing of commodities during the tendering process.  - incorporating various modes of revenue generation cash, N.H.I.F, MARWA, Edu Afya. -Upgrade health instruction software to improve internal control and hence revenue collection.	-All our clients are able to receive services irrespective of mode of Healthcare financing.
	5. To strengthen the human resource capacity	-Staff retention. Full potential and optimal utilization of staff. -To enhance hospital performance by training	Keep staff informed of any development in the hospital through circulars and holding regular meetings.	Improved service delivery. Improved staff retention.

**Chulaimbo County Level 4 Hospital (Kisumu County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022**

		<p>and motivation of staff.</p> <ul style="list-style-type: none"> <li>-upscale leadership and management for increased performances.</li> <li>-Focus on partnership with other health service providers for technical support.</li> </ul>	<p>Holding weekly continuous medical education. Staff appraisal system in place. Collaborating with external Orthopaedic surgeons for provision of orthopaedic services.</p>	
	<p>6. To develop facility Health Management Information System</p>	<ul style="list-style-type: none"> <li>-Upscaling quick and efficient service delivery.</li> <li>-ICT systems in place.</li> <li>-Build staff ICT capacity.</li> <li>-Install HMIS.</li> <li>-Improve access to ICT materials</li> </ul>	<ul style="list-style-type: none"> <li>-Upgrade ICT systems.</li> <li>-Build staff ICT capacity by training.</li> <li>Install HMIS.</li> <li>-Improve access to ICT materials.</li> </ul>	<ul style="list-style-type: none"> <li>-Efficient data collection, management, and dissemination.</li> <li>-Improved diagnosis and treatment.</li> <li>-Improved access to relevant health infrastructure and data</li> </ul>

## **VII. CORPORATE GOVERNANCE STATEMENT**

Chulaimbo Board of management is responsible for the corporate governance of the Hospital and is accountable to the Ministry of Health, county department of health Kisumu County for ensuring that the hospital complies with the laws and highest standards of corporate governance and business ethics.

The Board members attach great importance to the need to conduct business and operations of the hospital with integrity and in accordance with generally accepted corporate practice and endorse the internationally developed principles of good corporate governance.

### **a) Board of Management**

The Board of Management is composed of non-executive members elected by the governor of Kisumu County. The appointed Board of management to be held accountable and responsible for the efficient and effective governance of the hospital. Members of the Board have a range of skills and experience, and each brings and independent judgement and considerable knowledge to the Board's discussions. The board term is two years renewal subject to performance contract.

Summarized below are the key roles and responsibilities of the Board.

- Approve and adopt strategic plans and annual budgets, set objectives, and review key risk and performance areas.
- Resource Mobilization
- Determine overall policies and processes to ensure integrity of the Hospital's Management of risk and internal contracts; and
- Review at regular meetings Management's performance against approved budget.

The full board meets at least 4 times a year and the Chairperson has a bi-weekly meeting/Consultations with the Medsupt. The board members are given appropriate and timely information so that they can maintain full and effective control over strategic, financial, operational and compliance issues. Except for direction and guidance on general policy, The Board has delegated authority for conduct of day-to-day business to the Medsupt. The board nonetheless retains responsibility for establishing and maintaining the Hospital's overall internal control, financial , and compliance framework

### **b) Board Meetings**

The Board as per the Annual work plan meets quarterly and additionally when necessary to consider matters of overall control of the hospital. The Board agenda and work plan are prepared early in the year and adequate notice, agenda and board papers are circulated within stipulated timelines. The main board held 10 meetings attended by selected members.

## **VIII. MANAGEMENT DISCUSSION AND ANALYSIS**

The considerations in restructuring an organization are effective coordination of roles and responsibilities to avoid overlap and duplication of roles and effort; clear accountability for results; enhanced teamwork and effective communication; and career development for staff. Appropriate structures also allow the organization to resource and sustain essential skills and expertise in the organization. The overall leadership and governance of Chulaimbo will be vested in the hospital management board. The Board members are appointed in the accordance with the policies of the County government of Kisumu. The day-to-day management of the Hospital is vested on the Medsupt.

### **Clinical/operational performance**

- The hospital has a bed capacity of 26.
- Overall patient attendance during the year for both inpatient and outpatient is estimated at 15,000
- Accident and Emergency attendance estimated at 59
- Specialised clinic attendance estimated at 3600 pts
- Average length of stay for in patient for in patient is 3 days
- Bed occupancy rate at 80%
- Mortality rate of 1 of 1000

**IX. ENVIRONMENTAL AND SUSTAINABILITY REPORTING**

**Environmental performance**

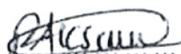
Chulaimbo is using the National Health Care Waste management policy guideline which is guiding us in the management of the waste that we generate in the organization, and we have a copy of the policy. Successes

- We are having colour -coded bins(receptacles) at the all generation points in the departments.
- There are segregation posters alongside the receptacles to guide in the segregation of waste.
- We have waste treatment equipment within the organization that helps us treat our waste and we only dispose off non-contaminated waste to the dumping site.

**Employee welfare**

Hiring process involves bringing new employees on board. This is mandate of the County Public Service Board reference made from the public service Commission Human resource manual and procedures May 2016, mentioned in section B which provides the rules governing recruitment and appointment of new officers.

Improvement of the employee skills and career management is done through employee sponsorship to further their studies in line with their careers. This is done by sponsorship and supporting employees to attend short courses offered by the government institutions.



.....  
**Dr. Rukia**  
**Board Secretary**

**X. STATEMENT OF BOARD OF MANAGEMENT'S RESPONSIBILITIES**

Section 164 of the Public Finance Management Act, 2012 (*entities should quote the applicable legislation under which they are regulated*) requires the Board of Management to prepare financial statements in respect of that *entity*, which give a true and fair view of the state of affairs of Chulaimbo County Hospital at the end of the financial 2021/2022 and the operating results of the *Chulaimbo County Hospital* for the year 2021/2022. The Board of Management is also required to ensure that Chulaimbo County Hospital keeps proper accounting records which disclose with reasonable accuracy the financial position of Chulaimbo County Hospital. The council members are also responsible for safeguarding the assets of Chulaimbo County Hospital.

The Board of Management is responsible for the preparation and presentation of CCH's financial statements, which give a true and fair view of the state of affairs of CCH 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 CCH; (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 CCH financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and Facilities Improvement Fund (FIF) Act. The Board members are of the opinion that the *entity's* financial statements give a true and fair view of the state of *CCH's* transactions during the financial year ended June 30, 2022, and of *CCH's* financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the *CCH*, which have been relied upon in the preparation of *CCH's* financial statements as well as the adequacy of the systems of internal financial control.

