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ON

LONDIANI SUB - COUNTY LEVEL 4 HOSPITAL

FOR THE YEAR ENDED 30 JUNE, 2022

COUNTY GOVERNMENT OF KERICHO



LONDIANI SUB – COUNTY level 4 HOSPITAL

(KERICHO COUNTY GOVERNMENT)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2022

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

Londiani Sub-county level 4 Hospital (Kericho county government)
Annual Report and Financial Statements For The Year Ended 30th June 2022

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*Londiani Sub-county level 4 Hospital (Kericho county government)
Report and Financial Statements for The Year Ended 30th June 2022*

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**Londiani Sub-county level 4 Hospital (Kericho county government)
Report and Financial Statements for The Year Ended 30th June 2022**

I. Key Entity Information and Management

a) Background information

Londiani sub county hospital is located 5 kilometres off the Nakuru –Kericho main road. It was established in 1939 by the Italian war prisoners with a bed capacity of 50. It is in Kericho county, Kipkelion east sub county, Londiani district hived from the former larger Kipkelion district.

Londiani sub county hospital is located in one of the divisions in Londiani district named Londiani division. Londiani division has a catchment population of 53,125 according to the 2010 KNBS population census and a growth rate of 3.57%.

Londiani sub county hospital was gazetted as a district hospital on 8/08/2008 in a gazette notice No.727 with MFL NO.15074.

VISION: To have an efficient and high quality healthcare system that is accessible, equitable and affordable to every Kenyan.

MISSION: To promote and participate in provision of integrated and high quality, promotive, preventive, curative and rehabilitative healthcare services to all Kenyans.

(a) Principal Activities

The principal activity of the hospital is to provide quality healthcare to clients. The mission of Londiani sub county hospital is to promote and participate in provision of integrated and high quality, Promotive, preventive, curative and rehabilitative health care services to all clients.

(b) Key Management

Londiani sub county hospital management is under the following key organs:

- County department of health
- Health Management team
- Accounting Officer/ Medical Superintendent

(c) Fiduciary Management

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

	Designation	Name
1.	Medical Superintendent	Dr.collins kipkoech
2.	Head of finance	Evalyne chelangat
3.	Head of supply chain	Felix kipyegon

(d) Fiduciary Oversight Arrangements

The medical superintendent oversees the general operations of the hospital to ensure smooth running of all departments.

The head of finance facilitates the financial obligations of the hospital by ensuring proper revenue collection, budgeting and expenditure.

The head of supply chain ensures that all procurement procedures are adhered to during tendering and purchase of hospital supplies.

***Londiani Sub-county level 4 Hospital (Kericho county government)
Report and Financial Statements for The Year Ended 30th June 2022***

(e) Entity Headquarters

P.O. Box 54 – 20203 Londiani
Londiani/Muhoroni Highway
Londiani, KENYA

(f) Entity Contacts

Telephone: (+254) 728044429
E-mail: hlondiani54@gmail.com

(g) Entity Bankers

Kenya Commercial Bank Limited
Branch: Londiani
Account number: 1153902516

Londiani hospital development account
Branch: Londiani
Account no: 1145265456

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

(j) County Attorney

The county attorney
Kericho county government
p.o. box 1376-20200
Kericho

*Londiani Sub-county level 4 Hospital (Kericho county government)
Report and Financial Statements for The Year Ended 30th June 2022*

II. Health Management Team

1.	Dr. Collins kipkoech	Medical superintendent
2.	Geoffrey kirui	Hospital administrator
3.	Sally Bii	Nursing in-charge
4.	Felix kipyegon	Procurement officer
5.	Evalyne chelangat	Accountant
6.	David Chepkuto	Lab Tech In-charge
7.	Paul Chepkwony	Radiology In-charge
8.	Joseline Chepkoech	Nutritionist
9.	Simon Mbugua	Orthopaedist
10.	Peter Ngeno	Public Health
11.	Collins kipkoech	Bio-medical engineer
12.	Lorna Cherono	Social Worker

III. Chairman's Statement

During the financial year under review Londiani sub county hospital did not have a functional board of management.

IV. Report of The Medical superintendent

It is my pleasure to present Londiani sub county hospital financial statements for the year ended 30th June 2022.

The financial statements Presents our financial position and operations during the year under review. I would wish to highlight a few aspects of the hospital operations below:

Londiani sub county hospital generates revenue through user fee for services offered to clients. This comes in form of cash which is banked daily to the hospital current account and NHIF reimbursements. Majority of our clients use NHIF to gather for services received. During this financial year we also received revenue from lease of hospital land as disclosed in our financial statements.

