

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

MBOONI SUB-COUNTY LEVEL 4 HOSPITAL

FOR THE YEAR ENDED

30 JUNE, 2022

COUNTY GOVERNMENT OF MAKUENI

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Issued 30th June 2022



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MBOONI SUB COUNTY LEVEL 4 HOSPITAL (Makueni County Government)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2022

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

DATE 18/09/24
MAJORITY LEADER
Amela

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I. Key Entity Information and Management

(a) Background information

Mbooni Sub County Hospital is a level (4) Hospital established under gazette notice number 16 of 24th January, 2020 and is domiciled in Makueni County under the Health Department. The Hospital is governed by a Board of Management.

(b) Principal Activities

The principal mandate of the *hospital* is to provide health care services.

VISION

An efficient and high quality healthcare system that is accessible, equitable and affordable for all Kenyans.

MISSION

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

Strategic Objectives

1. Eliminate communicable diseases
2. Halt, and reverse the rising burden of Non-communicable diseases
3. Minimize exposure to health risk factors
4. Provide essential health services
5. Inter-sector collaboration
6. Reduce exposure to violence and injuries

Key Management

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

- County department of health which oversees the running of all the county health activities.
- Board of Management whose mandate is to formulate and ensure implementation of policies within the facility.
- Accounting Officer/ Medical Superintendent who is in charge of the hospital as a whole and oversees the day today running of the hospital in line with its mission statement.
- Management which is charged with preparation of quarterly budgets.

(c) Fiduciary Management

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

No.	Designation	Name
1.	Medical Superintendent	Dr.KakundiBlastus
2.	Head of Finance	Dominic K. Nzioka
3.	Head of Supply Chain	AsenathMutevu

No.	Designation	Name
4.	Health Administrative Officer	Lawrence Mulungye
5.	Nursing Officer In Charge	Shadrack Mwangangi

(d) Fiduciary Oversight Arrangements

- Finance, Audit and general purpose Committee which scrutinises hospital expenditure in line with the corresponding budgets.

(e) Entity Headquarters
MBOONI SUBCOUNTY HOSPITAL
P.O. Box 116 - 90125
KIKIMA, KENYA

(f) Entity Contacts

Telephone: (+254) 0786 721 123
E-mail: mboonisdh@yahoo.com

(g) Entity Bankers

Kenya Commercial Bank Limited
Kikima Branch

(h) Independent Auditors

Auditor General
Office of Auditor General
Anniversary Towers, Monrovia Street
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

P.O. Box 78 - 90300
Makueni, Kenya






II. The Board of Management

Ref	Directors	Details
1.	Board Chairperson  Agnes Muendo	She holds Diploma in Nursing and BSCN Retired Principal KMTTC Makueni Campus Age: 64 Years
2.	 James Mukosi	He holds Diploma in Nursing Currently working at Mbooni AIC Dispensary. Age: 56 Years
3.	 Peninah Ngila	She is a Trained P1 Teacher Trained in Special needs Diploma in Administration and Management Retired Primary School Head teacher Age: 60 Years
4.	 Dr. Kakundi Blastus	He holds Bachelors Degree in Medicine and Surgery. 13 years' experience, 10 in management. Medical Superintendent Age: 39 Years
5.	 Rev. Joshua Muia	He holds Diploma in Theology Age: 50 years

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6.	Jackson Muia 	He is trained in Government Accounts Examination No. 1 and CPA 1 He has over 30 years experience working with the Ministry of Finance Age: 71 Years
7.	Theresia Musyoki 	She holds Diploma in Administration Retired Primary School Teacher Age: 63 Years

III. Management Team

Ref	Management	Details
1.	 Dr. Kakundi Blastus	He holds Bachelors Degree in Medicine and Surgery. He has 13 years' experience, 10 in management. Medical Superintendent Age: 39 Years
2.	 Lawrence Mulungye	He holds Higher Diploma in Business Administration. He is currently Assistant Chief Health Administrative Officer Age: 54 years
3.	 Shadrack Mwangangi	Currenty Nursing Officer In Charge. Holds Higher Diploma in Psychiatric Nursing and Higher Diploma in Midwifery Age: 64 Years
4.	 Dominic Nzioka	Holder of Master of Business Administration degree in Finance from the University of Nairobi and member of ICPAK No. 19171. Has over 15 years' experience in Private sector as an Accountant. Currently Senior Hospital Accountant. Age: 50 Years.
5.	 Asenath Mutevu	Holds Diploma in Management – Purchasing & Supplies Option Currently Procurement Officer Age: 45 Years

IV. Chairman's Statement

In the financial year 2021/2022 the hospital operated smoothly despite some challenges majorly the COVID 19 pandemic and cash flow difficulties occasioned by the pandemic. However we made some major strides as follows:

Tilling of the corridors, MCH, Laboratory, out-patient waiting bay, physiotherapy, clinical rooms and dressing was done.

Extension of the main store and construction of a non-pharmaceuticals and drug store was achieved

We managed to Purchase a Laundry Machine which was installed in the maternity department.

We managed to increase water storage tanks by 50,000 litres to ensure sufficient supply of water in the hospital.

Incubator with photocells, Resuscitative machine and Suction machines were acquired for the maternity department which reduced our perinatal death rates within the facility.

Construction of an extra gate and an archive store were done. The extra gate was useful for emergency referrals and the archive store decongested our records office.

There were challenges as well which include:

Shortage of staff in Nursing, Pharmacy, Clinical Officers, Nutrition etc. that has forced the institution to employ professionals on contractual basis thus increasing the wage bill to almost 1 Million.

Delay in release of UHC funds.

Shortage of infrastructure for OPD, Casualty, Male & Female wards, cold room in Mortuary and Administrative block.

Shortage of running water in most departments.

Inadequate supply of drugs and non – pharmaceuticals.

Inadequate filing space for medical records.

Manual systems causing a lot of expenses on general office supplies.

Unreliable electricity leading to high fuel consumption.

We anticipate the following to be done in the next financial year subject to availability of funds:

Completion of Isolation Hospital and extension by an extra floor or two.

Acquisition of a Transformer specifically for the Hospital.

Automation of all the services.

Construction of a modern gate.

Increase work load due to improved infrastructure.

Lobby for more staff from the County.

Drilling a borehole.

Service contract for all machines.

Construction of a perimeter wall around the staff houses to separate them from the new isolation hospital

V. Report of The Chief Executive Officer

The facility managed to undertake activities in all areas of health care; promotive, preventive, curative and rehabilitative.

Under promotive services, key activities included:-

Weekly health talks at the outpatient clinic, Weekly continuous medical education forums, Monthly outreaches to the surrounding villages and Installation of a television set at outpatient area to air educative programs

In the preventive category, the facility managed to achieve the following:-

Conduct routine immunizations 5 days in a week, Conduct immunization exercises for routine vaccines once per month, Administration of Covid 19 vaccines at the facility and surrounding areas through outreach services, screening exercises at the facility and village level for non-communicable diseases and administration of de-wormers and vitamin A at Nursery schools

Curative programme entailed; Daily attendance to patients at out-patient department, Admitting the very sick for in-patient management, Conducting weekly out-patient clinics, Performing surgical and obstetric procedures to the deserving and ensuring availability of necessary commodities for patient management, Timely referral for critical cases requiring further management

Rehabilitative services:-Provision of physiotherapy and orthopaedic services to patients within the hospital, Physiotherapy and occupational therapy outreaches to health centres and Counselling services for liable clients either individually or as a group.

The facility did fairly well by increasing the revenue collected in a quarter to Ksh. 8,868,920.00. This was majorly from NHIF contributions and Linda mama program.

To reduce pilferages we automated cash collection system and introduced mobile payment services.

Prudent procuring and proper utilization of procured items enabled the facility to offer continuous and quality services to our clients.

We were able to make cost cutting measures that enabled us to operate within our collected revenue.

VI. Statement Of Performance Against Predetermined Objectives

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

Mbooni Sub County Hospital has 6 strategic pillars and objectives within the current Strategic Plan for the FY 2021- 2022. These strategic pillars are as follows:-

Pillar 1: Service delivery

Pillar 2: Health workforce

Pillar 3: Health information systems

Pillar 4: Access to essential medicine

Pillar 5: Financing

Pillar 6: Leadership / Governance

Mbooni Sub County Hospital develops its annual work plans based on the above 6 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Mbooni Sub County Hospital achieved its performance targets set for the FY 2021/2022 period for its 6 strategic pillars, as indicated in the diagram below:-

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Service delivery	To provide effective and efficient promotive and preventive services	Enlightened customers and improved health	Conduct monthly out reaches on immunization and OPD services	Outreaches done on monthly basis. Weekly special clinics done.
Health workforce	To ensure staff are appraised yearly. To recruit and maintain 10 cleaners and 15 professionals.	Enlightened and motivated staff.	Quarterly appraisal of staff. Interviewing of cleaners and professionals.	Appraisal done quarterly. This has been done although staff recruited not enough due to financial constraints.
Health Information	To ensure timely reporting and	Timely data available.	Hold quarterly data review	Four quarterly data review

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Systems	review of data.		meetings. Monthly uploading of data in Kenya Health Information Systems.	meetings held. Monthly uploading of data done.
Access to essential medicine	To ensure adequate supply of drugs and commodities.	Availability of commodities.	Procurement of drugs quarterly. Procure non pharms quarterly. Procure X-ray and Dental supplies quarterly.	Procurement has been done but not as per the targets.
Financing	To ensure timely availability of funds.	Funds available and payments of supplies done.	Budgeting for funds.	Funds availed.
Leadership/Governance	To mentor HMT members on leadership and governance.	Enlightened staff on governance.	Mentor at least 15 HMT members. Hold 4 quarterly HMT meetings.	So far 10 HMT members have been mentored. 4 quarterly HMT meetings held.

