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SUBUKIA SUB-COUNTY
HOSPITAL

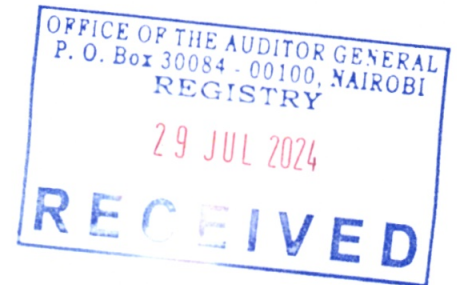
FOR THE YEAR ENDED
30 JUNE, 2023

COUNTY GOVERNMENT OF NAKURU

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SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)

Annual Report and Financial Statements for The Year Ended 30th June 2023



**SUBUKIA SUB COUNTY HOSPITAL
(NAKURU 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)**

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)
Annual Report and Financial Statements for The Year Ended 30th June 2023

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)

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Acronyms & Glossary of Terms

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

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

Management

OPD	Out Patient Department
MOPC	Medical Outpatient Clinic
CCC	Comprehensive Care Clinic
HMC	Hospital Management Committee
NHIF	National Hospital Insurance Fund
PAYE	Pay As You Earn
KEMSA	Kenya Medical Supplies Authority
MEDS	Mission for Essential Drugs Supplies
ARVs	Anti-Retro-Virals
FEFO	First Expiry First Out
FIFO	First In First Out
WASH	Water, Sanitation and Hygiene
AIE	Authority to Incur Expenditure
UTJ	Usaid Tujenge Jamii

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CME Continuous Medical Education

Acronyms & Glossary of Terms (continued)

SMC Senior Management Course

CRH Comprehensive Reproductive Health

KRCHN Kenya Registered Community Health Nurse

UHC Universal Health Care

MKU Mt. Kenya University

RH Reproductive Health

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1. Key Entity Information and Management

a. Background information

Subukia Sub County Hospital is a level 4 hospital established under gazette notice number 9001 dated 20th September, 2019 and is domiciled in Nakuru County under the Health Department. The hospital is governed by Hospital Management Committee.

b. Principal Activities

The principal activity/mission/ mandate of the hospital is to offer holistic medical care to patients including preventive, rehabilitative and curative.

The hospital offers its services basing it on its vision that states that **To Strengthen our focus on the wellbeing of community by adhering to quality, efficient, and effective health care offered to all citizens.**

Our mission is **to be the most Reliable Healthcare provider in the Sub County and beyond.**

The core objectives of the hospital are to be honest, transparent, confidential to the patients, and offer affordable quality healthcare.

c. Key Management

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

- County department of health services
- Hospital Management committee
- Accounting Officer/ Medical Superintendent
- Head of departments
- Departmental committees

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Key Entity Information and Management (continued)

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. Kamau Edward
2.	Head of Finance	Samuel Kariuki
3.	Head of Supply Chain	Tabitha Kangogo
4.	Head of Pharmaceutical Services	Dr. Kamau Edward/Dr. Irene Mokeira
5.	Hospital Administrator	Mark Wainaina/ Mary Mbuguah
6.	Head of Nursing	Elizabeth Muthui
7.	Head of Clinical Services	Philemon Kiprono/ Paul Karanja
8.	Head of Laboratory	Joseph Macharia
9.	Head of Records	Stephen Kihugi
10.	Head of Revenue	Miriam Gachoka

e. Fiduciary Oversight Arrangements

Clinical Research and Standards Committee.

The hospital does not have a detailed fiduciary arrangement since it's a low level four. The hospital financial transaction mainly is controlled by the Medical Superintendent who directs the vote head in the AIEs issued by the Chief Officer who is the accounting officer.

However, the hospital accountant advises the Medical Superintendent on the revenue generated on monthly basis or when need arises.

Audit is carried occasionally whereby no audit was carried for the just ended year.

Key Entity Information and Management (continued)

f. Entity Headquarters

Nakuru County Government
Rift Valley Regional Building
Box 2060
Nakuru
Kenya

g. Entity Contacts

Telephone: (+254) 717 556890
E-mail: Subukiahospital@gmail.com

h. Entity Bankers

Subukia Sub County Hospital
Kenya Commercial Bank
Kenyatta Avenue Branch
Nakuru

i. Independent Auditors

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

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Key Entity Information and Management (continued)

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.2870-20100



Nakuru

Kenya

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)



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2. Hospital Management Committee

Ref	Directors	Details
1.	<p>Director 1</p>  <p>HMC CHAIRMAN MOSES G. KINYUA Retired TSC Head Teacher</p>	<p>60 yrs Old. Am a born again Christian - T.S.C Head teacher. -33yrs of service -Head teacher for 21yrs in various primary schools. -Retired at Grade C5 -Presents Chair Subukia Sub-County Level 4 Hospital. -P.O BOX 114, Subukia.</p>
2.	<p>Director 2</p>  <p>CHAIR - FINANCE SUBCOMMITTEE JOHN NJUNJI Dip. In Farm Management</p>	<p>59 years old, A-level training, Diploma in Farm Management from Egerton University, work experience of more than 35 years in teaching, Agronomist, Management, Public Administration as Area Chief in Subukia, Credit financing officer and as civil contractor.</p>


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3.	<p>Director 3</p>  <p>CHAIR - INFRASTRUCTURE SUBCOMMITTEE</p> <p>HELLEN MBURU</p> <p>Certificate in Secretarial Studies</p>	<p>44 years. Form 4 qualified with training in Secretarial studies. Worked in Subukia CDF offices for 7 years as a Front office manager and board chair in various schools and currently board member at Koelel Forces Academy</p>
4.	<p>Director 4</p>  <p>Alternate</p> <p>CHAIR - SERVICE DELIVERY SUBCOMMITTEE</p> <p>JARED ONDIEKI</p> <p>O-Level</p>	<p>59 years. O- Level Certificate. Worked in KCPU for 8 years, Clerk at Wananchi Sacco for 6 years, board member for various schools.</p>
5.	ELIZABETH WAMBUGU	MEMBER
6.	EMMAH WANJIKU	MEMBER


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7.	STEPHEN KIGIMA	MEMBER
8.	FAITH NJERI	MEMBER
9.	<p>MEDICAL SUPERITENDANT</p>  <p>DR. BARASA JUDITH MBChB, Financial management, SMC</p>	<p>36 years. Bachelor of Medicine and Bachelor of Surgery (MBChB), Health Policy and Management, Financial Management, Senior Management Course (SMC). 12 Years work experience in management as Medical Officer of Health (MOH-Subukia) and Medical Superintendent).</p>

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10.	<p>MEDICAL SUPERITENDANT - EFFECTIVE FEB,2023</p>  <p>DR. KAMAU EDWARD (Bpharm, Msc Proc. & log, PPB, SMC)</p>	<p>42 Years old. Registered Pharmacist by Pharmacy and Poisons Board (PPB). Bachelor in pharmacy (MKU), Master's Degree in Procurement and Logistics (JKUAT), Senior Management Course from Kenya School of Government, (Baringo). Other short training include Malaria, HIV/AIDS, TB and RH.</p> <p>Has 16 years' work experience both in private and public practice as Pharmacist in charge, MOH, and Medical Superintendent. Have worked in Migori, Uasin Gishu, Nandi, and Nairobi and Currently in Nakuru County.</p> <p>Not a member of ICS</p>
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SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)



