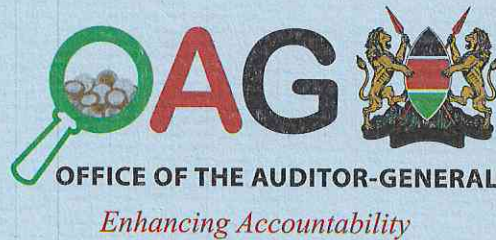


REPUBLIC OF KENYA

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



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

OAG/KRO/LONGISA SCL4H /2023/2024/ (15)

31 December, 2024

Mr. Isaac K Kitur

Clerk of the Bomet County Assembly,
P. O. Box 590-20400

BOMET



Dear Sir,

REPORT OF THE AUDITOR-GENERAL ON LONGISA SUB – COUNTY LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2024

I transmit the report on the examination and audit of **Longisa Sub – County Level 4 Hospital** for the year ended 30 June, 2024 in accordance with the provisions of Article 229(7) of the Constitution of Kenya for the necessary action as required by Article 229(8) of the Constitution.

Yours sincerely

CPA David Munyaka

For: AUDITOR-GENERAL

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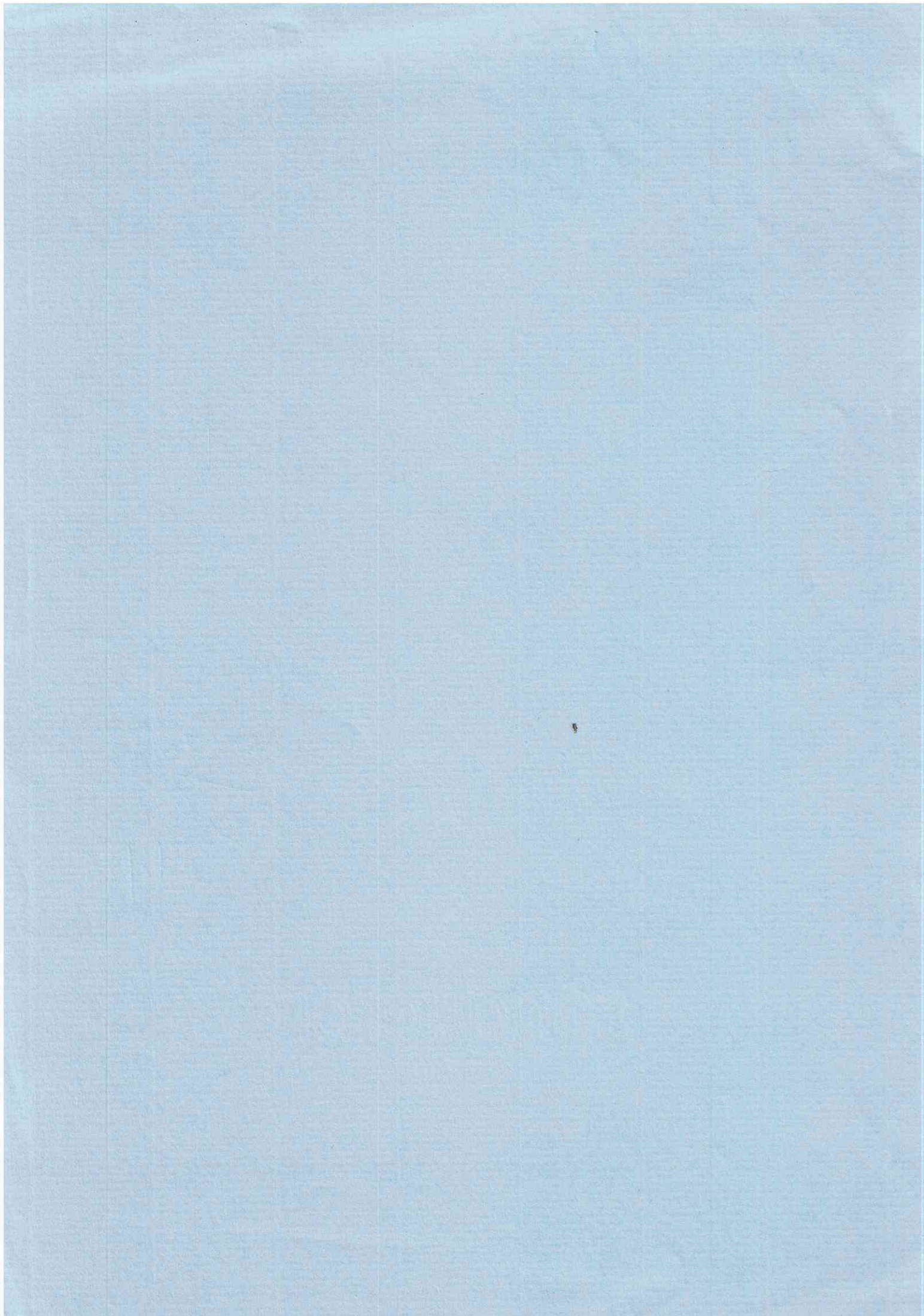
Dr. Chris Kiptoo, CBS
Principal Secretary
The National Treasury
P.O. Box 30007 - 00100
NAIROBI.

Mr. Jeremiah Nyegenye, CBS
Clerk to the Senate
P. O. Box 41842 – 00100
NAIROBI.

H.E. Hon. Dr. Hillary Barchok, EGH
Governor
County Government of Bomet
P.O. Box 19-20400
BOMET

Dr. Andrew Cheruiyot
Medical Superintendent
Longisa Level 4 Hospital
P. O Box 34 - 20402
LONGISA

Task Office
[Signature]
12/2/25



REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

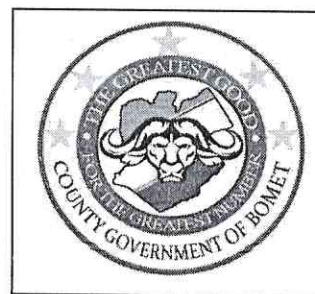
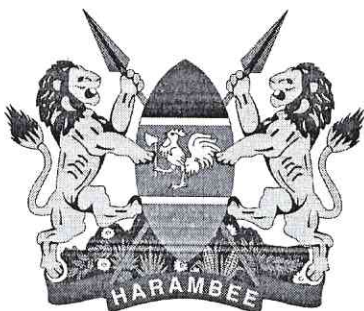
THE AUDITOR-GENERAL

ON

**LONGISA COUNTY REFERRAL LEVEL 4
HOSPITAL**

**FOR THE YEAR ENDED
30 JUNE, 2024**

COUNTY GOVERNMENT OF BOMET



LONGISA COUNTY REFERRAL LEVEL 4 HOSPITAL (Bomet County Government)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2024

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

Longisa County Referral Hospital (Bomet County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

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1. Acronyms & Glossary of Terms

Provide a list of all acronyms and glossary of terms used in the preparation of this report e.g.

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

Longisa County Referral Hospital is a level (4) hospital established under gazette notice number 1 of 20th February 2015 and is domiciled in Bomet County under the Public Health Department. The hospital is governed by a Board of Management.

(b) Principal Activities

The principal activity of the Longisa county referral hospital is to provide health care services to the residents and non-residents of Bomet County.