VII. Corporate Governance Statement

At Mbooni Sub County Hospital, the practice of good corporate governance ensures the delivery of sustainable value as well as meeting the needs of our stakeholders. Mbooni Sub County Hospital is committed to ensuring that the needs of our customers and the expectations of our stakeholders are met while safeguarding the investments of the government of Kenya through the adoption of ethically driven business policies, procedures and processes.

We believe that our business affairs should be carried out in a fair, transparent and accountable manner. It is our integral responsibility to disclose timely and accurate information on our financials and performance as well as provide the leadership and effective governance for the Hospital.

Governance Principles and Guidelines

The Mbooni Sub County Hospital Board of Management is responsible for the overall governance of the Hospital and is accountable to the Government of Makueni County for ensuring that the Hospital complies with the law and the highest standards of best practices corporate governance and business ethics.

The members of the Board are committed to fostering a culture that values ethical behaviour, integrity and respect and the need to conduct business and operations of the Hospital in accordance with generally accepted corporate practices. The Members believe that adopting and operating in accordance with high standards of corporate governance is essential for sustainable long-term performance and value creation.

The Board is vested with powers and authority as provided in Legal Notice and other relevant laws of Kenya. In discharging its mandate, the Board is guided by the Board Charter, Code of Conduct and Ethics, and Board Manual to effectively fulfill its corporate governance responsibility towards stakeholders.

The Board Charter defines the roles, responsibilities, scope and functions of the members in the governance of the Hospital and provides for free exercise of independent judgment.

The Board provides oversight to the Management and ensures the employees operate within the Code of Conduct and Ethics; Public Officers and Ethics Act; Leadership and Integrity Act.

Board Organization and Structure

Board Size, Composition and Appointment

The Mbooni Sub County Hospital Board of Management comprises of eleven (13) members including the Medical Superintendent.

The Board is well composed in terms of range and diversity of skills, knowledge, academic qualifications, gender, age and experience in various sectors which makes it effective and provides balance for the oversight role of the Board's mandate.

The Medical Superintendent is the Secretary to the Board.

Independence, Separation of Roles and Responsibilities

The primary responsibility of the Board is to provide leadership and strategic direction to the Hospital to enhance value. The Board Members are expected to exercise the highest degree of care, skill and diligence in discharging their duties.

The roles and responsibilities of the Board and the Medical Superintendent remain distinct and separate which ensures a balance of power of authority and provides for checks and balances such that no individual has unfettered power of decision making. The Board provides oversight to the Hospital's top management and has unrestricted access to timely and relevant information. The members are also empowered to seek independent professional advice on Hospital business at its expense where necessary.

The Chairman provides overall leadership without limiting the principles of collective responsibility for Board's decisions. The Chairman builds an effective Board and sets the Board agenda in consultation with the Secretary/ Medical Superintendent and ensures effective communication to stakeholders.

The Medical Superintendent is responsible to the Board and takes the overall responsibility for the day to day management of the Hospital. The medical Superintendent recommends the strategy of the Board and implements it and makes operational decisions. In addition, as Secretary to the Board, the Medical Superintendent ensures appropriate and timely information flows within the Board, its committees and management.

The Board Secretary is in attendance of all Board meetings to provide guidance to the Board on their duties and responsibilities; on matters of governance; and to provide efficient services including coordinating induction and training of new members, preparation for board meetings and maintaining a record of the same, disseminating action material for management.

Principal Board Activities

1. Strategy and business plans: The Board is responsible for establishing short and long-term goals of the Hospital develop strategies to achieve these goals and monitor the hospital's performance against these set goals. During the year, the Board considered progress against the 2021/2022 Hospital strategic themes and reviewed the 2021/2022 strategic objectives, business plans, budgets and one year forecast.

2. Clinical services: The Board oversees the business affairs of the Hospital in light of emerging risks and opportunities. During the year, the Board considered reports from clinical services on a regular basis, focusing on matters such as the review and development of clinical indicators, patient safety, infection prevention and control, accreditation and clinical information systems across the Hospital.

3. Financial performance and reporting: The Board is responsible for spearheading preparation, approving and reviewing quarterly budgets.

Board Membership and Attendance of Meetings

The Board holds regular meeting at least once every quarter and supplementary meetings are held as and when necessary. In case of non-attendance due to other commitments, such information is communicated to the Chairman prior to the date of the scheduled meeting.

Board Committees and Responsibilities

The Board delegates certain functions to well-structured committees but without abdicating its own responsibilities.

Each committee is guided by the Committee Charter/Terms of Reference, which outlines its responsibilities as mandated by the Board and is reviewed on a yearly basis. The committees are appropriately constituted drawing membership from amongst the Board members with appropriate skills and experience.

The committees are expected to operate transparently, ensure full disclosure to the Board and conduct themselves within the rules and procedures set out by the Board. Matters deliberated by the committees are presented to the Board by the respective Chairman during the next board meeting.

The Board has the following two (2) standing committees, which hold regular meeting four (4) times a year and supplementary meetings as and when necessary.

These committees are:-

- Finance and General Purpose Audit
- Quality Health Care/ Primary Health Care

The responsibilities and attendance of meetings during the year is as summarized below:-

Finance and General Purpose Audit

The Committee which is comprised of six members is charged with the responsibility of advising the board as well as scrutinizing the Hospital quarterly expenditure.

Quality Health Care / Primary Health Care

The Committee is tasked with identifying health care service problems in the Hospital and ensuring that they are resolved; review any changes on policy issues on standards, quality assurance and research; liaise with the Medical Superintendent on matters of quality health care delivery; and undertake comprehensive quarterly evaluation of standards, quality assurance programs in the hospital.

The Committee held four (4) meetings during the year under review.

Board members Remuneration

During every Board meeting, present members are entitled to a sitting allowance, lunch allowance (in lieu of lunch).

Ethical Standards

The Board members and Hospital staff have a fiduciary duty to act honestly and in the best interest of the Hospital. Business transactions with all parties must be carried out at arm's length and with integrity. The Board provides effective leadership based on ethical foundation and ensures all deliberations, decisions and actions are based on the Boards' core values underpinning good governance.

The Board members enhances good relationships to foster teamwork among Board members and staff and to build respect, confidence and credibility within the community.

The Board members and staff are expected to adhere to ethical and acceptable behaviour in conducting their duties and responsibilities. All members and employees are expected to avoid activities and financial interests that could undermine their responsibilities to the Hospital.

The Board also developed a Complaints and Compliments Policy which is aimed at protecting staff who act in good faith to disclose or report any acts of malpractice, alleged dishonesty, corruption, illegality, wrong-doing or omissions by employees.

Relationship with Stakeholders

The Board appreciates that stakeholder perception affect the organizations reputation. The Board therefore strives to achieve an appropriate balance between its various stakeholders in the best interest of the organization by taking into account their legitimate interest and expectations in decision making.

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.

Additionally, the Board has dedicated staff to deal with complaints and public relations effectively, efficiently and as expeditiously as possible. The Board has an established mechanism of receiving, resolving and giving feedback on complaints referred to it by its stakeholders.

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 Mbooni Sub County Hospital customers. During the year, the level of customer satisfaction on the Hospital's services was good. The Board is committed to continually improve access to information by the public and provision of efficient and quality specialized healthcare services to the public.