I would also like to thank Londiani hospital staff for their great effort in providing quality healthcare to our clients. Your resilience and unwavering spirit was remarkable. We witnessed great teamwork amongst our staff that enabled us to overcome any challenge that came along. Our hospital management team also played a major role in coordinating work in various departments and guiding the rest of the staff towards our hospital vision. Their collective effort has not only saved lives but have also set new benchmark for excellence in healthcare.

They remain committed to providing quality care to our clients.

We have plans to expand as a hospital and the management team has been in talks with the county government to assist in setting up special clinics, a modern accident & emergency department and also to increase the bed capacity of the hospital. This will assist in handling a larger number of clients and minimize referrals. We've also requested Kericho county leadership to deploy more staff to curb the shortage and aid in service delivery.

V. Management Discussion and Analysis

Clinical / operational performance

- Londiani sub county hospital has two inpatient wards with a bed capacity of 50 beds which accommodates male, female and paediatrics.
- The overall patient attendance during the year under review for both inpatient and outpatient were 44,963 cases.
- There were 4,090 cases of accident and emergency attendance during this year.
- There were 21,953 cases of specialized clinic attendance in the hospital and the average length of stay for in patients was 5 days.
- The bed accuracy rate was at 49%
- The mortality rate during that was 0.01%
- The facility surgical theatre performs 520 surgical operations during the period under review.

Financial operations of the hospital.

The hospital collects its revenue through a revenue system called Dormax system. The only revenue source for this facility is user fee which is received in cash and in form of NHIF reimbursements. Banking for the same is done daily to the hospital's bank account.

The hospital management team budgets for the revenue and the authority to incur expenditure (AIE) is requested.

The hospital funds are used for development purposes and purchase of hospital supplies majorly medical drugs and non-pharmaceuticals.

VI. Environmental and Sustainability Reporting

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

Sustainability strategy and profile

i) Londiani sub-county hospital takes a sustainable, long-term approach to business, putting patients at the heart of its operations and delivering consistently high-quality healthcare services. In order to deliver on these priorities, the Hospital upholds the highest standards of clinical governance and ethical behaviour across its platforms, invests significant time and resources in Making considerable investment into its facilities and equipment and respects the communities and environment in the areas in which it operates.

i)Environmental performance

The hospital has invested heavily in management of waste. This entailed purchase of high powered incinerator with a capacity to handle all waste in the facility. The department of public health and sanitation is in charge of waste management and supported by an active Infection prevention committee which is in place

iii)Employee welfare

The facility ensures all staff are facilitated to attend trainings made to enhance their skills. All employee emoluments are also paid on time. The county trains and supports both short term and long term courses employees on duty are provided with snacks.

iv)Market place practices-

a) Responsible competition practice.

The Board values the importance of complete, timely, transparent and effective communication with its stakeholders for building and maintaining their trust and confidence by providing regular information on its performance, activities and addressing their concerns whilst having regard to legal and strategic considerations.

***Londiani Sub-county level 4 Hospital (Kericho county government)
Report and Financial Statements for The Year Ended 30th June 2022***

b) Responsible Supply chain and supplier relations

All tenders are awarded competitively where every bidder is given a fair chance through a transparent process as prescribed in the procurement and disposal Act. The facility strives to pay its suppliers on time.

c) Responsible marketing and advertisement

The County has developed a Communications and Marketing Policy which encompasses internal & external communication, customer service and public relations. The main avenues for communication are through stakeholder forums and publications on disbursements, and annual reports and financial statements.

d) Product stewardship

e) The Hospital's Service Charter has been cascaded to all staff and displayed at strategic locations, is monitored on a regular basis. The Charter stipulates the service delivery timelines, commitments and expectations of the hospitals clients.

i) Corporate Social Responsibility / Community Engagements

The Management is committed to continually improve access to information by the public and provision of efficient and quality specialized healthcare services to the public. This is done through holding free medical clinics and also community visits

VII) Report of The Health Management Team

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

Principal activities

The principal activity of the entity is to provide quality healthcare to all clients.

Auditors

The Auditor General is responsible for the statutory audit of Londiani sub county hospital in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 or XYZ Certified Public Accountants were nominated by the Auditor General to carry out the audit of Londiani sub county hospital for the year/period ended June 30, 2022 in accordance to section 23 of the Public Audit Act 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board

GEOFFREY KIMANI

Name:

secretary

Health Management Team

VIII) Statement of Board of Management's Responsibilities

Section 164 of the Public Finance Management Act, 2012 requires the Board of Management to prepare financial statements in respect of that Londiani hospital which give a true and fair view of the state of affairs of Londiani sub county hospital at the end of the financial year and the operating results of Londiani sub county hospital for the year 2021/22. The Board of Management is also required to ensure that Londiani sub county hospital keeps proper accounting records which disclose with reasonable accuracy the financial position of Londiani hospital. The council members are also responsible for safeguarding the assets of the hospital.

