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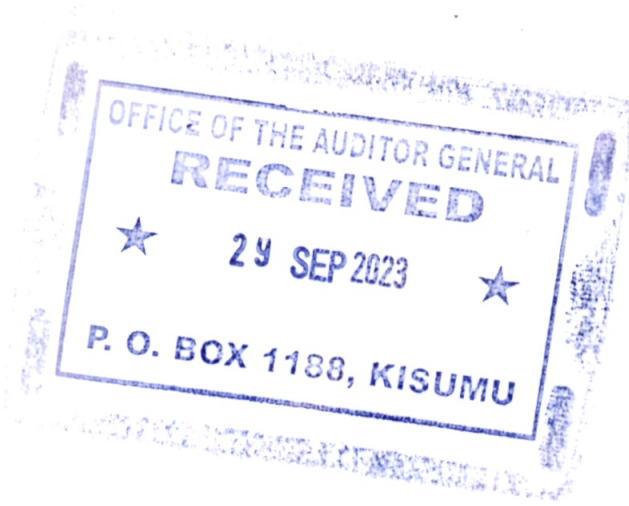
ON

**OBER KAMOTH SUB-COUNTY
LEVEL 4 HOSPITAL**

**FOR THE YEAR ENDED
30 JUNE, 2023**

COUNTY GOVERNMENT OF KISUMU

PAPERS LAID	
DATE	20.09.24
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COMMITTEE	-
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Revised 30th June 2023



OBER KAMOTH SUBCOUNY LEVEL 4 HOSPITAL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2023

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

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Ober Kamoth Sub County Level 4 Hospital
Annual Report and Financial Statements for The Year Ended 30th June 2023

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1. Acronyms & Glossary of Terms

CSR	Corporate Social Responsibility
OSHA	Occupational Health & Safety Act
PFMA	Public Financial Management Act
MED SUP	Medical Superintendent
Fiduciary Management	Key management personnel who have financial responsibility in the entity.

2. Key Entity Information and Management

(a) Background information

Ober Kamoth Sub County Hospital is a level (4/5) hospital established under gazette notice and is domiciled in Kisumu County under the Health Department. The hospital is governed by a Board of Management.

(b) Principal Activities

The principal activity/mission/ mandate of the hospital is to ...
 (Under this section you may also include the entity's vision, mission and core objectives)

(c) Key Management

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

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

(d) Fiduciary Management

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

No.	Designation	Name
1.	Medical Superintendent	Victor Omondi Ajumbo
2.	Head of finance	George Wando Okumu
3.	Head of supply chain	Grace Were
4.	Head of Pharmacy	Charles Okal
5.	Head of laboratory	Beatrice Apiyo

(e) Fiduciary Oversight Arrangements

The fiduciary oversight arrangements at Ober Kamoth are as follows:

- Clinical Research and Standards Committee.
- Audit committee
- Risk Committee
- County Assembly
- Parliamentary committee

Key Entity Information and Management (continued)

(f) Entity Headquarters

P.O. Box 105-40100
Kisumu, KENYA

(g) Entity Contacts

Telephone: (+254) 7125259941

(h) Entity Bankers

Co-Operative Bank
A/C NO. 01141495288600
KONDELE BRANCH
BRANCH CODE: 00111105

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

(k) County Attorney

P.O. Box. 2738-40100
kisumu, Kenya

*Ober Kamoth SubCounty Level 4 Hospital
Annual Report and Financial Statements for The Year Ended 30th June 2023*

3. The Board of Management

Ref	Directors	Details
	Erick Oyoo	Chairman
	Joyce Omollo	Fanancial Mangement
	Barack Omollo	Faith Based
	Charles Kasera Omedo	Proffesionalism
	Drcas Obongo	Women Rep
	Stephen Charles Chore	Youth
	Hellen Akoth	Member

4. Chairman's Statement

Composition and membership

The hospital board of management comprises 6 nominated members who are appointed by the minister and 5 ex officio members representing different groups among them youth, women professional organisation and the community among others

Meetings

During the period 4 quarterly meetings were held where members were able to review and approve the budgets as approved as presented

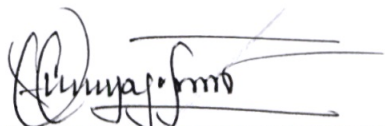
Members were paid their sitting allowances as prescribed for the period, the hospital had adequate supply of medicines.

Challenges

The board notes that the hospital faces an acute staff shortage that needs to be addressed to meet the increasing demand for services.

Continuous supply of medicine and commodities. There is still a challenge with staffing to ensure continuous coverage of the hospital.

There is need to employ more staff.



.....

Name **CONDO ERIC**

Chairman to the Board

5. Report of The Medical Superintendent

BACKGROUND

Ober Kamoth sub county hospital has been in existence since 1985 providing health care services to the community of Kanyawegi and osiri. Since its inception as a health centre and currently gazetted as a sub county hospital A bigger percentage of the hospital budget goes towards medical drugs and non-pharmaceutical, staff remuneration and laboratory reagents.

REVENUE

There was a significant growth in revenue collection compared to the previous year this owed to higher reimbursement from NHIF and MARWA insurance s homes. The revenue is derived from FIF and allocations from county treasury.

CHALLENGES

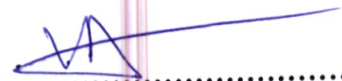
Most of the population the hospital serve is poor limiting revenue collection from out of pocket payment

WAY FOWARD

The community needs to be sensitised and encouraged to enrol into health insurance schemes The revenue cash collections should be automated to improve efficiency in service delivery.

APPRECIATION

I express gratitude to the Kisumu county department of health, stakeholders and partners for support during this period.


.....
Name **VICTOR OMONDI AGUMBO**
Secretary to the Board



6. Statement of Performance Against Predetermined Objectives

Ober Kamoth Sub County Hospital has 3 strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY 2022 FY 2023. These strategic pillars/ themes/ issues are as follows: 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.

The core mandate of Ober Kamoth Subcounty Hospital are to ensure: provision of universal healthcare coverage by ensuring provision of:

- i) Curative and Rehabilitative Health Services
- ii) Preventive and Promotive Health Services
- iii) General Administration, Planning, Management Support and Coordination

It is the responsibility of the HMB and HMT of the Hospital to provide the required leadership in designing suitable plans and strategies that will contribute to high and sustainable socio- economic development.

Ober Kamoth Subcounty Hospital has 3 Annual Program Based Service Delivery Work plan and objectives during the FY 2022-2023.