The vision of the hospital is to be an efficient and high quality health care system that is accessible, equitable and affordable for every Kenyan.

The mission is to promote and participate in provision of integrated and high quality, preventive, curative and rehabilitative health care services to all Kenyans.

The rights of our patients are;

- Right to access health care
- Right to receive emergency treatment
- Right to refuse treatment
- Right to information
- Right to complain
- Right to privacy and confidentiality
- Right to personal/own opinion and to be heard
- Right to participate in the planning and management of health care services

The patient's obligations

- Seek treatment promptly
- Comply with treatment and medical instruction
- Enquire about related cost of treatment or rehabilitation and agree on mode of payment

(c) Key Management

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

- County Department of Health
- Board of Management
- Accounting Officer/ Medical Superintendent
- Health Management Committee

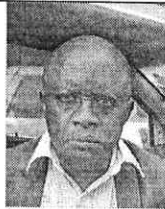
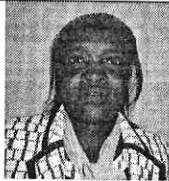
Longisa County Referral Hospital (Bomet County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name	Education	Passport photo
1.	Medical Superintendent	Dr. Andrew Cheruiyot	MMED, OBGYN (Master of Medicine in Obstetrics and Gynaecology)	
2.	Hospital Administrator	Bernard Sigei	Diploma in Business Administration	
3.	Head Of Finance	Robert Kipngeno Rono	BBA Accounting option, CPA K	
4.	Head Of Supply Chain	Margaret Cherotich	BSc Supply Chain Management, CIPS Level 4	
5.	Deputy Medical Superintendent	Dr. Faith Chepkemai	MBChB (Bachelor of science in Medicine & Surgery)	
6.	Chief Nursing Officer	Alfred Bett	Bachelor of Science in Nursing (BSN)	
7.	Chief Clinical Officer	Julius Magut	Diploma in Clinical Medicine and Surgery	

Longisa County Referral Hospital (Bomet County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

8.	Head Of Pharmacy	Dr. Benard Langat	B.Pharm (Bachelor of Science in Pharmacy)	
9.	Chief Health Record And Information Officer	Edward Maritim	Diploma in Health records Information Management	
10.	Head Of Radiology	Winrose Bett	Diploma in Medical Imaging Science	
11.	Head Of Rehabilitative Services	Stanley Bore	Diploma in Occupational Therapy	
12.	Head Of Human Nutrition	Esther Waithera	BSc Nutrition and Dietetics	
13.	Head Of Hospital Sanitation	Julius Koskei	Diploma in Environmental Health sciences	
14.	Head Of Biomedical Engineering	Benard Bii	HND in Medical Engineering	
15.	Head Of Lab	Peter Too	Degree in Medical Laboratory Sciences	

(e) Fiduciary Oversight Arrangements

Clinical Research and Standards Committee.

- Audit committee
- Risk Committee
- County Assembly
- Parliamentary committees
- Other oversight committees

Key Entity Information and Management (continued)

(f) Entity Headquarters

Longisa Hospital Main Building
P.O. Box 34-20402
Kaplong Narok Highway
Longisa, KENYA

(g) Entity Contacts

Telephone: (+254) 771389279
E-mail: longisahospital@yahoo.com

(h) Entity Bankers

National Bank of Kenya
Bomet branch
Acc. No. 01001090468400

(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

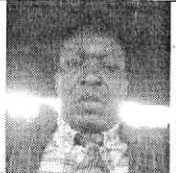
Longisa County Referral Hospital (Bomet County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

(k) County Attorney

P.O. Box. 19-20400
Bomet, Kenya

Longisa County Referral Hospital (Bomet County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

3. The Board of Management

Ref	Directors	Details	
1.	Raymond Tonui	51 years, Masters in Business Administration, 26 years' experience, Chairperson of the Board	
2.	Fraxis Korir	64 years, Degree in theology, 40 years' experience, Member of the board and Chairperson Administration, Finance, Procurement and Human Resource Committee	
3.	Janet Chepngetich	37 years, Degree in Education, 7 years' experience, Member of the board and Member Development and Resource Mobilization Committee	
4.	Symeon Frankline Korir	65 years, Diploma in Clinical Medicine, Diploma in Cooperative management, 30 years' experience, Member of the board and Chairperson Development and Resource Mobilization Committee	
5.	Patrick Kibet Rotich	56 years, Bachelor of Business Management, enterprise option, 13 years work experience, Member of the board and Member Administration, Finance, Procurement and Human Resource Committee	
6.	Edna C. Sigei	66 years, Bachelor of Education Science, 37 years' experience, Member of the board and Member Development and Resource Mobilization Committee	
7.	Wilson Borusei	59 years, Masters in Counselling & psychology, 10 years' experience, Member of the board and Chairperson Quality and health Care Committee	
8.	Paul K. Kering	56 years, Diploma in Telecommunication and engineering, 18 years' Experience, Member of the board and Member Administration, Finance, Procurement and Human Resource Committee	
9.	Rose Chepkemai Tele	44 years, Diploma in Social work, 5 years' experience, Member of the board and Member Quality and health Care Committee	

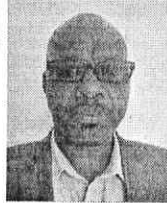
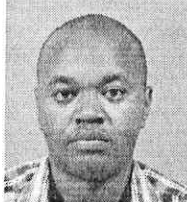
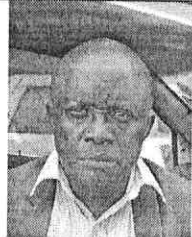
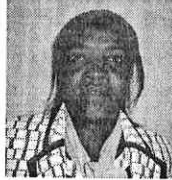
Longisa County Referral Hospital (Bomet County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

10.	Dr. Andrew Cheruiyot	MMED, OBGYN (Master in Medicine in Obstetrics and Gynaecology), Medical Superintendent, Secretary to the Board	
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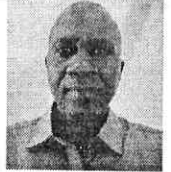
4. Key Management Team

Ref	Management	Details	Passport photo
16.	Dr. Joseph Sitonik	MBChB Bachelor of science medicine & Surgery (General practitioner), Chief executive committee Member of medical services,	
17.	Dr. Andrew Cheruiyot	MMED, OBGYN (Master in Medicine in Obstetrics and Gynaecology), Medical Superintendent	
18.	Bernard Sigei	Diploma in Business Administration, Hospital Administrator	
19.	Robert Kipngeno Rono	BBA Accounting option, CPA K, Hospital Accountant	
20.	Margaret Cherotich	BSc Supply Chain Management, CIPS Level 4, Procurement Officer.	