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3. Management Team

Ref	Management	Details
1.	<p>Manager 1</p>  <p>MEDICAL SUPERINTENDENT</p> <p>DR. BARASA JUDITH</p> <p>(MBChB,Financial Management,SMC)</p>  <p>Dr. Kamau Edward</p> <p>(Bpharm,Msc Proc.& log,PPB,SMC)</p>	MEDSUP/CEO




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2.	<p>Manager 2</p>  <p>HOSPITAL ADMINISTRATOR</p> <p>MARY NJOKI MBUGUAH</p> <p>Diploma in Business Management/ATD II</p>	Administration Department
3.	<p>Manager 3</p>  <p>HOD/- ACCOUNTS</p> <p>Samuel Kariuki</p> <p>Degree in finance & Accounting, CPA 2</p>	Finance department



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4.	<p>Manager 4</p>  <p>HOD- PHARMACY</p> <p>Dr. Kamau Edward</p> <p>Bpharm,Msc Proc.&log,PPB,SMC</p>  <p>Dr. Irene Mokeira</p> <p>(Bpharm,Mpharm)</p>	Pharmaceutical services
5.	<p>Manager 5</p>  <p>HOD- NURSING</p> <p>Elizabeth Muthui</p> <p>KRCHN,CRH</p>	Nursing

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HOD- CLINICAL SERVICES	Casualty/OPD
	
Philemon Kiprono Diploma in Clinical Medicine &Surgery	
	
Paul Mburu Karanja (Bachelor of Science Clinical Medicine and Surgery)	

6.

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)

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4. Chairman's Statement

HMC Chairman Report Subukia Sub-County Level 4 Hospital.

2022-2023: Financial Year Report.

PREAMBLE

- Subukia Sub-County Level 4 Hospital is a Government hospital, Governed by Nakuru County.
- It's situated in Nakuru County, Subukia Sub- County, Subukia Constituency, Subukia Ward and Subukia Town.
- It's a low Level 4 hospital.

Hospital Management

The current management was appointed on 7th January 2022.

It comprises of:

1. Moses G Kinyua	-	Chairman
2. Dr. Barasa Judith Then Dr. Kamau Edward (Effective Feb 2023)	-	Secretary
3. Jared Ondiek	-	Member
4. Emmah Wanjiku	-	Member
5. Hellen Mburu	-	Member
6. Stephen Kigima	-	Member
7. John Njuji	-	Member
8. Faith Njeri	-	Member
9. Elizabeth Wambugu	-	Member

Benchmarking

-The whole team left for Bahati Sub County hospital for benchmarking.

We noted the following;

- Good team work by the facility.
- Good working relationship between the HMC and the Medical Superintendent
- A new facility that was coming up.
- Informed HMC members.

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)

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Chairman's Statement (continued)

Success

- Devoted workers led by the Med Supt
- Construction of modern OPD.
- Increased revenue collection.

Challenges

1. Lack of enough staff
2. The NHIF remittance of funds.
3. Lack of enough drugs
4. Late arrival of drugs
5. The new OPD lacks 'face'

Way forward/Future Expectations.

- Fencing
- Bore hole
- Stand by generator
- Staffing
- Dental chair.

I suggest that the HMC to be appointed based on knowledge and capability. Am particular on the finances.

Let the office have a clue on basic accounts.



MOSES G. KINYUA

CHAIRMAN TO THE

HMC

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)

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5. Report Of The Medical Superintendent

Subukia sub-County hospital is level Four hospital having being gazette from a Health Centre in the year 2019. The facility occupies 2.165 hectares or thereabouts that is to say L.R No. 24638 according to the lease document grant number I.R. 83006 for 99 years since 1.11.99.

Subukia sub-county hospital had fifteen departments including clinical and non-clinical compared to thirteen reported last year. The hospital is headed by the Medical Superintendent who oversees daily running of the institution. During the year under review, the hospital had a catchment population of 23,885. The catchment population dropped compared to last year since the same was reviewed by health records department. Subukia Sub- County hospital attends to an average of 200 patients per day.

Subukia sub county hospital had five strategic pillars and objectives within the current Strategic Plan for the FY 2022- FY 23. These strategic pillars are as follows, Elimination of communicable conditions, Halt and Reverse non- communicable conditions, reduce the burden of violence and injuries, minimize exposure to health risk factors and Strengthen collaboration with health-related sectors. These pillars are derived from Kenya Health policy 2014- 2030.

Overall patient attendance during the year for both inpatient and outpatient represented a slight drop compared to last year (28,208 to 27,917). The slight drop was occasioned by the disruption of youth friendly services as a result of the on-going construction of modern OPD. For inpatient, the maternity admissions were 840, for inpatient observation 220 and total outpatients were 27,917. Out of the total outpatient, 18, 501 comprised patients aged over 5 years while 9416 were children aged below 5 years.

In terms of gender, for the patients aged over five years, 6823 were male whereas 11,678 were female accounting to 36.8% and 63.2% respectively. Clients who visited the hospital aged below 5 years almost equalled just as previous year whereby males were 4648 and 4768 were females representing 49.3% and 50.7% respectively.

Largely, more female visited the facility than men just as last year.

For the year that has ended, the facility held fifteen head of departments meetings that normally form basis for the board meetings.

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Report of the Medical Superintendent (continued)

Equally, we held eight subcommittee meetings compared to four last year since we visited various organisation to lobby for standby generator and a borehole.

Also, we held six quarterly HMC meetings with an overall attendance of 98%. The increased meeting were as a result of the transition that took place in various key departments and the visit by Her Excellence the Governor.

The affected departments included Med Supt clinical and pharmacy.

The current office bearers are nine having being appointed on 7th Jan, 2022 to hold office for three consecutive years. The board is usually appointed by the County Executive Committee Member in charge of Health Services. The Medical Superintendent can include some of the head of departments when deliberating on certain issues that may require expert opinion.

The staffs who are normally co-opted during the discussions include the finance and the hospital administrator. Area Member of County Assembly, Ward Administrator are the ex-official.

The hospital entirely gets its revenue through cost sharing with the patients, county allocation and partners support.

The facility is registered for NHIF services including Linda Mama, Capitation, Comprehensive cover and Edu Afya. However, reimbursement from the scheme always delays leading to budget deficits.

The money is normally collected through cash, then it's immediately keyed in to the hospital account by the available bank agent stationed at the department.

In the year under review, the facility collected a total of Kshs 14,157,451.24 from 12,380,942 collected the previous year against a target of 16, 500,000 leading to a deficit of 2,342,549. NHIF reimbursed 4,492,785 while cash collection accounted 6,727,108.

In the year under review the hospital introduced two specialized departments. These are orthopaedic/ trauma and physiotherapy. Other specialized services were as well introduced in the laboratory whereby we installed biochemistry analyser machine that cost Kshs 1,290,000.

