477

# REPUBLIC OF KENYA


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

OAG
OFFICE OF THE AUDITOR-GENERAL
*Enhancing Accountability*

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


**OAG/BC/ NDANAI/L4H/2022/2023(23)** **06 September, 2024**

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

BOMET COUNTY ASSEMBLY
RECEIVED
11 SEP 2024
P. O. Box 590-20400
BOMET

Dear Sir

**REPORT OF THE AUDITOR-GENERAL ON NDANAI SUB-COUNTY LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2023 – COUNTY GOVERNMENT OF BOMET**

I transmit the report of the Auditor-General on the examination and audit of Ndanai Sub-County Level 4 Hospital for the year ended 30 June, 2023 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,

**Stanley Mwangi**
**For: AUDITOR-GENERAL**

BOMET COUNTY ASSEMBLY
REGISTRY OFFICE
11 SEP 2024
P.O. Box 590 - 20400, BOMET

**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**

**Prof. Hilary Barchok, PHD**
The Governor of Bomet County
P. O. Box 19 – 20400
**BOMET**

Table office
For tabling and posting it on the website
Kipsuelah
11/09/2024

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

# REPORT

# OF

# THE AUDITOR-GENERAL

# ON

# NDANAI SUB-COUNTY LEVEL 4 HOSPITAL

# FOR THE YEAR ENDED 30 JUNE, 2023

# COUNTY GOVERNMENT OF BOMET

# NDANAI SUB COUNTY HOSPITAL
# (Bomet County Government)

## ANNUAL REPORT AND FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30TH JUNE 2023

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

Table of Contents

Acronyms & Glossary of Terms ......i
Key Entity Information and Management ......ii
The Board of Management......iv
Key Management Team ......iv
Chairman's Statement ......v
Report of The Medical Superintendent ......vi
Statement of Performance Against Predetermined Objectives ......vii
Report of The Board of Management ......viii
Statement of Board of Management's Responsibilities ......ix
Statement of Financial Performance for The Year Ended 30 June 2023 ......1
Statement of Financial Position As At 30th June 2023 ......2
Statement of Changes in Net Asset for The Year Ended 30 June 2023 ......4
Statement of Cash Flows for The Year Ended 30 June 2023 ......5
Statement of Comparison of Budget and Actual Amounts for Year Ended 30 Jun 2023......6
Notes to the Financial Statements ......7
Adoption of New and Revised Standards ......8
Summary of Significant Accounting Policies ......11
Notes to Financial Statements Continued ......14
Appendices ......21

## 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 |

## 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 Hospitalis 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)**

**(a) Entity Headquarters**

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

**(b) Entity Contacts**

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

**(c) Entity Bankers**

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

**(d) Independent Auditors**

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

**(e) Principal Legal Adviser**

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

**(f) County Attorney**

P.O. Box. 19
Bomet, Kenya

## The Board of Management

| Ref | Name | Position | Details |
|---|---|---|---|
| 1 | Chairman Of the Board | Chairperson | Degree in theology |
| 2 | Rebecca Mosonik | Board member | KCSE certificate |
| 3 | Julius Kipkirui | Board member | KCSE certificate |
| 4 | Hillary Mutai | Board member | KCSE certificate |
| 5 | Abraham Too | Board member | KCSE certificate |
| 6 | Dr.Mutai.K.Titus | Medical Superintendent | Masters in Public Health Systems Management and Application |
| 7 | Wesley Korir | Board member | KCSE certificate |
| 8 | Selinah Kosgey | Board member | KCSE certificate |
| 9 | Joseph Ngeno (HAO) | Board member | BSC In Biomedical Technology |

## Key Management Team

| Ref | Management | Details |
|---|---|---|
| 1. | Dr.Mutai.K.Titus | Masters in Public Health Systems Management and Application |
| 2. | Judith Chepkemoi | Nursing officer in charge<br>BSc |
| 3. | Joseph Ngeno | HAO,BSC In Biomedical Technology |
| 4. | CPA/ CS Christopher kibet | Hospital accountant. BCOM. |

## Chairman's Statement

NdanaiNdanai 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.

