REPUBLIC OF KENYA

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OAG
OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

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

OAG/KRO/NDANAI SCH /2023/2024/ (08) **14 January, 2025**

BOMET COUNTY ASSEMBLY
REGISTRY OFFICE
24 JAN 2025
P.O. Box 590 - 20400, BOMET

Mr. Isaac K Kitur
Clerk of the Bomet County Assembly,
P. O. Box 590-20400
BOMET

Dear Sir,

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

I transmit the report on the examination and audit of **Ndanai Sub – County 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

Table Office

12/2/25

CPA David Munyaka
For: AUDITOR-GENERAL

Copy to:

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.

Hon. Rosa Chepngetich Bett
C.E.C.M. Finance and Economic Planning
County Government of Bomet
P. O Box 19-20400
BOMET

Dr. Mutai K. Titus
Medical Superintendent
Ndanai Sub County Hospital
P.O. Box 117-20400
BOMET

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

NDANAI SUB - COUNTY HOSPITAL

FOR THE YEAR ENDED 30 JUNE, 2024

COUNTY GOVERNMENT OF BOMET

NDANAI SUB COUNTY 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)

I. Contents

1. Acronyms & Glossary of Terms

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

2. Key Entity Information and Management

(a) Background information

Ndanai Sub County Hospital is a level (4/5). Ndanai Sub County Hospital established under gazette notice number Vol. CXXII No. 24 of 4th February, 2020 and is domiciled in BOMET County under the Health Department. The Ndanai Sub County Hospital is governed by a Board of Management.

(b) Principal Activities

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

(c) Key Management

The Ndanai Sub County Hospital's management is under the following key organs:
- County department of health
- Board of Management
- Accounting Officer/ Medical Superintendent
- Management
- Others (specify)

(d) Fiduciary Management

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

No.	Designation	Name
1.	Medical Superintendent	**Dr. Mutai. K. Titus**
2.	Head of finance	**CPA Christopher Kibet**
3.	Health Administrative Officer	**Mr. Joseph .K. Ngeno**

(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

P.O. Box 117-20400
Ndanai Ndanai Sub County HospitaBuilding
KCC –Gorgor Highway
Bomet, KENYA

(g) Entity Contacts

Telephone: (+254) 724043980
E-mail: ndanaischosp@gmail.com
Website: www.go.ke

(h) Entity Bankers

Cooperative Bank Of Kenya .Account No.01141357690900
KCB Bank . Account No. 1145098118
Equity Bank. Account No 1840280730770

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

(k) County Attorney

P.O. Box. 19
Bomet, Kenya

Ref	Directors	Details
1	Chairman Of the Board MOSES CHERUIYOT	BSC Theology
2	DR WILSON KIPRUTO RONO Board member	Kcse cerfificate
3	ALFRED BETT C. Board member	KCSE CERT.
4	SIGILAI KIRUI Board Member	P1 CERT.
5	WESLEY KORIR Board Member.	KCSE CERT
6	Dr.Mutai.K.Titus Medical Superintendent	MASTER IN
7	ZEPHANIAH BII Board member	KCSE CERT
8	SAMWEL KIBII CHIRCHIR Board member	KCSE CERT
9	WELDON NGENO Board member	DEGREE
1	RICHARD RUGUT Board member	
	JANET CHEBII Board member	
	RICHARD K. SOI	