These 3 Annual Program Based Service Delivery are;

Program 1: Curative and Rehabilitative Health Services; Program Outcome: Effective and efficient curative and rehabilitative health care services to the county citizens

Program Objective: To provide effective and efficient curative and rehabilitative at all health **service delivery units**

Program 2: Preventive and Promotive Health Services; Program Outcome: Effective and efficient preventive and promotive health interventions within the county

Program Objective: To provide effective and efficient preventive and promotive health interventions across the county

Program 3: General Administration, Planning, Management Support and Coordination; Program Outcome: Effective and efficient preventive and promotive health interventions within the county

Program Objective: To provide effective and efficient preventive and promotive health interventions across the county

***Ober Kamoth SubCounty Level 4 Hospital
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Ober Kamoth Subcounty Hospital develops its annual work plan based on the above 3 programs and 12 sub programs.

Assessment of the Board's performance against its annual work plan is done on a quarterly basis.

Ober Kamoth Subcounty Hospital achieved its performance targets set for the FY 2022/2023 period for its 12 sub programs under the 3 main program-based areas.

Pillar /theme/issue 1:

Pillar/theme/issue 2:

7. Corporate Governance Statement

The County Government of Kisumu has instituted systems to ensure that high standards of governance are maintained at all levels of the Hospital.

The Hospital Board of Management recognizes the importance of corporate governance and as such it carries out its mandate with honesty, openness, and integrity.

The Board of Management is responsible for the provision of oversight to the operational activities of the Hospital on behalf of the members of the public and citizen of Kenya in line with the manifesto of the Governor and Ministry of Health regulations and guidelines.

They are also entrusted with the responsibility of ensuring strong corporate governance and ethical practices within the Hospital. Their role extends to ensuring that the Hospital complies with the relevant laws.

The Board members attach great importance to the need to conduct the business and operations of the Hospital with integrity and in accordance with generally accepted corporate best practices.

Below are the key features of corporate governance structures and internal control systems put in place and that were in operation during the year.

BOARD OF MANAGEMENT

The Board of Management is composed of non-executive appointed members via The Kenya Gazette Notices after every 3 years.

Exercising the powers conferred by Article 183 and 186(1) of the constitution of Kenya 2010, and Part 2 of the Fourth schedule thereof, section 36 of the County Government Act and section 20 (n), (o), and (p) of the Health Act, 2017, the Kisumu County Executive Committee Member for Medical Services, Public Health and Sanitation, appointed on 11th October 2019 via The Kenya Gazette Notice issue 404 the following (see table below) to the Ober Kamoth Sub-County Hospital board for a term of 3 years to serve on part-time basis;

The Board is held accountable and responsible for the effective governance of the institution. Members of the Board have a broad range of skills and experience, and each brings independent judgment and unique expertise and advisory perspectives to the Board's deliberations.

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

- Approve and adopt strategic plans and annual budgets, set objectives, and review key risk and performance areas.
- Determine overall policies and procedures to ensure integrity of the Hospital's management of risk and internal controls.
- Review, at regular meetings, Management's performance against approved deliverables.

The full Board meets at least five times a year and the Chairperson holds weekly meetings with the Chief Executive Officer.

***Ober Kamoth SubCounty Level 4 Hospital
Annual Report and Financial Statements for The Year Ended 30th June 2023***

The Board members are given appropriate and timely information to enable them maintain full and effective control over strategic, financial, operational and compliance matters.

Except for direction and guidance on general policy, the Board has delegated authority for conduct of day-to-day business to the Chief Executive Officer. The Board nonetheless retains responsibility for establishing and maintaining the Hospital's overall internal control, financial, operational and compliance framework.

The Board meets quarterly as per its annual work plan or additionally when necessary to consider matters of entity oversight. The Board's agenda and work plan are prepared early in the year and adequate notice, agenda and Board papers are circulated within the stipulated timeline.

8. Management Discussion and Analysis

Clinical/operational performance

- Bed capacity of the hospital.
- Overall patient attendance during the year for both inpatient and outpatient.
- Accident and Emergency attendance
- Specialised clinic attendance
- Average length of stay for in patient.
- Bed occupancy rate
- Mortality rate
- Surgical theatre utilisation (number of operations over a period of time)
- Sponsorships and partnerships

Financial performance that includes: -

- Revenue sources,
- Utilisation of funds

.....
Name

Secretary to the Board



9.Environmental And Sustainability Reporting

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

During the FY 2022-2023, the hospital strived to favourably achieve its objectives and mandate of providing universal healthcare to all citizens who visited the hospital. The recent high cost of commodities and supplies did put pressure on the hospitals capacity to deliver services. The hospital throughout the year ensures compliance with the various rules and regulations governing the management of a public hospital within Kenya.

ii) Environmental performance

In the FY 2022-2023, the hospital was committed to ensuring safe disposal of all medical and non-medical wastes as may be appropriate. The Septic tanks were regularly disinfected and the hazardous medical wastes were transported to other hospital incinerators like JOOTRH and Lumumba Sub County Hospital.

iii) Employee welfare

The Hospital staffs comprise of staffs employed by the County Government of Kisumu, Partner and health Volunteers who are engaged directly by the hospital.

The management strives to ensure that all employees are sufficiently engaged towards service delivery whilst observing employee rights in line with the Employment Act.

Being that hospital setups are hazardous, the management ensured adequate provision of PPEs to all staffs during the FY 2022-2023 to date in line with the Occupational Safety and Health Act of 2007, (OSHA).

The Health Volunteers are timely compensated for the services delivered and made it possible for the hospital to run smoothly during the period.

iv) Market place practices-

a) Responsible competition practice.

Core mandate of Ober Kamoth subcounty Hospital is to provide universal healthcare coverage to citizens. As such the hospital charge-list was in compliance with the Kisumu

County Finance Bill 2022-2023 and in our view it was made with a view of not making profits but rather to recover costs of service delivery.

In the spirit of universal healthcare coverage, the hospital assisted all the indigents who visited the hospital to access services through waivers and exemptions as per the presidential directive' As such no patient was turned away or detained for lack of hospital bill during FY 2022-2023.

b) Responsible Supply chain and supplier relations

Ober Kamoth SubCounty Hospital sources its goods and services from prequalified suppliers who are centrally prequalified by the Department of Health, Kisumu County hospital. The Suppliers are engaged on a competitive basis majorly through request for quotation method if exceeds threshold of 50,000.