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Report Of The Medical Superintendent (continued)

Different categories of staffs exist in the facility such as permanent and pensionable, county contracted, UHC contracted, partner contracted (UTJ) and hospital contracted. The contract usually runs for a period of three renewable months for hospital contracts while for county contracted runs for a maximum of three years. The Staff are largely classified as Technical, and non-Technical working in different departments.

For the year ended, the hospital had a total of 56 staffs with partners supporting 9. Out of these staffs, 22 were male and 34 were female. The hospital contracted were totaling to 28 amounting to a salary of ksh. 4,200,458; representing an increase of seven staffs.

It is significant to note that, during the year, the Governor, the area MCA paid a courtesy call to the hospital. This was a big day for the hospital as the Governor launched the construction of modern outpatient department. The construction is ongoing and its 20% complete basing on the report of Project Implementation Team. The construction is projected to be complete by March, 2024.

The team work and the spirited effort accorded to the office of the Medical Superintendent both by the HMC and the staffs at large is exceptional.

As I take over the mantle from my predecessor who had set basic infrastructure in the hospital, I wish to state that I will be committed and focused to ensure that the hospital attains the recommended level four Status. My focus will be more on timely delivery of health care within the hospital and to expand specialised services. On the pipeline is the introduction of dental unit through the support of the Area MCA


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Report Of the Medical Superintendent (continued)

As I conclude, I wish to assure the community of timely delivery of services both clinical and administrative in order to ensure a healthy community.

God bless you all


MEDICAL SUPERINTENDENT
SUBUKIA SUB-COUNTY HOSPITAL
04 JUL 2024
P. O. BOX 117, SUBUKI
Tel: 0717 556 890

DR. KAMAU EDWARD

Secretary To The Board

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)

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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. Subukia Sub County hospital has six strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY 2022- FY 23. These strategic pillars/ themes/ issues are as follows;

- Pillar /theme/issue 1: eliminate communicable conditions
- Pillar/theme/issue 2: halt and reverse non- communicable conditions
- Pillar 3 reduce the burden of violence and injuries
- Pillar 4. Provide essential medical services
- Pillar 5. Minimize exposure to health risk factors
- Pillar 6. Strengthen collaboration with health-related sector

Subukia sub county hospital develops its annual work plans based on the above five pillars/Themes/Issues. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The hospital achieved its performance targets set for the FY 2022/2023 period for its six strategic pillars, as indicated in the diagram below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Pillar/ theme/ issue 1:	To eliminate communicable conditions	1.Reduce new HIV cases through PMTCT to 870 pregnant women,	Intensify health promotions messages, recruitment of required personnel,	906 PMTCT Reached

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		<p>2. Tuberculosis - intensify case finding 65</p> <p>3. reduce diarrhoeal cases by 20%</p>	<p>trains CHVs and conduct outreaches</p> <p>Conduct outreaches</p> <p>Developing SOPs</p> <p>Intensify health talks in the facility</p> <p>Intensify health promotion from 10 to 15</p>	
Pillar/ theme/ issue 2:	To halt and reverse non-communicable conditions	<p>1. poor breast feeding practices -encourage exclusive breast feeding for 6 months</p> <p>2. underweight - nutrition supplementation</p>	<p>Conduct Health education to 840 to women giving births</p> <p>Supplement 840</p> <p>Conduct Nutrition assessment to 840</p>	<p>950 reached</p> <p>Supplemented 250</p> <p>900 done</p>

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Pillar/theme/issue 3	<p>To reduce the burden of violence and injuries</p>	<p>1.Road traffic accidents RTAs</p> <p>-Lobby for 1 ambulance</p> <p>2. Burns</p> <p>Educate on danger of self-medication</p>	<p>Form emergency preparedness committee</p> <p>Offer referral services for specialized care</p> <p>Offer rehabilitative follow up</p> <p>Raise referral from community from 5 to 20 through CHVs</p>	<p>-committee formed and operationalized</p> <p>- ambulance available</p>
Pillar/theme/issue 4	<p>To minimize exposure to health risk factors.</p> <p>Strengthen collaboration</p>	<p>1. Alcohol and drug and abuse</p> <p>2. Unsafe sex</p>	<p>Conduct 20 outreaches and 36 school health program</p>	<p>2 outreaches done and 10 schools visited</p>

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)

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Statement of Performance Against Predetermined Objectives (continued)

HIV/ AIDS prevention strategy was enhanced whereby more pregnant women were reached. This was achieved due to partner support who engaged more staffs and antenatal care clinic got a dedicated staff stationed at the clinic

Also, more TB cases were diagnosed as a result of revision of TB screening tool and more patients resumed seeking medical services in the facility due to declined cases and severity of Covid 19 pandemic.

Ambulance services are now available and a referral for specialized care is happening day and night across the year.

Moreover, ten schools were reached since there was allocation of allowance for domestic travel and lunch allowance for the staffs who visited the schools. Nevertheless, 26 schools were unreachable due to constrained budget and some were far to reach area.

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)

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7. Corporate Governance Statement

The hospital is headed by the Medical Superintendent who acts the accounting officer and the secretary to the management committee. The Medical Superintendent normally oversees the daily operation of the hospital for all departments. He also sets the strategic plan and annual work plan to be cascaded to all departments while developing their annual performance appraisal

For the year that has ended, the facility held fifteen head of departments meetings that normally form basis for the board meetings. Equally, we held eight subcommittee meetings compared to four last year since we visited various organization to lobby for standby generator and a borehole. Also, we held six quarterly HMC meetings with an overall attendance of 98%. The increased meeting were as a result of the transition that took place in various key departments and the visit by Her Excellence the Governor.

The affected departments included Med Supt, clinical and pharmacy.

Before the main committee meeting, the hospital sits with the respective sub committees namely, Service delivery, Infrastructure, Executive expenditure and Finance. These sub committees are mandated to offer comprehensive analysis of each department operations. In each subcommittee sitting, the HMC chair and Med Supt must attend. The invitation to the board meetings is mainly through short messages SMS and phone calls from the office of the Medical Superintendent. One-week notice is usually given. In the event committee member is unable to attend the meeting, he must inform the medical superintendent through official communication. The meeting usually happens at the hospital board room.

The current office bearers are nine having being appointed on 7th Jan, 2022 to hold office for three consecutive years. The board is usually appointed by the County Executive Committee Member in charge of Health Services. The Medical Superintendent can include some of the head of departments when deliberating on certain issues that may require expert opinion. The staffs who are normally co-opted during the discussions include the finance and the hospital administrator. Area Member of County Assembly, Ward Administrator are the ex-official.

Once the committee is appointed they are usually inducted and oriented in order to ensure seamless transition. The current office was successfully inducted whereby the county department of health was involved.

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Annual Report and Financial Statements for The Year Ended 30th June 2023

Corporate Governance Statement (continued)

The three days induction equipped the members with the knowledge on how to oversee operations happening in the facility. Financial management, human resource, code of ethics and collaboration with other partners were covered.

The committee plays significant role of offering oversight to the day to day running of the institution. They also act as link between county government in the recruitment and remuneration of hospital contracted staffs. During quarterly meetings, the committee discusses and approves hospital budget that amount to the funds collected for the ending three months. After the budget is passed at hospital level, it is then forwarded to the county health department accounting officer to analyze further for authority to incur expenditure (AIE) to be generated.

