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REPORT

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ON

**SULTAN HAMUD SUB COUNTY
LEVEL 4 HOSPITAL**

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

COUNTY GOVERNMENT OF MAKUENI



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
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SULTAN HAMUD SUBCOUNTY LEVEL 4 HOSPITAL

(Makueni County Government)

ANNUAL REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2023

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

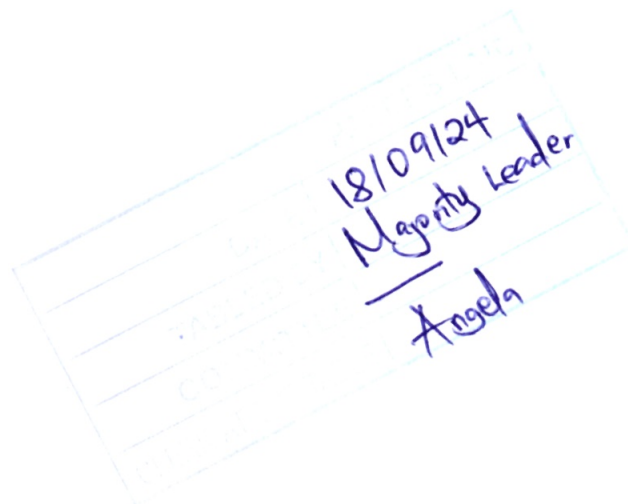


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I. Key Entity Information and Management

(a) Background information

Sultan Hamud Sub County Hospital is a level (4) Hospital established under gazette notice number 16 of 24th January, 2020 and is domiciled in Makueni County under the Health Department. The Hospital is governed by a Board of Management.

(b) Principal Activities

The principal mandate of the *hospital* is to provide health care services.

VISION

An efficient and high quality healthcare system that is accessible, equitable and affordable for all Kenyans.

MISSION

To promote and participate in the provision of integrated and efficient promotive, preventive, curative and rehabilitative health care services to all Kenyans.

Strategic Objectives

1. Eliminate communicable diseases
2. Halt, and reverse the rising burden of non-communicable diseases
3. Minimize exposure to health risk factors
4. Provide essential health services
5. Inter-sector collaboration
6. Reduce exposure to violence and injuries

Key Management

The Hospital's management is under the following key organs: -

- County department of health which oversees the running of all the county health activities.
- Board of Management whose mandate is to formulate and ensure implementation of policies within the facility.
- Accounting Officer/ Medical Superintendent who is in charge of the hospital as a whole and oversees the day today running of the hospital in line with its mission statement.
- Management which is charged with preparation of quarterly budgets.

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were: -

No.	Designation	Name
1.	Medical Superintendent	Dr.Jane Mwendu
2.	Head of Finance	Dominic K. Nzioka
3.	Head of Supply Chain	Leonard Maingi
4.	Health Administrative Officer	Benard Momanyi
5.	Nursing Officer In Charge	Regina Kiragu

(d) Fiduciary Oversight Arrangements

Finance, Audit and general Purpose Committee which scrutinises hospital expenditure in line with the corresponding budgets.

(e) Entity Headquarters
SULTAN HAMUD SUBCOUNTY HOSPITAL
P.O. Box 253 - 90132
SULTAN HAMUD, KENYA

(f) Entity Contacts
Telephone: (+254) 0754 654 656
E-mail: Sultanhosp2008@gmail.com

(g) Entity Bankers
Kenya Commercial Bank Limited
Emali Branch


(h) Independent Auditors
Auditor General
Office of Auditor General
Anniversary Towers, Monrovia Street
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(i) Principal Legal Adviser
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya



(j) County Attorney
P.O. Box 78 - 90300
Makueni, Kenya




II. The Board of Management

Ref	Directors	Details
1.	<p>Jonathan Muli Kalwa</p> 	<p>He is the Chairman of the Hospital Management Committee. He holds a Diploma in Health Records & Information Technology. He is a Senior Retired Citizen having worked for 38 years up to the year 2018. Currently in Business, farming and Community Development</p>
2.	<p>Peter John Mbulwa</p> 	<p>He is a Member of the Hospital Management Committee since March 2021. He has a wide experience in Private Sector and Business. He has also a wealth of experience in serving in other boards for other institutions</p>
3.	<p>Rev Julius Wambua</p> 	<p>He is a member of the Hospital Management Committee since March 2021, a pastor since 2007, Chairman PTA Ngoto Boys for 3 year and Board Chair Kwale Primary for 8 years. He holds a Degree in Bible & Theology and his current occupation is a Church Pastor.</p>
4.	<p>Dr Jane Mwendu</p> 	<p>She is the Medical Superintendent and Secretary to the Hospital Management Committee. She holds a Bachelor of Dental Surgery (BDS) from the University of Nairobi, she is a Certified Mediator with a certificate from DCRI- Dispute and Conflict Resolution International. She has also worked as Branch Treasurer (2016-2021) for Kenya Medical</p>

		<p>Practioners, Pharmacists and Dentist`s Union. She has attended Senior Management at the Kenya School of Government. She previously worked in West Pokot Referral Hospital-Kapenguria as a Dental Officer and in Sultan Hamud Sub-County Hospital as the HOD Dental Department and now as the Medical Superintendent.</p>
5.	<p>Judith Mwikali</p> 	<p>She is a member of the Hospital Management Committee since March 2021 with a wide experience in the private sector and in business management. She has also a wealth of experience in serving in other boards for other institutions</p>
6	<p>Phyllis kithome</p>	<p>She is a member of the Hospital Management Committee since March 2021. And also the Kilome sub county administrator with a wide experience in public service and management</p>

III. Management Team

Ref	Management	Details
1.	<p>Dr Jane Mwendu K.</p> 	<p>She is the Medical Superintendent and Secretary to the Hospital Management Committee. She holds a Bachelor of Dental Surgery (BDS) from the University of Nairobi, she is a Certified Mediator with a certificate from DCRI- Dispute and Conflict Resolution International. She has also worked as Branch Treasurer (2016-2021) for Kenya Medical Practitioners, Pharmacists and Dentist's Union. She has attended Senior Management at the Kenya School of Government. She previously worked in West Pokot Referral Hospital- Kapenguria as a Dental Officer and in Sultan Hamud Sub-County Hospital as the HOD Dental Department and now as the Medical Superintendent.</p>
2.	<p>Benard Momanyi</p> 	<p>He is the Hospital Administrative Officer. He holds a Bachelor of Science in Health Systems Management. He has a wide experience of over 20 years as the Health Administrative Officer in various hospitals in makueni including Makindu and Makueni County Referral Hospital</p>
3.	<p>Dominic Nzioka</p>	<p>Holder of Master of Business Administration degree in Finance from the University of Nairobi and member of ICPAK No. 19171. Has over 15 years experience in Private sector as an Accountant. Currently Senior Hospital Accountant.</p>

		
3.	<p>Leonard Maingi</p> 	<p>He is the procurement officer and a certified member of the Kenya Institute of Supplies Management as well as the chartered Institute of Procurement and Supply (UK). He holds a Bachelor's degree in purchasing and supplies Management. He has over 8 years' experience as a supply chain Management Officer.</p>
4.	<p>Regina Kiragu</p> 	<p>She is the Hospital Nursing Officer in charge. She holds a Bachelor of Science in Nursing and has over 15 years working experience in Nursing Field.</p>

IV. Chairman's Statement

Since the beginning of my tenure as the board chair in the year 2021, Sultan Hamud Sub-County Hospital has undergone tremendous growth. The board has a leadership and governance role assisted by the Hospital Management Team. We are accountable for the delivery of safe and quality health care services to our patients while at the same time we are challenged by the economic realities and growing health care needs of our community.

The board acts as a bridge between the community and the hospital whereby community interests are taken care of. We articulate health issues to the community in a way they can understand. The board meets on a quarterly basis to review performance, primary health care and budgeting. We also approve departmental work plans developed by the heads of departments. These work plans are derived from the annual work plans of the facility.

The board holds three committee meetings every quarter, being the Primary Healthcare Committee, the finance and general purpose committee and the main board meeting. During the Primary Healthcare committee meetings, the members are briefed on matters of PHC activities at the hospital e.g. personal hygiene, water and sanitation, waste management, immunization and maternal child welfare.

The facility was able to navigate through harsh economic hardships during the onset of Covid-19 pandemic where the facility required additional infrastructure, commodities and drugs, personal protective gears, strained human resource and capacity building the human resource. The main challenges we faced were lack of an isolation ward and oxygen.