Longisa County Referral Hospital (Bomet County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

21.	Dr. Faith Chepkemoi	MBChB (Bachelor of science in Medicine & Surgery), Deputy Med Sup	
22.	Alfred Bett	Bachelor of science in Nursing (BSN), Nursing officer In-charge	
23.	Julius Magut	Diploma in Clinical medicine and surgery, Clinical officer in-charge	
24.	Dr. Benard Langat	B.Pharm (Bachelor of science in pharmacy), Pharmacist in Charge	
25.	Edward Maritim	Diploma in Health records information management, HRIO in charge	
26.	Winrose Bett	Diploma in Medical imaging Science, Radiology in charge.	
27.	Stanley Bore	Diploma in occupational therapy, Rehabilitative services in-charge	

Longisa County Referral Hospital (Bomet County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

28.	Esther Waithera	BSc Nutrition and Dietetics, Human Nutritionists in charge	
29.	Julius Koskei	Diploma in Environmental Health sciences, Hospital Sanitation in-charge	
30.	Benard Bii	HND in Medical engineering, Biomedical engineering officer in-charge	
31.	Peter Too	Degree in Medical laboratory sciences, Lab – in-charge	

5. Chairman's Statement

Longisa County Referral Hospital serves as the main referral facility in Bomet County. It is a level 4 hospital with significant impact in provision of curative health services as well as Rehabilitation and preventive health. It is staffed with staff employed by the County Government of Bomet, the National Government Despite the recruitment made by the county during this financial year Staff shortage in the facility is still persisting.

The hospital receives a monthly AIE from the department of Health Services at the County. This amount though inadequate has enabled the hospital carry out its operations. There exists however, need to continuously review upwards this amount due to the prevailing economic situation and constant increase in the clients visiting the hospital.

Commodity Security during the year has been fairly good. The county government of Bomet through department of medical services made orders of non-pharmaceuticals and pharmaceuticals to Kenya Medical Supplies Agency. This has enabled the facility operate with relative security regarding availability of pharmaceuticals and non-pharmaceutical products.

Technology deployment in hospital management information system, health records and general hospital Management has improved patient care and security of patients' data.

Service delivery has been on an upward trend especially with regard to clinical services and clinical outcomes with additions of new lab services being made available. Client satisfaction levels have equally improved though there is room for expansion.

Infrastructure.

The institution still need an upgrade in some of the critical infrastructure especially with regard to waste management. The wards are insufficient, particularly for reproductive health services. While the power supply is stable and secure, exploring green energy solutions like solar power would be a valuable step forward.

Overall, the year has been successful and looking forward to improved work output being faced, and the way forward or future outlook for the hospital

.....
Name



Chairman to the Board

6. Report of The Medical Superintendent

The general outlay of the Hospital with regard to the performance of the financial year 2023/24 has been a generally good despite few challenges arising from ever changing working environment.

Human resource: The capacity of departments has improved with training of highly trained human resource for health. Three medical specialists, three critical care nurses, two ENT specialists, two cataract surgeon and one ophthalmic care nurse reported back to duty after completing their specialized training. Opening of new service delivery points as well as improvements on the existing services has been the hallmark of success. The challenge of staff retention still ensues. Three medical specialist, two medical officers' five nurses and a few other health workers transferred to other counties and national government. Staff attrition due to natural causes as well as retirement has hampered adequacy. There is need for concerted efforts to recruit more health care workers to fill in the existing gaps in ensuring that this critical element remains adequately resourced.

Financial: The hospital receives an AIE from the department of health which aid hospital operations. This amount though now increased with the expansion of the hospital is not adequate to fully cater for operations with episodes of stock outs of commodities experienced.

The county through department of health services in conjunction with department of ICT deployed a hospital medical information system to run the clinical as well as administrative functions. It has had a positive impact on care as well as custody of medical records. The HMIS however, will need adjustments to conform to the Ministry of Health reporting tools for data management.

Laboratory services: Special lab tests were introduced for typhoid function test, cancer markers (prostate specific antigen, CA125, CA 19-9, CEA) Cardiac markers (Troponin, CKMB, D-DIMER, CRP, BETA HCG, Nt pro BNP).

.....
Name

Medical superintendent



7. Statement of Performance Against Predetermined Objectives

Longisa County Referral Hospital as the main referral hospital and flagship unit in the Department of Health, County Government of Bomet, sets itself to achieve the following objectives within the its operations i.e health service delivery, health workforce, health information system, health products and technologies, health system and financing and leadership and governance.

The strategic issues and themes are premised in patient and client satisfaction and improvement on the outcomes.

Strategic Theme	Objective	Key Performance Indicators	Activities	Achievements
Health Service Delivery	Ensure Clinical units are functional	All service delivery points and specialties fully operational	1. Routine services available and accessible 24/7 2. Specialized services/clinics running smoothly at all times	1. Increase in the number of outpatients and inpatients attendance. 2. New special clinics introduced: ENT, Dermatology, Psychiatry
Health Workforce	To continually build the capacity of health workforce to meet the health needs of the public	Number of short and long term trainings conducted	1. Continuous Medical Education (CME) 2. On job Trainings 3. Specialized trainings	1. Weekly CMEs Conducted 2. Virtual trainings done 3. On job trainings done 4. Three medical specialists, three critical care nurses, two ENT specialists, two cataract surgeon and one ophthalmic care nurses completed their training
Health Information System	To strengthen health information and management system to meet the strategic information needs of the hospital	Robust HMIS in place	Continuous improvement of the existing HMIS	A functional HMIS in place
Health Products and	To ensure timely and consistent delivery of	Consistent supply of Pharmaceuticals and	timely approvals and requisitions of	Uninterrupted flow of Pharmaceuticals and

Longisa County Referral Hospital (Bomet County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

Technologies	Pharmaceuticals and Non-Pharmaceuticals products and technologies	Non-Pharmaceuticals products and technologies	Pharmaceuticals and Non-Pharmaceuticals products and technologies	Non-Pharmaceuticals products and technologies
Health Systems Financing	To continually mobilize financial resources to support daily operations of the hospital	Amount of financial resources approved and received	Timely budgets submitted and amount of funds received	Financial stability and smooth running of hospital operation.
Leadership and Governance	To continually strengthen leadership and governance system of the hospital	Appointment of hospital board members and strengthening of HMT	Hospital board management inaugurated and HMT formally appointed	BOM and HMT operational and conducting regular meetings

8. Corporate Governance Statement

The Hospital serving as a level 4 hospital in Bomet under the department of health is to be managed by the Hospital Management Team led by the Medical Superintendent. The overall management will be under the Hospital Management Board as nominated by the CECM Health as guided by the Health Facilities Management policy.

During the year under audit the board held four meetings which is in compliance with the requirement of the board charter. The succession planning of the board is as per hospital management board and health facility management committee policy section 17.0 which requires CECM to communicate dissolution of offices and constitute a care taker committee as they await communication of election date and also give guidelines on handing over.

The roles and function of the board as stipulated in the hospital management board and health facility management committee policy section 4.2.3. The board was inducted before they resumed their duties and was required to declare any form of conflict of interest.

The hospital is yet to be declared as an entity as contemplated in PFM Act section 5 and section 109 subsection 2b however, the hospital has been operating under the framework of hospital management board and health facility management committee policy 2022.

Membership of the board

The total membership of the board shall be thirteen (13) who shall be nominated and appointed by the CECM. The board shall consist of: -

- a) A chairperson from among the ten persons from the sub county who shall be appointed by the CEC for Medical Services and Public Health
- b) The officer in-charge of County hospital who shall be the secretary and ex- officio member
- c) The County Referral Hospital Administrator who shall be an ex- officio member
- d) Representative from the county medical services office
- e) Two persons per sub county consisting of the following -
 - One person who has knowledge and experience in management or administration.
 - One person who shall have knowledge and experience in finance and procurement.
 - One person with medical background and must not be a public servant
 - One person to represent people with disability.
 - One person to represent recognized None State Actors
 - One person representing Women
 - One person representing Youths
 - Other three persons who shall meet the eligibility of being a board member

Eligibility

1. All the elected members of the County Board should possess a post KCSE certificate or equivalent from recognized institution and at least a Degree for the chairperson.