The Board of Management is responsible for the preparation and presentation of Londiani sub county hospital financial statements, which give a true and fair view of the state of affairs of Londiani sub county hospital for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the Londiani hospital (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board of Management accepts responsibility for Londiani sub county hospital financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Board members are of the opinion that Londiani sub county hospital financial statements give a true and fair view of the state of Londiani sub county hospital transactions during the financial year ended June 30, 2022, and of Londiani hospital financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for Londiani hospital which have been relied upon in the preparation of Londiani sub county hospital financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

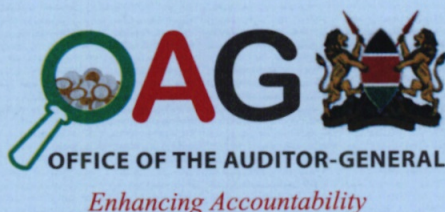
The Hospital's financial statements were approved by the HMT on 30/09/2022 and signed on its behalf by:

P. G. Kiptoo
.....

Name:
Accounting Officer

REPUBLIC OF KENYA

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



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

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

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 the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Londiani Sub-County Level 4 Hospital - County Government of Kericho set out on pages 1 to 23, which comprise of the

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

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

Basis for Qualified Opinion

1. Misstatement of Revenue and Expenses

The statement of financial performance and statement of cash flows reflects total revenue and total expenses amounts of Kshs.49,259,711 and Kshs.44,207,775, respectively, a confirmation that the statement was prepared on cash basis. Further, the statement of financial position reflects receivables from exchange transactions and trade and other payables balance of Kshs.1,243,396 and Kshs.807,368, respectively under accrual basis of accounting resulting to an unexplained misstatement of Kshs.1,243,396 and Kshs.807,368, respectively on the revenue and expenses.

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

2. Unsupported Rendering of Services or Medical Service Income

The statement of financial performance reflects rendering of services-medical service income amount of Kshs.47,324,217. However, the revenue reports from the Enterprise Resource Planning, Dormax Hospital System software reflects total revenue of Kshs.15,622,805 while the National Hospital Insurance Fund (NHIF) claim reimbursement schedule provided for audit reflects revenue amount of Kshs.23,126,140, totalling to Kshs.38,748,945. The resultant variance of Kshs.8,575,272 represents revenue whose supporting schedules were not provided for audit.

In the circumstances, the accuracy and completeness of the rendering of services-medical service income balance of Kshs.47,324,217 could not be confirmed.

3. Unsupported Medical or Clinical Costs

The statement of financial performance reflects medical or clinical costs amount of Kshs.29,894,042 as disclosed in Note 9 to the financial statements which comprises of

nine (9) subcomponents whose supporting ledgers and schedules were not provided for audit.

In the circumstances, the accuracy and completeness of the medical or clinical costs balance of Kshs.29,894,042 could not be confirmed.

4. Misstatement of General Expenses

The statement of financial performance reflects general expenses amount of Kshs.12,564,523 as disclosed in Note 11 to the financial statements, includes an expenditure on computers, backups and printers of Kshs.2,404,500 which was capital expenditure on property, plant and equipment.

Further, the expenditure of Kshs.12,744,091 includes an amount of Kshs.1,810,450 incurred in the previous financial year, but paid during the year under review. The inclusion of the previous year's expenditure is contrary to International Public Sector Accounting Standards (Accrual Basis) that was adopted by the Hospital which requires transactions and other events to be recognized when they occur (and not when cash or its equivalent is received or paid). The transactions and events are recorded in the accounting records and recognized in the financial statements of the periods to which they relate.

In the circumstances, the accuracy and completeness of the general expenses amounting to Kshs.12,564,523 could not be confirmed.

5. Inaccuracies in the Statement of Financial Position

The statement of financial position reflects nil balance in respect of total assets. The following inaccuracies and anomalies were noted;

- i. The nil balance of total assets differs with the re-computed balance of Kshs.8,331,395, resulting in an unexplained and unreconciled variance of Kshs.8,331,395.
- ii. The statement of financial position reflects nil accumulated surplus/(deficit) balance, while the statement of financial performance reflects a surplus balance of Kshs.5,051,936, resulting in an unreconciled and unreconciled variance of Kshs.5,051,936.
- iii. The statement of financial position reflects total net assets and liabilities balance of Kshs.7,524,027. Re-computation of the total net assets and liabilities reflects a balance of Kshs.2,472,091 resulting in an unreconciled and unexplained variance of Kshs.5,051,936, an indication of an unbalanced statement of financial position.
- iv. The statement of changes in net assets reflects surplus for the year balance of Kshs.7,524,027, while the statement of financial performance shows a corresponding amount of Kshs.5,051,936, resulting in an unreconciled variance of 2,472,091.