VIII. Management Discussion and Analysis

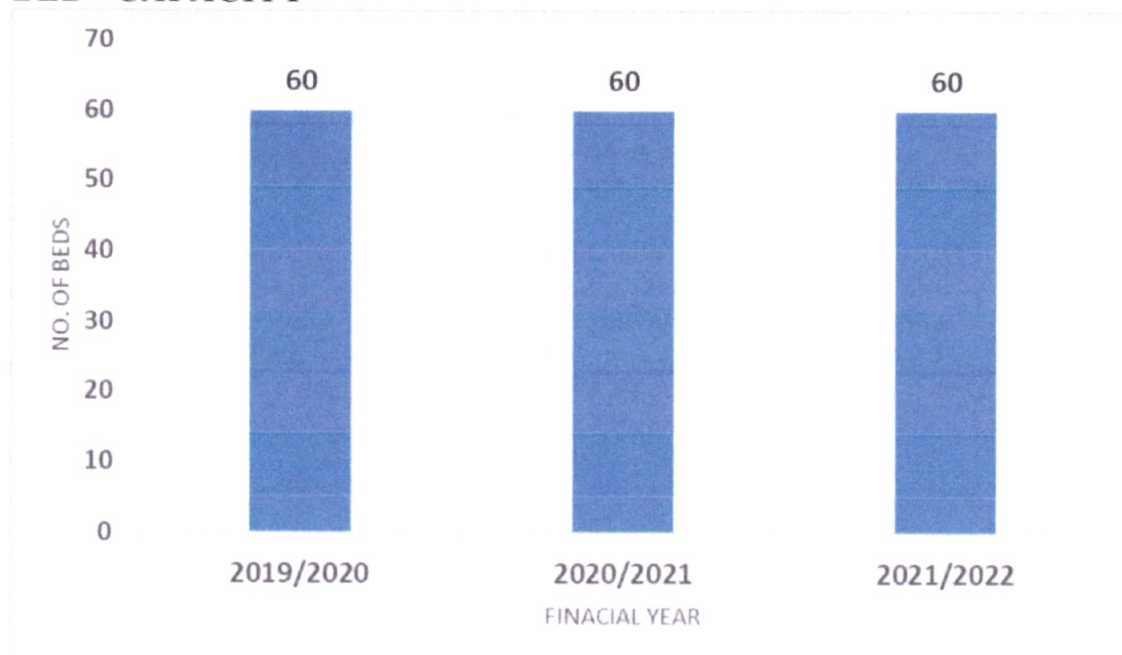
Clinical Performance

Mbooni Sub County Hospital provides a wide range of services to Kenyans and patients from within Mboonisub County and its environs. Some of these services include outpatient clinics, inpatient care and day care procedures for surgery, ENT, dental, maternity amongst other services. In addition, the Hospital provides clinical support services that include pharmacy, laboratory, radiology and nutrition.

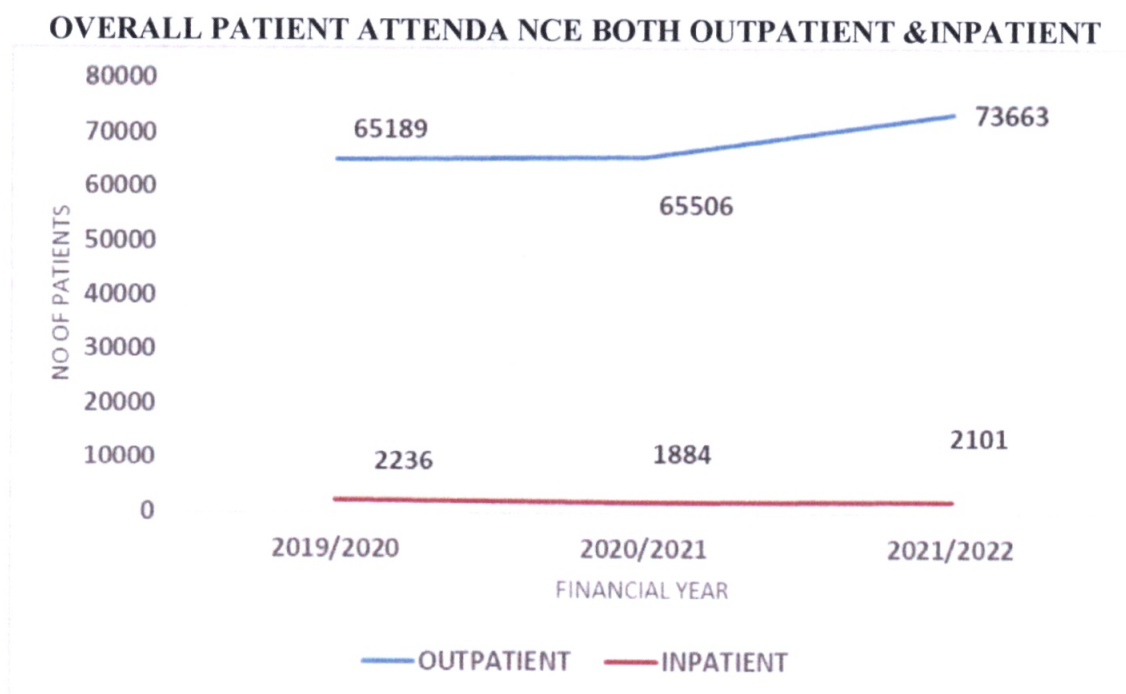
Mbooni Sub County Hospital strives to ensure that the clinical services provided throughout the organization are efficient, effective, appropriate, innovative, evidence-based and in line with modern technological advances. Clinical governance has been strengthened to ensure patient safety and quality healthcare.

The Hospital's workload analysis over the last three years is as depicted in the charts below:-

BED CAPACITY



The average number of beds within the hospital is 60 beds in all the financial years as illustrated in the above chart.



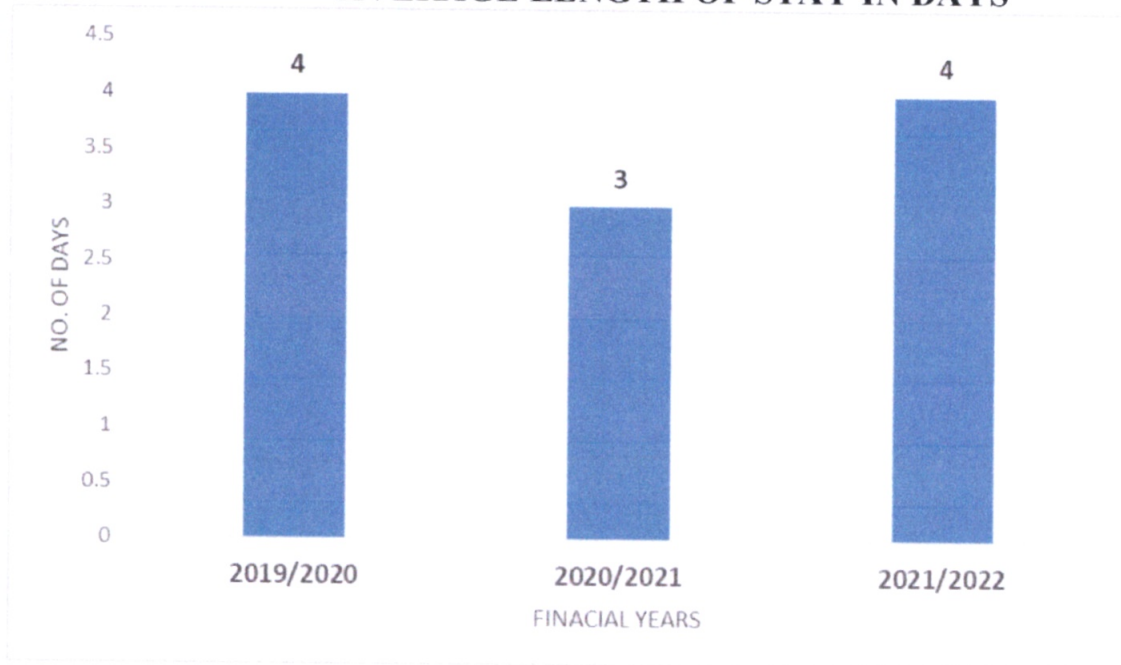
In the financial year 2019/2020 the OPD attendance was 65189 patients, financial year 2020/2021 it went up slightly to 65506 patients and in the financial year 2021/2022 the attendance went up to 73663 patients

SPECIAL CLINICS ATTENDANCE

FY/CLINIC	POPC	PSYCH	GOPC	MOPC	SOPC	ENT	CCC	TB	TOTAL
2019/2020	0	59	341	2421	32	0	2604	293	5750
2020/2021	0	286	90	1851	39	0	2711	282	5259
2021/2022	43	261	232	2283	56	93	2637	594	6199
TOTAL	43	606	663	6555	127	93	7952	1169	17208

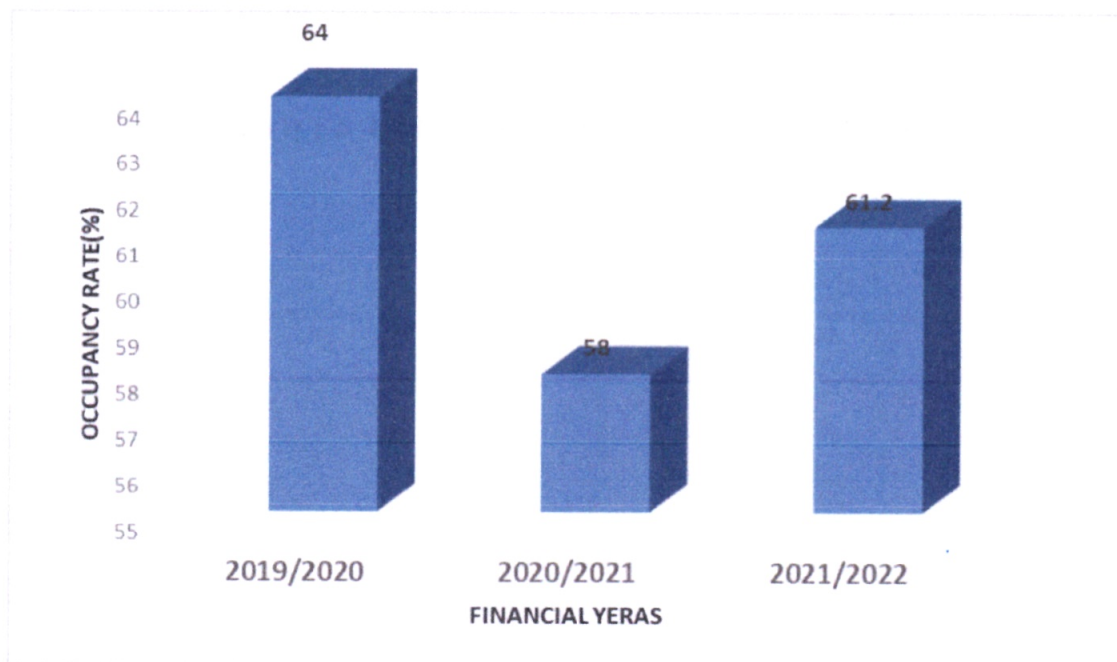
The above table illustrates some of the major special clinics offered in the hospital in the three financial years. The medical outpatient clinic recorded the highest number of attendance(6555) in the reporting period while ENT and POPC recorded the lowest respectively(93,43). ENT and POPC services were not being offered in the FYs 2019/2020 and 2020/2021.