Name ..........SAMWEL ROTICH..........
Sign ..........
Date(dd/mm/yy) ........./.........../.........
Chairman of the Board

COUNTY GOVERNMENT OF BOMET
NDANAI SUB-COUNTY HOSPITAL
10 JUN 2024
MEDICAL SUPERINTENDENT
*P. O. BOX 117 - 20404, NDANAI*

## Report of The Medical Superintendent

Ndanai Sub County Hospital is located in Ndanai/Abosi ward, Sotik Sub-County, Bomet County in Rift Valley region. Founded in 1970 as a dispensary, upgraded as a health centre in 2003 and as a Sub County Hospitail in 2015.Catchment population is 18,000.Our services extend to neighboring counties i.e Narok and Nyamira. Other than outpatient and maternity services we also offer 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 Sub County Hospital we still lag behind in infrastructure such as in- patient wards . The facility leadership is 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 County Government of Bomet. There is need to increase the monthly AIE allocation in order to meet the expanding needs of the facility given the widening of scope of service delivery . Medical supplies is very essential in service delivery, KEMSA supplies are insufficient and inconsistent, there is need to establish constant supply of commodities to avert stock outs. Our health information show increased utilization of services every year. There is improved uptake of various services such as facility delivery, immunization, Mother and Child Health services and Outpatient 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 constantly do quality improvement and offer the best attainable health services to our clients.

Name ......DR MUTAI -K- TITUS......

Sign ..............................

Date(dd/mm/yy) ........./................../..........

Secretary/Medical Superintendent

COUNTY GOVERNMENT OF BOMET
NDANAI SUB-COUNTY HOSPITAL
10 JUN 2024
MEDICAL SUPERINTENDENT
*P. O. BOX 117 - 20404, NDANAI*

## 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 2020-2023. 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 2021/2022 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 |

## Report of The Board of Management

The Board members submit their report together with the Audited Financial Statements for the year ended June 30, 2023, which show the state of theHospitalNdanai 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 2023 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 Kenyaand the Public Audit Act 2015.

By Order of the Board

COUNTY GOVERNMENT OF BOMET
NDANAI SUB-COUNTY HOSPITAL
10 JUN 2024
MEDICAL SUPERINTENDENT
*P. O. BOX 117 - 20404, NDANAI*

Dr Mutai Titus
Medical Superintendent

**Secretary to the Board**

## 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 Managementis responsible for the preparation and presentation of the Ndanai Sub County Hospitalfinancial 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, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the 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 Boardof 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, 20xx, 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 OR

Nothing has come to the attention of the Board of managementto 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 10/06/2024 and signed on its behalf by:

| | |
|---|---|
| SAMWEL ROTICH | DR MUTAI · K · TITUS |
| **Name:** | **Name:** |
| **Chairperson** | **Accounting Officer** |
| **Board of Management** | |

COUNTY GOVERNMENT OF BOMET
NDANAI SUB-COUNTY HOSPITAL
10 JUN 2024
MEDICAL SUPERINTENDENT
*P. O. BOX 117 - 20404, NDANAI*

# REPUBLIC OF KENYA

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

OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

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

## REPORT OF THE AUDITOR-GENERAL ON NDANAI SUB-COUNTY LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2023 – COUNTY GOVERNMENT OF BOMET

PREAMBLE

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

A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;

B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure that the Government achieves value for money and that such funds are applied for the intended purpose.

C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has 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.

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

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

REPORT ON THE FINANCIAL STATEMENTS

**Adverse Opinion**

I have audited the accompanying financial statements of Ndanai Sub-County Level 4 Hospital – County Government of Bomet set out on pages 1 to 21, which comprise of the

## 2. Unsupported Transfers from County Government Amount

The statement of financial performance reflects transfers from the County Government amount of Kshs.15,648,000 which as disclosed in Note 6 to the financial statements was not supported with a detailed ledger or schedule.

In the circumstances, the accuracy and completeness of the transfers from the County Government amount of Kshs.15,648,000 could not be confirmed.