- v. The statement of financial position reflects nil balance in respect of property, plant and equipment. However, according to the assets register presented for audit, the Hospital owned various assets including land, buildings, motor vehicles, hospital equipment, computers and furniture and fittings, which had no values.
- vi. The statement of financial position reflects nil balance in respect of inventories. However, no stocktake report was provided for audit to support the nil balance. Further, audit examination of stock control cards revealed closing balances of various pharmaceutical and non-pharmaceutical stocks as at 30 June, 2022. No explanation was provided as to why these stock card balances were not accounted for in the financial statements.
- vii. Further, the statement of financial position reflects cash and cash equivalents, receivables from exchange transactions and trade and other payables balances of Kshs.7,087,999, Kshs.1,243,396 and Kshs.807,368 respectively, which were not reflected in the trial balance.

In the circumstances, the existence, ownership, accuracy and completeness of the statement of financial position could not be confirmed.

6. Inaccuracies in the Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents balance of Kshs.7,087,999 as disclosed in Note 12 to the financial statements which includes a bank account balance of Kshs.6,224,859. However, the supporting cash book reflects cash balance of Kshs.47,655 which was not accounted for in the financial statements.

In the circumstances, the existence, accuracy and completeness of the cash and cash equivalents balance of Kshs.47,655 could not be confirmed.

7. Unsupported Receivables from Exchange Transactions

The statement of financial position reflects receivables from exchange transactions balance of Kshs.1,243,396 whose supporting debtors' list and ageing analysis were not provided for audit.

In the circumstances, the accuracy and completeness of the receivables from exchange transactions balance of Kshs.1,243,396 could not be confirmed.

8. Inaccuracies in the Statement of Comparison of Budget and Actual Amounts

The statement of comparison of budget and actual amounts reflects final expenses budget amount of Kshs.48,240,000, while the approved budget reflects an amount of Kshs.46,510,000 resulting in an unreconciled variance of Kshs.1,730,000. Further, the statement reflects an unapproved and unsupported revenue budget amount of Kshs.49,103,139. In addition, the statement reflects percentage (%) of utilization of 100% against rendering of services-medical service income which differs with the re-computed percentage of 102%, resulting in an unexplained variance of 2%.

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 Londiani Sub-County Level 4 Hospital - County Government of Kericho 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 qualified opinion.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Lack of Statute Guiding Existence and Operations of the Hospital

Review of laws relating to County Government entities revealed that there is no Act of Parliament or of County Assembly regulating or guiding the establishment and operations of health facilities in the Counties, despite the fact that health services, including, in particular County Health facilities and Pharmacies are County Governments' functions under Article 176(2) of the Constitution of Kenya, 2010.

In the circumstances, the existence and legality of the operations of Londiani Sub-County Level 4 Hospital - Kericho County Government could not be confirmed.

2. Non-Implementation of National Government Constituencies Development Fund Project

Review of the Hospital's Management Team minutes and bank statement for development bank account revealed that the Hospital received an amount of Kshs.800,000 from the National Constituencies Development Fund-(NG-CDF) during the financial year 2014/2015. This was for the construction of an ablution block for gents and ladies with three compartments each, with handwashing facilities and a raised tank above. However, this project had not been implemented as at 27 June, 2023, and no

satisfactory explanation was provided for the anomaly. Further, minutes of the Project Management Committee and reports on the project were not been provided for audit. In addition, the three (3) signatories to the account were no longer in the Management of the Hospital.

In the circumstances, value for money may not have been realized from the amount of Kshs.800,000 received from the NG-CDF.

3. Irregularities in the General Expenses

The statement of financial performance reflects general expenses amount of Kshs.12,744,091 as disclosed in Note 11 to the financial statements which includes travel and accommodation allowances amounting to Kshs.670,150, out of which an amount of Kshs.221,400 relates to claims dating back to the years 2019 and 2020. However, approval of payment of the latter amount and documents indicating that the allowances had not been claimed before were not provided for audit. Further, the recipients of the allowances had not signed against their names.

In addition, the amount of Kshs.12,744,091 includes an amount Kshs.2,548,500 spent on computers and firewood that were procured from two (2) suppliers who were not in the Hospital's list of prequalified suppliers. This was contrary to Section 95(3) of the Public Procurement and Asset Disposal Act, 2015 which states that 'a procuring entity shall invite tenders from only the approved persons who have been pre-qualified'.

In the circumstances, value for money for the expenditure of Kshs.2,769,900 could not be confirmed and Management was in breach of the law.