The management strived to pay the suppliers every quarter when money was availed from County Treasury through recurrent and FIF. Keen to note was that the transfers from County Treasury was not enough to adequately settle all invoices due to pending bills accrued. The management seeks increase of disbursements from County Treasury and NHIF collections.

c) Responsible marketing and advertisement

Ober Kamoth SubCounty Hospital is a Public hospital that is open to all citizens within Ober Kamoth Sub-county and beyond.

d) Product stewardship

Outline efforts to safeguard consumer rights and interests.

Health care sector is a highly regulated sector due to its essential nature. During the FY 2022-2023 to date, the hospital management has always ensured to only procure authorised pharmaceutical and non-pharmaceutical items from licenced suppliers. The hospital also ensures that all food and ration items and other items are inspected by the hospital inspection teams who ensure that only goods and services that meet the required standards and threshold are accepted for use at the hospital.

10. Report of The Board of Management

The Board members submit their report together with the Audited Financial Statements for the year ended June 30, 2023, which show the state of the hospital's affairs.

Principal activities

The principal activities of the entity are to provide universal healthcare services to all residents of Ober Kisumu West Sub-County and beyond.

Results

The results of the entity for the year ended June 30, 2023 are set out on this report

Board of Management

The members of the Board who served during the year are shown on page vii. During the year no director retired/ resigned.

Auditors

The Auditor General is responsible for the statutory audit of Ober Kamoth Sub-County Hospital in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 to carry out the audit of the year ended June 30, 2023 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



Secretary of the Board

By Order of the Board



Name

VICTOR OMONDI ADUMBO

Secretary to the Board



11. Statement of Board of Management's Responsibilities

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

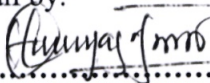
The Board of Management is responsible for the preparation and presentation of the hospital's financial statements, which give a true and fair view of the state of affairs of the hospital for and as at the end of the financial year (period) ended on June 30, 2023. This responsibility includes: (i) maintaining 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 hospital, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the hospital; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.


The Board of Management accepts responsibility for the hospital's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and). The Board members are of the opinion that the hospital's financial statements give a true and fair view of the state of hospital's transactions during the financial year ended June 30, 2023, and of the hospital's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the hospital, which have been relied upon in the preparation of the hospital's financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Directors have assessed the Fund's ability to continue as a going concern.

Approval of the financial statements

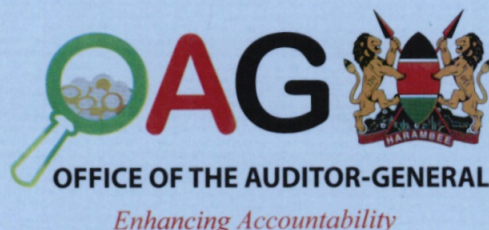
The Hospital's financial statements were approved by the Board on 29/9/23 and signed on its behalf by:


.....
Name: COLLIER
Chairperson
Board of Management


.....
Name: VICTOR OMOLOTI ADUMBO
Accounting Officer



REPUBLIC OF KENYA



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

REPORT OF THE AUDITOR-GENERAL ON OBER KAMOTH SUB-COUNTY LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2023 – COUNTY GOVERNMENT OF KISUMU

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 Ober Kamoth Sub-County Level 4 Hospital - County Government of Kisumu set out on pages 1 to 42, which comprise of

the statement of financial position as at 30 June, 2023, 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 Ober Kamoth Sub-County Level 4 Hospital - County Government of Kisumu as at 30 June, 2023, 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, the County Governments Act, 2012 and the Health Act, 2017.

Basis for Qualified Opinion

1.0 Inaccuracies in the Financial Statements

1.1. Variances between the Financial Statements and the Ledgers

A comparison of the financial statement balances and the ledgers revealed variances as shown in the table below:

Component	Financial Statement Amounts (Kshs)	Ledger Amounts (Kshs)	Variance (Kshs)
Transfers from the County Government	1,154,172	2,095,244	(941,072)
Rendering of Services	2,077,150	2,059,890	17,260
Medical/Clinical Costs	653,797	568,497	85,300
Employee Costs	503,000	431,000	72,000
Board Expenses	45,000	67,000	(22,000)
Repairs and Maintenance	78,000	109,000	(31,000)
General Expenses	290,425	481,000	(190,575)
Medical Services Contracts Gains/Losses	21,800	0	21,800
Cash and Cash Equivalents	39,592	157,572	(117,980)
Receivables from Exchange Transactions	1,637,850	1,802,630	(164,780)
Trade and Other Payables	637,890	777,256	(139,366)
Trade and Other Payables	184,000	0	184,000

In the circumstances, the accuracy of the financial statements submitted for audit could not be confirmed.

1.2. Unbalanced Statement of Financial Position

The statement of financial position reflects total assets and total liabilities balances of Kshs.2,127,744 and Kshs.821,890 respectively. However, the corresponding net assets value of Kshs.1,305,854 has not been incorporated under capital fund resulting in the statement of financial position not being balanced.

The statement further reflects cash and cash equivalents balance of Kshs.39,592. Review of the cashbook disclosed a cashbook balance of Kshs.157,572 resulting to a variance of Kshs.117,980 which had not been reconciled. In addition, Management did not provide monthly bank reconciliation statements in support of the balance reflected in the financial statements and as a result the balance could not be verified.

The audit further revealed that the cashbook was poorly maintained as it did not indicate the monthly balances brought forward and balances carried forward.

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

1.3. Inaccuracies in the Statement of Changes in Net Assets

The statement of changes in net assets reflects a balance of Kshs.1,507,300 which differs with the recomputed amount of Kshs.1,463,546 resulting in unexplained variance of Kshs.43,754. This was attributed to the balance of Kshs.43,754 not brought forward from the prior period.

In the circumstances the completeness and accuracy of the statement of changes in net assets could not be confirmed.

1.4. Inaccuracies in the Statement of Cash Flows

Review of the statement of cash flows revealed the following errors and inaccuracies:

- i. Nil net cashflows from operating activities whereas precomputation shows an amount of Kshs.1,529,100.
- ii. Nil balance under purchase of property, plant and equipment whereas review of expenditure records and the general ledger revealed an expenditure of Kshs.280,000 having been incurred on purchase of machinery, fixtures and fittings.
- iii. Net increase in cash and cash equivalents of Kshs.1,489,508 which differs with the recomputed amount of Kshs.38,426.

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

1.5. Omitted Expenditure in the Ledger

The statement of financial performance reflects an amount of Kshs.422,425 incurred under general expenses. Review of payment records however, disclosed an expenditure of Kshs.32,000 in respect of general expenses relating to fuels and oils that was not captured in the ledger.