AVERAGE LENGTH OF STAY IN DAYS



The average length of stay in the financial year 2019/2020 was 4 days, 2020/2021 was 3 days and in 2021/2022 it recorded 4 days. All these are within the recommended stay in a hospital which may be attributed to regular ward rounds and quality inpatient services.

BED OCCUPANCY RATE (IN PERCENTAGE)



The chart above illustrates that the occupancy rate ranged from 59% in 2020/2021, 64% in 2019/2020 and 64.2% in 2021/2022. This is above average indicating that the inpatient services are equally utilized.

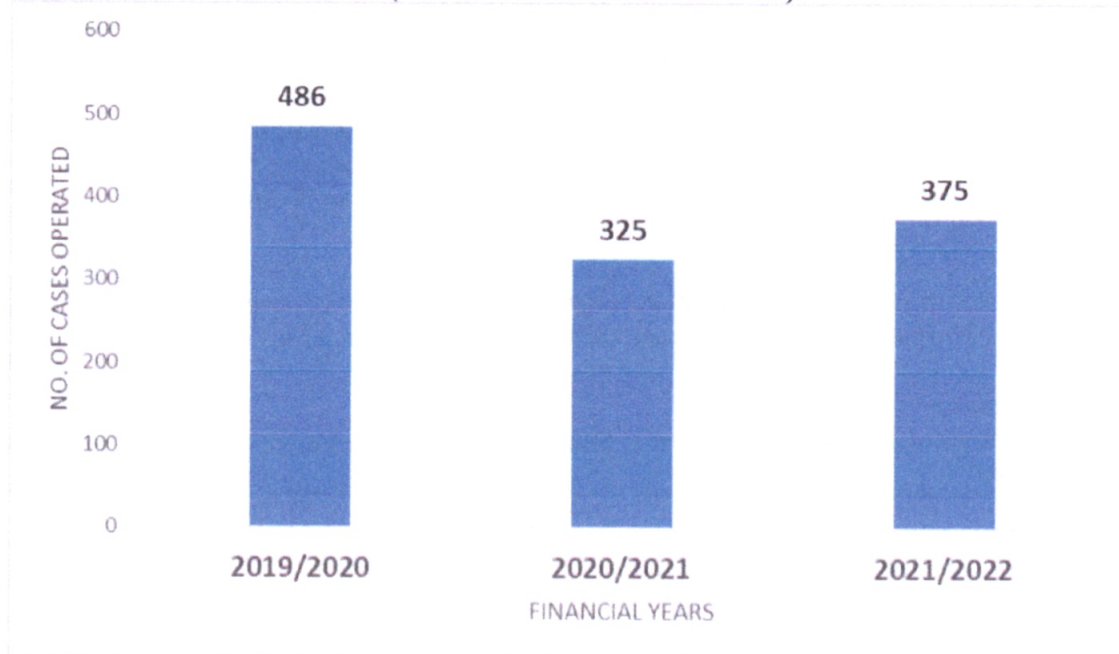
FACILITY MORTALITY RATE PER 100,000 POPULATION



DATA SOURCE: KHIS

The facility mortality Rate dropped from 248/100,000 in the FY2019/2020, 189/100,000 in 2020/2021 and 178/100,000 in 2021/2022. This was calculated based on the population attending both outpatient and inpatient. There is an indication that there has been improvement in the quality of inpatient and outpatient services in the 3 consecutive years.

THEATRE UTILISATION (NO.OF CASES OPERATED)



The above chart illustrates the number of theatre cases operated during the reporting period. 2019/2020 recorded the highest number (486), while 2020/2021 recorded the lowest number (325).

This may be attributed to COVID 19 pandemic which made clients attendance to be low in most of the departments in this financial year.

Theatre Services

The Hospital has one theatre which serves maternity and any other surgical operations on a Twenty-four-hour basis. Many of the success stories have taken place in these theatres

Healthcare financing

With the improvements in NHIF coverage aimed at promoting universal healthcare and considering that majority of the patients at Mbooni Sub County Hospital are indigenous and are not able to meet the cost of treatment; it is expected that considerations will be made on how to reimburse the cost of treatment for such persons. This will help the Hospital to meet some of the pending obligations towards better healthcare provision.

Customer Satisfaction

Mbooni Sub County Hospital is committed to improving patient experience and conducts an annual customer satisfaction survey. Our surveys conducted in the past one year are as follows:

The outcomes of the survey indicated that the Mbooni Sub County Hospital customers are generally happy with the services owing to the satisfaction indicated in the Customer Care Register the level of satisfaction increased and it is expected the same trend will be sustained.

FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE HIGHLIGHTS

Considering that the free maternity includes ante-natal, delivery and post-natal, Mbooni Sub County Hospital will not get any reimbursement for patients, who will attend ante-natal and later deliver in another facility, despite Mbooni Sub County Hospital incurring costs for ante-natal services. Therefore, Mbooni Sub County Hospital incurs this loss under free maternity.

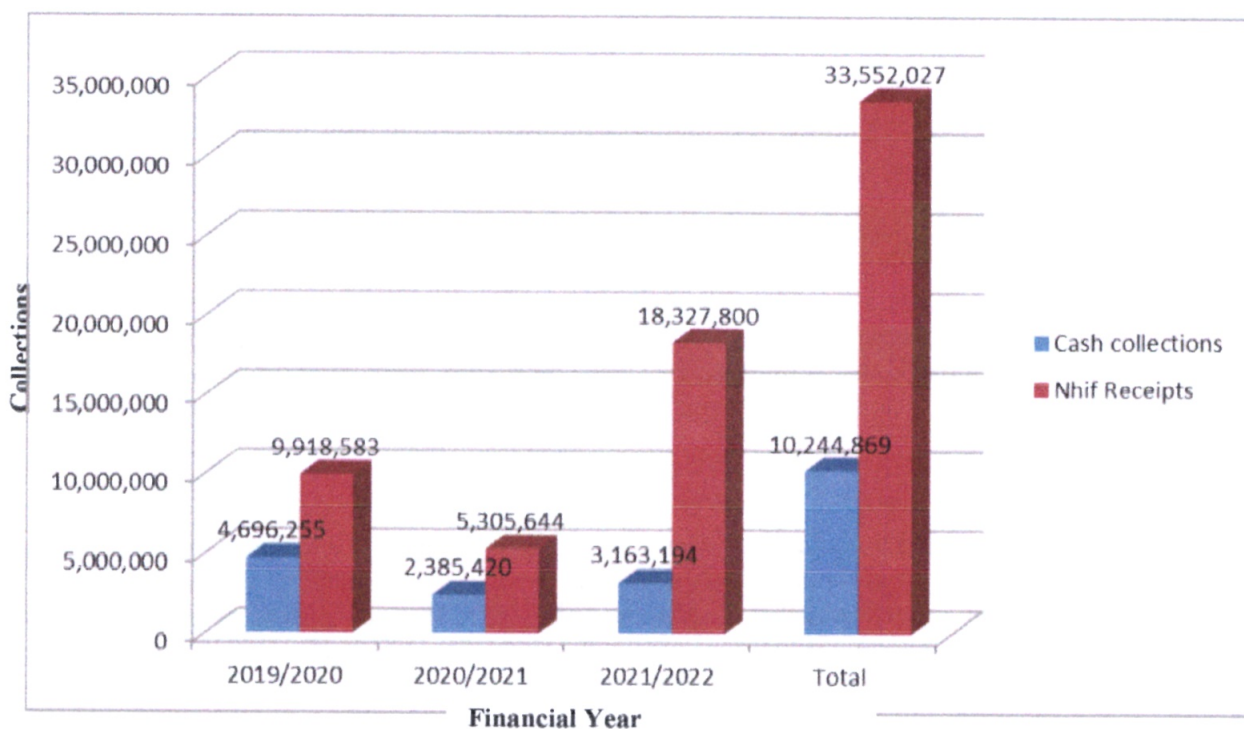
In addition, where mothers develop complications after delivering in another hospital and are referred to Mbooni Sub County Hospital for specialized care, the Hospital is not compensated resulting to a loss.

Revenue performance

The Hospital operations are funded through grants from the County Government of Makueni and fees charged for services rendered.