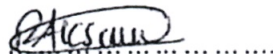
Nothing has come to the attention of the Board of management to indicate that CCH will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The Hospital's financial statements were approved by the Board on 30/01/2023 and signed on its behalf by:



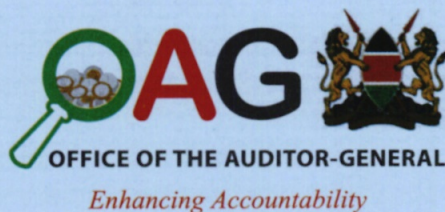
.....  
**Name:**  
**Chairperson**  
**Board of Management**



.....  
**Name:**  
**Accounting Officer**

# REPUBLIC OF KENYA

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

## REPORT OF THE AUDITOR-GENERAL ON CHULAIMBO COUNTY LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2022 - COUNTY GOVERNMENT OF KISUMU

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### PREAMBLE

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

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

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

#### **Adverse Opinion**

I have audited the accompanying financial statements of Chulaimbo County Level 4 Hospital - County Government of Kisumu set out on pages 1 to 42, which comprise of the statement of financial position as at 30 June, 2022 and the statement of financial

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*Report of the Auditor-General on Chulaimbo County Level 4 Hospital for the year ended 30 June, 2022 - County Government of Kisumu*

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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of Chulaimbo County Level 4 Hospital - County Government of Kisumu 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 do not comply with the County Governments Act, 2012, Health Act, 2017 and the Public Finance Management Act, 2012.

## **Basis for Adverse Opinion**

### **1. Variances in Transfers from the County Government**

The statement of financial performance reflects transfers from the County Government amount of Kshs.8,158,946, as disclosed in Note 6 to the financial statements while the financial statements of the County Executive of Kisumu for the year under review shows an amount of Kshs.5,938,946 as the transfers to Chulaimbo Sub-District Hospital resulting in an unexplained and unreconciled variance of Kshs.2,220,000.

In the circumstances, the accuracy and completeness of the transfers from the County Government amount of Kshs.8,158,946 could not be confirmed.

### **2. Variances between the Financial Statements and the Notes to the Financial Statements**

The financial statements reflect various balances which differ with corresponding balances as disclosed in the supporting notes to the financial statements, resulting in unexplained and unreconciled variances as analyzed below:

<b>Item</b>	<b>Amount as per Financial Statements in (Kshs.)</b>	<b>Amount as per Notes to the Financial Statements in (Kshs.)</b>	<b>Variance in (Kshs.)</b>
In-kind Contributions from the County Government	-	826,140	(826,140)
Rendering of Services-medical Service Income	1,636,279	-	1,636,279
Medical/clinical Costs	5,644,068	3,440,646	2,203,422
Employee Costs	714,000	1,178,400	(464,400)
Board of Management Expenses	64,947	40,000	24,947
Depreciation and Amortization	-	25,000	(25,000)
Repairs and Maintenance	657,999	394,776	263,223

Item	Amount as per Financial Statements in (Kshs.)	Amount as per Notes to the Financial Statements in (Kshs.)	Variance in (Kshs.)
General Expenses	1,750,000	2,279,446	(529,446)
Medical Services Contracts Gains/losses	-		-
Cash and Cash Equivalents	-	1,567,704	(1,567,704)
Receivables from Non-exchange Transactions	8,238,946	8,158,946	80,000
Intangible Assets-software	-	75,000	(75,000)
Trade and Other Payables	8,832,013	1,178,400	7,653,613

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

### 3. Inaccuracies in Medical Service Income

The statement of financial performance reflects rendering of services-medical service income amount of Kshs.1,636,279. However, an extract from Funsoft receipting system revealed total revenue of Kshs.2,377,226 and the manual receipts revealed revenue of Kshs.241,260 all totaling to Kshs.2,618,486 resulting in an unexplained and unreconciled variance of Kshs.982,207.

In the circumstances, the accuracy and completeness of the rendering of services-medical service income amount of Kshs.1,636,279 could not be confirmed.

### 4. Misstatement of Employee Costs Amount

The statement of financial performance reflects employee costs of Kshs.714,000, while review of the muster roll revealed an amount of Kshs.1,193,590, resulting in an unexplained and unreconciled variance of Kshs.479,590.

In the circumstances, the accuracy and completeness of the employee costs of Kshs.714,000 could not be confirmed.

### 5. Misstatement of Board of Management Expenses

The statement of financial performance reflects management expenses amount of Kshs.64,947, while payment vouchers provided show a corresponding amount of Kshs.115,000 resulting in an unexplained variance of Kshs.50,053.

In the circumstances, the accuracy and completeness of the management expenses amounting to Kshs.64,947 could not be confirmed.

### 6. Undisclosed Property, Plant and Equipment

The statement of financial position reflects a Nil balance in respect of property, plant and equipment. However, audit inspection of the Hospital's compound and offices revealed that the Hospital owned various assets including land, buildings, motor vehicles, hospital

equipment, computers and furniture and fittings. Management has explained that the assets were not accounted because they had not been valued.

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

#### **7. Unaccounted for Intangible Assets**

The statement of financial position reflects a Nil balance in respect of intangible assets. However, it was noted that Funsoft system for revenue collection and Maisha Meds for medicine tracking and dispensing software had been installed in the Hospital but their value was not disclosed in the financial statements.

In the circumstances, the accuracy and completeness of the Nil balance of intangible assets could not be confirmed.

#### **8. Unsupported Trade and Other Payables**

The statement of financial position reflects trade and other payables balance of Kshs.8,832,013, while the list of pending bills provided for audit reflected a total amount of Kshs.4,877,640, resulting in an unexplained and unreconciled variance of Kshs.3,954,373. Further, the pending bills list reflecting the balance of Kshs.4,877,640 did not have adequate details, including dates of supply and goods/ services delivered.

In the circumstances, the accuracy and completeness of the trade and other payables balance of Kshs.8,832,013 could not be confirmed.

#### **9. Unsupported Cash and Cash Equivalent Balance**

As disclosed in Note 27 (a) to the financial statements, detailed analysis of cash and cash equivalents reflects cash and cash equivalents balance of Kshs.1,567,704 which comprises Cooperative Bank of Kenya Ltd and Kenya Commercial Bank Ltd balances of Kshs.507,492 and Kshs.1,060,212 respectively. However, the balance is not reported in the statement of financial position. Further, audit verification revealed that the cash book was not updated with daily transactions. In addition, monthly bank reconciliation statements and certificates of bank balances were not provided for audit.

In the circumstances, the accuracy and completeness of the Nil cash and cash equivalents balance could not be confirmed.

#### **10. Undisclosed Inventory Balance**

The statement of financial position reflects a Nil balance in respect of inventories. However, audit examination of stock control cards revealed closing balances of various pharmaceutical and non-pharmaceutical stocks as at 30 June, 2022. Further, no evidence was provided to confirm that annual stock take was carried out at the end of the year.