They also play a pivotal role of representing the community in regard to their health issues.

The HMC also mobilises the resources for the hospital by paying courtesy call to the well-wishers and partners within the community. For the year ending, the HMC infrastructure subcommittee visited Subati, Winflay flower farms, Angaza resort all located in the vicinity and presented a proposal of getting a standby generator and a borehole. We are yet to get the feedback. Moreover, the HMC chair attended Public Participation whereby the community unanimously passed for dental chair to be allocated funds from the ward fund.

The current office bearers are nine having being appointed on 7th Jan, 2022 to hold office for three consecutive years. The board is usually appointed by the County Executive Committee Member in charge of Health Services. The Medical Superintendent can include some of the head of departments when deliberating on certain issues that may require expert opinion. The staffs who are normally co-opted during the discussions include the finance and the hospital administrator. Area Member of County Assembly, Ward Administrator are the ex-official. In every sitting and during official duty, an allowance is usually paid basing on the salary and remuneration commission (SRC) rates. However, the number of meetings is normally limited to one per quarter for both subcommittees and main committee.

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)

Annual Report and Financial Statements for The Year Ended 30th June 2023

Corporate Governance Statement (continued)

Moreover, during the year there was no addition or removal of HMC membership only that one member was unable to attend most of the meetings. The case was reported to the appointing authority and is still being handled. All planned meetings happened with no hitches accounted.

In the same year, the HMC did bench marking in the neighbouring Bahati Sub County in regard to infrastructure development. The team benefited to a large extent and have been implementing the gained knowledge to the facility growth and expansion.

Each committee member is expected to portray excellence and professional ethics in his roles.

The Med Supt is the expert in the clinical matters and therefore need to guide the rest of the team in regard to quality health care. He is expected to advise the committee on the upcoming health challenges and offer possible solutions. For the ending period, no major health challenge was reported in the hospital only few reported cases of Ebola and Marburg virus in the neighbouring countries that luckily did not reach the country. Also the facility did not get struck by cholera cases that were reported in the county.

For the issues that are beyond clinical and basic management, the committee chair comes in and takes up the mantle. Such issues that were handled successfully by the leadership of the chair included soliciting for infrastructure development, equipment including generator, NHIF reimbursements, encouraging community to utilize the hospital and handling casual labourers welfare.

The ongoing construction at the hospital has engaged to a large extent the local workforce and the HMC chair has been so instrumental in ensuring the same happens and that the hospital smooth running is upheld during the process. The HMC chair and the Med Supt are part of the membership of the Project Implementation Team (PIT) .The meeting occurs every month and have met five times so far. The committee has been mandated to ensure that construction conforms to the bill of quantity and runs within the time frame and that the payment certificate is produced and honored in line with the percentage of the work done.

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)

Annual Report and Financial Statements for The Year Ended 30th June 2023

8. Management Discussion and Analysis

The hospital offers its services throughout the week. Hours of operation is usually 8am to 5pm for administration wing, with other departments working day and night. The hospital has 18 bed capacity maternity wing which is the only inpatient unit.

The administrative wing comprises of;

1. Medical superintendent
2. Finance
3. Health administrator
4. Procurement
5. Secretary

We have 16 departments including

1. Outpatient
2. Inpatient- maternity
3. Pharmacy
4. Laboratory
5. Health records and information
6. CCC/TB
7. Revenue
8. Nutrition
9. MCH
10. Public health
11. Youth friendly
12. MOPC
13. Dental
14. Radiology- ultra sound
15. Orthopaedic trauma
16. physiotherapy

Management Discussion and Analysis (continued)

Clinical/operational performance

The maternity ward occupies eighteen beds which serves both labour and post-natal mothers. Moreover, the hospital has twelve bed capacity in the casualty department and only serves as the observation ward before the patients are referred for further treatment if need be.

For inpatient, the maternity admissions were 840, for inpatient observation 220 and total outpatients were 27,917. Out of the total outpatient, 18,501 comprised patients aged over five years while 9416 were children aged less than five years.

In terms of gender, for the patients aged over five years, 6823 were male whereas 11,678 were female accounting to 36.8% and 63.2% respectively.

Clients who visited the hospital aged below five years almost equalled just as previous year whereby male were 4648 and 4768 were females representing 49.3% and 50.7% respectively.

Generally, more female visited the facility than men just as last year.

Road traffic accidents and self-poisoning were the commonest incidences with 84 and 12 cases reported respectively. This was a significant drop compared to last financial year.

The existing specialised clinic included medical outpatient clinic (MOPC) at 1959, chest (TB) Clinic 240 and in CCC currently under treatment were totalling to 680 clients.

With inpatient being maternity wing, the stay is normally 3 days post-delivery.

On average, the hospital attends to 3 maternity cases per day accounting to 16.7%

This did not change as compared to last year despite improved intervention measures to raise it to at least five deliveries per day.

No case of mortality was reported in the facility. Hence 0% rate.

On surgical theatre utilization (number of operations over a period of time). The hospital does not offer the service. The partners who the hospital has a direct support from include UTJ which has supported the hospital with nine staffs. Other indirect partners include for TB, HIV/AIDS, Reproductive health, immunization and malaria Programs.

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)
Annual Report and Financial Statements for The Year Ended 30th June 2023

Management Discussion and Analysis (continued)

TABLE 1 - No. of hospital visit

WARD/CLINIC	NEW	MALE	FEMALE	TOTAL
Maternity ward	840	N/A	840	840
Observation ward	220	100	120	220
Road traffic accidents	12	8	4	12
MOPC	1959	925	1034	1959
TB clinic	240	160	80	240
CCC	680	330	380	680
Over 5 years	27,917	6823	11678	27917
Under 5 years	9416	4648	4768	9416

Financial performance that includes

The hospital entirely gets its revenue through cost sharing with the patients, county allocation and partners support. The facility is registered for NHIF services including Linda Mama, capitation, comprehensive cover and Edu Afya. However, reimbursement from the scheme always delays leading to budget deficits.

The money is normally collected through cash, then it's immediately keyed in to the hospital account by the available bank agent stationed at the department.

In the year under review, the facility collected a total of 14,157,451.24 from 12,380,942 collected the previous year against a target of 16, 500,000 leading to a deficit of 2,342,549.

NHIF reimbursed 4,492,785 while cash collection accounted 6,727,108.

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)

Annual Report and Financial Statements for The Year Ended 30th June 2023

Management Discussion and Analysis (continued)

The funds so collected/allocated are utilized basing on the budget estimate. The authority to spend the money is given by the accounting officer. If vote has not been utilized at the end of the quarter, it's normally carried forward to the next quarter. In case a switch is required from one vote to another, the authority is only granted by the chief officer in the department who is the accounting officer. In case of emergency an or when the budget has deficit, a supplementary budget is raised following all the laid down structures.


MEDICAL SUPERINTENDENT
SUBUKIA SUB-COUNTY HOSPITAL
JUL 2024
P.O. BOX 117, SUBUKIA
TEL: 011 556 890

DR. KAMAU EDWARD

SECRETARY TO THE BOARD

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)

Annual Report and Financial Statements for The Year Ended 30th June 2023

9. Environmental And Sustainability Reporting

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

i) Sustainability strategy and profile

In order to ensure the hospital remains relevant and grows, the Med Supt plays a critical role of providing a framework of team work and multidisciplinary approach. He should ensure the hospital has acceptable culture by incorporating human resource from different culture and with various knowledge and skills.