4. Inaccuracies in the Presentation and Disclosure of the Reports and Financial Statements

Audit review of the annual reports and financial statements revealed the following anomalies and non-compliance with the reporting template for Levels 4 and 5 hospitals, issued by the Public Sector Accounting Standards Board (PSASB) in June, 2022;

- i. The background information, County and the Department under which the Hospital is domiciled and the body governing the Hospital have not been disclosed.
- ii. The fiduciary oversight arrangement indicates that the Hospital is oversighted by the Medical Superintendent, Head of Finance Department and Head of Supplies Chain Department, casting doubt on how the Management oversighted itself. Management did not disclose the committees that oversighted the Hospital during the year under review.
- iii. The independent auditors address is indicated as along Institute Way instead of University Way.
- iv. The Management Team table at page vii does not include Managers' passport-size photos.

- v. The statement of performance against predetermined objectives and the corporate governance statement are not included.
- vi. The statement of comparison of budget and actual amounts reflects utilization of 81% against repairs and maintenance (an under expenditure of 19%), whose explanatory note is not provided in the footnotes, contrary to the prescribed reporting template which requires under expenditure of more than 10% to be explained.

Management contravened Section 164(1) of the Public Finance Management Act, 2012, which requires the Accounting Officer of a County Government entity to prepare financial statements of the entity in a form that complies with the relevant accounting standards prescribed and published by the Accounting Standards Board from time to time.

In the circumstances, the presentation and disclosures of the financial statements do not comply with the accounting standards as prescribed by the Public Sector Accounting Standards Board. Further, Management was in breach of the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Lack of Board of Management

During the year under review, the Hospital operated without a functional Board of Management. Therefore, functions such as approving plans, programs, estimates and any other functions assigned by the County Government were either not undertaken or were done by the Management Team.

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

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether processes and systems of internal control, risk management and 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 Board of Management

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

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

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015. In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in

compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be materials weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal controls 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 control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.


As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism 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 the 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 continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Hospital to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Hospital to express an opinion on the financial statements.
- Perform such other procedures, as I consider necessary in the circumstances.

I communicate with the 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 to 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

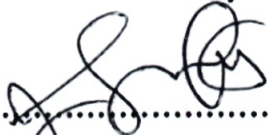
09 October, 2023

*Londiani Sub-county level 4 Hospital (Kericho county government)
Report and Financial Statements for The Year Ended 30th June 2022*

X) Statement Of Financial Performance For The Year Ended 30 June 2022

Description	Notes	2021/22 Kshs
Revenue from non-exchange transactions		
In-kind contributions from the County Government	6	1,935,493.95
Total revenue from non-exchange transactions		1,935,494
Revenue from exchange transactions		
Rendering of services- Medical Service Income	7	47,324,217.00
Other income	8	
Total revenue from exchange transactions		47,324,217.00
Total revenue		49,259,710.95
Expenses		
Medical/Clinical costs	9	29,894,041.95
Repairs and maintenance	10	1,749,210.00
General expenses	11	12,564,523.00
Total expenses		44,207,774.95
Other gains/(losses)		
Gain on disposal of non-Current assets		
Unrealized gain on fair value of investments		
Medical services contracts Gains/Losses		
Impairment loss		
Gain on foreign exchange transactions		
Total other gains/(losses)		
Net Surplus for the year		5,051,936.00
Attributable to:		
Surplus/(deficit) attributable to minority interest		
Surplus attributable to owners of the controlling entity		-

The Hospital's financial statements were approved by the HMT on 30/09/2022 and signed on its behalf by:


.....

Chief Officer
Health Services


.....

Head of Finance
ICPAK No:


.....

Medical Superintendent

XI) Statement of Financial Position as of 30th June 2022

Description	Notes	2021/22 Kshs
Assets		
Current assets		
Cash and cash equivalents	12	7,087,998.74
Receivables from exchange transactions	13	1,243,396.00
Receivables from non-exchange transactions		-
Inventories		-
Total Current Assets		8,331,394.74
Non-current assets		
Property, plant, and equipment	14	-
Intangible assets		
Investment property		
Total Non-current Assets		
Total assets		
Liabilities		
Current liabilities		
Trade and other payables	15	807,368.00
Refundable deposits from customers/Patients		
Provisions		
Finance lease obligation		
Current portion of deferred income		
Current portion of borrowings		
Total Current Liabilities		807,368.00
Non-current liabilities		
Provisions		
Non-Current Finance lease obligation		
Non-Current portion of deferred income		
Non - Current portion of borrowings		
Service concession liability		
Total Non-current liabilities		
Total Liabilities		807,368.00

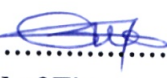
Londiani Sub-county level 4 Hospital (Kericho county government)
Report and Financial Statements for The Year Ended 30th June 2022