Some of the successes we have achieved in the last one year include: renovation of the current maternity and labour ward, construction of ramps around the departments, procurement of equipment and installation of a modern incinerator.

During the period, we faced various challenges including but not limited to: shortage of commodities and drugs, staff shortage, lack of enough space in most of the departments, underfunding, delayed funds, grounded ambulances, and dilapidated perimeter fence.


Jonathan Kalwa
Chairman, Board of Management

V. Report of The Chief Executive Officer

ACHIEVEMENTS FOR THE FACILITY

1. Purchase Of Office Furniture

The facility was able to buy examination coaches for three (3) clinical rooms in OPD, three (3) office chairs for the clinicians and ten (10) office chairs for the rest of the rooms and twenty (20) plastic chairs for the tent for the C.M.Es.

2. Maintenance Of Buildings

The facility managed to renovate three clinical rooms, replace the faulty TB Door, Roof the triage area and bought two wheelchairs.

Further to that, the ash pit construction is on-going and will be completed at least in weeks' time.

We also managed to do some minor repairs whereby we replaced the faulty female ward toilets.

3. Maintenance Of Medical Equipment

Repair and servicing haematology machine at the Laboratory Department has been done.

4. Maintenance Of Plant And Medical Equipment

We managed to service some machines such as generator, incinerator and Laundry machine.

5. Purchase Of Medical Equipment

We bought two adult weighing scale with heightometer.

6. Accounts

There was a notable growth in FIF collections in the year by 93% from Kshs 6,916,606 in the financial year 2021/2022 to Kshs 13,316,056 in 2022/2023 financial year.

1. Underfunding / delayed disbursement of UHC funds

Underfunding and delayed disbursement of UHC funds has been a challenge characterized by pending bills for supplied goods and services.

2. Working space

There has been a challenge of lack of space for provision of services for both office, clinical and storage and Overcrowding at the OPD area.

3. Staff motivation

There is need for staff motivation e.g end of year staff party and team building. Delayed payment of locums and DSA which has continued to accumulate has also been a demotivating factor.

4. Hospital Machines

Hospital machines including dental machine, incubators, oxygen concentrators, X-ray machines need servicing. The faulty Anesthetic machine and Autoclave machine require replacement.

5. C.M.E

The C.M.E tent is inhabitable with tree trenches overgrown. More chairs are still needed for C.M.Es.

6. Motor vehicle

One of our ambulances is Faulty and grounded thus inconveniencing service delivery in terms of referrals to and out of the facility.

7. Staff toilets.

The staff toilets sunk as a result of the heavy rains being received during these rainy seasons.

JH

Dr. Jane Mwendu.

Medical superintendent- Sultan Hamud Sub-County Hospital



VI. 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.

Sultan Hamud Sub County Hospital has 6 strategic pillars and objectives within the current Strategic Plan for the FY 2022- 2023. These strategic pillars are as follows:-

- Pillar 1: Service delivery
- Pillar 2: Health workforce
- Pillar 3: Health information systems
- Pillar 4: Access to essential medicine
- Pillar 5: Financing
- Pillar 6: Leadership / Governance

Sultan Hamud Sub County Hospital develops its annual work plans based on the above 6 pillars. Assessment of the Board’s performance against its annual work plan is done on a quarterly basis. The Sultan Hamud Sub County Hospital achieved its performance targets set for the FY 2022/2023 period for its 6 strategic pillars, as indicated in the diagram below:-

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Service delivery	To provide effective and efficient promotive and preventive services	Enlightened customers and improved health	Conduct monthly out reaches on immunization and OPD services	Outreaches done on monthly basis. Weekly special clinics done.
Health workforce	To ensure staff are appraised yearly. To recruit and maintain 10 cleaners and 15 professionals.	Enlightened and motivated staff.	Quarterly appraisal of staff. Interviewing of cleaners and professionals.	Appraisal done quarterly. This has been done although staff recruited not enough due to financial constraints.
Health Information	To ensure timely reporting and	Timely data available.	Hold quarterly data review	Four quarterly data review

Systems	review of data.		meetings. Monthly uploading of data in Kenya Health Information Systems.	meetings held. Monthly uploading of data done.
Access to essential medicine	To ensure adequate supply of drugs and commodities.	Availability of commodities.	Procurement of drugs quarterly. Procure non pharms quarterly. Procure X-ray and Dental supplies quarterly.	Procurement has been done but not as per the targets.
Financing	To ensure timely availability of funds.	Funds available and payments of supplies done.	Budgeting for funds.	Funds availed.
Leadership/Governance	To mentor HMT members on leadership and governance.	Enlightened staff on governance.	Mentor at least 15 HMT members. Hold 4 quarterly HMT meetings.	So far 10 HMT members have been mentored. 4 quarterly HMT meetings held.