3. Key Management Team

S/N	NAME	DESIGN	P/NO	PHONE NO
1	DR MUTAI .K.TITUS	MEDICAL SUPERINTENDENT	2012020750	0724043980
2	JOSEPH.K.NGENO	HAO	20230125573	0720024225
3	DR .KAPTICH DICSON	PHAMACIST INCHARGE	1995033214	0726500799
4	JOYCE KORIR	NURSE OFFICER INCHARGE	2009093953	0703718051
5	HILLARY YEGON	BIO MEDICAL ENG1NEER	2011360099	0724497909
6	HILLARY KOECH	PROCUREMENT OFFICER	20180106781	0700103702
7	KIBOR KENNETH	ACCOUNTANT	2010004399	0725315203
8	PRUDENCE CHEPKIRUI	RADIOLOGY INCHARGE	2020197037	0721360481
9	AMOS BII	LABORATORY INCHARGE	2011412883	0724665950
10	DORIS CHEROTICH	CLINICAL OFFICER I/C	20200197671	0726056264
11.	CHERUIYOT KIPNGENO	HRIO	20180047554	0728266272
12.	DR. CHERUIYOT JAMES	REHABILITATIVE/SURGERY DEPARTMENT	2012021200	0726830947
13.	DR IRENE CHEPSIROR	DENTAL DEPARTMENT	2014004112	0712816232
14.	BII PHILLIPH	NUTRITION DEPARTMENT	2011353867	0720610644

4. Chairman's Statement

Ndanai Ndanai Sub County Hospitawas founded a dispensary on 21/04/1970.In 2003 upgraded as a health centre and as a Ndanai Sub County Hospitain 2015.Over the time the scope of services has indented to meet the needs of the catchment population. Despite the various challenges we endeavor to offer quality service to our clients. The staff are dedicated and hardworking. The facility is run by the County Government of Bomet and receive support from National Government and other partners. We are looking forward to have inpatient wards so as to meet the dire needs of the population we serve.

COUNTY GOVERNMENT OF BOMET ... HOSPITAL

....

Name MR MOSES CHERUYOT

Chairman to the Board

5. Report of The Medical Superintendent

Ndanai Sub County Hospitais located in Ndanai/Abosi ward, Sotik Sub-County, Bomet County in Rift Valley region. Founded in 1970 as a dispensary, then upgraded as a health centre in 2003 and as a Ndanai Sub County Hospitail in 2015. Catchment population is 16000.Our services extend to neighboring counties i.e Narok and Nyamira. Other than outpatient and maternity services we also offer other specialized services such as Dental, Orthopedics, Radiology, Theatre services among others. We have a dedicated and hardworking staff though faced with shortage across departments. Since upgrade as a Ndanai Sub County Hospital we still lag behind in infrastructure with in- patient wards and CT scan room being an urgent priority order to meet needs of the population we serve. The facility leadership I.e the med supt, Adm and Board are dedicated in moving facility to the next level, and have well established linkage with Sub-County and County Health Management teams for betterment of the facility. The facility is run by the C.G.OB and there is need to increase the monthly AIE allocation in order to meet the expanding needs of the facility give the widening of scope of service delivery .Currently supply is very essential in service delivery. KEMSA supplies are insufficient, this used to establish constant supply of commodities to enable clients receive quality health care. Our health information show increase utilization of services every year. There is improved uptake of various services such as facility delivery, immunization, MCH services, OPD services. The outcomes are good. There is however urgent need to digitize our health information system in order to improve efficiency. Our core values are Professionalism, Integrity, Punctuality, Teamwork and Respect. We endeavor to constant quality improvement and offer the best attainable quality services to our clients

COUNTY GOVERNMENT OF BOMET
NDANAI SUB-COUNTY HOSPITAL
09 DEC 2024
MEDICAL SUPERINTENDENT
P. O. BOX 117 - 20404, NDANAI

....

Name MUTAI-K. TITUS

Secretary to the Board

6. Statement of Performance Against Predetermined Objectives

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

Ndanai Sub County Hospital has 2 strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY 2021/21- FY 2020-2025. These strategic pillars/ themes/ issues are as follows;

Pillar /theme/issue 1: Preventive services

Pillar/theme/issue 2: Curative services

The Ndanai Sub County Hospital develops its annual work plans based on the above 2 pillars/Themes/Issues. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Ndanai Sub County Hospital achieved its performance targets set for the FY 2023/2024 period for its 2 strategic pillars, as indicated in the diagram below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Pillar/ theme/ issue 1:	Ensuring prevention of communicable diseases	The number of patients immunized	Community outreach services	Reduced communicable diseases in the locality
Pillar/ theme/ issue 1:	Facilitating treatment and curative services	Number of patients treated and discharged	Establishment of special clinics	Improved service delivery

7. Report of The Board of Management

The Board members submit their report together with the Audited Financial Statements for the year ended June 30, 2024, which show the state of the Hospital Ndanai Sub County Hospital.