2021/22		
Net assets		
Revaluation reserve		-
Accumulated surplus/Deficit		
Capital Fund		-
Total Net Assets and Liabilities		7,524,026.74


The Hospital's financial statements were approved by the HMT on 30/06/2022 and signed on its behalf by:



Chief Officer
Health Services



Head of Finance
ICPAK No:



Medical Superintendent

Londiani Sub-county level 4 Hospital (Kericho county government)
Report and Financial Statements for The Year Ended 30th June 2022


XII) Statement of Changes in Net Asset for The Year Ended 30 June 2022

	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2020				
Revaluation gain		-	-	
Surplus/(deficit) for the year	-	-	-	
Capital/Development grants	-	-	-	
As at June 30, 2021	-	-	-	-
At July 1, 2021	-	-	-	-
Revaluation gain	-	-	-	-
Surplus for the year	-	7,524,026.74	-	7,524,026.74
Capital/Development grants	-	-	-	-
At June 30, 2022	-	7,524,026.74	-	7,524,026.74


The Hospital's financial statements were approved by the HMT on 30/09/2022 and signed on its behalf by:



Chief Officer
Health Services



Head of Finance
ICPAK No:



Medical Superintendent

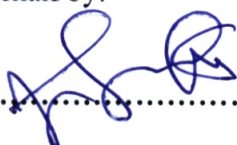
XII)Statement of Cash Flows for The Year Ended 30 June 2022

Statement of Cash Flows for The Year Ended 30 June 2022		
Cash flows from operating activities		
Receipts		
Transfers from the County Government		-
Grants from donors and development partners		-
Transfers from other Government entities		-
In- kind contributions from the County Government		1,935,493.95
Public contributions and donations		-
Rendering of services- Medical Service Income		47,324,217.00
Revenue from rent of facilities		-
Finance / interest income		-
Other receipts		-
Total Receipts		49,259,710.95
Payments		
Medical/Clinical costs	9	29,894,041.95
Employee costs		-
Board of Management Expenses		-
Repairs and maintenance		1,749,210.00
Grants and subsidies		-
General expenses	11	12,564,523.00
Finance costs		-
Refunds paid out		-
Total Payments		44,207,774.95
Net cash flows from operating activities	16	5,051,936.00
Cash flows from investing activities		
Purchase of property, plant, equipment, & intangible assets		(-)
Proceeds from the sale of property, plant, and equipment		-
Acquisition of investments		(-)
Net cash flows used in investing activities		(-)
Cash flows from financing activities		
Proceeds from borrowings		-
Repayment of borrowings		(-)
Capital grants received		-

Londiani Sub-county level 4 Hospital (Kericho county government)
Report and Financial Statements for The Year Ended 30th June 2022

Net cash flows used in financing activities		(-)
Net increase/(decrease)in cash and cash equivalents		5,051,936.00
Cash and cash equivalents at 1 July		2,036,062.74
Cash and cash equivalents at30 June	12	7,087,998.74

The notes set out on pages 9 to 23 form an integral part of the Annual Financial Statements. The Hospital's financial statements were approved by the HMT on 30/09/2022 and signed on its behalf by:



Chief Officer
Health Services



Head of Finance
ICPAK No:



Medical Superintendent

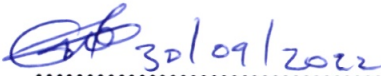
Londiani Sub-county level 4 Hospital (Kericho county government)
Annual Report and Financial Statements for The year Ended 30th June 2022

XIV)Statement of Comparison of Budget and Actual Amounts for The Year Ended 30th June 2022

Description	Original budget	Adjustments	Final budget	Actual on comparable basis		
	a	B	c=(a+b)	d	e=(c-d)	f=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	
Revenue						
Transfers from the County Government	-	-	-	-	-	%
Grants from donors and development partners	-	863,139	863,139	-	-	%
Transfers from other Government entities	-	-	-	-	-	%
In- kind contributions from the County Government	0	1,935,494	1,935,494	1,935,494	0	100%
Public contributions and donations	-	-	-	-	-	%
Rendering of services- Medical Service Income	46,304,506	-	46,304,506	47,324,217	0	100%
Revenue from rent of facilities	-	-	-	-	-	0%
Finance / interest income	-	-	-	-	-	0%
Other receipts (<i>specify</i>)NHIF	-					%
Total income	46,304,506	2,798,633	49,103,139	49,259,711	0	101%
Expenses						
Medical/Clinical costs	31,244,506	1,935,494	33,180,000	29,894,042	3,285,958	90%
Employee costs		-	-	-	-	%
Remuneration of directors		-	-	-	-	%
Repairs and maintenance	2,150,000	-	2,150,000	1,749,210	400,790	81%
Grants and subsidies		-		-	-	%
General expenses	12,910,000	-	12,910,000	12,564,523	345,477	97%
Surplus for the period	-	863,139	863,139	5,051,936		
Capital expenditure						