Time management is of essence and the institution has strived to make it a routine that patients are managed seamlessly across all departments.

It is significant to note that, during the year, the Governor, the area MCA paid a courtesy call to the hospital. This was a big day for the hospital as the Governor launched the construction of modern outpatient department. The construction is ongoing and its 20% complete basing on the report of Project Implementation Team. The construction is projected to be complete by March, 2024.

Lobbying of specialized skills is paramount in safeguarding that patients do not suffer for far too long in seeking the health care. For the period under review, the medical superintendent approached well-wisher to be supported with stand by generator, borehole and dental unit. Similarly, through annual work plan, the intention was to introduce theatre services, fully operationalize radiology department, perimeter wall and additional staffs. However, none of the request bore fruit due to constrained budget. However, maternity theatre will be factored in the ongoing construction.

ii) Environmental performance

Hospital if not well managed can be a health hazard as a result of poor waste management. As a hospital, we have been extremely cautious on the waste disposal. We have an active public health department that plays significant role in controlling this as guided by Public Health Act and the Building Act.

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)

Annual Report and Financial Statements for The Year Ended 30th June 2023

Environmental and Sustainability Reporting (continued)

The health facility has a well-established burning chamber that is used to dispose non-pollutant general wastes. For hazardous wastes mainly pharmaceuticals that end up expiring or damaged, the facility has quarantined them for some years now awaiting the recommended process to end. The drugs have been captured in the standardized form F058 and filed appropriately. Other specialized waste management mechanism includes placenta pit and septic tanks.

With the aim of conserving the environment and as well as offer services with tranquility, Subukia Sub County hospital has tree plantation and well maintained lawn. In the year ended, the facility has more than 30 grown up trees compared to 50 last year since some were cut down to pave way for construction. Moreover, the department of health donated a few fruit trees that are under care. Before a tree is cut down, authority is normally sought from the HMC and forest department. The hospital has a marked area for tree planting which serves as well as kitchen garden before the hospital expands in infrastructure.

iii) Employee welfare

Monthly staff return plays a critical role in establishing the distribution of staffs within the hospital. Different categories of staffs exist in the facility such as permanent and pensionable, county contracted, UHC contracted, partner contracted (UTJ) and hospital contracted.

The contract usually runs for a period of three renewable months for hospital contracts while for county contracted runs for a maximum of three years.

The Staff are largely classified as Technical, and non-Technical working in different departments. For the year ended, the hospital had a total of 56 staffs with partners supporting 11. Out of these staffs, 22 were male and 34 were female. The hospital contracted were totaling to 28 compared to 21 for the previous year's amounting to a salary of kshs. 4,256,071 from 3,333,760. From this tabulation it's clear that the salary rose by 922,311. Other factors that lead to increased salary is as a result of harmonization of salaries to align to minimum wage basing on legal notice of 2022.

All staffs are registered for NHIF whereby monthly deductions is done and the same filed and those under tax bracket contribute to the mandatory PAYE.

Environmental and Sustainability Reporting (continued)

The recruitment process for the hospital contracted staff is guided by both the HMC and the Nakuru County Public Service board. The process starts once a vacancy arises or when need arises for additional staffs

The non- technical staffs mainly report to the office of the hospital administrator who is their immediate supervisor. Their induction, welfare, disciplinary, target process are normally handled by the administrator.

All staffs are entitled to days off and leave as stipulated in their respective engagement framework

iv) Market place practices-

a) Responsible competition practice.

We operate in an environment whereby we are guided by the Kenya Constitution 2010 that calls for adhering to integrity as enshrined in Chapter Six. Also, our staffs are affiliated to various professional bodies like Nursing Council, Kenya Medical and Dentist Board, Pharmacy and Poisons Board among others that regulate these professions by ensuring they align to the code conducts and ethics in their duty.

Moreover, there are other manuals and Acts which are in existence that are all aimed at ensuring that service delivery is fair, transparent and non-discriminatory. They include Human Resource Manual, 2016 and policies, Employment Act, 2007 and Public Finance Management Act, 2012 among others legal notices.

The hospital is strategically located within the reach of many. In this regard clients can access the services easily. Also, the staffs are skilled enough and need to attend continuous medical education every week within the hospital and through routine training in order to sharpen their skills. With a well-motivated and trained team, the community normally seek their services from the facility

Subsidized commodities and waivers have also played a big role of encouraging patients to seek our services. All under five are exempted from paying for the services according to the MOH Policy.

Environmental and Sustainability Reporting (continued)

b) Responsible Supply chain and supplier relations

Explain how the organization maintains good business practices, and treats its own suppliers responsibly by honoring contracts and respecting payment practices.

Procurement of goods and services within the hospital is governed by the Public Procurement and Asset Disposal Act, 2015 and the revised edition, 2022

We get our supplies from various sources with the department of health supporting to some extent in the supply of pharmaceuticals, non-pharmaceuticals and laboratory reagents.

KEMSA supplies donor funded program commodities like ARVS, anti TBs, Malaria, Reproductive health and Nutrition supplements.

The hospital also procures from the prequalified suppliers as guided by the procurement department. Before any procurement is commenced, a requisition must first be raised by the user department, it's then sent to the procurement, then to the accounts and finally to medical superintendent who can either approve it or reject it giving reasons.

For the goods and services that get paid in instalments, the HMC Finance subcommittee must approve it further from the normal budget. However, the hospital does not encourage any debt to extend to more than one year without being fully settled.

For the year ending, we had contracts with nine suppliers. KEMSA and MEDS were the main suppliers for the Pharmaceuticals and Non Pharmaceuticals.

The deliveries are normally brought to the facility by the suppliers at their own cost and should be inspected by the inspection and acceptance committee before they are paid for.

For perishables including patient food, we contracted the local supplies to enhance timely and piecemeal delivery to mitigate against spoilage.

After all goods and services are delivered, payment is usually done within 1 week.

Environmental and Sustainability Reporting (continued)

c) Responsible marketing and advertisement.

By nature of the services we offer, marketing and advertisement is prohibited. However, we inform the community about our services through displaying an updated service charter, notice board and through public participation.

In the event the hospital introduces a new service, we send the notices to various religious organization, schools and sub county administration for announcement.

For the ended year, we released such notice in regard to the introduction of physiotherapy and orthopedic trauma departments.

We also participated in one public participation as we lobbied for a standby generator, borehole and dental chair.

d) Product stewardship

The products that are directly consumed by the patients in their treatment in the service delivery are usually safe, quality assured and registered for that particular use.

This is verified during procurement process by scrutinizing suppliers to ensure they meet all laid down requirements. Items donated by well-wishers and partners always undergo thorough inspection and are only allowed in if the hospital is in need of them.

Parameters which are checked includes date of manufacture, name of the manufacturer, language on the label/inserts and storage condition. Items that are almost expiring, with foreign instructions language are usually rejected.