2. The board members apart from ex-officio shall hold office for a period of three (3) year and shall be eligible for re-appointment/re-election for one further and final term.
3. Board members should demonstrate good leadership and integrity
4. No more than two-thirds of the County Referral Board members shall be of the same gender.

Functions of the board

The board shall: -

1. To provide general leadership and management of the sub-county hospital/ county hospital.
2. Approve and oversee relevant major development expenditures the health facility
3. Approve budget based on estimated expenditure.
4. A full board shall meet at least once every quarter unless on special occasions.
5. Ensure well-kept basic books of accounts and records of accounts of income, expenditure assets and liabilities of a county or sub county hospital as prescribed by the officers administering the funds.
6. Ensure properly kept permanent records of all its deliberations.
7. The board shall appoint various sub-committees to facilitate its functions and mandate.
8. Prepare quarterly reports and submit them to the CECM

Conduct of business

1. The board shall meet at least four times a year and shall maintain records of its deliberations.
2. The sub committees may meet as often as demanded by the activities.
3. A quorum for a meeting of the board shall be two- thirds of all members including the secretary.
4. The meeting shall be held at the health facility.
5. The secretary shall notify the members of the agenda, venue, date and time of the meeting in writing fourteen days before the date of the meeting.
6. The secretary shall remind the members in writing, SMS, email or any other acceptable means of communication three days before date of the meeting.

Removal from office

A person appointed may:

- a) at any time resign by issuing notice in writing to the CECM medical services and public health:-
- b) be removed from office by the Executive Member on:
 - (i) serious violation of the Constitution or any other written law;
 - (ii) gross misconduct, whether in the performance of the functions of the office or otherwise;
 - (iii) physical or mental incapacity to perform the functions of office;
 - (iv) has been absent from three consecutive meetings of the Board without written permission to the chairperson

- (v) In the case of a member of the public benefits from the County Government through employment, tender etc, the member ceases to hold office by virtue of which his or her nomination was made
- (vi) A member ceases to reside in the area of hospital jurisdiction
- (vii) A member is found to be unfit to hold the position on medical grounds
- (viii) A member dies
- (ix) A member is involved in an act resulting to conflict of interest with the position held by the member
- (x) A member is adjudged bankrupt or enters into a composition scheme of arrangements with his or her creditors
- (xi) A genuine petition from the public is lodged against the member.

Dissolution of board

The CECM for Medical Services and Public Health shall have powers to dissolve the Boards and Committees when;

- i. The term of office expires
- ii. There is serious violation of the prevailing laws and regulations

Transition

The CECM for Medical Services and Public Health shall communicate to the Health Facilities on the dissolution of offices and make the following directives:

- i. Constitute a caretaker committee/board consisting of In-Charge, Chairperson and Treasurer to run affairs of the facility until another committee/board is in place
- ii. Communicate to the election panels on the dates of elections and guidelines during elections
- iii. Give guidelines on handing over after an election is held.

Longisa County Referral Hospital (Bomet County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

9. Management Discussion and Analysis

Longisa county referral hospital is the only referral hospital in Bomet County. It has a bed capacity of 240 distributed as follows.

- General wards –male and female
- Reproductive health with Maternity, postnatal, labour, and high risk wards and new-born unit
- Paediatrics ward
- Critical care with High dependency unit and renal unit
- Eye Hospital

The hospital offers both inpatient and outpatients services, besides other special clinics which are run by different specialised teams which include;

- Medical outpatient clinic
- Gynaecology outpatient clinic
- Paediatric outpatient clinic
- Orthopaedic clinic
- Dermatology clinic
- Ophthalmology
- Oncology
- Urology
- Surgical outpatient clinic
- Diabetic/family medicine

There has been increase in the patient attendance being referral from all over the county and the neighbouring counties including; Kericho, Kisii, Narok counties.

The accident and emergency department operates 24/7 hr services and has a support from the county ambulance services. it has a minor theatre for minor surgeries, it has an x ray which needs services but there is a portable x ray to serve emergencies. it is a critical point because the hospital is situated along Kaplong –Narok –Nairobi highway

The operating theatre is busy throughout the week, the hospital also has a main theatre, maternity theatre and a minor theatre in casualty the surgeries include: general surgeries, orthopaedic, dental, ophthalmology, gynaecology, urology and oncology -biopsy

For the last three years the patients attended at the hospital are as per the following tables

Total outpatient attendance

	2021/2022	2022/2023	2023/2024	Total
OPD >5 Years female	33,202	11,650	21,006	65,858
OPD >5 Years female	54,230	18,483	16,182	88,895
OPD <5 Years female	14,930	5,069	9,892	29,891
OPD <5 years female	8,055	2,882	10,039	20,976
OPD casualty/emergency	6,041	2,438	5,205	13,684
Over sixty years	10,129	188	7,741	18,058
Total	126,587	40,710	70,065	237,362

Longisa County Referral Hospital (Bomet County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

OUTPATIENT REPORT 2022 JULY-2023 JUNE		
NEW CASES	REVIST	TOTAL
48,794	48,861	97,655
OUTPATIENT REPORT 2023 JULY-2024 JUNE		
NEW CASES	REVIST	TOTAL
DELIVERIES JULY 2021-JUNE 2022		
SVD	CS	TOTAL
3,905	840	4,745
DELIVERIES JULY 2022-JUNE 2023		
SVD	CS	TOTAL
3,404	902	4,306
DELIVERIES JULY 2023-JUNE 2024		
SVD	CS	TOTAL
4,728	742	5,470
INPATIENT REPORT		
WARD	NO. OF PATIENTS ADMITTED	
	JULY 2022-JUNE 2023	JULY 2023-JUNE 2024
LABOUR	6,804	6,108
PEADS	2,125	1,656
FEMALE	1,371	972
EYE FEMALE	99	104
EYE MALE	65	80
MALE	1,216	1,236
CASUALTY	23	
NBU	629	600
SICK MOTHERS	553	
POST NATAL	408	
ANTENATAL	281	
HDU	63	
POST CS	324	
TOTAL	13,961	

Special clinics

	2021/2022	2022/2023	2023/2024	Total
MOPC	812	769	504	2,058
GOPC	678	712	677	2,302
POPC	362	542	355	1,470
ORTHOPAEDIC	764	465	715	1,984
DERMATOLOGY	62	111	480	173
ONCOLOGY	413	597	828	1224
UROLOGY	463	190		1133
SOPC	904	684	760	2,257
ENT	0	99	415	99
DM/FAMILY	651	499		2,058

Longisa County Referral Hospital (Bomet County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

MEDICINE				
TOTAL	4,345	4,203		12,477

Source of data: DHS AND CARESOFT

Financial performance.