The notes set out on pages 9 to 23 form an integral part of the Annual Financial Statements. The Hospital's financial statements were approved by the HMT on _____ and signed on its behalf by:


.....
**Chief Officer
Health Services**


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


.....
Medical Superintendent

XV)Notes to the Financial Statements

1. General Information

Londiani Sub-County Hospital is established by and derives its authority and accountability from 2012 Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is provision of healthcare services.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant, and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying Londiani sub county hospital's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Londiani sub county hospital.

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

3. Adoption of New and Revised Standards

IPSASB deferred the application date of standards from 1st January 2022 owing to Covid19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

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

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

Londiani Sub-county level 4 Hospital (Kericho county government)
Report and Financial Statements for The Year Ended 30th June 2022

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

Londiani Sub-county level 4 Hospital (Kericho county government)
Report and Financial Statements for The Year Ended 30th June 2022

	<p>leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
<p>IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations</p>	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

ii. Early adoption of standards

The entity did not early – adopt any new or amended standards in the year 2021/22

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 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.

Londiani Sub-county level 4 Hospital (Kericho county government)
Report and Financial Statements for The Year Ended 30th June 2022

Revenue from exchange transactions

Rendering of services

The entity recognizes revenue from rendering of services by reference to the stage of completion where 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.

b) Budget information

The original budget for FY 2021/22 was approved by Board on 28/07/2021. 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 on the FY 2021/22 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 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 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.

NOTE: Kericho county government is in the process of valuing property, plant and Equipment for the hospitals.

f) Leases

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

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

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

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

g) Intangible assets

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

Notes to the Financial Statements (Continued)

h) Research and development costs

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

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

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

i) Financial instruments

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.

Notes to the Financial Statements (Continued)

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

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

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

Financial liabilities

Initial recognition and measurement

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

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

Loans and borrowing

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

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

i) Inventories

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

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

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

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

j) Provisions

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

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

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

Contingent liabilities

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

Contingent assets

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

k) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

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

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

6.In Kind Contributions from The County Government

Salaries and wages	-
Pharmaceutical and Non-Pharmaceutical Supplies	1,935,493.95
Medical supplies-Drawings Rights (KEMSA)	-
Utility bills	-
Total grants in kind	1,935,493.95

7. Rendering of Services-Medical Service Income

Description	2021/22 KShs
Pharmaceuticals	3,749,253.00
Non-Pharmaceuticals	279,737.00
Laboratory	4,034,553.00
Radiology	3,537,754.00
Orthopedic and Trauma Technology	4,800.00
Theatre	14,117.00
Accident and Emergency Service	283,167.00
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:	-
Attachment fee	6,000.00
Mortuary	577,367.00
Occupational therapy	2,150.00
Linda mama Lab	100.00
Registration	1,928,434.00
Nursing care	308,717.00
Physiotherapy	144,067.00
Catering	382,917.00
Administration	3,000.00
Inpatient	105,017.00
Medical examination	10,860.00
RDF POP	5,297.00
Dressing-Inpatient	200.00
Nebulization	9,667.00
Psychology	300.00
Minor Theatre	202,617.00
Plasta	1,127,514.00
Dressing	36,567.00

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Consultation	13,467.00
Deposit	204,267.00
Injection	4,750.00
Eye Clinic	1,000.00
E-file	133,467.00
RDF	37,447.00
Bed	371,437.00
Laundry	201,267.00
NHIF and finlays	29,466,943.00
Other income (land lease fee)	136,000
Total revenue from the rendering of services	47,324,217.00

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9. Medical/ Clinical Costs

9. Medical/ Clinical Costs	
Dental costs/ materials	-
Laboratory chemicals and reagents	5,778,434.95
Public health activities	-
Food and Ration	5,600,710.00
Uniform, clothing, and linen	-
Dressing and Non-Pharmaceuticals	8,181,307.00
Pharmaceutical supplies	7,496,815.00
Health information stationery	150,000.00
General office supply	184,580.00
Reproductive health materials	-
Sanitary and cleansing Materials	503,550.00
Purchase of Medical gases	1,100,745.00
X-Ray/Radiology supplies	897,900.00
Total medical/ clinical costs	29,894,041.95

10. Repairs and Maintenance

Description	2021/22 KSh
Property- Buildings	935,710.00
Medical equipment	813,500.00
Office equipment	-
Furniture and fittings	-
Computers and accessories	-
Motor vehicle expenses	-
Maintenance of civil works	-
Total repairs and maintenance	1,749,210.00