## 3. Variances in Revenue from Rendering Services – Medical Service Income

The statement of financial performance reflects rendering of services – medical service income amount of Kshs.7,414,946 as disclosed in Note 7 to the financial statements. The amount includes a balance of Kshs.4,718,000 in respect of pharmaceuticals National Hospital Insurance Fund (NHIF)/Linda Mama. However, the supporting schedule provided reflects an amount of Kshs.4,565,500 resulting in an unexplained variance of Kshs.152,500.

Further, review of the NHIF payment schedule revealed that an amount of Kshs.5,123,340 was paid to the Hospital, which differs with the amount indicated in the financial statements of Kshs.4,718,000 by an unexplained and unreconciled variance of Kshs.405,340.

In the circumstances, the accuracy and completeness of revenue from rendering of services - medical income amount of Kshs.4,718,000 could not be confirmed.

## 4. Unsupported Grants and Subsidies/Transfers Amount

The statement of financial performance and Note 13 to the financial statement reflect grants and subsidies/transfers amount of Kshs.3,528,000. The funds were transferred from the County Government to the Hospital account for onward transmission to various dispensaries. However, Management did not provide the returns to indicate how the funds were utilized by the beneficiary dispensaries.

In the circumstances, the completeness of the grants and subsidies/transfers amount of Kshs.3,528,000 could not be confirmed.

## 5. Unsupported Payments of Employee Wages

The statement of financial performance reflects employee costs amount of Kshs.4,633,650 as disclosed in Note 9 to the financial statements. Review of records revealed that the balance relates to payment of casual workers engaged by the Hospital during the year. However, it was observed that the Hospital did not have approved guidelines or policies on recruitment and payment of Hospital casual employees. It was therefore not possible to determine how the wages rates that were paid by the Hospital equipment, office furniture and equipment and other assets, of an undetermined value, which have not been disclosed in the financial statement.

Further, the ownership documents for the Hospital land measuring eight (8) acres were not provided for audit verification. The valuation reports for the buildings and two (2) motor vehicles were not also provided for verification.

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

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

**Key Audit Matters**

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

As required by Article 229(6) of the Constitution and based on the audit procedures performed, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for an Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, I confirm that public resources have not been applied lawfully and in an effective way.

**Basis for Conclusion**

**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 at the time of audit revealed that the Hospital did not meet the requirements of Kenya Quality for Health Policy Guidelines due to staff deficits of eighty (80) staff requirements or 79% of the authorized establishment.

## Basis for Conclusion

### 1. Weak Internal Controls Related to Revenue Collection by the Hospital

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 available for audit to confirm how the billing was done to the patients and receipts from subsequent payments from the patients.

Further, the paybill has been linked to a bank account held in a local bank where payments by the patients are directly deposited and later transferred to a designated County Revenue Account. However, the Hospital did not maintain a cash book, bank statement and certificate of bank balance for the account.

In addition, Management did not prepare bank reconciliation statements as required.

In the circumstances, the weak control measures in revenue collection by the Hospital may cause the Hospital to lose its revenue since it is difficult to track the billings to patients and the total revenue collected by the Hospital for services rendered in a year.

### 2. Lack of Functional Board of Management

During the year under review, the Hospital did not have a Board of Management. 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 was expected to end in March, 2022. By the time of the audit, in April, 2024, the term of the Board Members had not been renewed or a new Board appointed after the previous Board's term expired in March, 2022. No explanation was provided for the anomaly.

In the circumstances, the Hospital may not have benefited from oversight and effective decision making from the Board of Management.

### 3. Lack of an Updated Fixed Assets Register

During the year, Management did not maintain an updated asset register showing all the assets held by the Hospital as required by Regulation 136(1) of the Public Finance Management (County Government) Regulations, 2015. It was therefore not possible to confirm the nature and classes of assets held by the Hospital.

In the circumstances, the effectiveness of internal controls in relation to the management of assets could not be confirmed.