COLLECTIONS FOR THE LAST THREE YEARS ARE AS TABULATED BELOW:

Year	2019/2020	2020/2021	2021/2022	Total
Cash collections	4,696,255	2,385,420	3,163,194	10,244,869
Nhif Receipts	9,918,583	5,305,644	18,327,800	33,552,027



Compliance with statutory requirements

In the period under review, the Hospital complied with all statutory requirements and has not received any sanctions so far for non-compliance.

Strategic direction

The Hospital has continued to look for ways of ensuring that it delivers on its mandate as a Sub County Hospital while also addressing the emerging needs of its patients.

During the year under review, the Hospital remained committed to ensuring delivery of its services to its clients.

IX. Environmental And Sustainability Reporting

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

i) Sustainability strategy and profile

Mbooni 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 recruiting and retaining skilled staff, makes considerable investment into its facilities and equipment and respects the communities and environment in the areas in which it operates.

ii) Environmental performance

The Hospital's main environmental impacts are the utilization of resources, predominantly energy, through Electricity consumption and water, and the disposal of healthcare risk waste. The Hospital is fully aware of the need to use resources responsibly and is committed to minimizing its environmental impacts to the extent possible.

The Hospital recognizes the risks that regulatory changes, environmental constraints and climate change present to its operations. Potential impacts include rising costs, reduced access to facilities, interruptions in service, and incidents of extreme weather events as a result of climate.

However, the Hospital also believes that using resources responsibly can be a source of strategic advantage for the Hospital, allowing it to manage and contain its operating costs and to ensure ongoing access to water and energy supplies.

Mbooni Sub County Hospital patients are always its first priority, but without natural resources, especially water, Mbooni Sub County Hospital would not be able to provide a service to its patients. The Hospital takes its policies to reduce its impact on the environment very seriously and its facilities and services division is constantly investigating new opportunities to reduce its impact on the environment.

iii) Employee welfare

The focus of attracting and utilizing talent in a challenging healthcare market continues to be a challenge. There is need to improve on knowledge management and human capacity.

Key stakeholders

- Doctors
- Employees and trade unions

Mitigation of risks

- Extensive training and skills development programmes.
- Governance of suitable selection processes with focus on skills assessments, employment references and verification of credentials.
- Targeted sourcing and recruitment initiatives, with a strong focus on agile sourcing techniques ensuring that best fit candidate talent is channeled to appropriate vacancies, supported by a seamless hiring process.
- Tailored retention strategies, supporting the retention of priority audiences within each business unit.
- Succession planning and/or career management initiatives within scarce skills disciplines, ensuring proactive
- Development of high-performing employees with potential to supervisory and leadership roles.
- Deployment of integrated talent strategies in support of core business areas.
- Monitoring of doctor satisfaction.

iv) Market place practices-

Mbooni Sub County Hospital has made efforts to promote:-

(a) Responsible competition practice.

The Hospital promotes corruption free crusades to ensure fairness to all more so in purchasing and tendering.

(b) Responsible Supply chain and supplier relations

The Hospital ensures that only contracted suppliers are awarded tenders and paid as and when funds are available.

(c) Responsible marketing and advertisement

The Hospital engages in fair and realistic marketing campaigns for its products.

(d) Product stewardship

The Hospital safeguards the quality of the products it offers through appropriate feedback mechanisms.

v) Corporate Social Responsibility / Community Engagements

The commitment of Mbooni Sub County Hospital to social responsibility and the pursuit of societal good through inclusive healthcare inspired us towards fulfilling public healthcare needs. We focus on bringing quality healthcare within the reach of all people regardless of their geographic location or economic status.

Mbooni Sub County Hospital aspires to be a socially responsible corporate citizen delivering superior and sustainable value to all.

Mbooni Sub County Hospital Corporate Social Responsibility initiatives express our commitment and concern to the welfare of our employees and the patients we serve. These initiatives focus on community

development and health, human rights, empowering people through education and dissemination of information. The main activities undertaken during the year herein outlined below:

Mbooni Sub County Hospital Public Open Day

In line with the constitution, Chapter 4 on Bill of Right, Mbooni Sub County Hospital held Open Days to Mother and Child Health and Nutrition departments to provide the public a special platform for health workers to interact and receive feedback from the clients on healthcare services. Recognizing the variety of healthcare services and high number of patients seeking services at Mbooni Sub County Hospital, the Open Day focused on service delivery, patients' charters and procedures for providing feedback or complaints. The public were sensitized and received health talks and free services.

X. Report of The Board of Management

The Board members submit their report together with the Audited Financial Statements for the year ended June 30, 2022, which show Mbooni Sub Hospital's affairs.

Principal activities

The principal activities of the entity are to offer quality health care services.

Results

The results of the entity for the year ended 30th June, 2022 are set out in the pages that follow.

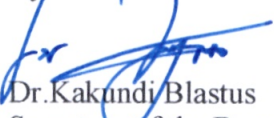
Board Of Management

The members of the Board who served during the year are shown on page vii. During the year no board member retired/ resigned and there were no new appointments.

Auditors

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

By Order of the Board


Dr. Kakindi Blastus
Secretary of the Board

XI. Statement of Board of Management's Responsibilities

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


The Board of Management is responsible for the preparation and presentation of Mbooni Sub County Hospital financial statements, which give a true and fair view of the state of affairs of Mbooni 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 Mbooni Sub County Hospital; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board of Management accepts responsibility for Mbooni 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 Mbooni Sub County Hospital financial statements give a true and fair view of the state of Mbooni Sub County Hospital transactions during the financial year ended June 30, 2022, and of Mbooni Sub County Hospital financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for Mbooni Sub County Hospital, which have been relied upon in the preparation of Mbooni Sub County Hospital financial statements as well as the adequacy of the systems of internal financial control.

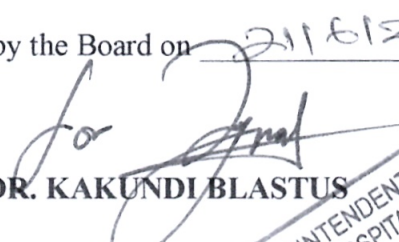
Nothing has come to the attention of the Board of management to indicate that Mbooni Sub County Hospital will not remain a going concern for at least the next twelve months from the date of this statement.

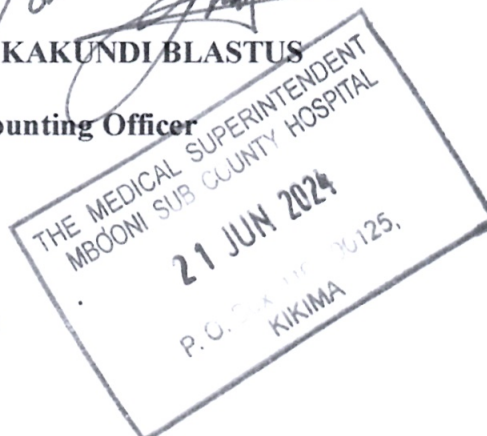
Approval of the financial statements

The Hospital's financial statements were approved by the Board on 21/6/24 and signed on its behalf by:

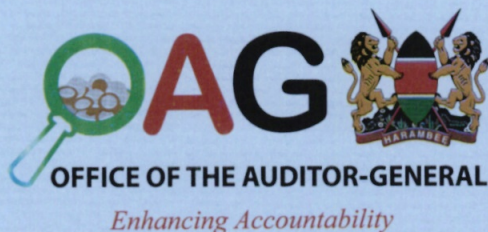

AGNES MUENDO

**Chairperson
Board of Management**


DR. KAKUNDI BLASTUS
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 MBOONI SUB-COUNTY LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2022 - COUNTY GOVERNMENT OF MAKUENI

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Mbooni Sub-County Level 4 Hospital – County Government of Makueni set out on pages 1 to 50, which comprise of

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

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

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

Basis for Qualified Opinion

1. Non-Disclosure of Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.11,680,492 as disclosed in Note 31 to the financial statements. The balance excluded value of buildings and land as at 1 July, 2021. Management explained that the opening balances on buildings and land were omitted because valuation had not been done during the year under review. The Hospital as per Management explanation sits on approximately nine acres of land whose valuation report and title deed were not provided for audit.

In the circumstances, the accuracy, completeness, ownership and valuation of the property, plant and equipment balance of Kshs.11,680,492 could not be confirmed.

2. Inaccuracies on Depreciation and Amortization Expenses

The statement of financial performance reflects depreciation and amortization expenses of Kshs.1,262,695. However, Note 18 to the financial statements reflects an amount of Kshs.3,429,203 resulting to an unexplained variance of Kshs.2,166,508.

In the circumstances, the accuracy and completeness of the depreciation and amortization amount of Kshs.1,262,695 could not be confirmed.

3. Non-Disclosure of Receivables from Exchange Transactions

The statement of financial performance reflects Nil balance in respect of receivables as disclosed in Note 28 to the financial statements. However, Management did not report on receivables relating to services provided to the patients under NHIF cover.

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

4. Non-Disclosure of Inventories

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

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

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

The statement of financial performance reflects employee costs of Kshs.9,764,070 for casuals and contractual staff as disclosed in Note 16 to the financial statements. The Hospital also received services from medical staff employed and paid by the County. However, the expenditure was not disclosed in the financial statements and the payroll was not provided for audit.