In the circumstances, the accuracy and completeness of the Nil balance of inventories could not be confirmed.

## **11. Inaccuracies in the Statement of Cash Flows**

The statement of cash flows reflects net cash flows from operating activities amount of Kshs.1,060,212, which differs with the re-computed amount of Kshs.1,061,212, resulting in an unreconciled variance of Kshs.1,000. Further, the recomputed amount of Kshs.1,061,212 differs with a corresponding Nil amount shown in the supporting Note 41 to the financial statements, resulting to an unreconciled variance of Kshs.1,061,212.

In addition, the statement reflects a Nil net increase/(decrease) in cash and cash equivalents which differs with the re-computed amount of Kshs.1,61,212, resulting to an unexplained variance of Kshs.1,061,212.

In the circumstances, the accuracy and completeness of the statement of cash flows could not be confirmed.

## **12. Inaccuracies in the Statement of Comparison of Budget and Actual Amounts**

The statement of comparison of budget and actual amounts reflects Nil amount of actual on comparable basis as well as total income and total expenditure, while the statement of cash flows shows corresponding amounts of Kshs.9,893,225 and Kshs.8,832,013, resulting in unexplained and unreconciled variances of Kshs.9,893,225 and Kshs.8,832,013 respectively. Further, the statement reflects surplus for the period budget amount of Kshs.1,060,212 which differs with the re-computed amount of Kshs.1,126,159, resulting to an unexplained or unreconciled variance of Kshs.65,947.

In addition, the statement reflects percentages of utilization (% of utilization) of 100% against all amounts, while re-computation shows 0%, resulting in unexplained variances of 100%.

In the circumstances, the accuracy and completeness of the statement of comparison of budget and actual amounts could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Chulaimbo County Level 4 Hospital - County Government of Kisumu Management in accordance with ISSAI 130 on 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 adverse 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, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

## **Basis for Conclusion**

### **1. Anomalies in the Management of Fixed Assets**

The assets register did not include a 5-acre parcel of land and two (2) motor vehicles and all buildings within the compound, Further, the assets register did not include cost of assets, depreciation charge and net book values, dates of purchase and unique identification marks. This was contrary to Section 136(2) of the Public Finance Management Act, 2012, which provides that the register of land and buildings shall record each parcel of land and each building and the terms on which it is held, with reference to the conveyance, address, area, dates of acquisition, disposal or major change in use, capital expenditure, lease hold terms, maintenance contracts and other pertinent management details.

Further, the 5-acre parcel of land on which the Hospital sits was donated by the community. However, the title had not been transferred to the name of the Hospital.

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

### **2. Infringement of Casual Workers' Rights**

According to the Muster Roll provided for audit, most of the Hospital's employees worked every day for the entire year without going on leave, contrary to Regulation 11(5) of the Regulation of Wages (General) Orders on hours of work, which states that, the normal working week shall consist of forty-four hours of work spread over six days of the week, comprising five days of eight hours of work per day and one day of four hours of work, provided that— (i) in the case of day security staff the normal working week shall be fifty-two hours of work spread over six days of the week; and (ii) in the case of night security staff, the normal working week shall be five shifts of twelve hours each.

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

### **3. Underpayment of Casual Labourers**

The statement of financial performance reflects employee costs balance of Kshs.714,000. However, review of records relating to the expenditure revealed that the casuals were paid monthly wage ranging from Kshs.2,520 to Kshs.9,000 against the recommended minimum wage of Kshs.13,573 for general casuals as per the Kenya Gazette Supplement No. 1 dated 8 January, 2019.

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

#### **4. Incomplete Projects**

Audit inspection of the Hospital's projects revealed that the construction of a maternity theatre had stalled at the finishing level with no contractor on site. Further, details of the project, including procurement documents and payments on the contract were not provided for audit.

In the circumstances, value for money on expenditure incurred in the construction of the maternity theatre 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**

As required by Section 7(1)(a) of the Public Audit Act, 2015, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

#### **Basis for Conclusion**

##### **1. Manual Accounting Records**

It was observed that the Hospital maintained its financial records including cash book and ledgers in manual form despite the existence of Funsoft system. No explanation was provided to justify why the financial transactions are not maintained through Funsoft. The trial balance and general ledgers in support of the financial statements were not provided for audit verification.

In the circumstances, the manual records may have errors of omission and commission.

##### **2. Weaknesses in Revenue Collection System**

Review of the revenue collection system revealed that the Hospital had not fully embraced Mpesa receipting, the cashier doubled as the billing clerk; and no evidence of daily reconciliations of revenue collected in Funsoft verses Mpesa transactions was provided for audit.

In the circumstances, the existence and effectiveness of internal controls over revenue collection could not be confirmed.

##### **3. Weak Controls in Inventory Management**

Review of the Hospital's inventory management system revealed the following weaknesses:

- i. The Hospital had different stores for each department, manned by user departments.
- ii. The same officer in charge of a store requisitioned for stores, made issuance, utilized the stores, maintained stores records and carried out stock take with no evidence of checks and balances.
- iii. The stores were manned by staff with no evidence of technical training in stores management.
- iv. The access to the stores was not properly controlled such that the keys to the pharmaceutical stores were kept at a place where any staff could access, the keys to the food store were kept by a casual who was in charge and there was no proper handover/takeover of keys in case the in-charge was not present.
- v. Information provided indicated that when the storekeeper was away, other staff operated the store without evidence of any documented handing or taking over.
- vi. No evidence was provided to show that stock take was carried out at year end.

In the circumstances, the existence and/ or effectiveness of internal controls over inventory management could not be confirmed.

#### **4. Board's Expired Office Term**

The Governor of Kisumu County appointed the Board of Management through a Gazette Notice on 11 October, 2019 for a term of three (3) years which expired in October, 2022. However, Review of Board files revealed that Board meetings were held after the expiry date without any evidence of extension of their appointment, contrary to Part 1.1 (11) of the Mwongozo Code of Governance which states that 'each Board member shall be appointed through a Gazette Notice and thereafter a letter'.

In the circumstances, the Hospital may have been governed by a Board that was irregularly in office.

#### **5. Weaknesses in the Filing System**

The Hospital did not have a systematic filing system for both financial and procurement records. It was difficult to retrieve information for audit purposes. In addition, most procurement files were still in custody of a former officer.

In the circumstances, the effectiveness of the internal controls on the filing system could not be confirmed.

#### **6. Failure to Meet Level 4 Hospital Requirements**

Review of documents revealed that the Hospital had only seven (7) medical staff against the minimum requirement of seventy-five for a level 4 hospital. Further, the Hospital lacked the vital services such as surgical unit; renal dialysis; intensive care unit; high dependency unit; mortuary and autopsy services; caesarian sections and surgical operations; advanced life support; theatre; and functional incinerator.