The audit was conducted in accordance with the ISSAI 2315 and ISSAI 2330. The Standards require that I plan and perform the audit to obtain assurance about whether

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that

might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Hospital's ability to continue to sustain its services. If I conclude that a material uncertainty exists, Statement of Financial Performance for The Year Ended 30 June 2023

| Description | Note | Insert Current FY 2023 Kshs | Insert Comparative FY 2022 Kshs |
|---|---|---|---|
| **Revenuefromnon-exchangetransactions** | | | |
| Transfers from the County Government | 6 | 15,648,000.00 | **14,132,716** |
| | | - | - |
| **Revenuefromexchangetransactions** | | | |
| Rendering of services- Medical Service Income | 7 | 7,414,946.00 | 4,327,561 |
| **Revenuefromexchangetransactions** | | - | - |
| **Totalrevenue** | | **23,062,946.00** | **18,460,277** |
| | | | |
| **Expenses** | | | |
| Medical/Clinical costs | 8 | 4,042,965.00 | 4,176,098 |
| Employee costs | 9 | 4,633,650.00 | 3,512,230 |
| Board of Management Expenses | 10 | - | 84,000 |
| Tranfer to Bomet CR Acc | 11 | 7,414,946.00 | 4,327,561 |
| Repairs and maintenance | 12 | 515,525.00 | 2,396,838 |
| Grants and subsidies/ Transfer | 13 | 3,528,000.00 | 2,226,000 |
| General expenses | 14 | 2,687,135.00 | 1,918,325 |
| Finance costs | 15 | 7,100.00 | - |
| **Totalexpenses** | | **22,829,321.00** | **18,641,052** |
| **Othergains/(losses)** | | - | - |
| **Net Surplus / (Deficit) for the year** | | **233,625.00** | **(180,775)** |

The Ndanai Sub County Hospital's financial statements were approved by the Board on 10/06/2024 and signed on its behalf by:

SAMWEL ROTICH ............ CHRISTOPHER KIBET ............ DR MUTAI -K. TITUS ............

**Chairman** **Head of Finance** **Medical Superintendent**

**Board of Management** **ICPAK No:** 11543

COUNTY GOVERNMENT OF BOMET
NDANAI SUB-COUNTY HOSPITAL
10 JUN 2024
MEDICAL SUPERINTENDENT
*P. O. BOX 117 - 20404, NDANAI*

## Statement of Financial PositionAsAt 30th June 2023

| Description | Notes | 2022/23 Kshs | 2021/22 Kshs |
|---|---|---|---|
| **Assets** | | | |
| **Currentassets** | | | |
| Cash and cash equivalents | 16 | 187,236 | 106,691 |
| Receivables from exchange transactions | 17 | 1,783,900 | 1,032,190 |
| Inventory | 18 | 1,008,701 | 555,820 |
| **Total Current Assets** | | **2,979,837** | **1,694,701** |
| **Non-currentassets** | | - | - |
| Property, plant, and equipment | | - | - |
| Intangible assets | | - | - |
| Investment property | | - | - |
| **Total Non-current Assets** | | - | - |
| **Totalassets** | | **2,979,837** | **1,694,701** |
| | | | |
| **Liabilities** | | | |
| **Currentliabilities** | | | |
| Trade and other payables | 19 | 3,213,462 | 1,875,476 |
| Refundable deposits from customers/Patients | | - | - |
| Provisions | | - | - |
| Finance lease obligation | | - | - |
| Current portion of deferred income | | - | - |
| Current portion of borrowings | | - | - |
| **Total Current Liabilities** | | **3,213,462** | **1,875,476** |
| **Non-current liabilities** | | | |
| Provisions | | - | - |
| Non-Current Finance lease obligation | | - | - |
| Non-Current portion of deferred income | | - | - |
| Non - Current portion of borrowings | | - | - |
| Service concession liability | | - | - |
| | | | |

| Description | Notes | 2022/23 | 2021/22 |
|---|---|---|---|
| | | Kshs | Kshs |
| **Total Non-current liabilities** | | | - |
| **Total Liabilities** | | **3,213,462** | **1,875,476** |
| | | | |
| **Net assets** | | **233,625** | **(180,775)** |
| Revaluation reserve | | - | - |
| Accumulated surplus/Deficit | | **233,625** | (180,775) |
| Capital Fund | | - | - |
| | | | |
| **Total Net Assets and Liabilities** | | **233,625** | (180,775) |