The hospital main source of funds are AIE disbursed from the county government of Bomet. The largest share was spend purchasing pharmaceuticals and non-pharmaceuticals, although the funds were not enough and could not cater all items that were required, the hospital expenditure committee had to prioritize based on the most necessary items. The hospital did not implement any key project during the year under audit. The hospital is up to date on submission of statutory deduction and there was no material arrears on statutory deductions or material financial obligations.


Name
Medical superintendent

10. Environmental and Sustainability Reporting

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

Sustainability strategy and profile

The Hospital Management Team and the Management sets itself to be a premier referral health facility and offer promotive, curative and preventive health care. Utilize health products and technologies to ensure that goals are met.

i) Environmental performance

Longisa county referral hospital Outline use kaizens policy that is (5 s) the five s is for: sort, set, shine, standardise and sustain. The policy has been given to every department and also mounted on the hospital's notice board.

Infection Prevention:

The health care officers are provided with personal protective equipment (PPE) such as clean gloves and sterile gloves, and masks. Health care workers are advised to minimise waste originating from their departments as much as possible. Each department is provided with bin liners (RED, YELLOW BLACK) and safety boxers RED BIN LINER is for highly infectious waste such as placentas, yellows bin liners are for infectious waste such as gloves and black bin liners are for general waste such as papers food etc. Safety boxers are for sharps objects such as syringes.

The success of the measures instituted at the \hospital has contributed to reductions of hospital acquired infections among the health care workers, patients and the general public.

The shorting coming of the measures above is poor segregations of waste and inadequate bin liners.

Hand washing

All health care workers and clients are always reminding of hand washing to ensure this, there is provision of soap dispensers with functional hand washing points in all departments and wards.

This assist and ensuring that infection related to poor hand hygiene is eliminated.

Waste disposal.

All the wastes generated within the hospital are all taken to hospital disposal point safely by trained cleaners.

ii) Employee welfare

Hiring process for health care workers is done by the County Government of Bomet through Public Service Board except for casual works which are hired by Hospital Board on a three months' basis. The hiring of casuals takes into account the gender rule of two third. Training and skill improvements is done by the county department of medicals services

Market place practices-

a) Fair competition practice.

Longisa hospital has ensured responsible competition practice by carrying out its purchases in accordance with the Procurement laws and regulations to enhance an open and competitive process for procurement of goods and services.

b) Good supplier relations

Longisa hospital has maintained enhances supply chain and supplier relations by ensuring compliances to the law and regulations governing procurement, sustainable and transparent sourcing evaluations and developing sustainable procurement practices to future proof the organisation against scarcity of supplies

c) Responsible marketing and advertisement

The county department of medical services has been sponsoring doctors to visit vernacular station to teach the public on preventive measures to take so as to avoid contracting diseases; they have also been offering training on training to the local residents on ways of responding to outbreaks and promoting health seeking behaviour

d) Product stewardship

The Hospital commodity security team and health products and technologies is to utilize evidence based medicine to procure medicines and operationalize medicines and therapeutics committee and infection prevention committees to guide its operations. The hospital health care workers are much aware on the need to keep the patient information confidential.

iii) Corporate Social Responsibility / Community Engagements

For the year ended June 2024 Longisa hospital has been able to facilitate home visits for patients that require palliative care, the hospital also engaged the community health volunteers in contact tracing or defaulter tracing

Longisa County Referral Hospital (Bomet County Government)
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11. Report of The Board of Management

The hospital management team members submit their report together with the Audited Financial Statements for the year ended June 30, 2024, which show the state of the hospital's affairs.

Principal activities

The principal activities of the entity are provision of healthcare within the space provided by law.

Results

The results of the entity for the year ended June 30 are set out on page 1 to 26

Board of Management

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

Auditors

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

By Order of the Board


.....
Name 
Board chairman 


12. 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 Longisa County Referral Level 4 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 2023/2024 period. The Board of Management is also required to ensure that the Longisa County Referral Level 4 Hospital keeps proper accounting records which disclose with reasonable accuracy the financial position of Longisa County Referral Level 4 Hospital. The Board members are also responsible for safeguarding the assets of the Longisa County Referral Level 4 Hospital.

The Board of Management is responsible for the preparation and presentation of the Longisa County Referral Level 4 Hospital 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 ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the 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 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 relevant legislation. The Board members are of the opinion that the hospitals financial statements give a true and fair view of the state of the hospital transactions during the financial year ended June 30, 2024, and of the Longisa County Referral Level 4 Hospital financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Longisa County Referral Level 4 Hospital, which have been relied upon in the preparation of the Longisa County Referral Level 4 Hospital financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Board of management to indicate that the Longisa County Referral Level 4 Hospital will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Hospital's financial statements were approved by the Board on 30th September, 2024 and signed on its behalf by:

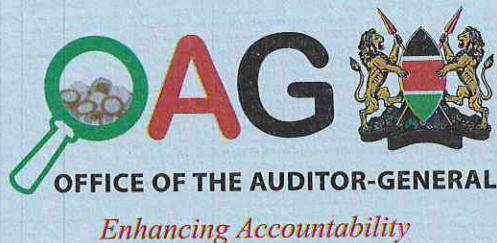
.....
Name: Benson Giger
Chairperson
Hospital Management Team

.....
Name: A. Chepyot
Accounting Officer



REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON LONGISA COUNTY REFERRAL LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2024 - COUNTY GOVERNMENT OF BOMET

PREAMBLE

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

- A. Report on 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 the 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 the Government achieves value for money and that such funds are applied for the intended purpose; and,
- 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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 Longisa County Referral Level 4 Hospital - County Government of Bomet set out on pages 1 to 26, which comprise of

Report of the Auditor-General on Longisa County Referral Level 4 Hospital for the year ended 30 June, 2024 - County Government of Bomet

the statement of financial position as at 30 June, 2024, 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 Longisa County Referral Level 4 Hospital - County Government of Bomet as at 30 June, 2024 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 Health Act, 2017 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracy of Transfers from the County Government

The statement of financial performance reflects transfers from the County Government amounting to Kshs.119,054,540. However, the amount differs with the transfers from the County Government of Kshs.121,054,540 reflected in Note 6b to the financial statements resulting in unexplained variance of Kshs.2,000,000.

In the circumstances, the accuracy and completeness of transfers from the County Government amounting to Kshs.119,054,540 could not be confirmed.

2. Inaccuracy of Total Revenue

The statement of financial performance reflects total revenue amounting to Kshs.119,054,540. Review of records revealed that medical service income amounting to Kshs.82,960,530 was received from National Health Insurance Fund (NHIF) in the year under review. However, the income has not been disclosed in the financial statements.

Further, the medical services income was collected by the County Government of Bomet and transferred to the County Revenue Fund. This was contrary to Section 5(1) of the Facilities Improvement Financing Act, 2023 which states that there shall be retention of all monies raised or received by or on behalf of all Public Health Facilities.

In addition, review of records revealed that the Hospital received services from one hundred seventy-three (173) medical and non-medical staff whose salaries and allowances are paid by the County Government of Bomet. However, the salaries and allowances expenditure incurred on these employees has not been disclosed in the financial statements as in-kind contributions from the County Government.

In the circumstances, the accuracy and completeness of total revenue amounting to Kshs.119,054,540 could not be confirmed.