11.General Expenses

Advertising and publicity expenses	-
Catering expenses	-
Waste management expenses	-
Insecticides and rodenticides	-
Audit fees	-
Bank charges	123,495.00
Conferences and delegations	-
Consultancy fees	-
Contracted services	3,307,432.00
Electricity expenses	1,158,939.00
Insurance	-
Research and development expenses	-
Travel and accommodation allowance	670,150.00
Legal expenses (V.A.T)	0
Licenses and permits	198,612.00
Courier and postal services	9,450.00
Printing and stationery	1,141,635.00
Hire charges	-
Rent expenses	-
Water and sewerage costs	-
Skills development levies	-
Telephone and mobile phone services	90,000.00
Internet expenses	-
Staff training and development	123,000.00
Subscriptions to professional bodies	22,400.00
Subscriptions to newspapers periodical, magazines, and gazette notices	-
Library books/Materials	-
Parking charges	-
Refined fuel	2,350,000.00
Firewood	285,000.00
Purchase of computers, backups & printers	2,404,500.00
Electricals	679,910.00
Imprest	-

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2021/22	
KSh	
Total General Expenses	12,564,523.00

12. Cash and Cash Equivalents

2021/22	
KSh	
Current accounts	6,224,859.04
Development account	863,139.70
Fixed deposits accounts	-
Cash in hand	-
Others(<i>specify</i>)- Mobile money	-
Total cash and cash equivalents	7,087,998.74

Notes to the Financial Statements (Continued)

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

a) Current account		
Kenya Commercial bank	1153902516	6,224,859.04
Development account at kcb	1145265456	863,139.70
Sub- total		7,087,998.74
b) On - call deposits		
Kenya Commercial bank		-
Equity Bank –etc		-
Sub- total		-
c) Fixed deposits account		
Bank Name		-
Sub- total		-
d) Others(specify)		
cash in hand		-
Mobile money- Mpesa, Airtel money		-
Sub- total		7,087,998.74
Grand total		7,087,998.74

13.Receivables from Exchange Transactions

Medical services receivables	1,243,396.00
Rent receivables	-
Other exchange debtors	-
Less: impairment allowance	(-)
Total receivables	1,243,396.00

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Description	Land	Buildings and Civil Works	Motor Vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment		
At 30 June 2021	-	-	-	-	-	-	-	-
At July 2021	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Disposals	(-)	(-)	(-)	(-)	(-)	(-)		(-)
Impairment	(-)	(-)	(-)	(-)	(-)	(-)		(-)
Transfer/adjustment		-	-	-	-	-	(-)	(-)
At 30th June 2022	-	-	-	-	-	-	-	-
Net book values								
At 30 th June 2021	-	-	-	-	-	-	-	-
At 30 th June 2022	-	-	-	-	-	-	-	-

NOTE: The county Government of Kericho is in the process of valuing property, plant and Equipment for the hospitals.

15. Trade and Other Payables

Trade payables	807,368.00
Employee dues	-
Third-party payments	-
Audit fee	
Doctors' fee	-
Total trade and other payables	807,368.00

16. Cash Generated from Operations

Surplus for the year before tax	5,487,964.00
Adjusted for:	
Depreciation	-
Non-cash grants received	(-)
Impairment	-
Gains and losses on disposal of assets	(-)
Contribution to provisions	-
Contribution to impairment allowance	-
Working Capital adjustments	
Increase in inventory	(-)
Increase in receivables	(1,243,396.00)
Increase in deferred income	-
Increase in payables	807,368.00
Increase in payments received in advance	-
Net cash flow from operating activities	5,051,936.00

6. Financial Risk Management

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

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

(i) Credit risk

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

At 30 June 2020				
Receivables from exchange transactions	-	-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-
At 30 June 2022				
Receivables from exchange transactions	-	-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	-	-	-	-
Total	-	-	-	-

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

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

(ii) Liquidity risk management

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

The table below represents cash flows payable by the 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.

At 30 June 20xx				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-
At 30 June 20xx				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-

(iii) Market risk

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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.

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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:

At 30 June 20xx			
Financial assets (investments, cash, debtors)	-	-	-
Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

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

At 30 June 20xx			
Financial assets (investments, cash, debtors)	-	-	-
Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

Notes to the Financial Statements (Continued)

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.

20xx			
Euro	10%	-	-
USD	10%	-	-
20xx			
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:

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

7. Events After the Reporting Period

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

8. Ultimate and Holding Entity

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

9. Currency

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

XVI) Appendices

Appendix 1: Progress on Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved / Not Resolved)

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.

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Accounting Officer

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