The Ndanai Sub County Hospital's financial statements were approved by the Board on 10/06/2024 and signed on its behalf by:

CHRISTOPHER KIBOR

SAMWEL ROTICH ........................................ DR MUTAI-K. TITUS

Chairman Board of Management

Head of Finance
ICPAK No: 11543

Medical Superintendent

COUNTY GOVERNMENT OF BOMET
NDANAI SUB-COUNTY HOSPITAL
10 JUN 2024
MEDICAL SUPERINTENDENT
*P. O. BOX 117 - 20404, NDANAI*

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

| Description | Revaluation reserve | Accumulated surplus/Deficit | Capital Fund | Total |
|---|---|---|---|---|
| **As at July 1, 2021(previous year)** | - | - | - | - |
| Revaluation gain | - | - | - | - |
| Surplus/(deficit) for the year | - | (180,775) | - | (180,775) |
| Capital/Development grants | - | - | - | - |
| **As at June 30, 2022 (previous year)** | - | **(180,775)** | - | **(180,775)** |
| | | | | |
| **At July 1, 2022 (current year)** | - | **(180,775)** | - | **(180,775)** |
| Revaluation gain | - | - | - | - |
| Surplus/(deficit) for the year | - | 233,625 | - | 233,625 |
| Capital/Development grants | - | - | - | - |
| **At June 30, 2023 (current year)** | - | **52,850** | - | **52,850** |

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

| Description | Originalbudget | Adjustments | Finalbudget | Actualon comparable basis | Performance difference | % ofutilisation |
|---|---|---|---|---|---|---|
| | a | b | c=(a+b) | d | e=(c-d) | f=d/c% |
| | Kshs | Kshs | Kshs | Kshs | Kshs | |
| **Revenue** | | | | | | |
| Transfers from the County Government | 15,648,000.00 | - | 15,648,000 | 15,648,000.00 | 0 | 100% |
| Grants from donors and development partners | - | - | - | - | - | % |
| Transfers from other Government entities | - | - | - | - | - | % |
| Public contributions and donations | - | - | - | - | - | % |
| Rendering of services- Medical Service Income | - | - | - | - | - | % |
| Revenue from rent of facilities | - | - | - | - | - | % |
| Finance / interest income | - | - | - | - | - | % |
| Miscellaneous receipts (specify) b/bf | - | - | - | - | - | % |
| **Totalincome** | **15,648,000.00** | **-** | **15,648,000.00** | **15,648,000.00** | **0** | **100%** |
| **Expenses** | | | | | | |
| Medical/Clinical costs | 4,500,000 | -200,000 | 4,300,000 | 4,042,965 | 257,035 | 94% |
| Employee costs | 8,892,950 | -3,600,000 | 5,292,950 | 4,633,650 | 659,300 | 88% |
| Remuneration of directors | 330,000 | - | 330,000 | | 330,000 | 0% |
| Repairs and maintenance | 1,000,000 | - | 1,000,000 | 515,525 | 484,475 | 52% |
| Grants and subsidies/ tranfer | 0 | 3,600,000 | 3,600,000 | 3,528,000 | 72,000 | 98% |
| General expenses | 2,500,000 | 200,000 | 2,700,000 | 2,694,244 | 12,865 | 100% |
| Finance costs | 10,000 | - | 10,000 | | | % |
| Refunds | 4,500,000 | -200,000 | 4,300,000 | 4,042,965 | 257,035 | 94% |
| **Surplusfortheperiod** | - | - | - | **233,625.00** | - | % |
| **Capital expenditure** | - | - | - | - | - | % |

## Notes to the Financial Statements

### 1. General Information

NDANAI SUB COUNTY HOPITALis 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.