In the circumstances, the accuracy and completeness of the general expenses amount totalling Kshs.422,425 included in the financial statements could not be confirmed.

1.6. Variances in Revenue from Rendering Services

The statement of financial performance reflects the rendering of services – medical service income of Kshs.2,077,150 as disclosed in Note 8 to the financial statements. The amount includes claims reimbursed from the National Health Insurance Fund (NHIF) amounting to Kshs.1,785,650. However, NHIF payment schedule indicated an amount of Kshs.723,150 was paid to the Hospital resulting to an unexplained variance of Kshs.1,062,500.

In the circumstances, the accuracy of the amount of Kshs.2,077,150 in respect of revenue from rendering of services-medical service income could not be confirmed.

1.7. Variances in Receivables from Exchange Transactions

The statement of financial position reflects receivables from exchange transactions balance of Kshs.1,637,850 as disclosed in Note 21 to the financial statements. The amount relates to amount due from NHIF whose records indicate a balance of Kshs.1,935,850 resulting to an unexplained variance of Kshs.298,000.

In the circumstances, the accuracy and fair statement of the receivables from exchange transactions balance of Kshs.1,637,850 could not be confirmed.

1.8. Variances in Balances Carried Forward from Prior Year

Review of the statement of financial performance revealed variances in balances brought forward from the 2021/2022 financial statements and the comparative balances as indicated in the table below:

	Amount as Per 2022/2023 Financial Statements (Kshs)	Amount as Per 2021/2022 Financial Statements (Kshs)
Transfer from Other Government Entities	0	846,610
Rendering of Services - Medical Service Income	797,470	250,560
Surplus	(43,754)	255,756
Board Management Expenses	80,500	80,000
Transfer from Other Government Entities	200,000	846,610

In the circumstances, the accuracy and completeness of the comparative balances could not be confirmed.

2.0 Property, Plant and Equipment

The statement of financial position reflects Nil balance in respect to property, plant and equipment. The following anomalies were however noted;

2.1 Undisclosed Property, Plant and Equipment Balance

Management did not disclose assets despite owning various assets which include land and buildings, specialized and non-specialized medical equipment, ICT equipment and furniture and fittings as captured in their assets register.

The Hospital also owns land on which the facility has set up own buildings whose reference number and acreage documents were not availed for audit verification.

2.2 Unaccounted Additions to Property, Plant and Equipment

Review of expenditure records and the general ledger revealed that an expenditure totalling Kshs.280,000 was incurred on purchase of machinery costing Kshs.106,000 and water supply fixtures of Kshs.174,000 related to a borehole plant located at the Hospital. However, this expenditure was not capitalized and depreciation was not charged on the assets acquired.

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

3.0 Unconfirmed Inventory Balance

The statement of financial position reflects a Nil balance for inventories. However, no inventory valuation report was provided for audit and no evidence of conducting of the annual stock take to confirm the quantities, value and status of closing inventory balances as at 30 June, 2023.

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

4.0 Non-Disclosure of Employee Costs Paid by the County Government

The statement of financial performance reflects the employee costs amount of Kshs.503,000 for casual staff as disclosed in Note 12 to the financial statements. The Hospital received services from staff who are on permanent and pensionable basis and contract who are employed and paid by the County. However, the expenditure was not disclosed in the financial statements.

In the circumstances, the accuracy and completeness of the employee costs amount of Kshs.503,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Ober Kamoth Sub-County 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.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.3,231,322 and Kshs.2,781,322 respectively resulting to an under-funding of Kshs.450,000 or 14% of the budget. However, the Hospital spent Kshs.1,702,222 against actual receipts of Kshs.2,781,322 resulting to an under-utilization of Kshs.1,079,100 or 39% of the receipts.

The under-funding and underutilization affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

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

1.0 Non-Conformity with the Prescribed Reporting Framework

Review of the financial statements revealed the following anomalies in the presentation and disclosures; County Government of Kisumu is missing on the cover page, some Acronyms in the report were not included in the Acronyms and Glossary of Terms section of the report, principal activities, vision, mandate, mission and core objectives were not indicated and the Board of Management section of the report was not adequately completed.

Further, the Secretary to the Board had not been specified, key Management team disclosure was omitted, the Chairman of the Board had not signed the statement of Board of Management's responsibilities and key Board of Management information was missing. In addition, Management Discussion and Analysis statement did not include the operational and financial performance of the Hospital, ICPAK number of the head of

finance was not indicated and the numbering of some of the Notes in the financial statements was not aligned to the notes to the financial statements.

In the circumstances, the preparation and presentation of the annual reports and financial statements did not comply with the template as prescribed and published by the Public Sector Accounting Standards Board.

2.0 Long Outstanding Receivables

The statement of financial position reflects a balance of Kshs.1,637,850 under receivables from exchange transactions. An examination of the receivable's analysis provided by the facility, indicated that a sum of Kshs.1,471,560 had been outstanding for a period of more than two (2) years. No evidence was provided by Management to show the efforts made in trying to make the recoveries.

In the circumstances, the recoverability of the receivable is doubtful and the ability of the Hospital to effectively deliver quality health care services to patients may be jeopardized.

3.0 Unsupported Procurements

The statement of financial performance reflects an amount of Kshs.653,797 and Kshs.422,425 under medical/clinical costs and general expenses respectively. Examination of the expenditure records revealed that the hospital procured goods and services under medical/clinical costs and general expenses of Kshs.365,614 and Kshs.182,000 respectively totalling Kshs.547,614. However, procurement records such as request for quotations, quotation opening register, committees' minutes on quotation opening and evaluation, evaluation reports, inspection and acceptance reports on goods delivered were not provided in support of the awards to the firms that were engaged. It was therefore, not possible to confirm whether the procurements were competitive.

In the circumstances, value for money on the medical/clinical costs and general costs amounting of Kshs.547,614 could not be confirmed.

4.0 Failure to Transfer Revenue to the County Revenue Fund Account

The statement of financial performance reflects rendering services- medical services income of Kshs.2,077,150 as disclosed in Note 7 to the financial statements. However, the amount was not transferred to the County Revenue Fund Account for approval by the Controller of Budget before withdrawal. This was contrary to Regulation 81(1-3) of Public Finance and Management (County Governments) Regulations, 2015 which states that a receiver of revenue shall promptly deposit into the County exchequer account all receipts due to the County Revenue Fund.

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

5.0 Non-Compliance with Universal Health Coverage (UHC) Requirements

Review of Hospital records and interviews on verification of services offered, equipment used and medical specialists in the Hospital at the time of audit revealed that the Hospital

did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits by 91 staff requirements or 90% of the authorized establishment.