Routine stock taking to ascertain expiry dates among other indicators happens every month whereby stocks that face short expiry or are overstocked get redistributed to other health facilities in exchange with long expiry one. The hospital normally applies FEFO and FIFO approach.

Complaint register and exit interviews are kept by the hospital to ensure that the clients are attended to appropriately and established gaps are filled. For the year ending, the hospital introduced daily exit interview and administers ten on random and analyze them weekly. Departmental scores are displayed on hospital what's up and discussed later on.

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)

Annual Report and Financial Statements for The Year Ended 30th June 2023

Environmental and Sustainability Reporting (continued)

While conducting various interviews, public participation and when responding to patient complaints we usually allow them to freely give their suggestions in improving service delivery. Patients' rights form the basis of any complaint and the hospital endeavours to ensure that the rights are fully addressed. For the year ended we recorded seventy complaints and were all successfully handled.

v) Corporate Social Responsibility / Community Engagements.

Preventive health care being one of the three pillars of our focus, the hospitals engages the community through community health volunteers CHVs. During such meetings and engagements, the community is educated in respect to general cleanliness, water, sewerage commonly known as WASH- water and sanitation hygiene

Our recruitment for hospital contracted staffs mainly prioritizes on the community applicants. This is basically aimed at ensuring that the hospital gives job opportunities to the community. For the year ending twenty out of twenty-three casual workers were from the surrounding.

As mentioned earlier, the hospital has contracted local suppliers for perishable food including meat, milk, vegetables, and bread.

Subukia shrine is located approximately five kilometers from the facility. The religious groups mainly catholic affiliated pay pilgrimage quite often and more than not, we support them with medical services including ambulance services. For the year ended we engaged two nurses and ambulance for two such occasions.

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)

Annual Report and Financial Statements for The Year Ended 30th June 2023

10. Report of the Board of Management

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

Principal activities

The principal activities of Subukia Sub County hospital are as indicated in the first page

Results

The results of Subukia Sub County hospital for the year ended June 30 2023 are set out on pages 1 to 30.

Board of Management

The members of the Board who served during the year are shown on page XIII. During the year none of director(s) retired/ resigned.

Auditors

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

By Order of the Board


MEDICAL SUPERINTENDENT
SUBUKIA SUB-COUNTY HOSPITAL
04 JUL 2024
SUBUKIA SUB-COUNTY HOSPITAL
TEL: 0717 556 898

DR. KAMAU EDWARD

SECRETARY TO THE HMC

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)

Annual Report and Financial Statements for The Year Ended 30th June 2023

11. Statement of Board of Management's Responsibilities

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

The Board of Management is responsible for the preparation and presentation of Subukia Sub-county hospital financial statements, which give a true and fair view of the state of affairs of Subukia 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 Subukia Sub County hospital, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of Subukia 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 Subukia Sub-county hospital financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Board members are of the opinion that Subukia Sub-county hospital financial statements give a true and fair view of the state of Subukia Sub-county hospital transactions during the financial year ended June 30, 2023, and of Subukia Sub-county hospital financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for Subukia Sub-county hospital, which have been relied upon in the preparation of Subukia Sub-county hospital financial statements as well as the adequacy of the systems of internal financial control.

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)
Annual Report and Financial Statements for The Year Ended 30th June 2023

Statement of Board of Management's Responsibilities (continued)

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 Subukia Sub-county hospital will not remain a going concern for at least the next twelve months from the date of this statement.

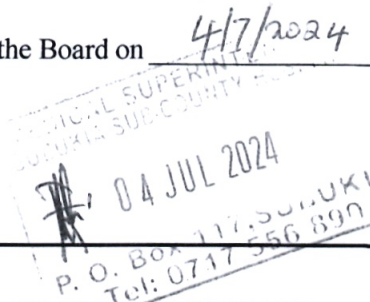
Approval of the financial statements

The Hospital's financial statements were approved by the Board on 4/7/2024 and signed on its behalf by:



MOSES G. KINYUA

**CHAIRPERSON
BOARD OF MANAGEMENT**



DR KAMAU EDWARD

ACCOUNTING OFFICER

REPUBLIC OF KENYA



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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON SUBUKIA SUB-COUNTY HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2023 – COUNTY GOVERNMENT OF NAKURU

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Subukia Sub-County Hospital – County Government of Nakuru set out on pages 1 to 30, which comprise of the statement

of financial position as at 30 June, 2022, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the 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 matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Subukia Sub-County Hospital – County Government of Nakuru as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and the Health Act, 2017, County Governments Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Non- Disclosure of Plant, Property and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.1,966,768. However, physical inspection revealed existence of land, buildings, furniture, hospital beds, computers and other electronic equipment of undetermined value which were not disclosed in the financial statements. Further, Management did not maintain an asset register indicating purchase price of the asset, asset tag number, and status of the asset, class and category of the asset as well as the location/department in charge of the asset.

In the circumstances, the accuracy, ownership and completeness of property, plant and equipment balance of Kshs.1,966,768 could not be confirmed.

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Lack of Annual Procurement Plan

During the year under review, Management submitted for audit review a combined procurement plan for financial years 2021/2022 and 2022/2023 instead of them being separate. This was contrary to Regulation 40(1) of the Public Procurement and Asset Disposal Regulations, 2020 which requires a procuring entity to prepare a procurement plan for each financial year as part of the annual budget preparation process.

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

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

Review of Hospital records and interviews revealed only one (1) medical officer against the required sixteen (16), there was no anesthesiologist instead of the required two (2). Also, the Hospital had only one (1) KECHN nurses instead of six (6), eleven (11) KRCHN nurse instead of seventy-five (75) and seven (7) clinical officers instead of thirty (30). Further, the Hospital lacked advanced life support, there was no functional intensive care unit beds instead of six (6) and no high dependency unit beds instead of six (6) required for a level 4 hospital. These deficiencies contravene the First Schedule of Health Act, 2017 and imply that accessing the highest attainable standard of health, which includes the right to health care services, including reproductive health care as required by Article 43(1) of the Constitution of Kenya, 2010 may not be achieved.

In the circumstances, the highest standards of health services delivery as envisaged in the Constitution of Kenya may not be realized.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and Board of Management

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

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

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

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

The Board of Management is responsible for overseeing the Hospital's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance review is planned and performed to express a conclusion with limited assurance as to 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 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. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

08 July, 2024

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)

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

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

Description	Notes	2022/2023	2021/22
		Kshs	Kshs
Revenue from non-exchange transactions			
In- kind contributions from KEMSA	6	6,364,665	3,311,528
Transfers from other Government entities	7	7,792,064	10,016,856
Total:		14,156,729	13,328,834
Revenue from exchange transactions			
Rendering of services- Medical Service Income	8	6,751,548	5,928,320
Revenue from exchange transactions		6,751,548	5,928,320
Total revenue		20,908,277	19,257,154
Expenses			
Medical/Clinical costs	9	3,551,338	3,212,723
Employee costs	10	4,218,779	3,082,288
Board of Management Expenses	11	669,500	519,300
Repairs and maintenance	12	142,500	354,500
General expenses	13	1,509,861	1,523,787
Total expenses		10,091,978	8,692,598
Net Surplus for the year		10,816,299	10,564,556