Principal activities

The principal activities of the entity are to promote and maintain integrated high quality preventive, curative and supportive health care that are accessible, effective, equitable and accountable to all people. The overall vision of the Ndanai Sub County Hospital is to have a community free from preventable diseases produced ill health and sustained wellbeing through quality health care intervention.

Results

The results of the entity for the year ended June 30 2024 are set out on page ....

Board Of Management

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

Auditors

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

By Order of the Board

COUNTY GOVERNMENT OF BOMET
NDANAI SUB-COUNTY HOSPITAL
09 DEC 2024
MEDICAL SUPERINTENDENT
P. O. BOX 117 - 20404, NDANAI

....
Dr Mutai Titus
Medical Superintendent
Secretary to the Board

8. Statement of Board of Management's Responsibilities

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

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

The Board of Management accepts responsibility for the Ndanai Sub County Hospital financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and. The Board members are of the opinion that the Ndanai Sub County Hospital financial statements give a true and fair view of the state of Ndanai Sub County Hospitals transactions during the financial year ended June 30, 2024, and of the Ndanai Sub County Hospital's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Ndanai Sub County hospital, which have been relied upon in the preparation of the Ndanai Sub County hospital financial statements as well as the adequacy of the systems of internal financial control.

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

Nothing has come to the attention of the Board of management to indicate that the entity 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 Ndanai Sub County Hospital's financial statements were approved by the Board on ...09-12-2024.... and signed on its behalf by:

....	....
Name MR MOSES CHERUYOT	**Dr Titus Mutai**
Chairman to the Board	**Accounting Officer**

09 DEC 2024

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NDANAI SUB-COUNTY 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 Ndanai Sub-County Hospital – County Government of Bomet set out on pages 1 to 21, which comprise 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 effects 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 Ndanai Sub-County 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 Facilities Improvement Financing Act, 2023 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Rendering of Services- Medical Service Income

The statement of financial performance reflects rendering of services – medical service income amounting to Kshs.9,088,498. The amount includes National Health Insurance Fund (NHIF)/ Linda Mama and direct payments through the Hospital's mobile cash transfer Pay bill account of Kshs.2,770,349 and Kshs.6,318,148, respectively, as disclosed in Note 7 to the financial statements. However, revenue collection reports, billing records and invoices issued were not provided for audit review.

Further, and as previously reported, the Hospital offers various services to the public for which patients are expected to pay for. However, Management explained that revenue from these services is collected by the County Government on behalf of the Hospital. Review of the Hospital's revenue processes revealed that patients pay electronically through the Hospital designated paybill and are issued with receipts for the services. However, no records were provided for audit review to confirm how the billing was done to the patients and receipts from subsequent payments from the patients.

In the circumstances, the accuracy and completeness of rendering of services – medical service income amounting to Kshs.9,088,498 could not be confirmed.

2. Inaccuracy of Employee Costs

The statement of financial performance reflects employee costs amounting to Kshs.3,703,000 as further disclosed in Note 9 to the financial statements. Review of records revealed that the amount relates to wages paid to casuals and contractual employees.

Further, the Hospital received services from eighty-seven (87) medical and non-medical staff employed and paid by the County Government of Bomet. However, the expenditure in respect of compensation to these employees was not disclosed in the financial statements.

In the circumstances, the accuracy and completeness of employee costs amounting to Kshs.3,703,000 could not be confirmed.