VII. Corporate Governance Statement

At Sultan Hamud Sub County Hospital, the practice of good corporate governance ensures the delivery of sustainable value as well as meeting the needs of our stakeholders. Sultan Hamud Sub County Hospital is committed to ensuring that the needs of our customers and the expectations of our stakeholders are met while safeguarding the investments of the government of Kenya through the adoption of ethically driven business policies, procedures and processes.

We believe that our business affairs should be carried out in a fair, transparent and accountable manner. It is our integral responsibility to disclose timely and accurate information on our financials and performance as well as provide the leadership and effective governance for the Hospital.

Governance Principles and Guidelines

The Sultan Hamud Sub County Hospital Board of Management is responsible for the overall governance of the Hospital and is accountable to the Government of Makueni County for ensuring that the Hospital complies with the law and the highest standards of best practices corporate governance and business ethics.

The members of the Board are committed to fostering a culture that values ethical behaviour, integrity and respect and the need to conduct business and operations of the Hospital in accordance with generally accepted corporate practices. The Members believe that adopting and operating in accordance with high standards of corporate governance is essential for sustainable long-term performance and value creation.

The Board is vested with powers and authority as provided in Legal Notice and other relevant laws of Kenya. In discharging its mandate, the Board is guided by the Board Charter, Code of Conduct and Ethics, and Board Manual to effectively fulfill its corporate governance responsibility towards stakeholders.

The Board Charter defines the roles, responsibilities, scope and functions of the members in the governance of the Hospital and provides for free exercise of independent judgment.

The Board provides oversight to the Management and ensures the employees operate within the Code of Conduct and Ethics; Public Officers and Ethics Act; Leadership and Integrity Act.

Board Organization and Structure

Board Size, Composition and Appointment

The Sultan Hamud Sub County Hospital Board of Management comprises of eleven (13) members including the Medical Superintendent.

The Board is well composed in terms of range and diversity of skills, knowledge, academic qualifications, gender, age and experience in various sectors which makes it effective and provides balance for the oversight role of the Board's mandate.

The Medical Superintendent is the Secretary to the Board.

Independence, Separation of Roles and Responsibilities

The primary responsibility of the Board is to provide leadership and strategic direction to the Hospital to enhance value. The Board Members are expected to exercise the highest degree of care, skill and diligence in discharging their duties.

The roles and responsibilities of the Board and the Medical Superintendent remain distinct and separate which ensures a balance of power of authority and provides for checks and balances such that no individual has unfettered power of decision making. The Board provides oversight to the Hospital's top management and has unrestricted access to timely and relevant information. The members are also empowered to seek independent professional advice on Hospital business at its expense where necessary.

The Chairman provides overall leadership without limiting the principles of collective responsibility for Board's decisions. The Chairman builds an effective Board and sets the Board agenda in consultation with the Secretary/ Medical Superintendent and ensures effective communication to stakeholders.

The Medical Superintendent is responsible to the Board and takes the overall responsibility for the day to day management of the Hospital. The medical Superintendent recommends the strategy of the Board and implements it and makes operational decisions. In addition, as Secretary to the Board, the Medical Superintendent ensures appropriate and timely information flows within the Board, its committees and management.

The Board Secretary is in attendance of all Board meetings to provide guidance to the Board on their duties and responsibilities; on matters of governance; and to provide efficient services including coordinating induction and training of new members, preparation for board meetings and maintaining a record of the same, disseminating action material for management.

Principal Board Activities

1. Strategy and business plans: The Board is responsible for establishing short and long-term goals of the Hospital develop strategies to achieve these goals and monitor the hospital's performance against these set goals. During the year, the Board considered progress against the 2021/2022 Hospital strategic themes and reviewed the 2022/2023 strategic objectives, business plans, budgets and one year forecast.