In the circumstances, the Hospital may not effectively deliver universal health care to the public.

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

### **Responsibilities of Management and 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 control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Hospital's ability 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 hospital's activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public money is applied in an effective manner.

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 overall 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 review is planned and performed to express a conclusion with limited assurance as to 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 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. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

Further, in planning and performing the audit of the financial statements and review 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 controls 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 noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Hospital's 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 the 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 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 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.

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

09 October, 2023

*Chulaimbo County Level 4 Hospital (Kisumu County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022*

**XII. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022**

<b>Description</b>	<b>Notes</b>	<b>2021/22</b>	<b>2020/21</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>Revenue from non-exchange transactions</b>			
Transfers from the County Government	6	8,158,946	
In- kind contributions from the County Government	7	0	
Grants from donors and development partners	8	0	
Transfers from other Government entities	9	80,000	
Public contributions and donations	10	0	
		<b>8,238,946</b>	
<b>Revenue from exchange transactions</b>			
Rendering of services- Medical Service Income	11	1,636,279	
Revenue from rent of facilities	12	18,000	
Finance /Interest Income	13	0	
Other income ( <i>specify</i> )	14	0	
<b>Revenue from exchange transactions</b>		<b>1,654,279</b>	
<b>Total revenue</b>		<b>9,893,225</b>	
<b>Expenses</b>			
Medical/Clinical costs	15	5,644,068	
Employee costs	16	714,000	
Board of Management Expenses	17	64,947	
Depreciation and amortization expense	18	0	
Repairs and maintenance	19	657,999	
Grants and subsidies	20	0	
General expenses	21	1,750,999	
Finance costs	22	0	
<b>Total expenses</b>		<b>8,832,013</b>	
<b>Other gains/(losses)</b>			
Gain on disposal of non-Current assets	23	0	
Unrealized gain on fair value of investments	24	0	
Medical services contracts Gains/Losses	25	0	
Impairment loss	26	0	

**Chulaimbo County Level 4 Hospital (Kisumu County Government)**  
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Gain on foreign exchange transactions		0	
<b>Total other gains/(losses)</b>		<b>0</b>	
<b>Net Surplus for the year</b>		<b>1,060,212</b>	
Attributable to:		0	
Surplus/(deficit) attributable to minority interest		0	
Surplus attributable to owners of the controlling entity		0	

*(The notes set out on pages 25 to 48 form an integral part of the Annual Financial Statements.)*

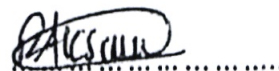
The Hospital's financial statements were approved by the Board on 30/6/2022 and signed on its behalf by:



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



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



**Medical Superintendent**

*Chulaimbo County Level 4 Hospital (Kisumu County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022*

**XIII. STATEMENT OF FINANCIAL POSITION AS OF 30TH JUNE 2022**

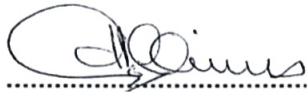
<b>Description</b>	<b>Notes</b>	<b>2021/22</b>	<b>2020/21</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	27		
Receivables from exchange transactions	28	1,654,279	
Receivables from non-exchange transactions	29	8,238,946	
Inventories	30	0	
<b>Total Current Assets</b>		<b>9,893,225</b>	
<b>Non-current assets</b>			
Property, plant, and equipment	31	0	
Intangible assets	32	0	
Investment property	33	0	
<b>Total Non-current Assets</b>		<b>0</b>	
<b>Total assets</b>		<b>9,893,225</b>	
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	34	8,832,013	
Refundable deposits from customers/Patients	35	0	
Provisions	36	0	
Finance lease obligation	37	0	
Current portion of deferred income	38	0	
Current portion of borrowings	39	0	
<b>Total Current Liabilities</b>		<b>8,832,013</b>	
<b>Non-current liabilities</b>			
Provisions	36	0	
Non-Current Finance lease obligation	37	0	
Non-Current portion of deferred income	38	0	
Non - Current portion of borrowings	39	0	
Service concession liability	40	0	
<b>Total Non-current liabilities</b>		<b>0</b>	
<b>Total Liabilities</b>		<b>8,832,013</b>	

**Chulaimbo County Level 4 Hospital (Kisumu County Government)**  
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Description	Notes	2021/22	2020/21
		Kshs	Kshs
<b>Net assets</b>			
Revaluation reserve		0	
Accumulated surplus/Deficit		1,060,212	
Capital Fund			
		<b>1,060,212</b>	
<b>Total Net Assets and Liabilities</b>		<b>9,893,225</b>	

The notes set out on pages 10 to 41 form an integral part of the Annual Financial Statements.

The Hospital's financial statements were approved by the Board on 30/01/2022 and signed on its behalf by:



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



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



**Medical Superintendent**

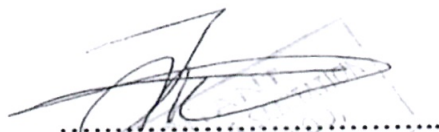
**XIV. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2023**

	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2020	0	0	0	0
Revaluation gain	0	-	-	0
Surplus/(deficit) for the year	-	0	-	0
Capital/Development grants	-	-	-	0
As at June 30, 2021	0	0	0	0
At July 1, 2021	0	0	0	0
Revaluation gain	0	-	-	0
Surplus/(deficit) for the year	-	1,060,212	-	1,060,212
Capital/Development grants	-	-	0	0
At June 30, 2022		1,060,212	0	1,060,212

The Hospital's financial statements were approved by the Board on 30/01/2022 and signed on its behalf by:



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



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



**Medical Superintendent**

*Chulaimbo County Level 4 Hospital (Kisumu County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022*

**XV. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022**

<b>Description</b>		<b>2021/22</b>	<b>2020/21</b>
	<b>Note</b>	<b>Kshs</b>	<b>Kshs</b>
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from the County Government	6	8,158,946	
Grants from donors and development partners		0	
Transfers from other Government entities	9	80,000	
Public contributions and donations		0	
Rendering of services- Medical Service Income	11	1,636,279	
Revenue from rent of facilities	12	18,000	
Finance / interest income		0	
Other receipts( <i>specify</i> )		0	
<b>Total Receipts</b>		<b>9,893,225</b>	
<b>Payments</b>			
Medical/Clinical costs	15	5,644,068	
Employee costs	16	714,000	
Board of Management Expenses	17	64,947	
Repairs and maintenance	19	657,999	
Grants and subsidies		0	
General expenses	21	1,750,999	
Finance costs		0	
Refunds paid out		0	
<b>Total Payments</b>		<b>8,832,013</b>	
<b>Net cash flows from operating activities</b>	41	<b>1,060,212</b>	
<b>Cash flows from investing activities</b>		0	
Purchase of property, plant, equipment, & intangible assets		0	
Proceeds from the sale of property, plant, and equipment		0	
Acquisition of investments		0	
<b>Net cash flows used in investing activities</b>		<b>0</b>	
<b>Cash flows from financing activities</b>		0	
Proceeds from borrowings		0	
Repayment of borrowings		0	
Capital grants received		0	