3. Non-Disclosure of Property, Plant and Equipment

The statement of financial position reflects Nil property, plant and equipment. Review of the Hospital's records and physical verification revealed that various assets including land, buildings, civil works, motor vehicles, furniture, computers and medical equipment of unknown values were being used by the Hospital. However, the assets have not been valued and disclosed in the financial statements.

Further, the ownership documents for the land on which the Hospital stands were not provided for audit review. Management explained that the records of assets are maintained at the County Government Headquarters but no evidence was provided for audit verification.

In addition, the Hospital does not maintain a fixed asset register to control its assets. Management explained that the records of assets are maintained at the County Government of Bomet Headquarters but no evidence was provided for audit verification.

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

4. Inaccuracy of Employee Costs

The statement of financial performance reflects employee costs amounting to Kshs.3,984,850 as disclosed in Note 8 to the financial statements. Review of records revealed that the Hospital received services from one hundred and seventy-three (173) medical and non-medical staff whose salaries and allowances are paid by the County Government of Bomet. However, the salaries and allowances expenditure incurred on these employees has not been disclosed in the financial statements. The payroll for the employees was also not provided for audit review.

In the circumstances, the accuracy and completeness of employee costs amounting to Kshs.3,984,850 could not be confirmed.

5. Non-Disclosure of Receivables from Exchange Transactions

The statement of financial position reflects Nil balance in respect to receivables from exchange transactions. However, review of records revealed that the defunct National Health Insurance Fund (NHIF) owed the Hospital Kshs.19,261,070 in unpaid claims as at 30 June, 2024. However, the amount has not been disclosed in the financial statements.

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

6. Inaccuracy of Trade Payables

The statement of financial position reflects trade and other payables totalling Kshs.36,199,564. The amount includes trade payables amounting to Kshs.32,199,564 as disclosed in Note 14 to the financial statements. However, the trade payables excludes payables due to Kenya Medical Supplies Authority (KEMSA) amounting to Kshs.12,492,223.

In the circumstances, the accuracy and completeness of the trade payables totalling Kshs.32,199,564 could not be confirmed.

7. Inaccuracy of Accumulated Deficit

The statement of financial position reflects accumulated deficit amounting to Kshs.830,707. However, the amount differs with the accumulated deficit amounting to Kshs.7,070,027 reflected in the statement of changes in net assets resulting in unexplained variance of Kshs.6,239,320.

In the circumstances, the accuracy and completeness of accumulated deficit amounting to Kshs.830,707 could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Longisa County Referral Level 4 Hospital - County Government of Bomet 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 revenue budget and actual on comparable basis of Kshs.167,100,200 and Kshs.119,054,540, respectively, resulting to an underfunding of Kshs.48,045,660 or approximately twenty nine percent (29%) of the budget. Similarly, the Hospital spent Kshs.119,087,203 against final expenditure budget of Kshs.167,100,200 resulting to an overall under-expenditure of Kshs.48,012,997 or approximately twenty nine percent (29%) of the budgeted amount.

The underfunding and under-absorption affected the planned activities and may have impacted negatively on the implementation of the Hospital's programs and service delivery to the public.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, fifteen (15) issues were raised under the Report on Financial Statements, Other Matter, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management

and Governance. However, Management has not resolved the issues or given any explanation for failure to resolve the issues.

Other Information

The Management is responsible for the Other Information set out on page iii to xxvii which comprise of Key Entity Information and Management, the Board of Management, Key Management Team, Chairman's Statement, Report of the Medical Superintendent, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board of Management, and Statement of Board of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Hospital's financial statements, my responsibility is to read the other information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Lack of an Approved Annual Budget

The Hospital operated without an approved budget in the year under review. This was contrary to Section 18(a) of the Facilities Improvement Financing Act, 2023 which requires the Health Facility Management Committee to consider and submit for approval to the chief officer the annual facility work plan and budget.

Management explained that the budgetary requirements of the Hospital were incorporated in the County Government's budget and therefore the Hospital operated on monthly Authority to Incur Expenditures (AIEs) that were issued by the Health Department of the County. However, the annual approved budget as included in the County

Government's annual budget for the financial year 2023/2024 was not provided for audit review.

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

2. Irregular Engagement and Payment of Casual Employees

The statement of financial performance reflects employee costs amounting to Kshs.3,984,850 as disclosed in Note 8 to the financial statements. Review of employees' records including payrolls revealed that the costs were in respect of wages to casual workers. However, the casual employees were engaged for a period of twelve (12) months consecutively without review of their terms. This was contrary to Section 37(1)(b) of the Employment Act, 2007 which provides that where a casual employee performs work for more than three (3) months, the contract of service of the casual employee shall be deemed to be one where wages are paid monthly.

Further, the approved staff establishment showing deficiency of staff to be filled by the casuals, formal requests done by the departmental heads on the need for engaging casuals and the Hospital Management Committee's approval were not provided for audit review.

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

3. Service Delivery Gaps

Review of the 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 the Kenya Quality Model for Health Policy Guidelines. The Hospital had one (1) radiologist against the minimum requirement of two (2) and no general surgeons against the minimum requirement of two (2).

Further, verification of available medical equipment revealed that the facility did not meet key requirements as prescribed by the guidelines as shown below:

Criteria	Minimum Required	In Place	Shortfall or Variance
Equipment and Machines			
New Born Unit Cots	5	3	2
Functional Intensive Care Unit Beds	6	0	6
HDU Beds	6	3	3

This was contrary to the First Schedule of Health Act, 2017.

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

4. Lack of Hospital Management Committee

During the year under review, Management had not constituted the Hospital Management Committee to oversee administration, promote the development, approve plans and

programs of the Hospital and monitor the utilization of facility improvement financing. This was contrary to Section 17 of the Facilities Improvement Financing Act, 2023 which requires the Health Facility Management Committee to consist of not less than seven (7) and not more than nine (9) members appointed by the County Executive Committee Member responsible for health matters for a term of three (3) years.

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

5. Failure to Dispose Unserviceable Assets

As previously reported, an audit inspection revealed that there were unserviceable assets which had not been disposed of and the same remained unutilized and continue to deteriorate. This was contrary to Section 163(1) of the Public Procurement and Asset Disposal Act, 2015 that requires an accounting officer to establish a disposal committee as and when prescribed for the purpose of disposal of unserviceable, obsolete, obsolescent, or surplus stores, equipment or assets.

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

6. Expired Medical Supplies

The statement of financial position reflects inventories balance of Kshs.35,366,574. The balance was in respect of pharmaceutical supplies as disclosed in Note 13 to the financial statements. However, physical verification and review of the store records revealed that the Hospital had in stock eighty-five (85) units of expired drugs of undetermined value including intraocular lens and AVF sets which had not been disposed of together with some units which were still stored with the unexpired drugs in the stores. This was contrary to the Guidelines for Good Distribution Practices for Health Products and Technologies in Kenya under Section 3.7.3 which requires that health products and technologies due to expire must be sold and/or distributed in accordance with the First Expiry, First Out (FEFO) principles. Further, the Medical Superintendent had not established a disposal committee to verify and process all disposal recommendations as required by Section 163 of the Public Procurement and Asset Disposal Act, 2015.