In the circumstances, the accuracy and completeness of employee costs of Kshs.9,764,070 could not be confirmed.

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Late Submission of Financial Statements

The financial statements for the financial year ended 30 June, 2022 were submitted for audit on 6 April, 2023 six (6) months after the statutory deadline. This was contrary to

Section 68(2)(k) of the Public Finance Management Act, 2012 which requires an Accounting Officer to prepare annual financial statements for each financial year within three months after the end of the financial year.

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

2. Failure to Prepare Quarterly Revenue Reports

The statement of financial performance reflects an amount of Kshs.5,920,141 in relation to the rendering of services - medical income as disclosed in Note 11 to the financial statements. However, the Hospital did not provide evidence to show that the reports were prepared and submitted the same to the County treasury with a copy to the Auditor-General. This was contrary to Regulations 64(1) of the Public Finance Management (County Governments) Regulations, 2015 which requires the Accounting Officer or receiver of revenue or collector of revenue to prepare a quarterly report not later than the 15th day after the end of the quarter.

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

3. Deficiencies in Implementation of Universal Health Coverage

Review of Hospital records and interviews on verification of services offered, equipment used and medical specialists in the Hospital at the time of audit in April, 2024 revealed that the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits by fifty-eight (58) or 57% of the authorized staff establishment.

Staffing Requirement	Level 4 Standard	Actual in Post	Deficit	Percentage %
Medical Officers	16	4	12	75
Anesthesiologists	2	4	(2)	150
General Surgeons	2	0	2	100
Gynecologists	2	0	2	100
Pediatricians	2	0	2	100
Radiologists	2	1	1	50
Registered Community Health Nurses	75	34	41	55
Total	101	43	58	57

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

Equipment / Machines	Minimum Requirement	Actual	Deficit	Percentage %
Bed Capacity	150	51	99	66
Incubators (New Born)	5	2	3	60
Cots	5	2	3	60
Resuscitaire in Theatre	1	0	1	100
Resuscitaire in Labour Ward	2	0	2	100

Functional ICU Beds	6	0	6	100
HDU Beds	6	0	6	100
Renal Unit with Dialysis Machines	5	0	5	100
Functional Operating Theatres Maternity and General	2	1	2	50

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

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Audit Committee and Internal Audit Unit

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

2. Lack of Fixed Assets Register

Audit verification revealed that the Hospital did not maintain a fixed assets register. This was contrary to Regulation 136(1) of the Public Finance Management (County Governments) Regulations, 2015 that provides that the Accounting Officer shall be

responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws.

In the circumstances, effectiveness in management of assets could not be confirmed.

3. Lack of Approved Risk Management Policy

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

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

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

Responsibilities of Management and the Board of Management

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

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to

those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Hospital's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Hospital to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Hospital to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

27 June, 2024

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


Description	Notes	2021/22
		Kshs
Revenue from non-exchange transactions		
Transfers from the County Government	6	18,010,250
In-kind contributions from the County Government	7	82,333,623
Grants from donors and development partners	8	-
Transfers from other Government entities	9	-
Public contributions and donations	10	-
Revenue from non-exchange transactions		100,343,873
Rendering of services- Medical Service Income	11	5,920,141
Revenue from rent of facilities	12	24,000
Finance /Interest Income	13	-
Other income-Nhif Income	14	20,296,597
Revenue from exchange transactions		26,240,737
Total revenue		126,584,610
Expenses		
Medical/Clinical costs	15	15,557,197
Employee costs	16	9,764,070
Board of Management Expenses	17	498,000
Depreciation and amortization expense	18	1,262,695
Repairs and maintenance	19	5,050,444
Grants and subsidies	20	-
General expenses	21	10,619,542
In-kind contributions from the County Government	7	82,333,623
Total expenses		125,085,571
Other gains/(losses)		
Gain on disposal of non-Current assets	23	-
Unrealized gain on fair value of investments	24	-
Medical services contracts Gains/Losses	25	-
Impairment loss	26	(-)
Gain on foreign exchange transactions		-
Total other gains/(losses)		-
Net Surplus for the year		1,499,039

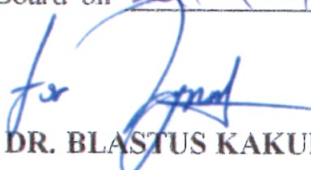
Mbooni Sub County Hospital (Makueni County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2022

Attributable to:		
Surplus/(deficit) attributable to minority interest		-
Surplus attributable to owners of the controlling entity		1,499,039

The Hospital's financial statements were approved by the Board on 25/6/2022 and signed on its behalf by:


AGNES MUENDO
Chairman
Board of Management


DOMINIC NZIOKA
Head of Finance
ICPAK No:19171


DR. BLASTUS KAKUNDI
Medical Superintendent

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


Description	Notes	2021/22
		Kshs
Assets		
Current assets		
Cash and cash equivalents	27	3,163,348
Receivables from exchange transactions	28	
Receivables from non-exchange transactions	29	
Inventories	30	
Total Current Assets		3,163,348
Non-current assets		
Property, plant, and equipment	31	11,680,492
Intangible assets	32	
Investment property	33	
Total Non-current Assets		11,680,492
Total assets		14,843,840
Liabilities		
Current liabilities		
Trade and other payables	34	4,293,684
Refundable deposits from customers/Patients	35	
Provisions	36	
Finance lease obligation	37	
Current portion of deferred income	38	
Current portion of borrowings	39	
Total Current Liabilities		4,293,684
Non-current liabilities		
Provisions	36	
Non-Current Finance lease obligation	37	
Non-Current portion of deferred income	38	
Non - Current portion of borrowings	39	
Service concession liability	40	
Total Non-current liabilities		0
Total Liabilities		4,293,684

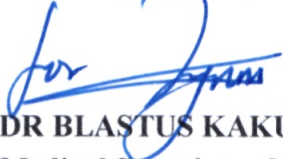
Mbooni Sub County Hospital (Makueni County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2022

Net assets		10,550,156
Revaluation reserve		
Accumulated surplus/Deficit		1,499,039
Capital Fund		9,051,117
Total Reserves		10,550,156
Total Net Assets and Liabilities		14,843,840

The Hospital's financial statements were approved by the Board on 21/6/24 and signed on its behalf by:


AGNES MUENDO
Chairman
Board of Management


DOMINIC NZIOKA
Head of Finance
ICPAK No:19171


DR BLASTUS KAKUNDI
Medical Superintendent

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

	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
At July 1, 2021	-	-	-	
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	1,499,039.00	-	1,499,039.00
Capital/Development grants	-	-	9,051,117.00	9,051,117.00
At June 30, 2022	-	1,499,039.00	9,051,117.00	10,550,156.00

(Note:

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

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

The Hospital's financial statements were approved by the Board on 21/6/24 and signed on its behalf by:

AGNES MUENDO



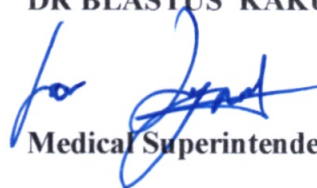
**Chairman
Board of Management**

DOMINIC NZIOKA



**Head of Finance
ICPAK No:19171**

DR BLASTUS KAKUNDI



Medical Superintendent

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

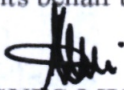
Description		2021/22
	Note	Kshs
Cash flows from operating activities		
Receipts		
Transfers from the County Government		18,010,250
Grants from donors and development partners		-
In-kind contributions from the County Government		-
Public contributions and donations		-
Rendering of services- Medical Service Income		5,920,141
Revenue from rent of facilities		24,000
Finance / interest income		
Other receipts-NHIF income		20,296,596
Total Receipts		44,250,987
Payments		
Medical/Clinical costs		15,557,197
Employee costs		9,764,070
Board of Management Expenses		498,000
Repairs and maintenance		5,050,444
Grants and subsidies		
General expenses		10,619,542
Finance costs		
In-kind contributions from the County Government		-
Refunds paid out		
Total Payments		41,489,253
Net cash flows from operating activities	41	2,761,734
Cash flows from investing activities		
Purchase of property, plant, equipment, & intangible assets		(1,262,695)
Proceeds from the sale of property, plant, and equipment		-
Acquisition of investments		-
Net cash flows used in investing activities		(1,262,695)
Cash flows from financing activities		
Proceeds from borrowings		-
Repayment of borrowings		-


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

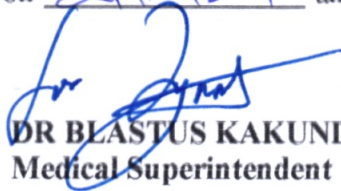
Capital grants received		-
Net cash flows used in financing activities		-
Net increase/(decrease)in cash and cash equivalents		1,499,039
Cash and cash equivalents at 1 July	27	1,664,309
Cash and cash equivalents at 30 June	27	3,163,348

(IPSAS 2 allows an entity to present the cash flow statement using the direct or indirect method but encourages the direct method. PSASB also recommends the use of direct method of cash flow preparation).