## 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**<br>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.<br>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:<br>• 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;<br>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and<br>• 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**<br>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:<br>(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<br>(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**<br>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.<br>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.<br>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.<br>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**<br>• IPSAS 22 Disclosure of Financial Information about the General Government Sector.<br>Amendments to refer to the latest System of National Accounts (SNA 2008).<br>• IPSAS 39: Employee Benefits<br>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.<br>• IPSAS 29: Financial instruments: Recognition and Measurement<br>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**<br>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.<br>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**<br>The Standard requires: -<br>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:<br>**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 2022/2023

## Summaryof Significant Accounting Policies

**a. Revenue recognition**

**i) Revenue from non-exchange transactions**

**Transfers from otherGovernment 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 2022-23 was approved by Board on 28th June 2022. 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 did not record additional appropriations for the FY 2022-23 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 **6** 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 foras 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.

.

### e. 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.

### f. 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

### 6b 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 | - | - | - | 15,648,000 | 12,394,000 |
| Bal B/f | | | | - | 1,738,716 |
| **Total** | - | - | - | **15,648,000** | **14,132,716** |

*Included in transfers from the county government are balances brought forward from the previous period of Ksh1,738,716being the first balances on the hospital account.*

### 7 Rendering of Services-Medical Service Income

| Description | 2022/23 | 2021/22 |
|---|---|---|
| | Kshs | Kshs |
| Pharmaceuticals NHIF/ linda mama | 4,718,000.00 | 2,087,500.00 |
| CASH/PAYBILL | 2,696,946.00 | 2,240,061.00 |
| Other medical services income (specify) | | - |
| **Totalrevenue rendering of services** | **7,414,946.00** | **4,327,561.00** |

### 8 Medical/ Clinical Costs

| Description | 2022/23 | 2021/22 |
|---|---|---|
| | Kshs | Kshs |
| Dental costs/ materials | 87,100.00 | - |
| Food and Ration | 1,771,230.00 | 1,259,850.00 |
| Uniform, clothing, and linen | 165,400.00 | - |
| Dressing and Non-Pharmaceuticals | 2,019,235.00 | 2,916,408.00 |
| **Total medical/ clinical costs** | **4,042,965.00** | **4,176,098.00** |

## 9 Employee Costs

| Description | 2022/23 | 2021/22 |
|---|---|---|
| | Kshs | Kshs |
| Salaries, wages, and allowances | 4,633,650.00 | 3,512,230.00 |
| Other employee costs (specify) | - | - |
| **Employeecosts** | **4,633,650.00** | **3,512,230.00** |

## 10 Board of Management Expenses

| Description | 2022/23 | 2021/22 |
|---|---|---|
| | Kshs | Kshs |
| Sitting allowance | | 84,000.00 |
| **Total** | - | 84,000.00 |

## 11 Grants And Transfer

| Description | 2022/23 | 2021/22 |
|---|---|---|
| | Kshs | Kshs |
| Transfer to BCR A/ C | - | - |
| Eqity account | **2,696,946.00** | **2,240,061.00** |
| Kcb account | 4,718,000.00 | 2,087,500.00 |
| **Totalgrantsand**Transfers | **7,414,946.00** | **4,327,561.00** |

## 12 Repairs And Maintenance

| Description | 2022/23 | 2021/22 |
|---|---|---|
| | Kshs | Kshs |
| Property- Buildings | **293,856.00** | **2,396,838** |
| Maintenance of civil works | **221,669.00** | - |
| **Totalrepairsandmaintenance** | **515,525.00** | **2,396,838** |

## 13 Grants And Subsidies

| Description | 2022/23 | 2021/22 |
|---|---|---|
| | Kshs | Kshs |
| Transfer to BCR A/ C | - | - |
| Transfer to dispensaries/ | 3,528,000 | 2,226,000 |
| **Totalgrantsandsubsidies** | **3,528,000** | **2,226,000** |

## 14 General Expenses

| Description | 2022/23 | 2021/22 |
|---|---|---|
| | Kshs | Kshs |
| Electricity expenses | 100,000.00 | 300,000.00 |
| Fuel and Lubricants | 951,273.00 | 417,385.00 |
| Bank Charges | 7,100 | 4,820 |
| Printing and stationery | 1,535,871.00.00 | 1,028,280.00 |
| Water and sewerage costs | 100,000.00 | 117,840.00 |
| **Total General Expenses** | **2,694,244** | **1,918,325** |