**Chulaimbo County Level 4 Hospital (Kisumu County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022**

Net cash flows used in financing activities		0	
Net increase/(decrease) in cash and cash equivalents		0	
Cash and cash equivalents at 1 July	27	1,060,212	
Cash and cash equivalents at 30 July	27	0	

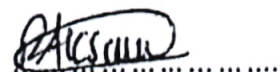
The Hospital's financial statements were approved by the Board on 30/01/2023 and signed on its behalf by:



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



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



**Medical Superintendent**

*Chulaimbo County Level 4 Hospital (Kisumu County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022*

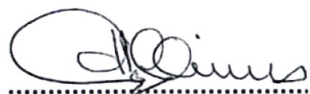
**XVI. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022**

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	
<b>Revenue</b>						
Transfers from the County Government	8,158,946	0	8,158,946	0	8,158,946	100%
Grants from donors and development partners	0	0	0	0	0	0%
Transfers from other Government entities	80,000	0	80,000	0	80,000	100%
Public contributions and donations	0	0	0	0	0	0%
Rendering of services- Medical Service Income	1,636,279	0	1,636,279	0	1,636,279	100%
Revenue from rent of facilities	18,000	0	18,000	0	18,000	100%
Finance / interest income	0	0	0	0	0	100%
Other receipts ( <i>specify</i> )	0	0	0	0	0	100%
<b>Total income</b>	<b>9,893,225</b>	<b>0</b>	<b>9,893,225</b>	<b>0</b>	<b>9,893,225</b>	<b>100%</b>
<b>Expenses</b>		0		0		
Medical/Clinical costs	5,644,068.15	0	5,644,068.15	0	5,644,068.15	100%
Employee costs	714,000	0	714,000	0	714,000	100%
Remuneration of directors	0	0	0	0	0	0%
Repairs and maintenance	657,999	0	657,999	0	657,999	100%
Grants and subsidies	0	0	0	0	0	100%
General expenses	1,750,999	0	1,750,999	0	1,750,999	100%
Finance costs	0	0	0	0	0	0%
Refunds	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>

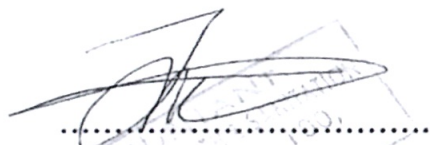
*Chulaimbo County Level 4 Hospital (Kisumu County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022*

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	
Surplus for the period	1,060,211.85	0	1,060,211.85	0	1,060,211.85	100%
Capital expenditure	0	0	0	0	0	0%

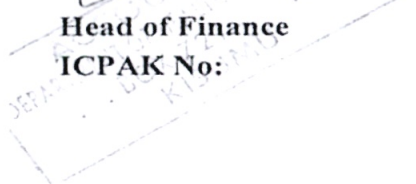
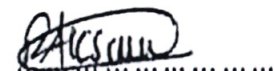
The Hospital's financial statements were approved by the Board on 30/01/2023 and signed on its behalf by:



Chairman  
Board of Management



Head of Finance  
ICPAK No:

Medical Superintendent

**XVII. NOTES TO THE FINANCIAL STATEMENTS**

**1. General Information**

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

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

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

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

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

**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:
<b>IPSAS 41:</b> Financial Instruments	<b>Applicable: 1<sup>st</sup> January 2023:</b> The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: <ul style="list-style-type: none"> <li>• 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.</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> </ul>

	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
<p><b>IPSAS 42:</b> Social Benefits</p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></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> <p>(a) The nature of such social benefits provided by the Entity;  (b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Entity’s financial performance, financial position, and cash flows.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p><b>Applicable: 1st January 2023:</b></p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other improvements to IPSAS</p>	<p><b>Applicable 1<sup>st</sup> January 2023</b></p> <ul style="list-style-type: none"> <li>• <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i></li> </ul> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> <li>• <i>IPSAS 39: Employee Benefits</i></li> </ul> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> <li>• <b>IPSAS 29: Financial instruments: Recognition and Measurement</b></li> </ul> <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1<sup>st</sup> January 2023.</p>
<p>IPSAS 43</p>	<p><b>Applicable 1<sup>st</sup> January 2025</b></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</p>

	financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. 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 1<sup>st</sup> 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 year xx/xx

**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.

**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 xxx was approved by Board on xxxx. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of xxxx on the FY xxx budget following the Board's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section xxx 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 xxx years. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

**e) Property, plant and equipment**

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

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

**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.

*Notes to the Financial Statements (Continued)*

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)

*Notes to the Financial Statements (Continued)*

**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.

*Notes to the Financial Statements (Continued)*

**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) Nature and purpose of reserves**

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

**l) 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.

**m) 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.

**n) 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.

**o) 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.

**p) 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.

**q) 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.

**r) 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.

**s) Comparative figures**

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

**t) 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. Additional disclosure of these estimates of provisions is included in Note xxx.

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

Notes to the Financial Statements (Continued)

6. Transfers From The County Government

Description	2021/22	2020/21
	Kshs	Kshs
<b>Unconditional grants</b>	<b>8,158,946</b>	
Operational grant	0	
Level 5 grants	0	
Other grants	0	
	<b>0</b>	
<b>Conditional grants</b>		
User fee forgone	0	
Transforming health services for Universal care project (THUCP)	0	
DANIDA	0	
Wards Development grant	0	
Paediatric block grant	0	
Administration block grant	0	
Laboratory grant	0	
<b>Total government grants and subsidies</b>	<b>8,158,946</b>	

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
Kisumu County Government	8,158,946			8,158,946	
<b>Total</b>	<b>8,158,946</b>			<b>8,158,946</b>	

7. In Kind Contributions from The County Government

Description	2021/22	2020/21
	Kshs	Kshs
Salaries and wages		
Pharmaceutical and Non-Pharmaceutical Supplies		
Medical supplies-Drawings Rights (KEMSA)	826,140	
Utility bills		
<b>Total grants in kind</b>	<b>826,140</b>	<b>826,140</b>

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

**8. Grants From Donors and Development Partners**

Description	2021/22	2020/21
	Kshs	Kshs
Cancer Centre grant- DANIDA		
World Bank grants		
Paediatric ward grant- JICA		
Research grants		
Other grants ( <i>specify</i> )		
<b>Total grants from development partners</b>		