Staff Requirements	Level 4 Hospital Standard	Number in Hospital	Variance	Percentage (%)
Medical Officers	16	0	16	100
Anesthesiologists	2	0	2	100
General Surgeons	2	0	2	100
Gynecologists	2	0	2	100
Pediatricians	2	1	1	50
Radiologists	2	0	2	100
Registered Community Health Nurses	75	9	66	88
Total	101	10	91	90

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

Service	Level 4 Hospital Standard	Actuals in the Hospital	Variance	Percentage (%)
Bed Capacity	150	14	136	91
Incubators (Newborn)	5	0	5	100
New Born Unit Cots	5	1	4	80
Resuscitaire in Theatre	1	0	1	100
Resuscitaire in Labor Ward	2	1	1	50
Functional ICU Beds	6	0	6	100
HDU Beds	6	0	6	100
Renal Unit with at least 5 Dialysis Machines	5	0	5	100
Functional Operating Theaters Maternity and General	2	0	2	100

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

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

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

1.0 Ineffectiveness of Board of Management

The statement of financial performance reflects Board of Management expenses totalling Kshs.45,000. However, during the year under review, the Board operated without an approved charter, contrary to Section 1.1.1 of Mwongozo Code of Governance for State Corporations, which requires the Board of Directors to develop and adopt a Board Charter which defines the roles, responsibilities and functions of the Board. Further, Management did not provide appointment letters for Board members of the Hospital for audit contrary to Section 1.1(11) of the Mwongozo Code of Governance which states that 'each Board member shall be appointed through a gazette notice and a letter'. In addition, a review of board expenditure records revealed payments totalling Kshs.16,000 to eight (8) individuals who were not board members as disclosed in the entity's financial statements.

In the circumstances, the effectiveness of the Hospital's oversight and governance could not be confirmed.

2.0 Variances in Data on Vaccines Administered by the Hospital

Hospital records on vaccines administered by the Hospital indicated 5693 doses of MOH710 to have been administered against data from the returns to the Ministry of Health Vaccine Centre which indicated 5152 doses giving a variance of 541 doses.

In the circumstances, the effectiveness of the controls in management and administration of vaccines 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 control, risk management and overall governance were

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

Responsibilities of Management and the Board of Management

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and 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 control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be 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 control may not prevent or detect misstatements and instances of noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the 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 control.
- 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 control that are identified during the audit.

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


FCPA Nancy Gathungu, SBS
AUDITOR-GENERAL

Nairobi

10 July, 2024

***Ober Kamoth Sub County Hospital
Annual Report and Financial Statements for The Year Ended 30th June 2023***

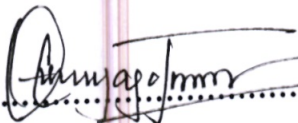
13. Statement of Financial Performance for The Year Ended 30 June 2023

Description	Note	2022/2023	2021/2023
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6	1,154,172	2,094,698
In- kind contributions from the County Government	7	0	0
Grants from donors and development partners	8	0	0
Transfers from other Government entities	9	0	0
Public contributions and donations	10	0	0
Revenue from exchange transactions			
Rendering of services- Medical Service Income	10	2,077,150	797,470
Revenue from rent of facilities		0	0
Finance /Interest Income		0	0
Miscellaneous Income		0	0
Revenue from exchange transactions			
Total revenue		3,231,322	2,892,168
Expenses			
Medical/Clinical costs	11	653,797	1,137,477
Employee costs	12	503,000	476,000
Board of Management Expenses	13	45,000	80,000
Depreciation and amortization expense	14	0	0
Repairs and maintenance	15	78,000	552,555
Grants and subsidies		0	0
General expenses	16	422,425	689,890
Finance costs	17		
Total expenses		1,702,222	2,935,922
Other gains/(losses)			
Gain/Loss on disposal of non-Current assets	0		0

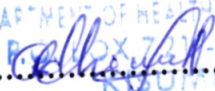
Ober Kamoth Sub County Hospital
Annual Report and Financial Statements for The Year Ended 30th June 2023

Description	Note	2022/2023	2021/2023
		Kshs	Kshs
Unrealized gain on fair value of investments	24	0	0
Medical services contracts Gains/Losses	25	(21,800)	0
Impairment loss	26	0	0
Gain on foreign exchange transactions		0	0
Total other gains/(losses)			
Net Surplus / (Deficit) for the year		1,507,300	(43,754)

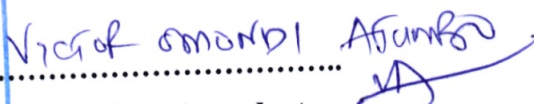
The Hospital's financial statements were approved by the Board on 29/9/23 and signed on its behalf by:



Chairman
Board of Management

ACCOUNTANT
 DEPARTMENT OF HEALTH & SANITATION
 P.O. BOX 721 - 40100,
 KISUMU


Head of Finance
ICPAK No:



Medical Superintendent



*Ober Kamoth Sub County Hospital
Annual Report and Financial Statements for The Year Ended 30th June 2023*

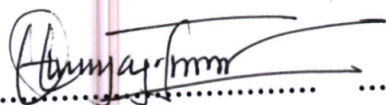
14. Statement of Financial Position As At 30th June 2023

Description	Note	2022/2023	2021/2023
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	20	39,592	1,166
Receivables from exchange transactions	21	1,637,850	0
Receivables from non-exchange transactions	22	450,000	0
Inventories		0	0
Total Current Assets		2,127,744	1,166
Non-current assets			
Property, plant, and equipment	23	0	0
Intangible assets	24	0	0
Investment property	25	0	0
Total Non-current Assets	26	0	0
Total assets		2,127,744	1,166
Liabilities			
Current liabilities			
Trade and other payables	27	821,890	0
Refundable deposits from customers/Patients		0	0
Provisions		0	0
Finance lease obligation		0	0
Current portion of deferred income		0	0
Current portion of borrowings		0	0
Social Benefits			
Total Current Liabilities		821,890	0
Non-current liabilities			
Provisions		0	0
Non-Current Finance lease obligation		0	0
Non-Current portion of deferred income		0	0
Non - Current portion of borrowings		0	0
Service concession liability		0	0
Social Benefits		0	0

Ober Kamoth Sub County Hospital
Annual Report and Financial Statements for The Year Ended 30th June 2023

Description	Note	2022/2023	2021/2022
		Kshs	Kshs
Total Non-current liabilities		0	0
Total Liabilities		821,890	
Net assets			
Revaluation reserve		0	0
Accumulated surplus/Deficit		0	0
Capital Fund		0	0
Total Net Assets and Liabilities		1,305,854	1,166