The notes set out on pages x to xx form an integral part of the Annual Financial Statements. The Hospital's financial statements were approved by the Board on 21/6/22 and signed on its behalf by:


AGNES MUENDO
Chairman
Board of Management


DOMINIC NZIOKA
Head of Finance
ICPAK No:19171


DR BLASTUS KAKUNDI
Medical Superintendent

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


Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	a	b	c=(a+b)	d	e=(c-d)	f=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	
Revenue						
Transfers from the County Government	18,010,250	-	18,010,250	18,010,250	-	100%
Grants from donors and development partners	-	-	-	-	-	-
Transfers from other Government entities	-	-	-	-	-	-
In Kind contributions from the county	-	-	-	-	-	-
Rendering of services- Medical Service Income	5,920,141	-	5,920,141	5,920,141	-	100%
Revenue from rent of facilities	24,000	-	24,000	24,000	-	100%
Finance / interest income	-	-	-	-	-	-
Other receipts –Nhif Income	20,296,597		20,296,597	20,296,597	-	100%
Total income	44,250,988		44,250,988	44,250,988	-	100%
Expenses						
Medical/Clinical costs	15,557,197		15,557,197	15,557,197	-	100%
Employee costs	9,764,070		9,764,070	9,764,070	-	100%
Remuneration of directors	498,000		498,000	498,000	-	100%
Repairs and maintenance	5,050,444		5,050,444	5,050,444	-	100%
In Kind contributions from the county	-		-	-	-	-

General expenses	10,619,542		10,619,542	10,619,542	-	100%
Finance costs					-	
Depreciation and amortization expense	1,262,695		1,262,695	1,262,695	-	100%
Refunds	0		0	0	-	
Total Expenses	42,751,948		42,751,948	42,751,948	-	100%
Surplus for the period	1,499,039		1,499,039	1,499,039		
Capital expenditure						

AGNES MUENDO


Chairman
Board of Management

DOMINIC NZIOKA


Head of Finance
ICPAK No:19171

DR BLASTUS KAKUNDI


Medical Superintendent

XVIII. Notes To the Financial Statements

1. General Information

Mbooni Sub County Hospital is established by and derives its authority and accountability from PFM Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. Mbooni Sub County Hospital 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 Mbooni Sub County Hospital accounting policies. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Mbooni 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 Covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

Notes to the Financial Statements (Continued)

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

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

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	(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</p>

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	<p>information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
<p>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

Mbooni Sub County Hospital did not adopt any new or amended standards in the year 2021/2022.

4. Summary Of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other Government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (*cash, goods, services, and property*) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

Notes to the Financial Statements (Continued)

Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Dividends

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

Rental income

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

Notes to the Financial Statements (Continued)

b) Budget information

The original budget for FY 21/22 was approved by Board on 30th June, 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. MbooniSub county Hospital's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

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

Notes to the Financial Statements (Continued)

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. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

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

Notes to the Financial Statements (Continued)

f) Leases

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

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

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

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

g) Intangible assets

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

Notes to the Financial Statements (Continued)

h) Research and development costs

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

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

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

i) Financial instruments

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.

Notes to the Financial Statements (Continued)

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.

Notes to the Financial Statements (Continued)

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

Contingent liabilities

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

Contingent assets

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

k) Changes in accounting policies and estimates

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

l) Employee benefits

Retirement benefit plans

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

Notes to the Financial Statements (Continued)

m) Foreign currency transactions

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

n) Borrowing costs

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

o) Related parties

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

p) Service concession arrangements

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

Notes to the Financial Statements (Continued)

q) Cash and cash equivalents

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

r) Comparative figures

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

s) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2022.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

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

Notes to the Financial Statements (Continued)

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available.

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

Notes to the Financial Statements (Continued)

6. Transfers From The County Government

Description	2021/22
	KShs
Unconditional grants	
Makueni Care	18,010,250
Level 5 grants	
Other grants	-
	-
Conditional grants	
User fee forgone	-
Transforming health services for Universal care project (THUCP)	-
DANIDA	-
Wards Development grant	-
Paediatric block grant	-
Administration block grant	-
Laboratory grant	-
Total government grants and subsidies	

Notes to the Financial Statements (Continued)

6 Transfers from the County Government

Name of the Entity sending the grant	Amount recognized to Statement of financial performance KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year	Total 2021/22
			KShs	KShs	KShs
Makueni County Government	18,010,250	-	-	18,010,250	18,010,250
Total	18,010,250			18,010,250	18,010,250

7. In Kind Contributions from The County Government

Description	2021/22
	-
Salaries and wages	-
Pharmaceutical and Non-Pharmaceutical Supplies	82,333,623
Medical supplies-Drawings Rights (KEMSA)	-
Total grants in kind	82,333,623

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

8. Grants From Donors and Development Partners

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

Notes to the Financial Statements (Continued)

8

(a) Grants from donors and development

partners (Classification)

Name of the Entity sending the grant	Amount recognized to Statement of financial performance	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Total 2021/22
	KShs	KShs	KShs	KShs	KShs
Donor e.g., DANIDA	-	-	-	-	-
JICA	-	-	-	-	-
World Bank	-	-	-	-	-
Total	-	-	-	-	-

9. Transfers From Other Government Entities

Description	2021/22
	KShs
Transfer from National Government (Ministry of Health)	-
Transfer from National Hospital	-
Transfer from Institute	-
Total Transfers	-

10. Public Contributions and Donations

Description	2021/22
	KShs
Public donations	-
Donations from local leadership	-
Donations from religious institutions	-
Donations from other international organisations and individuals	-
Other donations(<i>specify</i>)	-
Donations in kind-amortised	-
Total donations and sponsorships	-

(Provide brief explanation for this revenue)

Notes to the Financial Statements (Continued)

10 (a) Reconciliations of amortised grants

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

11. Rendering of Services-Medical Service Income

Description	2021/22
	KShs
Pharmaceuticals	1,114,430.00
Non-Pharmaceuticals	404,000.00
Laboratory	409,190.00
Radiology	109,350.00
Orthopedic and Trauma Technology	166,350.00
Theatre	35,750.00
Accident and Emergency Service	
Anesthesia Service	
Ear Nose and Throat service	13,700.00
Nutrition service	10,650.00
Inpatient services	250,350.00
Dental services	61,400.00
Outpatient services	163,040.00
Other income	282,900.00
Farewell home services	249,200.00
Other medical services income	2,649,830.50
Total revenue from the rendering of services	5,920,140.50

Notes to the Financial Statements (Continued)

12. Revenue From Rent of Facilities

Description	2021/22	2020/21
	KShs	KShs
Residential property	-	-
Commercial property	24,000	-
Total Revenue from rent of facilities	24,000	-

(Provide brief explanation for this revenue)

13. Finance /Interest Income

Description	2021/22	2020/21
	KShs	KShs
Cash investments and fixed deposits	-	-
Interest income from short- term/ current deposits	-	-
Interest income from Treasury Bills	-	-
Interest income from Treasury Bonds	-	-
Interest from outstanding debtors	-	-
Total finance income	-	-

(Provide brief explanation for this revenue)

14. Other Income

Description	2021/22	2020/21
	KShs	KShs
Insurance recoveries-NHIF	19,711,696.50	
Insurance Recoveries-Makueni Care	404,000	
Income from sale of tender	170,000	
Services concession income		
Sale of goods (water, publications, containers etc.)	10,900	
Total other income	20,296,596.50	

Notes to the Financial Statements (Continued)

15. Medical/ Clinical Costs

Description	2021/22
	KShs
Dental costs/ materials	73,500
Laboratory chemicals and reagents	3,317,130
Public health activities	
Food and Ration	5,491,912
Uniform, clothing, and linen	249,900
Dressing and Non-Pharmaceuticals	2,922,355
Pharmaceutical supplies	1,640,760
Health information stationery	
Reproductive health materials	
Sanitary and cleansing Materials	1,861,640
Purchase of Medical gases	
X-Ray/Radiology supplies	
Other medical related clinical costs-Fuels	
Total medical/ clinical costs	15,557,197

16. Employee Costs

Description	2021/22
	KShs
Salaries, wages, and allowances	7,303,260
Contributions to pension schemes	
Service gratuity	
Performance and other bonuses	
Staff medical expenses and Insurance cover	
Group personal accident insurance and WIBA	
Social contribution	
Other employee costs - <i>Locums</i>	2,460,810
Employee costs	9,764,070

Notes to the Financial Statements (Continued)

17. Board of Management Expenses

Description	2021/22
	KShs
Chairman's Honoraria	
Sitting allowance	498,000
Mileage	
Insurance expenses	
Induction and training	
Travel and accommodation allowance	
Airtime allowances	
Total	498,000

18. Depreciation And Amortization Expense

Description	2021/22
	KShs
Property, plant and equipment	3,429,203.00
Intangible assets	-
Investment property carried at cost	-
Total depreciation and amortization	3,429,203.00

19. Repairs And Maintenance

Description	2021/22
	KShs
Property- Buildings	1,668,629
Medical equipment	1,079,240
Office equipment	
Furniture and fittings	116,355
Computers and accessories	412,100
Motor vehicle expenses	864,140
Maintenance of plant machinery and equipment	909,980
Total repairs and maintenance	5,050,444

Notes to the Financial Statements (Continued)