*(Provide brief explanation for this revenue)*

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

Name of the Entity sending the grant	Amount recognized to Statement of financial performance	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Total 2020/21
	Kshs	Kshs	Kshs	Kshs	Kshs
Donor e.g., DANIDA					
JICA					
World Bank					
<b>Total</b>					

**9. Transfers From Other Government Entities**

Description	2021/22	2020/21
	Kshs	Kshs
Transfer from National Government (Ministry of Health)		
Transfer from xxx National Hospital	80,000	
Transfer from xxx Institute		
<b>Total Transfers</b>	<b>80,000</b>	

**10. Public Contributions and Donations**

Description	2021/22	2020/21
	Kshs	Kshs
Public donations		
Donations from local leadership		

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Donations from religious institutions		
Donations from other international organisations and individuals		
Other donations( <i>specify</i> )		
Donations in kind-amortised		
<b>Total donations and sponsorships</b>		

*(Provide brief explanation for this revenue)*

**10 (a) Reconciliations of amortised grants**

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

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

Description	2021/22	2020/21
	Kshs	Kshs
Pharmaceuticals		
Non-Pharmaceuticals		
Laboratory		
Radiology		
Orthopedic and Trauma Technology		
Theatre		
Accident and Emergency Service		
Anesthesia Service		
Ear Nose and Throat service		
Nutrition service		
Cancer centre service		
Dental services		
Reproductive health		
Paediatrics services		
Farewell home services		
Other medical services income		
<b>Total revenue from the rendering of services</b>		

*(other medical services fee relates to other charges not listed above)*

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*Notes to the Financial Statements (Continued)*

**12. Revenue From Rent of Facilities**

Description	2021/22	2020/21
	Kshs	Kshs
Residential property		
Commercial property	18,000	
<b>Total Revenue from rent of facilities</b>	<b>18,000</b>	

*(Provide brief explanation for this revenue)*

**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		
<b>Total finance income</b>		

*(Provide brief explanation for this revenue)*

**14. Other Income**

Description	2021/22	2020/21
	Kshs	Kshs
Insurance recoveries		
Income from sale of tender		
Services concession income		
Sale of goods (water, publications, containers etc)		
<b>Total other income</b>		

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

**15. Medical/ Clinical Costs**

Description	2021/22	2020/21
	Kshs	Kshs
Dental costs/ materials		
Laboratory chemicals and reagents	636,360	
Public health activities		
Food and Ration	619,190	
Uniform, clothing, and linen		

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Dressing and Non-Pharmaceuticals		
Pharmaceutical supplies		
Health information stationery		
Reproductive health materials		
Sanitary and cleansing Materials	157,860	
Purchase of Medical gases	72,098	
X-Ray/Radiology supplies	60,000	
Other medical related clinical costs ( <i>specify</i> )	826,140	
<b>Total medical/ clinical costs</b>	<b>3,440,646</b>	

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

**16. Employee Costs**

Description	2021/22	2020/21
	Kshs	Kshs
Salaries, wages, and allowances	1,178,400	
Contributions to pension schemes		
Service gratuity		
Performance and other bonuses		
Staff medical expenses and Insurance cover		
Group personal accident insurance and WIBA		
Social contribution		
Other employee costs ( <i>specify</i> )		
<b>Employee costs</b>	<b>1,178,400</b>	

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

**17. Board of Management Expenses**

Description	2021/22	2020/21
	Kshs	Kshs
Chairman's Honoraria		
Sitting allowance	40,000	
Mileage		
Insurance expenses		
Induction and training		
Travel and accommodation allowance		
Airtime allowances		
<b>Total</b>	<b>40,000</b>	

*Notes to the Financial Statements (Continued)*

**18. Depreciation And Amortization Expense**

<b>Description</b>	<b>2021/22</b>	<b>2020/21</b>
	<b>Kshs</b>	<b>Kshs</b>
Property, plant and equipment		
Intangible assets	25,000	
Investment property carried at cost		
<b>Total depreciation and amortization</b>	<b>25,000</b>	

**19. Repairs And Maintenance**

<b>Description</b>	<b>2021/22</b>	<b>2020/21</b>
	<b>Kshs</b>	<b>Kshs</b>
Property- Buildings	133,276	
Medical equipment	60,000	
Office equipment		
Furniture and fittings		
Computers and accessories	18,000	
Motor vehicle expenses	183,500	
Maintenance of civil works		
<b>Total repairs and maintenance</b>	<b>394,776</b>	

**20. Grants And Subsidies**

<b>Description</b>	<b>2021/22</b>	<b>2020/21</b>
	<b>Kshs</b>	<b>Kshs</b>
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> )		
<b>Total grants and subsidies</b>		

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**21. General Expenses**

Description	2021/22	2020/21
	Kshs	Kshs
Advertising and publicity expenses		
Catering expenses		
Waste management expenses		
Insecticides and rodenticides	20,000	
Audit fees		
Bank charges		
Conferences and delegations		
Consultancy fees		
Contracted services	720,000	
Electricity expenses		
Insurance	1,150,000	
Research and development expenses		
Travel and accommodation allowance	34,947	
Legal expenses		
Licenses and permits		
Courier and postal services		
Printing and stationery	319,500	
Hire charges		
Rent expenses		
Water and sewerage costs		
Skills development levies		
Telephone and mobile phone services	34,999	
Internet expenses		
Staff training and development		
Subscriptions to professional bodies		
Subscriptions to newspapers periodical, magazines, and gazette notices		
Library books/Materials		
Parking charges		
<b>Total General Expenses</b>	<b>2,279,446</b>	<b>2,279,446</b>

**22. Finance Costs**

Description	2021/22	2020/21
	Kshs	Kshs
Borrowings (amortized cost) *		
Finance leases (amortized cost)		

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Interest on Bank overdrafts/Guarantees		
Interest on loans from commercial banks		
<b>Total finance costs</b>		

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

**23. Gain/Loss On Disposal Of Non-Current Assets**

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

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

Description	2021/22	2020/21
	Kshs	Kshs
Investments at fair value		
<b>Total gain</b>		

**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	8,110	
<b>Total Gain/Loss</b>	<b>8,110</b>	

**26. Impairment Loss**

Description	2021/22	2020/21
	Kshs	Kshs
Property, plant, and equipment		
Intangible assets		
<b>Total impairment loss</b>		

**27. Cash And Cash Equivalent**

Description	2021/22	2020/21
	Kshs	Kshs
Current accounts	1,567,703.75	

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On - call deposits		
Fixed deposits accounts		
Cash in hand		
Others( <i>specify</i> )- Mobile money		
<b>Total cash and cash equivalents</b>	<b>1,567,703.75</b>	