The Hospital's financial statements were approved by the Board on 29/9/23 and signed on its behalf by:



Chairman
Board of Management



Head of Finance
ICPAK No:



Medical Superintendent



***Ober Kamoth Sub County Hospital
Annual Report and Financial Statements for The Year Ended 30th June 2023***

15. Statement of Changes in Net Asset for The Year Ended 30 June 2023

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2022				
Revaluation gain				
Surplus/(deficit) for the year		(43,754)		(43,754)
Capital/Development grants				
As at June 30, 2022		(43,754)		(43,754)
At July 1, 2023				
Revaluation gain				
Surplus/(deficit) for the year		1,507,300		1,507,300
Capital/Development grants				
At June 30, 2023		1,507,300		1,507,300

Ober Kamoth Sub County Hospital
Annual Report and Financial Statements for The Year Ended 30th June 2023

16. Statement of Cash Flows for The Year Ended 30 June 2023

Description	Note	2022/2023	2021/2022
		KShs	KShs
Cash flows from operating activities			
Receipts			
Transfers from the County Government	6	1,154,172	2,094,698
Grants from donors and development partners		0	
Transfers from other Government entities		0	
Public contributions and donations		0	
Rendering of services- Medical Service Income	10	2,077,150	797,470
Revenue from rent of facilities		0	0
Finance / interest income		0	0
Miscellaneous receipts(<i>specify</i>)		0	0
Total Receipts		3,231,322	2,892,168
Payments			
Medical/Clinical costs	11	653,797	1,137,477
Employee costs	12	503,000	476,000
Board of Management Expenses	13	45,000	80,000
Repairs and maintenance	15	78,000	552,555
Grants and subsidies		0	0
General expenses	16	422,425	689,890
Finance costs		0	0
Refunds paid out		0	0
Total Payments		1,702,222	2,935,922
Net cash flows from operating activities	42		
Cash flows from investing activities			
Purchase of property, plant, equipment & intangible assets		(0)	(0)
Proceeds from the sale of property, plant, and equipment		0	0
Acquisition of investments		(0)	(0)
Net cash flows used in investing activities		(0)	(0)
Cash flows from financing activities			
Proceeds from borrowings			
Repayment of borrowings		(0)	(0)
Capital grants received			

***Ober Kamoth Sub County Hospital
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Net cash flows used in financing activities		0	0
Net increase/(decrease) in cash and cash equivalents		1,489,508	
Cash and cash equivalents as at 1 July	20	39,594	
Cash and cash equivalents as at 30 June	20	39,592	1,166

Ober Kamoth Sub County Level 4 Hospital
Annual Report and Financial Statements for The Year Ended 30th June 2023

17. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 Jun 2023

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	1,154,172	0	1,154,172	704,172	450,000	61%
Grants from donors and development partners	0	0	0	0	0	100%
Transfers from other Government entities	0	0	0	0	0	100%
Public contributions and donations	0	0	0	0	0	100%
Rendering of services- Medical Service Income	2,077,150	0	2,077,150	2,077,150	2,077,150	100%
Revenue from rent of facilities	0	0	0	0	0	100%
Finance / interest income	0	0	0	0	0	100%
Miscellaneous receipts (<i>specify</i>)	0	0	0	0	0	100%
Total income	3,231,322		3,231,322	2,781,322	450,000	61%
Expenses						
Medical/Clinical costs	653,797	0	653,797	653,797	653,797	100%
Employee costs	503,000	0	503,000	503,000	503,000	100%
Remuneration of directors	45,000	0	45,000	45,000	45,000	100%
Repairs and maintenance	78,000	0	78,000	78,000	78,000	100%
Grants and subsidies	0	0	0	0	0	100%
General expenses	422,425	0	422,425	422,425	422,425	100%
Finance costs	0	0	0	0	0	100%
Refunds	0	0	0	0	0	100%
Surplus for the period	1,702,222	0	1,702,222	1,702,222	1,702,222	
Capital expenditure						

***Ober Kamothe Sub County Hospital
Annual Report and Financial Statements for The Year Ended 30th June 2023***

18. Notes to the Financial Statements

1. General Information

Ober Kamoth Subcounty County Hospital is established by a gazette notice and derives its authority and accountability from Kisumu County Facility Improvement Fund Act, 2021 and the PFM Act, 2012. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to provide universal 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 the hospital's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the hospital. The financial statements have been prepared in accordance with the PFM Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2023

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 Hospital'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 Hospital'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 Hospital provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the Hospital.</p>

**Ober Kamoth Sub County Level 4 Hospital
Annual Report and Financial Statements for The Year Ended 30th June 2023**

Standard	Effective date and impact
	<p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Hospital's financial performance, financial position and cash flows.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<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>
<p>Other improvements to IPSAS</p>	<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"> • <i>IPSAS 29: Financial instruments: Recognition and Measurement</i> <p>Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p>

ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.

***Ober Kamoth Sub County Level 4 Hospital
Annual Report and Financial Statements for The Year Ended 30th June 2023***

Standard	Effective date and impact
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Hospital.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires:-</p> <ul style="list-style-type: none"> <li data-bbox="515 824 1359 965">i. 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: <li data-bbox="515 976 1359 1171">ii. 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.

iii) Early adoption of standards

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

4. Summary of Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other Government entities

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

ii) Revenue from exchange transactions

Rendering of services

The hospital 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 hospital.

Interest income

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

Rental income

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

Notes to the Financial Statements (Continued)

b. Budget information

The original budget for FY 2022/2023 was approved by Board. 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 hospital upon receiving the respective approvals in order to conclude the final budget.. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

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.

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.

Notes to the Financial Statements (Continued)

d. Investment property

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

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of 5 years. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e. Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the hospital 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 Hospital. 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 Hospital 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 Hospital 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 Hospital. 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 Hospital expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Hospital 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

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets

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

Notes to the Financial Statements (Continued)

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

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Notes to the Financial Statements (Continued)

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the hospital manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Impairment

The hospital assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The hospital recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

Financial liabilities

Classification

The hospital classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

Notes to the Financial Statements (Continued)

j. 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 Hospital.

k. Provisions

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

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

Notes to the Financial Statements (Continued)

l. Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The hospital recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the hospital will incur in fulfilling the present obligations represented by the liability.

m. Contingent liabilities

The Hospital 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.

n. Contingent assets

The Hospital 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 Hospital 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.

o. Nature and purpose of reserves

The hospital creates and maintains reserves in terms of specific requirements

p. Changes in accounting policies and estimates

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

Notes to the Financial Statements (Continued)

q. Employee benefits

Retirement benefit plans

The Hospital provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an hospital pays fixed contributions into a separate hospital (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.

r. 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.

s. 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.

t. Related parties

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

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Notes to the Financial Statements (Continued)

u. Service concession arrangements

The Hospital 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 *Hospital* 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 *Hospital* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

v. 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.

w. Comparative figures

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

x. 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, 2023.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Hospital'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 Hospital 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 Hospital. Such changes are reflected in the assumptions when they occur. (IPSAS 1.140)

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xxx. Provisions are measured at the management's best estimate of the expenditure required to settle

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the obligation at the reporting date and are discounted to present value where the effect is material.