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)

Annual Report and Financial Statements for The Year Ended 30th June 2023

Statement of Financial Performance for the Year Ended 30 June 2023 (continued)

Statement of Financial Performance for the Year Ended 30 June 2022 (continued)

Subukia sub-county hospital financial statements were approved by the Board on

4/7/2024 and signed on its behalf by:



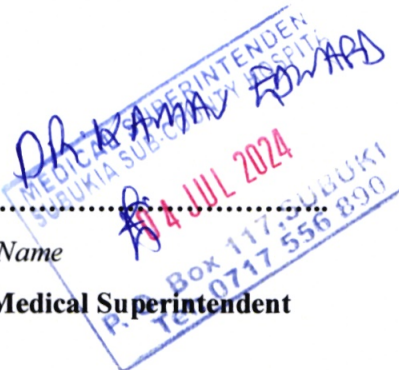
Name

Chairman



Name

Head Of Finance


DR. ANNA ROMAS
4 JUL 2024
MEDICAL SUPERINTENDENT
SUBUKIA SUB-COUNTY HOSPITAL
P.O. Box 117, SUBUKI
TEL: 0717 556 890

Name

Medical Superintendent

Board Of Management

ICPAK No: 7241

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)

Annual Report and Financial Statements for The Year Ended 30th June 2023

14. Statement of Financial Position as of 30th June 2023

Description	Note	2022/2023	2021/2022
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	14	2,937,558	4,787,447
Receivables from exchange transactions	15	3,287,553	3,485,686
Inventories	16	3,208,920	1,843,906
Total Current Assets		9,434,031	10,124,958
Non-current assets			
Property, plant, and equipment	17	1,966,768	439,598
Total Non-current Assets		1,966,768	-
Total assets		11,400,799	10,564,556
Liabilities			
Current liabilities			
Trade and other payables	18	584,500	-
Total Current Liabilities		584,500	-
Net assets		10,816,299	-
Accumulated surplus/Deficit		10,816,299	10,564,556
Total Net Assets and Liabilities		10,816,299	10,564,556

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)

Annual Report and Financial Statements for The Year Ended 30th June 2023

Subukia sub-county hospital financial statements were approved by the Board on

4/7/2024 and signed on its behalf by:



Name

Chairman



Name

Head Of Finance



Name

Medical Superintendent

Board Of Management

ICPAK No: 7241

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)
Annual Report and Financial Statements for The Year Ended 30th June 2023

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

	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
At July 1, 2022	-	-	-	-
Surplus/(deficit) for the year	-	10,816,299	-	10,816,299
At June 30, 2023	-	10,816,299	-	10,816,299

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)

Annual Report and Financial Statements for The Year Ended 30th June 2023

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

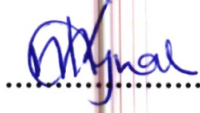
Description	Note	2022/2023	2021/2022
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other Government entities		4,504,511	6,531,170
Rendering of services- Medical Service Income		6,751,548	5,928,320
Total Receipts		11,256,059	12,459,490
Payments			
Medical/Clinical costs		3,551,338	2,269,499
Employee costs		4,218,779	3,262,422
Board of Management Expenses		669,500	519,300
Repairs and maintenance		142,500	354,500
General expenses		1,509,861	1,404,210
Total Payments		10,091,978	7,809,931
Net cash flows from operating activities		1,164,081	4,588,931
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents as at 1 July 2022	14	4,795,366	1,436,919
Cash and cash equivalents as at 30 June 2023	14	2,937,558	4,795,366

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)

Annual Report and Financial Statements for The Year Ended 30th June 2023

Statement of Cash Flows for the Year Ended 30 June 2023 (continued)

The notes set out on pages 9 to 30 form an integral part of the Annual Financial Statements. Subukia Sub- County hospital financial statements were approved by the Board on 4/7/2024 and signed on its behalf by:



Name

Chairman



Name

Head of Finance



Name

Medical Superintendent

Board of Management

ICPAK No: 7241

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)

Annual Report and Financial Statements for The Year Ended 30th June 2023

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	a	b	c=(a+b)	d	e=(c-d)	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Revenue						
Transfers from other Government entities	4,504,511	-	4,504,511	-	-	100%
Rendering of services- Medical Service Income	6,751,548	-	6,751,548	-	-	100%
Total income	11,256,059		11,256,059			100%
Expenses						
Medical/Clinical costs	3,737,644	-	3,737,644	3,551,338	186,306	94%
Employee costs	4,262,071	-	4,262,071	4,218,779	43,292	99%
Remuneration of directors	724,500	-	724,500	669,500	55,000	91%
Repairs and maintenance	158,427	-	158,427	142,500	15,927	90%
General expenses	1,646,826	-	1,646,826	1,509,861	136,965	94%
Total Expenses	10,529,468		10,529,468	10,091,978	-	%
Surplus for the period	726,591	-	726,591	1,164,081	437,490	

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)

Annual Report and Financial Statements for The Year Ended 30th June 2023

18. Notes to the Financial Statements

1. General Information

Subukia Sub-County Hospital is established by and derives its authority and accountability from County Government Act 2012. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya.

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 Subukia 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 1 to 16. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of Subukia Sub-County Hospital.

The financial statements have been prepared in accordance with the PFM Act, and county government Act of 2012 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

IPSASB deferred the application date of standards from 1st January 2022 owing to Covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)

Annual Report and Financial Statements for The Year Ended 30th June 2023

Notes to the Financial Statements (continued)

- i.* **New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.**

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

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)

Annual Report and Financial Statements for The Year Ended 30th June 2023

	<p>provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by the Entity;</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Entity’s financial performance, financial position and cash flows.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
<p>Other improvements to IPSAS</p>	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • IPSAS 22 Disclosure of Financial Information about the General Government Sector. <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • IPSAS 39: Employee Benefits

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)

Annual Report and Financial Statements for The Year Ended 30th June 2023

	<p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p>
<p>IPSAS 43</p>	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

Notes to the Financial Statements (continued)

ii. Early adoption of standards

Subukia Sub-County Hospital did not early – adopt any new or amended standards in the year 2021/2022

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other Government entities

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

Revenue from exchange transactions

Rendering of services

Subukia sub-county hospital recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

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

Notes to the Financial Statements (continued)

Interest income

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

Dividends

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

Rental income

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

b) Budget information

The original budget for FY 2021/2022 was approved by Board 25 September 2023. 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, Subukia Sub-County Hospital did not record additional appropriations during the FY2021/2022. Subukia sub county hospital budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

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

Notes to the Financial Statements (continued)

Financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section **XV11** of these financial statements.

c) Taxes

Sales tax/ Value Added Tax

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

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

d) Investment property

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

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

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)

Annual Report and Financial Statements for The Year Ended 30th June 2023

Notes to the Financial Statements (continued)

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

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

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Subukia sub county hospital. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. Subukia sub-county hospital also recognizes the associated lease liability

at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

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

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

Notes to the Financial Statements (continued)

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

g) Intangible assets

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

h) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. Subukia Sub-County Hospital determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)

Annual Report and Financial Statements for The Year Ended 30th June 2023

Notes to the Financial Statements (continued)

Impairment of financial assets

Subukia sub-county hospital assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or an entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. Subukia sub-county hospital determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

i) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)

Annual Report and Financial Statements for The Year Ended 30th June 2023

Notes to the Financial Statements (continued)

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labour, and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

After initial recognition, inventory is measured at the lower cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower cost and the current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

j) Changes in accounting policies and estimates

Subukia sub-county hospital recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

k) Employee benefits

Retirement benefit plans

Subukia sub-county hospital provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed

contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis.