3. Inaccuracy of Receivables from Exchange Transactions

The statement of financial position reflects Nil receivables from exchange transactions. However, the Nil receivables differs with receivables from exchange transactions totalling Kshs.7,684,050 reflected in Note 17 to the financial statements resulting to unexplained variance of Kshs.7,684,050. The receivables' supporting documents were also not provided for audit review.

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

4. Inaccuracy of Inventories

The statement of financial position reflects Nil inventories. However, the Nil inventories differs with inventories totalling Kshs.69,875 reflected in Note 18 to the financial statements resulting in unexplained variance of Kshs.69,875.

Further, physical verification and review of the store records revealed that the Hospital had in stock units of expired drugs of undetermined value including twenty (20) units of Ferrolic-LF which had not been disposed of and were still stored together with the unexpired drugs in the stores.

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

5. Inaccuracy of Property, Plant and Equipment

The statement of financial position reflects Nil of property, plant and equipment. However, 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 but were not disclosed in the financial statements.

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

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

6. Inaccuracy of Trade and Other Payables

The statement of financial position reflects Nil trade and other payables. However, the Nil payables differs with trade and other payables totalling Kshs.4,414,301 reflected in Note 19 to the financial statements resulting in unexplained variance of Kshs.4,414,301.

Further, the payables reflected in Note 19 to the financial statements includes trade payables and employee dues amounting to Kshs.2,662,301 and Kshs.1,752,000 respectively. However, supporting documents including the employees who were owed, invoices, delivery notes, local service or local purchase order numbers and payroll creditors were not provided for audit review.

In the circumstances, the accuracy, completeness of Nil trade and other payables could not be confirmed.

7. Inaccuracy of Accumulated Surplus

The statement of financial position reflects accumulated surplus amounting to Kshs.248,892 which differs with the Nil balance reported in the statement of changes in net assets resulting to an unexplained variance of Kshs.248,892.

Further, the statement of changes in net assts reflects accumulated surplus opening balance amounting to Kshs.248,892 which differs with the prior year audited balance of Kshs.52,850 resulting to an unexplained variance of Kshs.196,042.

In the circumstance, the accuracy and completeness of accumulated surplus amounting to Kshs.248,892 could not be confirmed.

8. Inaccuracy of Total Net Assets and Liabilities

The statement of financial position reflects total net assets and liabilities amounting to Kshs.415,398 which differs with the recomputed total net assets and liabilities totalling Kshs.248,892 resulting in unexplained variance of Kshs.166,506.

Further, the amount differs with the total assets amounting to Kshs.166,506 resulting in unbalanced statement of financial position by Kshs.248,892.

In the circumstances, the accuracy and completeness of total net assets and liabilities amounting to Kshs.415,398 could not be confirmed.

9. Inaccuracies in the Statement of Cash flows

The statement of cash flows reflects cash and cash equivalents at end of the year (30 June) amounting to Kshs.166,506 which differs with the recomputed amount of Kshs.436,128 resulting to an unexplained variance of Kshs.269,622. Further, the statement reflects comparative figures which differ with the prior year audited financial statements balances as shown below:

Component Description	Financial Statements 2023/2024 (Kshs)	Audited Financial Statements 2022/2023 (Kshs)	Variance (Kshs)
General expenses	2,687,135	2,694,244	7,109
Finance costs	7,100	-	7,100
Net cash flows from operating activities	233,625	80,545	153,080
Net increase in cash and cash equivalents	233,625	80,545	153,080

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

10. Statement of Comparison of Budget and Actual Amounts

The statement of comparison of budget and actual amounts does not reflects the total original expenditure budget, adjustments during the year, final budget and actual expenditure on comparable basis. However, a recast of the statement confirmed total balances of Kshs.24,845,000, Kshs.2,328,912, Kshs.26,673,912 and Kshs.22,473,606 respectively.

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

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

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, fourteen (14) 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

Management is responsible for the other information set out on page iii to xi which comprise of Key Entity Information and Management, the Board of Management, Key Management Team, Chairman's Report, Report of the Medical Superintendent, Statement of Performance Against Predetermined Objectives, 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 and 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

Review of records revealed that 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 mandates 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.