Notes to Financial Statements Continued

6. Transfers from the County Government

Description	2022/2023	2021/2022
	KShs	KShs
Unconditional grants		
Operational grant	1,154,172	2,094,698
Level 5 grants		
Unconditional development 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	1,154,172	2,094,698

6 b Transfers from The County Government

Name of the Hospital 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	Comparative Period
			KShs	KShs	KShs
Kisumu County Government	1,154,172				2,094,698
Total	1,154,172				2,094,698

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Notes to Financial Statements Continued

7. In Kind Contributions from The County Government

Description	2022/2023	2021/2022
	KShs	KShs
Salaries and wages	0	0
Medical supplies-Drawings Rights (KEMSA)	0	0
Total	0	0

8. Transfers From Other Government Entities

Description	2022/2023	2021/2022
	KShs	KShs
Transfer from National Government (Ministry of Health)	0	200,000
Total Transfers	0	0

9. Public Contributions and Donations

Description	2022/2023	2021/2022
	KShs	KShs
Public donations	0	0
Donations from local leadership	0	0
Donations from religious institutions	0	0
Donations from other international organisations and individuals	0	0
Other donations(<i>specify</i>)	0	0
Donations in kind-amortised	0	0
Total donations and sponsorships	0	0

10 (a) Reconciliations of amortised grants

Description	2022/2023	2021/2022
	Kshs	Kshs
Balance unspent at beginning of year	0	0
Current year receipts	0	0
Amortised and transferred to revenue	0	0
Conditions to be met – remain liabilities	0	0

***Ober Kamoth Sub County Level 4 Hospital
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Notes to Financial Statements Continued

10. Rendering of Services-Medical Service Income

Description	2022/2023	2021/2022
	Kshs	Kshs
Pharmaceuticals	132,130	
Non-Pharmaceuticals		
Laboratory	133,340	
Inpatient	22,830	
Outpatient	3,200	
Total revenues		250,860
NHIF	1,785,650	546,610
Total revenue from the rendering of services	2,077,150	797,470

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11. Medical/ Clinical Costs

Description	2022/2023	2021/2022
	Kshs	Kshs
Dental costs/ materials	0	
Laboratory chemicals and reagents	105,750	111,900
Public health activities	0	
Food and Ration	64,683	136,700
Uniform, clothing, and linen	0	0
Dressing and Non-Pharmaceuticals	40,000	628,877
Pharmaceutical supplies	293,364	35,000
Health information stationery	150,000	185,000
Reproductive health materials	0	
Sanitary and cleansing Materials	0	40,000
Purchase of Medical gases	0	
X-Ray/Radiology supplies	0	
Other medical related clinical costs (<i>specify</i>)	0	
Total medical/ clinical costs	653,797	1,137,477

12. Employee Costs

Description	2022/2023	2021/2022
	Kshs	Kshs
Salaries, wages, and allowances	351,000	476,000
Accrued Salaries	152,000	0
		0
Employee costs	503,000	476,000

13. Board of Management Expenses

Description	2022/2023	2021/2022
	Kshs	Kshs
Chairman's Honoraria		
Sitting allowance	45,000	80,000
Mileage		
Insurance expenses		
Induction and training		
Travel and accommodation allowance		
Airtime allowances		
Total	45,000	80,000

14. Depreciation and Amortization Expense

Description	2022/2023	2021/2022
	Kshs	Kshs
Property, plant and equipment	0	0
Intangible assets	0	0
Investment property carried at cost	0	0
Total depreciation and amortization	0	0

15. Repairs And Maintenance

Description	2022/2023	2021/2022
	Kshs	Kshs
Property- Buildings	78,000	511,555
Medical equipment		
Office equipment		
Furniture and fittings		
Computers and accessories		41,000
Motor vehicle expenses		
Maintenance of civil works		
Total repairs and maintenance	78,000	552,555

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16. General Expenses

Description	2022/2023	2021/2022
	Kshs	Kshs
Consultancy fees		
Contracted services- security	132,000	210,00
Electricity expenses	160,000	285,550
Travel and accommodation allowance	51,925	52,000
General Office supplies	40,000	100,000
Other fuels (charcoal , firewood)	18,500	24,500
Chemical & industrial gases	0	10,000
Printing and stationery	20,000	0
Bank Charges		7,840
Rent expenses		
Total General Expenses	422,425	689,890

17. Finance Costs

Description	2022/2023	2021/2022
	KShs	KShs
Borrowings (amortized cost) *	0	0
Finance leases (amortized cost)	0	0
Interest on Bank overdrafts/Guarantees	0	0
Interest on loans from commercial banks	0	0
Total finance costs	0	0

18. Medical Services Contracts Gains /Losses

Description	2022/2023	2021/2022
	KShs	KShs
Comprehensive care contracts with NHIF	0	0
Non- Comprehensive contracts care with NHIF	0	0
Linda Mama Program	0	0
Waivers and Exemptions	21,800	0
Total Gain/Loss	21,800	0

19. Impairment Loss

Description	2022/2023	2021/2022
	KShs	KShs
Property, plant, and equipment	0	0
Intangible assets	0	0

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Total impairment loss	0	0
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20. Cash And Cash Equivalents

Description	2022/2023	2021/2022
	KShs	KShs
Current accounts	39,592	1,166
On - call deposits		
Fixed deposits accounts		
Cash in hand		
Others(<i>specify</i>)- Mobile money		
Total cash and cash equivalents	39,592	1,166

Ober Kamoth Sub County Level 4 Hospital
Annual Report and Financial Statements for The Year Ended 30th June 2023

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

Description	Account number	2022/2023	2021/2022
		KShs	KShs
a) Current account			
Cooperative Bank of Kenya	0114149528 8600	39,592	1,166
Sub- total			
Grand total		39,592	1,166