20. Grants And Subsidies

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

21. General Expenses

Description	2021/22
	KShs
Advertising and publicity expenses	148,412
Catering expenses	399,878
Waste management expenses	
Insecticides and rodenticides	
Audit fees	
Bank charges	26,873
Conferences and delegations	
Consultancy fees	
Contracted services	650,000
Electricity expenses	
Other Fuels	97,600
Refined Fuels	3,649,985
Animal feeds	191,670
Research and development expenses	
Travel and accommodation allowance	1,803,163
Legal expenses	
Licenses and permits	
Courier and postal services	9,450
Printing and stationery	820,000
General office expenses	2,029,371
Rent expenses	
Water and sewerage costs	170,000

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Description	2021/22
	KShs
Skills development levies	
Telephone and mobile phone services	448,940
Internet expenses	
Staff training and development	174,200
Subscriptions to professional bodies	
Subscriptions to newspapers periodical, magazines, and gazette notices	
Library books/Materials	
In Kind Contributions from the County Government	
Parking charges	
Total General Expenses	10,619,542

22. Finance Costs

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

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

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

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

24. Unrealized Gain On Fair Value Investments

Description	2021/22
	-
Investments at fair value	-
Total gain	-

Notes to the Financial Statements (Continued)

25. Medical Services Contracts Gains /Losses

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

26. Impairment Loss

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

27. Cash And Cash Equivalents

Description	2021/22
	KShs
Current accounts	3,163,348
On - call deposits	
Fixed deposits accounts	
Cash in hand	
Others(<i>specify</i>)- Mobile money	
Total cash and cash equivalents	

Notes to the Financial Statements (Continued)

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

Description		2021/22
Financial institution	Account number	KShs
a) Current account		
Kenya Commercial bank	1144710650	3,134,854
Kenya Commercial bank	1157798705	28,494
Sub- total		3,163,348
b) On - call deposits		
Kenya Commercial bank		-
		-
Sub- total		-
c) Fixed deposits account		
Bank Name		-
		-
Sub- total		-
d) Others		
cash in hand		-
Mobile money- Mpesa, Airtel money		-
		-
Sub- total		-
Grand total		3,163,348

28. Receivables From Exchange Transactions

Description	2021/22
	KShs
Medical services receivables-Unpaid NHIF	
Rent receivables	
Other exchange debtors	
Less: impairment allowance	
Total receivables	

Notes to the Financial Statements (Continued)

29. Receivables From Non-Exchange Transactions

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

30. Inventories

Description	2021/22
	KShs
Pharmaceutical supplies	
Maintenance supplies	
Food supplies	
Linen and clothing supplies	
Cleaning materials supplies	
General supplies	
Less: provision for impairment of stocks	
Total	

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Notes to the Financial Statements (Continued)

31. Property, Plant and Equipment

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	Computers	Plant and medical equipment	Capital Work in progress	Total
	Shs		Shs	Shs	Shs	Shs	Shs	Shs
Cost								
At 1 st July 2021				6,081,500	1,195,000	6,570,500		13,847,000
Additions				306,695	177,000	779,000		1,262,695
Disposals								
Transfer/adjustments								
At 30th June 2022				6,388,195	1,372,000	7,349,500		15,109,695
Depreciation and impairment								
At 1 July 2020				-	-	-		
Depreciation for the year				638,819	343,000	2,447,383		3,429,203
Disposals								
Impairment								
At 30 June 2022				638,819	343,000	2,447,383		3,429,203
Net book values								
At 30 th June 2021				6,388,195	1,372,000	7,349,500		15,109,695
At 30 th June 2022				5,749,375	1,029,000	4,902,116		11,680,492

Notes to the Financial Statements (Continued)

32. Intangible Assets-Software

Description	2021/22
	KShs
Cost	
At beginning of the year	-
Additions	-
Additions–Internal development	-
Disposal	
At end of the year	
Amortization and impairment	
At beginning of the year	-
Amortization for the period	-
Impairment loss	-
At end of the year	-
NBV	-

33. Investment Property

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

34. Trade And Other Payables

Description	2021/22
	KShs
Trade payables	3,933,684
Employee dues	360,000
Third-party payments (<i>unremitted payroll deductions</i>)	
Audit fee	
Doctors' fee	
Total trade and other payables	4,293,684

Notes to the Financial Statements (Continued)

35. Refundable Deposits from Customers/Patients

Description	2021/22
	KShs
Medical fees paid in advance	-
Credit facility deposit	-
Rent deposits	-
Others	-
Total deposits	-

36. Provisions

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

37. Finance Lease Obligation

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

Notes to the Financial Statements (Continued)

38. Deferred Income

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

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

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

39. Borrowings

Description	2021/22
	KShs
Balance at beginning of the period	-
External borrowings during the year	-
Domestic borrowings during the year	
Repayments of external borrowings during the year	
Repayments of domestic borrowings during the year	
Balance at end of the period	

Notes to the Financial Statements (Continued)

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

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

40. Service Concession Arrangements

Description	2021/22
	KShs
Fair value of service concession assets recognized under PPE	
Accumulated depreciation to date	
Net carrying amount	
Service concession liability at beginning of the year	
Service concession revenue recognized	
Service concession liability at end of the year	

41. Cash Generated from Operations

	2021/22
Surplus for the year before tax	KShs
Adjusted for:	
Depreciation	(3,429,203)
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	
Decrease in receivables	1,897,253
Increase in deferred income	
Increase in payables	4,293,684
Increase in payments received in advance	
Net cash flow from operating activities	2,761,734

Notes to the Financial Statements (Continued)

42. Financial Risk Management

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

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

(i) Credit risk

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

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Notes to the Financial Statements (Continued)

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2020				
Receivables from exchange transactions		-	-	-
Receivables from –non-exchange transactions		-	-	-
Bank balances		-	-	-
Total		-	-	-
At 30 June 2022				
Receivables from exchange transactions		-	-	-
Receivables from –non-exchange transactions		-	-	-
Bank balances		-	-	-
Total		-	-	-

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.

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

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2021				
Trade payables	-	-		
Current portion of borrowings	-	-		
Provisions	-	-		
Deferred income	-	-		
Employee benefit obligation	-	-		
Total	-	-		
At 30 June 2022				
Trade payables	-		4,293,684	4,293,684
Current portion of borrowings	-			
Provisions	-			
Deferred income	-			
Employee benefit obligation	-			
Total	-		4,293,684	4,293,684

(iii) Market risk

The Hospital has put in place an internal audit function to assist it in assessing the risk faced by the entity on an on-going 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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Notes to the Financial Statements (Continued)

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

Mbooni Sub County Hospital 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:

	KShs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2022			
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.

	KShs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2022			
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.

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
2021			
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.

Notes to the Financial Statements (Continued)

iv) Capital Risk Management

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

	2021/22
	Kshs
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	-

43. Related Party Balances

Nature of related party relationships

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

Government of Kenya

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

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

Notes to the Financial Statements (Continued)

- i) The National Government;
- ii) County Department of Health;
- iii) Key management;
- iv) Board of directors;

Description	2021/22
	Kshs
Transactions with related parties	
a) Services offered to related parties	
Services to related parties	-
Sales of services to related parties	-
Total	-
b) Grants from the Government	
Grants from County Government	-
Grants from the National Government Entities	-
Donations in kind	-
Total	-
c) Expenses incurred on behalf of related party	
Payments of salaries and wages for employees	-
Payments for goods and services	-
Total	-
d) Key management compensation	
Directors' emoluments	498,000
Compensation to the Medical Superintendent	-
Compensation to key management	-
Total	

Notes to the Financial Statements (Continued)

44. Segment Information

Mbooni Sub County Hospital is domiciled in Mbooni Sub County and does not have any other segment.

45. Contingent Liabilities

Contingent liabilities	2021/22
	Kshs
Court case against MbooniSub county Hospital	-
Bank guarantees in favour of subsidiary	-
Total	-

46. Capital Commitments

Capital Commitments	2021/22
	Kshs
Authorised For	-
Authorised And Contracted For	-
Total	-

47. Events After The Reporting Period

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

48. Ultimate And Holding Entity

Mbooni Sub County Hospital is Semi- Autonomous Government Agency under the Ministry of Health. Its ultimate parent is the Government of Kenya.

49. Currency

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

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

APPENDIX IV: Inter-Entity Confirmation Letter

REPUBLIC OF KENYA

GOVERNMENT OF MAKUENI COUNTY




**OFFICE OF THE MEDICAL SUPERINTENDENT
MBOONI SUB COUNTY HOSPITAL
P.O. BOX 116 – 90125 – KIKIMA Mobile No: 0733 242 783
Email: mboonisdh@yahoo.com**

Mbooni Sub County Hospital wishes to confirm the amounts disbursed to you as at 30th June 2022 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by <i>Mbooni Sub County Hospital</i> at 30 th June 2022							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (KShs) as at 30th June 2022				Amount Received by Mbooni Sub County Hospital (KShs) as at 30 th June 2021 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
0010630428	28.11.2021					8,000,000	
0010631305	07.03.2022					8,000,000	
0010632951	23.05.2022					2,000,000	
Total						18,000,000	

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

Head of Accounts department of Mbooni Sub County Hospital:

Name: **Dominic Kasanga Nzioka** Sign  Date **21/06/2022**