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.3,703,000 as disclosed in Note 9 to the financial statements in respect of casual wages. Review of records revealed that the casual employees had been engaged for a period of twelve 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 months, the contract of service of the casual employee shall be deemed to be one where wages are paid monthly.

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

3.Irregular Transfer to Bomet County Revenue Fund Account

The statement of financial performance reflects transfers to Bomet County Revenue Fund Account amounting to Kshs.9,088,498 as disclosed in Note 11 to the financial statements. The transfers relate to medical services income including monies received as user fees, charges and monies paid as reimbursement for services rendered from National Health Insurance Fund. This was contrary to Section 5 (1) of the Facilities Improvement Financing Act, 2023 which requires the public health facilities to retain all monies raised or received by or on behalf of all public health facilities.

Further the monthly and annual revenue collection reports in support of the transferred amounts, acknowledgement receipts and the respective expenditure returns were not provided for audit.

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

4.Deficiencies in Implementation of Universal Health Coverage (UHC)

Review of Hospital records and interviews on verification of services offered, equipment used and medical specialists in the Hospital revealed that the Hospital did not meet the requirements of Kenya Quality for Health Policy Guidelines due to staff deficits of fifty-eight (58) against a staff requirement of one hundred and one (101).

Further, the Hospital lacked advanced life support machine, a renal unit with five (5) dialysis machines, six (6) functional Intensive Care Unit Beds and six (6) High Dependency Unit Beds as required for a level 4 hospital.

In addition, the hospital had a Bed Capacity of fifty (50) against the required one hundred and fifty (150) resulting in a deficiency of one hundred (100) beds.

The deficiencies contravene the First Schedule of Health Act, 2017 which implies that accessing highest attainable standard of health, which includes the right to health care services, including reproductive health care may not be achieved.

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

5.Lack of Hospital Management Committee

During the year under review, 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 had not been constituted. Review of Board appointment letters, revealed that Hospital's Board of Management Members were appointed on 27 March, 2019 for three (3) year term which expired in March, 2022. 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 and not more than nine members appointed by the county executive committee responsible for health matters for a term of three years.

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

6.Non-Functional and Unutilized Medical Equipment

Verification of the Hospital's records and equipment revealed that three essential medical equipment was either completely or partially not functional resulting to slow and compromised health care service delivery to the public as shown below:

No.	Equipment Description	Quantity	Audit Observation
1.	Computed Radiography Machine	1	Not functional due to breakage
2.	Digital Mobile X-Ray Machine	1	Non – functional due to faulty parts
3.	C Arm Fluoroscopic X – Ray Machine	1	The only existing unit is fully depreciated and non-functional.

In the circumstance, value for money may not be obtained by the residents of Bomet County.
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 effect 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, there was no internal audit review of the Hospital's activities. This was 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 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

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 circumstance, 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 ISSAIs 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

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

Description	Note	FY 2023/24	FY 2022/23
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6	13,634,000	15,648,000
Revenue from exchange transactions			
Rendering of services- Medical Service Income	7	9,088,498	7,414,946
Revenue from exchange transactions		-	-
Total revenue		**22,722,498**	**23,062,946**
Expenses			
Medical/Clinical costs	8	3,355,542	4,042,965
Employee costs	9	3,703,000	4,633,650
Board of Management Expenses	10	270,000	
Tranfer to Bomet CRF Acc	11	9,088,498	7,414,946
Repairs and maintenance	12	138,170	515,525
Grants and subsidies/Transfer to Dispensaries	13	3,192,000	3,528,000
General expenses	14	2,712,759	2,687,135
Finance costs	15	13,637	7,100.00
Total expenses		**22,473,606**	**22,829,321**
Other gains/(losses)		-	-
Net Surplus / (Deficit) for the year		248,892	233,625

The Ndanai Sub County Hospital's financial statements were approved by the Board on 09/12/2024 and signed on its behalf by:

Name MR MOSES CHERUIYOT	**Chris Kibet**	**Dr. Titus Mutai**
Chairman to the Board	**Head of Finance**	
	ICPAK No: 11,543	**Medical Superintendent**

09 DEC 2024

Statement of Financial Position As At 30th June 2024

Description	Note	FY 2023/24	FY 2022/23
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	16	166,506	187,236
Total Current Assets		**166,506**	**187,236**
Non-current assets			
Property, plant, and equipment	17	-	-
Total Non-current Assets		-	-
Total assets		166,506	187,236
Accumulated surplus/Deficit		248,892	233,625
Capital Fund		-	-
		-	-
Total Net Assets and Liabilities		**415,398**	**420,861**

The Ndanai Sub County Hospital's financial statements were approved by the Board on 09-12-2024 and signed on its behalf by:

COUNTY GOVERNMENT OF BOMET
NDANAI SUB-COUNTY HOSPITAL
09 DEC 2024
MEDICAL SUPERINTENDENT
P. O. BOX 117 - 20404, NDANAI

....	Chris Kibet	Dr Titus Mutai
Chairman	**Head of Finance**	**Medical Superintendent**
Board of Management	**ICPAK No: 11,543**	

10. 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)	-	-	-	-
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	248,892	-	233,625
Capital/Development grants	-	-	-	-
As at June 30, 2023 (previous year)	-	233,625	-	233,625
At July 1, 2023(current year)	-	248,892	-	233,625
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	248,892	-	233,625
Capital/Development grants	-	-	-	-
At June 30, 2023 (current year)	-		-	

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

Description	Note	2023/24	2022/23
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government	6	13,634,000	15,648,000
Rendering of services- Medical Service Income	7	9,088,498	7,414,946
Total Receipts		**22,722,498**	**23,062,946**
		-	
Payments			
Medical/Clinical costs		3,355,542	4,042,965
Employee costs		3,703,000	4,633,650
Board of Management Expenses		270,000	
Tranfer to Bomet CRF Acc.		9,088,498	7,414,946
Repairs and maintenance		138,170	515,525
Transfer to dispensaries		3,192,000	3,528,000
General expenses		2,712,759	2,687,135
Finance costs		13,637	7,100
Refunds paid out		-	-
Total Payments		**22,473,606**	**22,829,321**
Net cash flows from operating activities		248,892	233,625
Cash flows from investing activities		-	-
Net increase/(decrease) in cash and cash equivalents		248,892	233,625
Cash and cash equivalents as at 1 July		187,236	106,691
Cash and cash equivalents as at 30 June		**166,506**	**187,236**

12. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 Jun 2024

Description	Original budget	Adjustmen ts	Final budget	Actual on comparable basis	Performa nce differenc e	% of utilisati on
	a	b	c=(a+b)	d	e=(c-d)	f=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	
Revenue						
Transfers from the County Government	13,634,000	-	13,634,000	13,634,000	-	100%
Grants from donors and development partners	-	-	-	-	-	%
Transfers from other Government entities		-			-	100%
Public contributions and donations	-	-	-	-	-	%
Rendering of services- Medical Service Income	9088,498	2,911,502	9,088,498	9,088,498	-	100%
Revenue from rent of facilities	-	-	-	-	-	%
Finance / interest income	-	-	-	-	-	%
Miscellaneous receipts (specify) b/bf	-	-	-	-	-	%
Total income	**22,722,498**	-	**22,722,498**	**22,722,498**	-	**100%**
Expenses						
Medical/Clinical costs	4,500,000	-200,000	4,300,000	3,355,542	944,458	78%
Employee costs	4,200,000	-	4,200,000	3,703,000	497,000	88%
Remuneration of directors	330,000	-	330,000	270,000	60,000	81%
Repairs and maintenance	300,000	-	300,000	138,170	161,830	46%
Grants and subsidies/ tranfer Dispensaries	4,500,000	728,912	4,728,912	3,192,000	1,536,91 2	67%
Transfers to bomet CFR ACC	8,000,000	2000,000	10,000,000	9,088,498	911,502	90%
General expenses	3,000,000	-200,000	2,800,000	2,712,759	87,241	96%
Finance costs	15,000		15,000	13,637	1,363	90%
Surplus for the period	-	-	-		-	
Capital expenditure					-	