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

Description		2021/22	2020/21
Financial institution	Account number	Kshs	Kshs
<b>a) Current account</b>			
Kenya Commercial bank	1159521158	507,791.90	
Equity Bank, etc	01141495253100	1,060,211.85	
<b>Sub- total</b>			
<b>b) On - call deposits</b>			
Kenya Commercial bank			
Equity Bank – etc			
<b>Sub- total</b>			
<b>c) Fixed deposits account</b>			
Bank Name			
<b>Sub- total</b>			
<b>d) Others(<i>specify</i>)</b>			
cash in hand			
Mobile money- Mpesa, Airtel money			
<b>Sub- total</b>			
<b>Grand total</b>			

**28. Receivables From Exchange Transactions**

Description	2021/22	2020/21
	Kshs	Kshs
Medical services receivables	1,636,279	
Rent receivables	18,000	
Other exchange debtors		
Less: impairment allowance		
<b>Total receivables</b>	<b>1,654,279</b>	

*Notes to the Financial Statements (Continued)*

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

<b>Description</b>	<b>2021/22</b>	<b>2020/21</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfers from the County Government	8,158,946	
Undisbursed donor funds		
Other debtors ( <i>non-exchange transactions</i> )		
Less: impairment allowance		
<b>Total</b>	<b>8,158,946</b>	

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

**30. Inventories**

<b>Description</b>	<b>2021/22</b>	<b>2020/21</b>
	<b>Kshs</b>	<b>Kshs</b>
Pharmaceutical supplies		
Maintenance supplies		
Food supplies		
Linen and clothing supplies		
Cleaning materials supplies		
General supplies		
Less: provision for impairment of stocks		
<b>Total</b>		

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*Notes to the Financial Statements (Continued)*

**31. Property, Plant and Equipment**

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Cost</b>								
At 1 July 2020								
Additions								
Disposals								
Transfers/adjustments								
<b>At 30<sup>th</sup> June 2021</b>								
At 1 <sup>st</sup> July 2021								
Additions								
Disposals								
Transfer/adjustments								
<b>At 30<sup>th</sup> June 2022</b>								
<b>Depreciation and impairment</b>								
At 1 July 2020								
Depreciation for the year								
Disposals								
Impairment								
<b>At 30 June 2021</b>								

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Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Capital Work in progress	Total
At July 2021								
Depreciation								
Disposals								
Impairment								
Transfer/adjustment								
<b>At 30<sup>th</sup> June 2022</b>								
<b>Net book values</b>								
At 30 <sup>th</sup> June 2021								
At 30 <sup>th</sup> June 2022								

Notes to the Financial Statements (Continued)

32. Intangible Assets-Software

Description	2021/22	2020/21
	Kshs	Kshs
<b>Cost</b>		
At beginning of the year	0	
Additions		
Additions-Internal development		
Disposal		
<b>At end of the year</b>	<b>100,000</b>	
<b>Amortization and impairment</b>		
At beginning of the year		
Amortization for the period	25,000	
Impairment loss		
<b>At end of the year</b>		
<b>NBV</b>	<b>75,000</b>	

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> )		
<b>At end of the year</b>		

34. Trade And Other Payables

Description	2021/22	2020/21
	Kshs	Kshs
Trade payables		
Employee dues	1,178,400	
Third-party payments ( <i>unremitted payroll deductions</i> )		
Audit fee		
Doctors' fee		
<b>Total trade and other payables</b>	<b>1,178,400</b>	

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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> )		
<b>Total deposits</b>		

**36. Provisions**

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

**37. Finance Lease Obligation**

Description	2021/22	2020/21
	Kshs	Kshs
Current Lease obligation		
Long term lease obligation		
<b>Total</b>		

**38. Deferred Income**

Description	2021/22	2020/21
	Kshs	Kshs
Current Portion		
Non-Current Portion		
<b>Total</b>		

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

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

**39. Borrowings**

Description	2021/22	2020/21
	Kshs	Kshs
<b>Balance at beginning of the period</b>		
External borrowings during the year		
Domestic borrowings during the year		
Repayments of external borrowings during the year		
Repayments of domestic borrowings during the year		
<b>Balance at end of the period</b>		

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

Description	2021/22	2020/21
	Kshs	Kshs
Current Obligation		
Non-Current Obligation		
<b>Total</b>		

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

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**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**

Surplus for the year before tax	2021/22	2020/21
<b>Adjusted for:</b>	Kshs	Kshs
Depreciation		
Non-cash grants received		
Impairment		
Gains and losses on disposal of assets		
Contribution to provisions		
Contribution to impairment allowance		
<b>Working Capital adjustments</b>		
Increase in inventory		
Increase in receivables		
Increase in deferred income		
Increase in payables		
Increase in payments received in advance		
<b>Net cash flow from operating activities</b>		

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

**42. Financial Risk Management**

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

**(i) Credit risk**

The entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or

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external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

**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				
<b>Total</b>				
At 30 June 2022				
Receivables from exchange transactions	1,636,279			
Receivables from –non-exchange transactions	8,158,946			
Bank balances				
<b>Total</b>	<b>9,795,225</b>			

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

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The entity has significant concentration of credit risk on amounts due from 2016. The board of management sets the company's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**(ii) Liquidity risk management**

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

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

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

**(iii) Market risk**

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

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

**a) Foreign currency risk**

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

	Note	Other currencies	Total
		Kshs	Kshs
<b>At 30 June 20xx</b>			
Financial assets (investments, cash, debtors)			

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Liabilities			
Trade and other payables			
Borrowings			
Net foreign currency asset/(liability)			

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

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

**Foreign currency sensitivity analysis**

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

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
<b>20xx</b>			
Euro	10%		
USD	10%		
<b>20xx</b>			
Euro	10%		
USD	10%		

**Interest rate risk**

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

**Management of interest rate risk**

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

**Sensitivity analysis**

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

**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	0	0
Retained earnings	0	0
Capital reserve	0	0
<b>Total funds</b>	<b>0</b>	<b>0</b>
Total borrowings	0	0
Less: cash and bank balances	0	0
Net debt/ (excess cash and cash equivalents)	0	0
<b>Gearing</b>	<b>0.0%</b>	<b>0.0%</b>

**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.

**Government of Kenya**

The Government of Kenya is the principal shareholder of the *entity*, holding 100% of the *entity'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 Parent Ministry; MINISTRY OF HEALTH
- iii) Key management;
- iv) Board of directors;

Description	2021/22	2020/21
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>a) Services offered to related parties</b>		