## 15 Finance Costs

| Description | 2022/23 | 2021/22 |
|---|---|---|
| | KShs | KShs |
| Interest from loans | - | - |
| **Totalfinancecosts** | - | - |

## 16 Cash And Cash Equivalents

| Description | 2022/23 | 2021/22 |
|---|---|---|
| | KShs | KShs |
| Current accounts | **187,236** | **106,691** |
| Cash in hand | - | - |
| Others(specify)- Mobile money | - | - |
| **Totalcashandcashequivalents** | **187,236** | **106,691** |

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

| Description | | 2022/23 | 2021/22 |
|---|---|---|---|

| Financial institution | Account number | KShs | KShs |
|---|---|---|---|
| a) **Current account** | | | |
| Kenya Commercial bank | 1145098118 | 6,751 | 29,624 |
| COOP Bank, etc | 01141357690900 | 2,145 | 854 |
| Equity Bank – | 1840280730770 | 178,340 | 76,213 |
| **TOTALS** | | **187,236** | **106,691** |

## 17 Receivables From Exchange Transactions

| Description | 2022/23 | 2021/22 |
|---|---|---|
| | KShs | KShs |
| Medical services receivables NHIF | 1,783,900 | 1,032,190 |
| **Totalreceivables** | **1,783,900** | **1,032,190** |

## 18 Inventories

| Description | 2022/23 | 2021/22 |
|---|---|---|
| | KShs | KShs |
| Pharmaceutical supplies | 1,008,701 | 555,820 |
| Maintenance supplies | - | - |
| Food supplies | - | - |
| Linen and clothing supplies | - | - |
| Cleaning materials supplies | - | - |
| General supplies | | - |
| Less: provision for impairment of stocks | - | - |
| **Total** | **1,008,701** | **555,820** |

## 19 Trade and other payables

| Description | 2021/22 | 2021/22 |
|---|---|---|
| | KShs | KShs |
| Trade payables | | 553,476 |
| Employee dues | | 1,322,000 |
| **Total** | **3,213,462** | **1,875,476** |

**Notes to the Financial Statements (Continued)**

**20 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 20XX (previous year) | - | - | - | - | - | - | - | - |
| Additions | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - | - |
| Transfers/adjustments | - | - | - | - | | | - | - |
| **At 30th Jun 20XX** | - | - | - | - | - | - | - | - |
| | | | | | | | | |
| At 1 July 20XX (current year) | - | - | - | - | - | - | - | - |
| Additions | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - | - |
| Transfer/adjustments | | - | | - | | | - | - |
| **At 30th Jun 20XX** | - | - | - | - | - | - | - | - |
| **Depreciation and impairment** | | | | | | | | |
| At 1 July 20XX (previous year) | | - | - | - | - | - | | - |
| Depreciation for the year | | - | - | - | - | - | | - |
| Disposals | | - | - | - | - | - | | - |
| Impairment | | - | - | - | - | - | | - |

**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 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.

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

**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.

**Currency**

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

**21. Cash generated From Operations**

| Description | 2021/23 | 2021/22 |
|---|---|---|
| | KShs | KShs |
| **Surplus for year before tax** | 233,625 | |
| Adjussted for: | | |
| Depreciation | | |
| Impairment | | |
| **Working capital adjustments** | | |
| (Increase)/Decrease in inventory | -739,356 | |
| (Increase)/Decrease in receivables | -751,710 | |
| (Increase)/Decrease in payables | 1,337,986 | |
| **Net cash flows from operating activities** | **80,545** | |

## 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 | | |
| | | | | |

DR MUTAI·K·TITUS

……………………………………

**Accounting Officer**

COUNTY GOVERNMENT OF BOMET
NDANAI SUB-COUNTY HOSPITAL
10 JUN 2024
MEDICAL SUPERINTENDENT
*P. O. BOX 117 - 20404, NDANAI*