13. Notes to the Financial Statements

1. General Information

NDANAI SUB COUNTY HOPITAL is established by and derives its authority and accountability from kenya health Act 2017. The entity is wholly owned by the Bomet County Government and is domiciled in Bomet County in Kenya. The entity's principal activity is to provide Quality and Timely health care services in Diagnostic, Curative, Preventive and Promotive services for the wellbeing of our clients and community at large.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant, and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Ndanai Sub 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, are disclosed in Note xx The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Ndanai Sub County Hospital. The financial statements have been prepared in accordance with the PFM Act, and (include any other applicable legislation), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

***i.* New and amended standards and interpretations in issue effective in the year ended 30 June 2022.**

Standard	Effective date and impact
IPSAS 41: Financial Instruments	**Applicable: 1st January 2023** The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.)
IPSAS 42: Social Benefits	**Applicable: 1st January 2023** The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess: (a) The nature of such social benefits provided by the Entity.

Standard	Effective date and impact
	(b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	**Applicable: 1st January 2023** a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.
Other improvements to IPSAS	**Applicable 1st January 2023** • IPSAS 22 Disclosure of Financial Information about the General Government Sector. Amendments to refer to the latest System of National Accounts (SNA 2008). • IPSAS 39: Employee Benefits Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.

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

Standard	Effective date and impact
IPSAS 43	**Applicable 1st January 2025** 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	**Applicable 1st January 2025** The Standard requires:- i. Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: **ii.** Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.

iii) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year 2023/2024

4. Summary of Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other Government entities

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

b. Budget information

The original budget for FY 2023-24 was approved by Board on 28th June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of **x** on the FY 2023-24 budget following the Board's approval. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

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

c. 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.

D 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.

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d. 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.

e. Comparative figures

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

Notes to Financial Statements Continued

6 Transfers from The County Government

Name of the Entity sending the grant	Amount recognized to Statement of financial performance* KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year	Comparative Period
			KShs	KShs	KShs
Bomet County Government	-	-	-	13,634,000	15,648,000
Total	**-**	**-**	**-**	**13,634,000**	**15,648,000**

7 Rendering of Services-Medical Service Income

Description	2023/24	2022/23
	Kshs	Kshs
Pharmaceuticals NHIF/ linda mama	2,770,349	4,718,000
CASH/PAYBILL	6,318,148	2,696,946
Other medical services income (specify)		
Total revenue rendering of services	**9,088,497**	**7,414,946**

8 Medical/ Clinical Costs

Description	2023/24	2022/23
	Kshs	Kshs
Dental costs/ materials		87,100
Food and Ratio	1,679,377	1,771,230
Uniform, clothing, and linen		165,400
Dressing and Non-Pharmaceuticals	1,676,165	2,019,235
Total medical/ clinical costs	**3,355,542**	**4,042,965**

9 Employee Costs

Description	2023/24	2022/23
	Kshs	Kshs
Salaries, wages, and allowances	3,703,000	4,633,650
Other employee costs (specify)	-	-
Employee costs	**3,703,000**	**4,633,650**

10 Board of Management Expenses

Description	2023/24	2022/23
	Kshs	Kshs
Sitting allowance	270,000	-
Total	**270,000**	**-**

11 Grants And Transfers (County Revenue FUND)

Description	2023/24	2022/23
	Kshs	Kshs
Transfer to BCR A/ C	-	-
Eqity account	6,318,148	2,696,946
Kcb account	2,770,349	4,718,000
Total grants and Transfers	**9,088,498**	**7,414,946**