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Services to xxx	0	
Sales of services to xxx	0	
<b>Total</b>	<b>0</b>	
<b>b) Grants from the Government</b>		
Grants from County Government	0	
Grants from the National Government Entities	0	
Donations in kind	0	
<b>Total</b>	<b>0</b>	
<b>c) Expenses incurred on behalf of related party</b>		
Payments of salaries and wages for xxx employees	0	
Payments for goods and services for xxx	0	
<b>Total</b>	<b>0</b>	
<b>d) Key management compensation</b>		
Directors' emoluments	0	
Compensation to the medical Sup	0	
Compensation to key management	0	
	0	
<b>Total</b>	<b>0</b>	

**44. Segment Information**

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

**45. Contingent Liabilities**

<b>Contingent liabilities</b>	<b>2021/22</b>	<b>2020/21</b>
	<b>Kshs</b>	<b>Kshs</b>
Court case xxx against the company		
Bank guarantees in favour of subsidiary		
<b>Total</b>		

*(Give details)*

**46. Capital Commitments**

<b>Capital Commitments</b>	<b>2021/22</b>	<b>2020/21</b>
	<b>Kshs</b>	<b>Kshs</b>
Authorised For		
Authorised And Contracted For		
<b>Total</b>		

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

**47. Events After The Reporting Period**

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

**48. Ultimate And Holding Entity**

The entity is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of xxx. Its ultimate parent is the Government of Kenya.

**49. Currency**

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

**XVIII. APPENDICES**

**Appendix 1: Progress On Follow Up Of Auditor Recommendations**

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

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

**Guidance Notes:**

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

.....  
**Accounting Officer**  
*(To be signed by the accounting officer of the Hospital)*

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

**Projects**

Projects implemented by the Hospital Funded by development partners

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

**Status of Projects completion**

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

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

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**APPENDIX IV: Inter-Entity Confirmation Letter**  
*[Insert your Letterhead]*

*[Insert name of beneficiary entity]*  
*[Insert Address]*

The *[insert SC/SAGA/Fund name here]* wishes to confirm the amounts disbursed to you as at 30<sup>th</sup> June 2022 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

**Confirmation of amounts received by *[Insert name of beneficiary entity]* as at 30<sup>th</sup> June 2022**

Reference Number	Date Disbursed	Amounts Disbursed by <i>[SC/SAGA/Fund]</i> (KShs) as at 30th June 2022				Amount Received by <i>[beneficiary entity]</i> (KShs) as at 30 <sup>th</sup> June 2021 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
<b>Total</b>							

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

**Head of Accountants department of beneficiary entity:**

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

**Appendix V: Reporting Of Climate Relevant Expenditures**

Name of the Organization

Telephone Number

Email Address

Name of Medical Supp/MD/Head

Name and contact details of contact person (in case of any clarifications) .....

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

*XX Hospital (XX County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2022*

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**Appendix Vi: Disaster Expenditure Reporting Template**

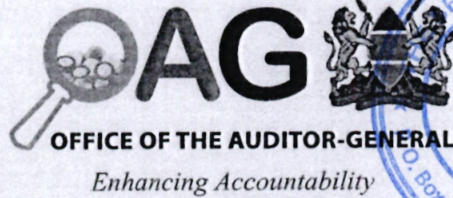
Date:

Entity

Period to which this report refers (FY)	Year			Quarter		
Name of Reporting Officer						
Contact details of the reporting officer:	Email			Telephone		
Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments

# 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

Ref: OAG/MOH/Muhoroni/2021-2022(35)

06 November, 2023

**Mr. Owen Ojuok**  
The Clerk to the Kisumu County Assembly  
P.O. Box 86-40100  
**KISUMU**

Dear Sir

## **REPORT OF THE AUDITOR-GENERAL ON MUHORONI COUNTY HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2022**

I transmit the report of the Auditor-General on the examination and audit of Muhoroni County Hospital for the year ended 30 June, 2022 in accordance with the provisions of Article 229(7) of the Constitution of Kenya for the necessary action as required by Article 229(8) of the Constitution.

Yours Sincerely

**Dr. Leonard Lari**  
**For: AUDITOR-GENERAL**

**Copy to:** **Dr. Chris Kiptoo, CBS**  
Principal Secretary  
The National Treasury  
P.O. Box 30007-00100  
**NAIROBI**

**Mr. Jeremiah Nyengenyne, CBS**  
Clerk to the Senate  
P.O. Box 41842-00100  
**NAIROBI**

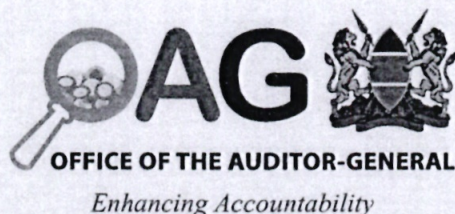
**H.E. Hon. Prof. Peter Anyang' Nyong'o**  
The Governor of Kisumu County  
P. O. Box 2738-40100  
**KISUMU**

**Mr. George Omondi Okong'o**  
C.E.C.M. – Finance and Economic Planning  
County Government of Kisumu  
P.O. Box 2738-40100  
**KISUMU**

**Dr. David Akuom**  
Medical Superintendent  
Muhoroni County Level 4 Hospital  
P.O. Box 71  
**MUHORONI**

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

Ref: OAG/MOH/Chulaimbo/2021-2022(16)

06 November, 2023

**Mr. Owen Ojuok**  
The Clerk to the Kisumu County Assembly  
P.O. Box 86-40100  
**KISUMU**

Dear Madam

**REPORT OF THE AUDITOR-GENERAL ON CHULAIMBO COUNTY LEVEL 4 HOSPITAL  
(COUNTY GOVERNMENT OF KISUMU) FOR THE YEAR ENDED 30 JUNE, 2022**

I transmit the report of the Auditor-General on the examination and audit of Chulaimbo County Level 4 Hospital for the year ended 30 June, 2022 in accordance with the provisions of Article 229(7) of the Constitution of Kenya for the necessary action as required by Article 229(8) of the Constitution.

Yours sincerely

**Dr. Leonard Lari**  
**For: AUDITOR-GENERAL**

Copy to: **Dr. Chris Kiptoo, CBS** ✓  
Principal Secretary  
The National Treasury  
P.O. Box 30007-00100  
**NAIROBI**

**Mr. Jeremiah Nyengenyne, CBS**  
Clerk to the Senate  
P.O. Box 41842-00100  
**NAIROBI**

**H.E. Hon. Prof. Peter Anyang' Nyong'o**  
The Governor of Kisumu County  
P. O. Box 2738-40100  
**KISUMU**

**Mr. George Omondi Okong'o**  
C.E.C.M. – Finance and Economic Planning  
County Government of Kisumu  
P.O. Box 2738-40100  
**KISUMU**

**Dr. Rukia A. Aksam**  
Medical Superintendent  
Chulaimbo County Hospital  
P.O. Box 5  
**MASENO**