In the circumstances, the value for money on the expired medical supplies could not be confirmed and Management was in breach of the law.

The audit was conducted in accordance with ISSAI 3000 and 4000. The standards require 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 comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of 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 governance were not effective.

Basis for Conclusion

1. Lack of Internal Audit Review and Audit Committee

During the year under review, it was noted that there was no internal audit review of the Hospital's activities contrary to Regulation 153(1) of the Public Finance Management (County Governments) Regulations, 2015 which requires internal auditors to review and evaluate budgetary performance, financial management, transparency and accountability mechanisms and processes in County Government entities and review the effectiveness of the financial and non-financial performance management systems of the entities.

Further, the hospital did not have an audit committee as required by Regulation 155(5) of the Public Finance Management (County Governments) Regulations, 2015. In addition, there was no evidence or proof that audit reports of both internal and external auditors had been discussed by the audit committee.

In the circumstances, the oversight on effectiveness of internal controls, risk management and overall governance could not be confirmed.

2. Weak Internal Controls in Stores and Inventory Management

Review of the stores records revealed that the Hospital lacked an inventory management policy that defines the issuance system adopted for pharmaceutical and non-pharmaceutical supplies including replenishment of stock, receipt and dispatch of drugs, inspection of available stock and how stock expiry was tracked and disposal undertaken.

Further, the stores had an inventory management system that was not linked to pharmacy records and therefore could not track drugs after they had been issued to the pharmacy. This was contrary to Section 3.7.3 of the Guidelines for Good Distribution Practices for Health Products and Technologies in Kenya which requires that a written procedure must be in place to ensure effective stock rotation.

In the circumstances, effectiveness of internal controls implemented in the stores department to safeguard against possible losses could not be confirmed.

3. Lack of Standard Operating Procedures and Policies

The Management did not provide approved standard operating procedures which play an important role in guiding operations and acting as a reference guide. Further, Management had not developed key policies and manuals or guidelines such as Human Resource Policy and Procedures Manual, Finance and Accounting Manual, Assets Management Policy, Transport Management Policy, Communication Policy and Disaster Recovery and Business Continuity Policy to assist in guiding the administrative functions.

In the circumstances, it was not possible to confirm whether the internal controls built within the financial and operational systems were functioning as intended during the year under review.

4. Lack of Risk Management Strategies

The Hospital's Management had not put in place risk management policy to guide the Management on risk assessment and formulation of risk mitigation strategies. It was, therefore, not clear how Management manages risk exposures. This was contrary to Regulation 158(1)(a) and (b) of the Public Finance Management (County Governments) Regulations, 2015 which requires the Accounting Officer to ensure that the County Government entity develops risk management strategies which include fraud prevention mechanism and internal control that builds robust business operations.

In the absence of an approved risk management framework, the Management's ability to identify, measures and mitigate operations and other risks faced by the Hospital may have been constrained.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Hospital's ability to continue as a going concern disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 comply with the authorities which govern them and that public resources are applied in an effective way.

Those charged with governance are 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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

31 December, 2024

Longisa County Referral Hospital (Bomet County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

14. Statement of Financial Performance for The Year Ended 30 June 2024

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6	119,054,540	110,702,000
Total revenue		119,054,540	110,702,000
Expenses			
Medical/Clinical costs	7	74,662,058	82,495,345
Employee costs	8	3,984,850	5,957,400
Board of Management Expenses	9	679,600	0
Repairs and maintenance	10	5,691,182	6,678,018
General expenses	11	34,069,513	16,369,281
Total expenses		119,087,203	111,500,044
Other gains/(losses)		(32,663)	(798,044)
Deficit for the year		(32,663)	(798,044)

The Hospital's financial statements were approved by the Board on 30th September, 2024 and signed on its behalf by:



Chairman
Board of Management
 16 DEC 2024



Head of Finance
ICPAK No: 22744



Medical Superintendent
 16 DEC 2024

Longisa County Referral Hospital (Bomet County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

15. Statement of Financial Position As At 30th June 2024

Description	Note	2023/2024	2022/2023	2022/2023
		Kshs	Restated figure Kshs	Audited Figure
Assets				
Current assets				
Cash and cash equivalents	12	2,283	34,946	34,946
Inventories	13	35,366,574	25,097,508	25,097,508
Total Current Assets		35,368,857	25,132,454	25,132,454
Total assets (A)		35,368,857	25,132,454	25,132,454
Liabilities				
Current liabilities				
Trade and other payables	14	36,199,564	25,930,498	25,930,498
Total Current Liabilities (B)		36,199,564	25,930,498	25,930,498
Net assets (A-B)		(830,707)	(798,044)	
Represented by:				
Revaluation reserve				
Accumulated surplus/Deficit		(830,707)	(798,044)	(7,037,364)
Capital Fund				
Net Assets		(830,707)	(798,044)	25,132,454

The prior year adjustment on accumulated deficit has been restated to Ksh 798,044 since the balances of Ksh 7,072,311 for the other priors had not been factored in the first balances of the financial statements.

The Hospital's financial statements were approved by the Board on _____ and signed on its behalf by:



Chairman
Board of Management

Head of Finance
ICPAK No: 22744



Medical Superintendent

Longisa County Referral Hospital (Bomet County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2024

16. Statement of Changes in Net Asset for The Year Ended 30 June 2024

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2022 (previous year)	-	(6,239,320)	-	(6,239,320)
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	(798,044)	-	(798,044)
Capital/Development grants	-	-	-	-
As at June 30, 2023 (previous year)	-	(7,037,364)	-	(7,037,364)
			-	
At July 1, 2023 (current year)	-	(7,037,364)	-	(7,037,364)
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	(32,663)	-	(32,663)
Capital/Development grants	-	-	-	-
At June 30, 2024 (current year)	-	(7,070,027)	-	(7,070,027)

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17. Statement of Cash Flows for The Year Ended 30 June 2024

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government		119,054,540	110,702,000
Total Receipts		119,054,540	110,702,000
Payments			
Medical/Clinical costs		74,662,058	82,495,345
Employee costs		3,984,850	5,957,400
Board of Management Expenses		679,600	-
Repairs and maintenance		5,691,182	6,678,018
General expenses		34,069,513	16,369,281
Total Payments		119,087,203	111,500,044
Net cash flows from operating activities	13	(32,663)	(798,044)
Cash flows from investing activities			
Net decrease in cash and cash equivalents		(32,663)	(798,044)
Cash and cash equivalents as at 1 July	27	34,946	832,990
Cash and cash equivalents as at 30 June	27	2,283	34,946

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18. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 June 2024

Description	Original budget a	Adjustments b	Final budget c=(a+b)	Actual on comparable basis d	Performance difference e=(c-d)	% of utilisation f=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	
Revenue						
Transfers from the County Government	135,100,200	32,000,000	167,100,200	119,054,540	48,045,660	71%
Total income	135,100,200	32,000,000	167,100,200	119,054,540	48,045,660	71%
Expenses						
Medical/Clinical costs	84,900,000	12,400,200	97,300,200	74,662,058	22,638,142	77%
Employee costs	8,400,000	(1,400,000)	7,000,000	3,984,850	3,015,150	57%
Remuneration of board	2,200,000	(1,400,000)	800,000	679,600	120,400	85%
Repairs and maintenance	12,212,000	(212,000)	12,000,000	5,691,182	6,308,818	47%
General expenses	27,388,200	22,611,800	50,000,000	34,069,513	15,930,487	68%
Surplus for the period				-32,663	32,663	
Capital Expenditure	135,100,200	32,000,000	167,100,200	119,087,203	48,012,997	

19. Notes to the Financial Statements

1. General Information

Longisa county referral hospital is established by gazette notice and derives its authority and accountability from PFM Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is provision of health care services.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant, and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarial 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 Longisa county hospital accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, i The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency Longisa county hospital The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2024

There were no new and amended standards issued in the financial year.

ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.

Standard	Effective date and impact:
IPSAS 43	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45- Property Plant and Equipment	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard.

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Standard	Effective date and impact:
	IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46 Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47- Revenue	<i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48- Transfer Expenses	<i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial

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Standard	Effective date and impact:
	statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

iii) Early adoption of standards

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

Sale of goods

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

Interest income

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

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.

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Notes to the Financial Statements (Continued)

b. Budget information

The original budget for FY 2023/2024 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 entity upon receiving the respective approvals in order to conclude the final budget. Longisa County Referral Hospital budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

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

c. Taxes

Sales tax/ Value Added Tax

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

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

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

Notes to the Financial Statements (Continued)

f. Leases

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

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

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

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

g. Intangible assets

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

Notes to the Financial Statements (Continued)

h. Research and development costs

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

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

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

i. Financial instruments

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 entity and a financial liability or equity instrument of another entity. At initial recognition, the entity 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 entity 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 entity'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 cash flows 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 entity 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 entity 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.

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 entity 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 entity 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 entity recognizes a loss allowance for such losses at each reporting date.

Financial liabilities

Classification

The entity 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 Entity.

k. Provisions

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

Where the Longisa County Referral 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. Longisa county referral 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 entity will incur in fulfilling the present obligations represented by the liability.

m. Contingent liabilities

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

n. Contingent assets

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

o. Changes in accounting policies and estimates

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

Notes to the Financial Statements (Continued)

p. Employee benefits

Retirement benefit plans

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

q. 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.

r. 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.

s. Related parties

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over Longisa County Referral

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hospital, or vice versa. Members of key management are regarded as related parties and comprise the CECM, MED SUP, HAO, Accountant, Procurement Officer and BOM.

Notes to the Financial Statements (Continued)

t. Service concession arrangements

The Entity analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, Longisa County Referral 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, Longisa County Referral Hospital also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

u. 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.

v. Comparative figures

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

w. 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, 2024.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

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Notes to Financial Statements Continued

6. Transfers from the County Government

Description	2023/2024	2022/2023
	KShs	KShs
Unconditional grants		
Operational grant	119,054,540	110,702,000
Total government grants and subsidies	119,054,540	110,702,000

6 b Transfers from the County Government

Name of the Entity sending the grant	Amount recognized to Statement of financial performance* KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund. KShs	Total grant income during the year KShs	Comparative Period KShs
Bomet County Government	121,054,540	-	-	119,054,540	110,702,000
Total	121,054,540	-	-	119,054,540	110,702,000

7. Medical/ Clinical Costs

Description	2023/2024	2022/2023
	Kshs	Kshs
Dental costs/ materials	1,308,500	0
Food and Ration	6,089,014	23,560,057
Uniform, clothing, and linen	3,875,351	1,850,200
Dressing and Non-Pharmaceuticals	30,238,095	0
Pharmaceutical supplies	23,477,248	52,080,436
Health information stationery	399,000	0
Sanitary and cleansing Materials	687,705	422,468
Purchase of Medical gases	0	0
X-Ray/Radiology supplies	8,587,145	4,581,900
Total medical/ clinical costs	74,662,058	82,495,345

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Notes to Financial Statements Continued

8. Employee Costs

Description	2023/2024	2022/2023
	Kshs	Kshs
Salaries, wages, and allowances	3,984,850	5,957,400
Employee costs	3,984,850	5,957,400

9. Board of Management Expenses

Description	2023/2024	2022/2023
	Kshs	Kshs
Chairman's Honoraria	-	-
Sitting allowance	679,600	130,000
Total	679,600	130,000

10. Repairs And Maintenance

Description	2023/2024	2022/2023
	Kshs	Kshs
Property- Buildings	1,637,138	957,300
Medical equipment	2,016,376	4,598,300
Office equipment	0	-
Furniture and fittings	0	-
Computers accessories and software	1,601,500	-
Motor vehicle expenses	436,168	1,122,418
Maintenance of civil works	-	-
Total repairs and maintenance	5,691,182	6,678,018

11. General Expenses

Description	2023/2024	2022/2023
	Kshs	Kshs
Advertising and publicity expenses	105,900	226,450
Catering expenses	15,728,621	0
Bank charges	19,655	33,450
Contracted services	7,853,053	6,266,678
Fuel and Lubricants	1,986,309	2,084,213
Travel and accommodation allowance	5,131,320	1,782,700
Charcoal	1,005,000	1,484,240

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Description	2023/2024	2022/2023
	Kshs	Kshs
Printing and stationery	1,639,655	1,306,200
Water and sewerage costs	600,000	400,000
Staff training and development	0	2,785,460
Total General Expenses	34,069,513	16,369,281

12. Cash And Cash Equivalents

Description	2023/2024	2022/2023
	KShs	KShs
Current accounts	1,938	14,964
Cash in hand	345	20,000
Total cash and cash equivalents	2,383	34,964

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

Description		2023/2024	2022/2023
Financial institution	Account number	KShs	KShs
a) Current account			
National Bank		1,938	14,946
Sub- total		1,938	14,946
cash in hand		345	20,000
Sub- total		2,283	20,000
Grand total		2,283	34,946

13. Inventories

Description	2023/2024	2022/2023
	KShs	KShs
Pharmaceutical supplies	35,366,574	25,097,508
Total	35,366,574	25,097,508

Longisa County Referral Hospital (Bomet County Government)
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Notes to Financial Statements Continued

14. Trade and other Payables

Description	2023/2024		2022/2023	
	KShs		KShs	
Trade payables	32,199,564		24,699,098	
Employee dues	4,000,000		1,231,400	
Total trade and other payables	36,199,564		25,930,498.00	
Ageing analysis:	2023/2024	% of the Total	2022/2023	% of the total
Under one year	33,612,564	93%	24,843,498	%
1-2 years	1,500,000	4%	-	%
2-3 years	1,087,000	3%	1,087,000	%
Total	36,199,564	%	25,930,498	%

15. Cash Generated from Operations

Description	2023/2024	2022/2023
	KShs	KShs
Surplus for the year before tax	(32,663)	(798,044)
Working Capital adjustments		
Increase in inventory	(10,269,066)	(20,004,323)
Increase in payables	10,269,066	13,765,003
Increase in payments received in advance	-	6,239,320
Net cash flow from operating activities	(32,663)	(798,044)

16. Events after the Reporting Period

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

17. Ultimate and Holding Entity

Longisa County Referral Hospital is a County Government Agency under the Department of Health. Its ultimate parent is the County Government of Bomet.

18. Currency

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

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20. 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)

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Accounting Officer