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)

Annual Report and Financial Statements for The Year Ended 30th June 2023

Notes to the Financial Statements (continued)

Deficits identified are recovered through lump-sum payments or increased future contributions on a proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

l) Related parties

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

m) 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.

n) Comparative figures

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Notes to the Financial Statements (continued)

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 36 Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)

Annual Report and Financial Statements for The Year Ended 30th June 2023

Notes to the Financial Statements (continued)

6. Transfers From Other Government Entities

Description	2022/2023	2021/2022
	KShs	KShs
Transfer from National Insurance Hospital Fund	7,792,064	10,016,856
Total Transfers	7,792,064	10,016,856

7. In Kind Contributions from KEMSA

Description	2022/23	2021/22
	KShs	KShs
Salaries and wages	-	-
Pharmaceutical and Non-Pharmaceutical Supplies	6,364,665	3,311,528
Medical supplies-Drawings Rights (KEMSA)	-	-
Utility bills	-	-
Total grants in kind	6,364,665	3,311,528

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)

Annual Report and Financial Statements for The Year Ended 30th June 2023

Notes to the Financial Statements (continued)

8. Rendering of Services-Medical Service Income

Description	2022/2023	2021/2022
	Kshs	Kshs
Pharmaceuticals	1,894,381	2,295,425
Non-Pharmaceuticals	201,435	-
Laboratory	1,791,040	1,311,240
Dental services	80,700	-
Other medical services income (registration, p3,medical exams,MOPC files,ultrasound,orthopaedic,physio)	2,783,992	2,321,655
Total revenue from the rendering of services	6,751,548	5,928,320

9. Medical/ Clinical Costs

Description	2022/2023	2021/2022
	Kshs	Kshs
Laboratory chemicals and reagents	609,116	535,210
Food and Ration	1,102,797	866,480
Dressing and Non-Pharmaceuticals	368,048	998,940
Pharmaceutical supplies	990,903	434,142
Health information stationery	195,730	-
Reproductive health materials	-	192,546
Sanitary and cleansing Materials	271,810	170,505
Purchase of Medical gases {oxygen}	12,934	14,900
Total medical/ clinical costs	3,551,338	3,212,723

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)
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Notes to the Financial Statements (Continued)

10. Employee Costs

Description	2022/2023	2021/2022
	Kshs	Kshs
Salaries, wages, and allowances	3,930,132	2,832,438
Contributions to pension schemes	288,647	249,850
Employee costs	4,218,779	3,082,288

11. Board of Management Expenses

Description	2022/2023	2021/2022
	Ksh.	Ksh.
Sitting allowance	669,500	519,300
Total	669,500	519,300

12. Repairs and Maintenance

Description	2022/2023	2021/2022
	Kshs	Kshs
Property- Buildings	102,500	204,500
Medical equipment	20,000	60,000
Computers and accessories	-	45,000
Motor vehicle expenses	20,000	45,000
Total repairs and maintenance	142,500	354,500

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)

Annual Report and Financial Statements for The Year Ended 30th June 2023

Notes to the Financial Statements (continued)

13. General Expenses

Description	2022/2023	2021/2022
	Kshs	Kshs
Catering expenses	87,800	161,650
Insecticides and rodenticides	-	16,850
Bank charges	20,169	19,577
Electricity expenses	320,000	200,000
Fuel and Lubricants	70,000	70,000
Travel and accommodation allowance	-	138,600
Courier and postal services	18,900	9,000
Printing and stationery	85,410	194,990
Water and sewerage costs	30,000	80,000
Telephone and mobile phone services	155,500	277,000
Cooking gas	45,000	119,000
General office stationery	234,182	137,120
Daily subsistence allowance	262,900	
Training	50,000	-
Internet expenses	-	-
Transfer of patients	130,000	100,000
Total General Expenses	1,509,861	1,523,787

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)

Annual Report and Financial Statements for The Year Ended 30th June 2023

Notes to the Financial Statements (continued)

14. Detailed Analysis of Cash and Cash Equivalents

Description		2022/2023	2021/2022
Financial institution	Account number	KShs	KShs
a) Current account			
Kenya Commercial bank	1260952975	2,937,558	4,795,366
Grand total		2,937,558	4,795,366

15. Receivables from Non-Exchange Transactions

Description	2022/2023	2021/2022
	KShs	KShs
Medical services receivables	3,287,553	3,485,686
Total receivables	3,287,553	3,485,686

15.a. Analysis of Receivables from Non-Exchange Transactions

Description	2022/2023		Insert	
	Kshs		Kshs	
	2022/2023	% of the total	2021/2022	% of the total
Less than 1 year	-	-	-	-
Between 1- 2 years	3,287,553	100%	3,485,686	-
Total (a+b)	3,287,553	100%	3,485,686	-

SUBUKIA SUB COUNTY HOSPITAL (NAKURU COUNTY GOVERNMENT)

Annual Report and Financial Statements for The Year Ended 30th June 2023

Notes to the Financial Statements (Continued)

16. Inventories

Description	2022/2023	2021/2022
	KShs	KShs
Pharmaceutical supplies	1,877,031	1,064,606
Laboratory Materials	355,395	
Non-pharm	976,494	779,300
Total	3,208,920	1,843,906

17. Plant Property and Equipment

Description	Medical Equipment	Computer & Accessories	Home Appliances	Plant & Equipments	Furniture	Total
	Ksh	Ksh	Ksh	Ksh		Ksh
At 30 June 2023	1,565,400	159,968	11,400	60,000	170,000	1,966,768

18. Trade and Other Payables

Description	Medical Equipment	Computer & Accessories	Total
	Ksh	Ksh	Ksh
At 30 June 2023	540,000	44,500	584,500

Notes to the Financial Statements (continued)

19. Financial Risk Management

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

Subukia sub-county hospital financial risk management objectives and policies are detailed below:

(i) Credit risk

Subukia sub-county hospital has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Notes to the Financial Statements (continued)

18. Related Party Balances

Nature of related party relationships

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

Government of Kenya

Nakuru county Government is the principal shareholder of Subukia sub-county hospital, holding 100% of Subukia sub-county hospital equity interest. Nakuru county government has provided full guarantees to all long-term lenders of Subukia sub-county hospital, both domestic and external.

Other related parties include:

- i) The National Government;
- ii) The Parent Ministry;
- iii) Nakuru county government;
- iv) Key management;
- v) Board of directors;

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the board but at the end of the year had not been contracted or those already contracted for and ongoing)

19. Events after the Reporting Period

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

Notes to the Financial Statements (continued)

20. Ultimate and Holding Subukia sub-county

Subukia Sub-County Hospital is a level 4 hospital under Nakuru county government.

21. Currency

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