21. Receivables From Exchange Transactions

Description	2022/2023	2021/2022
	KShs	KShs
Medical services receivables- NHIF	1,637,850	0
Rent receivables		0
Other exchange debtors		0
Less: impairment allowance		0
Total receivables		0

Analysis of Receivables From Exchange Transactions

Description	2022/2023		2021/2022	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	1,637,850	100%		%
Between 1- 2 years		%		%
Between 2-3 years		%		%
Over 3 years		%		%
Total (a+b)	1,637,850	%		%

22. Receivables From Non-Exchange Transactions

Description	2022/2023	2021/2022
	KShs	KShs
Transfers from the County Government	450,000	0
Undisbursed donor funds	0	0
Other debtors (<i>non-exchange transactions</i>)	0	0

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Less: impairment allowance	0	0
Total	450,000	0

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

Analysis of Receivables From Non-Exchange Transactions

Description	2022/2023		2021/2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	xxx	%	xxx	%
Between 1- 2 years	xxx	%	xxx	%
Between 2-3 years	xxx	%	xxx	%
Over 3 years	xxx	%	xxx	%
Total (a+b)	xxx	%	xxx	%

23. Inventories

Description	2022/2023	2021/2022
	KShs	KShs
Pharmaceutical supplies	0	0
Maintenance supplies	0	0
Food supplies	0	0
Linen and clothing supplies	0	0
Cleaning materials supplies	0	0
General supplies	0	0
Less: provision for impairment of stocks	0	0
Total	0	0

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Notes to the Financial Statements (Continued)*

24. Property, Plant and Equipment

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Cost								
At 1 July 2022	0	0	0	0	0	0	0	0
Additions	0	0	0	0	0	0	0	0
Disposals	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Transfers/adjustments	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
At 30th Jun 2022	0	0	0	0	0	0	0	0
At 1 July 2023	0	0	0	0	0	0	0	0
Additions	0	0	0	0	0	0	0	0
Disposals	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Transfer/adjustments	-	-	-	-	-	-	-	-
At 30th Jun 2023	0	0	0	0	0	0	0	0
Depreciation and impairment								
At 1 July 2022	0	0	0	0	0	0	0	0
Depreciation for the year	0	0	0	0	0	0	0	0
Disposals	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Impairment	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
At 30 June 2022	0	0	0	0	0	0	0	0

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Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
At July 2023	0	0	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0	0	0
Disposals	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Impairment	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Transfer/adjustment	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
At 30th June 2023	0	0	0	0	0	0	0	0
Net book values								
At 30 th Jun 2022(previous)	0	0	0	0	0	0	0	0
At 30 th Jun 2023 (current)	0	0	0	0	0	0	0	0

Ober Kamoth Sub County Level 4 Hospital
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Notes to the Financial Statements (Continued)

25. Intangible Assets-Software

Description	2022/2023	2021/2022
	KShs	KShs
Cost		
At beginning of the year	0	0
Additions	0	0
Additions-Internal development	0	0
Disposal	0	0
At end of the year	0	0
Amortization and impairment	0	0
At beginning of the year	0	0
Amortization for the period	0	0
Impairment loss	0	0
At end of the year	0	0
NBV	0	0

26. Investment Property

Description	2022/2023	2021/2022
	KShs	KShs
At beginning of the year	0	0
Additions	0	0
Disposals during the year	(0)	(0)
Fair value gain	0	0
Depreciation (<i>where investment property is at cost</i>)	(0)	(0)
Impairment	(0)	(0)
At end of the year	0	0

***Ober Kamoth Sub County Level 4 Hospital
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Notes to the Financial Statements (Continued)

27. Trade and other Payables

Description	2022/2023		2021/2022	
	KShs		KShs	
Trade payables	637,890		0	
Employee dues	184,000		0	
Third-party payments (<i>e.g. unremitted payroll deductions</i>)			0	
Audit fee			00	
Doctors' fee			0	
Total trade and other payables	821,890		0	
Ageing analysis:	Current FY	% of the Total	Compa rative FY	% of the total
Under one year	821,890	%		%
Total	821,890	%		%

Ober Kamoth Sub County Level 4 Hospital
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Notes to the Financial Statements (Continued)

28. Cash Generated from Operations

Description	Insert Current	Insert
	FY	Comparative
	KShs	FY
		KShs
Surplus for the year before tax	0	0
Adjusted for:		
Depreciation	0	0
Non-cash grants received	(0)	(0)
Impairment	(0)	(0)
Gains and losses on disposal of assets	(0)	(0)
Contribution to provisions	0	0
Contribution to impairment allowance	0	0
Working Capital adjustments		
Increase in inventory	(0)	(0)
Increase in receivables	(0)	(0)
Increase in deferred income	0	0
Increase in payables	0	0
Increase in payments received in advance	0	0
Net cash flow from operating activities	0	0

***Ober Kamoth Sub County Level 4 Hospital
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Notes to the Financial Statements (Continued)

29. Events after the Reporting Period

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

30. Ultimate and Holding Hospital

The hospital is a State Corporation/ or a Semi- Autonomous Government Agency under the Department of Health . Its ultimate parent is the County Government of 2023.

31. Currency

The financial statements are presented in Kenya Shillings (Kshs) and all values are rounded off to the nearest shilling.

**Ober Kamoth Sub County Level 4 Hospital
Annual Report and Financial Statements for The Year Ended 30th June 2023**

19. Appendices

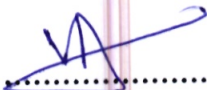
Appendix 1: Progress on Follow Up of Auditor Recommendations

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

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

Guidance Notes:

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


Accounting Officer



***Ober Kamoth Sub County Level 4 Hospital
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Appendix II: Projects Implemented by The Hospital

Projects

Projects implemented by the Hospital Funded by development partners

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

Status of Projects completion

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

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

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Appendix III: Inter-Hospital Confirmation Letter

[Insert your Letterhead]

[Insert name of beneficiary hospital]

[Insert Address]

The [insert SC/SAGA/Fund name here] wishes to confirm the amounts disbursed to you as at 30th June 20XX as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary hospital] as at 30 th June 20XX							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (KShs) as at 30th June 20XX				Amount Received by [beneficiary hospital] (KShs) as at 30 th June 20XX (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
Total							

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

Head of Accounts Department of the beneficiary hospital:

Name E. Owusu Sign [Signature] Date 29/09/2023



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Appendix IV Reporting of Climate Relevant Expenditures

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

Appendix V: Disaster Expenditure Reporting Template

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

Disaster Expenditure Reporting Template