12 Repairs And Maintenance

Description	2023/24	2022/23
	Kshs	Kshs
Property- Buildings	138,170	293,856
Maintenance of civil works		221,669
Total repairs and maintenance	**138,170**	**515,525**

13 Grants And Subsidies

Description	2023/24	2022/23
	Kshs	Kshs
		-
Transfer to dispensaries/	3,192,000	3,528,000
Total grants and subsidies	3,192,000	**3,528,000**

14 General Expenses

Description	2023/24	2022/23
	Kshs	Kshs
Electricity expenses	50,000	100,000
Fuel and Lubricants	1,282,529	951,273
Printing and stationery	1,338,765	1,535,871
Water and sewerage costs	32,015	100,000
Total General Expenses	**2,712,759**	**2,687,135**

15 Finance Costs

Description	2023/24	2022/23
	KShs	KShs
KCB BANK	8,712	7,100
EQUTY BANK	2,875	
COOP BANK	2,050	
Total finance costs	**13,637**	**7,100**

16 Cash And Cash Equivalents

Description	2023/24	2022/23
	KShs	KShs
Current accounts	166,506	**187,236**

Cash in hand	-	-
Others(specify)- Mobile money	-	-
Total cash and cash equivalents	**166,506**	**187,236**

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

Description		**2023/24**	**2022/23**
Financial institution	**Account number**	**KShs**	**KShs**
a) **Current account**			
Kenya Commercial bank	1145098118	.5	6,751
COOP Bank, etc	**01141357690900**	52,124	2,145
Equity Bank –	1840280730770	114,371	178,340
TOTALS		**166,506**	**187,236**

17 Receivables From Exchange Transactions

Description	**2023/24**	**2022/23**
	KShs	**KShs**
Medical services receivables NHIF	7,684,050	1,783,900
Total receivables	**7,684,050**	**1,783,900**

18 Inventories

Description	**2023/24**	**2022/23**
	KShs	**KShs**
Pharmaceutical supplies	697,875	1,008,701
Maintenance supplies	-	-
Food supplies	-	-
Linen and clothing supplies	-	-
Cleaning materials supplies	-	-
General supplies		
Less: provision for impairment of stocks	-	-
Total	**697,875**	**1,008,701**

19 Trade and other payables

Description	2023/24	2022/23
	KShs	KShs
Trade payables	2,662,301	553,476
Employee dues	1,752,000	1,322,000
Total	**4,414,301**	**1,875,476**

19 Property, Plant and Equipment

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Cost								
At 1 July 2022 (previous year)	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-			-	-
At 30th Jun 2023	-	-	-	-	-	-	-	-
At 1 July 2023 (current year)	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfer/adjustments		-		-			-	-
At 30th Jun 2024	-	-	-	-	-	-	-	-
Depreciation and impairment								
At 1 July 2023 (previous year)		-	-	-	-	-		-
Depreciation for the year		-	-	-	-	-		-
Disposals		-	-	-	-	-		-
Impairment		-	-	-	-	-		-
At 30 June 2023		-	-	-	-	-		-
At July 2024 (current year)		-	-	-	-	-		-

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Depreciation		-	-	-	-	-		-
Disposals		-	-	-	-	-		-
Impairment		-	-	-	-	-		-
Transfer/adjustment		-	-	-	-	-	-	-
At 30th June 2023		-	-	-	-	-	-	-
Net book values								
At 30th Jun 2023 (previous)	-	-	-	-	-	-	-	-
At 30th Jun 2024 (current)	-	-	-	-	-	-	-	-

Notes to the Financial Statements (Continued)

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

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

21 Ultimate and Holding Entity

The entity is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of Heath. Department of Medical services. Its ultimate parent is the County Government of Bomet.

22 Currency

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

14. 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)
		The Ndanai Sub County Hospital first time Audited		

COUNTY GOVERNMENT OF BOMET
NDANAI SUB-COUNTY HOSPITAL
09 DEC 2024
MEDICAL SUPERINTENDENT
P. O. BOX 117 - 20404, NDANAI

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Accounting