2. Clinical services: The Board oversees the business affairs of the Hospital in light of emerging risks and opportunities. During the year, the Board considered reports from clinical services on a regular basis, focusing on matters such as the review and development of clinical indicators, patient safety, infection prevention and control, accreditation and clinical information systems across the Hospital.

3. Financial performance and reporting: The Board is responsible for spearheading preparation, approving and reviewing quarterly budgets.

Board Membership and Attendance of Meetings

The Board holds regular meeting at least once every quarter and supplementary meetings are held as and when necessary. In case of non-attendance due to other commitments, such information is communicated to the Chairman prior to the date of the scheduled meeting.

Board Committees and Responsibilities

The Board delegates certain functions to well-structured committees but without abdicating its own responsibilities.

Each committee is guided by the Committee Charter/Terms of Reference, which outlines its responsibilities as mandated by the Board and is reviewed on a yearly basis. The committees are appropriately constituted drawing membership from amongst the Board members with appropriate skills and experience.

The committees are expected to operate transparently, ensure full disclosure to the Board and conduct themselves within the rules and procedures set out by the Board. Matters deliberated by the committees are presented to the Board by the respective Chairman during the next board meeting.

The Board has the following two (2) standing committees, which hold regular meeting four (4) times a year and supplementary meetings as and when necessary.

These committees are:-

- Finance and General Purpose Audit
- Quality Health Care/ Primary Health Care

The responsibilities and attendance of meetings during the year is as summarized below:-

Finance and General Purpose Audit

The Committee which is comprised of six members is charged with the responsibility of advising the board as well as scrutinizing the Hospital quarterly expenditure.

Quality Health Care / Primary Health Care

The Committee is tasked with identifying health care service problems in the Hospital and ensuring that they are resolved; review any changes on policy issues on standards, quality assurance and research; liaise with the Medical Superintendent on matters of quality health care delivery; and undertake comprehensive quarterly evaluation of standards, quality assurance programs in the hospital.

The Committee held four (4) meetings during the year under review.

Board members Remuneration

During every Board meeting, present members are entitled to a sitting allowance, lunch allowance (in lieu of lunch).

Ethical Standards

The Board members and Hospital staff have a fiduciary duty to act honestly and in the best interest of the

Hospital. Business transactions with all parties must be carried out at arm's length and with integrity. The Board provides effective leadership based on ethical foundation and ensures all deliberations, decisions and actions are based on the Boards' core values underpinning good governance.

The Board members enhances good relationships to foster teamwork among Board members and staff and to build respect, confidence and credibility within the community.

The Board members and staff are expected to adhere to ethical and acceptable behaviour in conducting their duties and responsibilities. All members and employees are expected to avoid activities and financial interests that could undermine their responsibilities to the Hospital.

The Board also developed a Complaints and Compliments Policy which is aimed at protecting staff who act in good faith to disclose or report any acts of malpractice, alleged dishonesty, corruption, illegality, wrong-doing or omissions by employees.

Relationship with Stakeholders

The Board appreciates that stakeholder perception affect the organizations reputation. The Board therefore strives to achieve an appropriate balance between its various stakeholders in the best interest of the organization by taking into account their legitimate interest and expectations in decision making.

The Board values the importance of complete, timely, transparent and effective communication with its stakeholders for building and maintaining their trust and confidence by providing regular information on its performance, activities and addressing their concerns whilst having regard to legal and strategic considerations.

Additionally, the Board has dedicated staff to deal with complaints and public relations effectively, efficiently and as expeditiously as possible. The Board has an established mechanism of receiving, resolving and giving feedback on complaints referred to it by its stakeholders.

The Hospital's Service Charter has been cascaded to all staff and displayed at strategic locations, is monitored on a regular basis. The Charter stipulates the service delivery timelines, commitments and expectations of Sultan Hamud Sub County Hospital customers. During the year, the level of customer satisfaction on the Hospital's services was good. The Board is committed to continually improve access to information by the public and provision of efficient and quality specialized healthcare services to the public.

VIII. Management Discussion and Analysis

Clinical Performance

Sultan Hamud Sub County Hospital provides a wide range of services to Kenyans and patients from within Sultan Hamud sub-County and its environs. Some of these services include outpatient clinics, inpatient care and day care procedures for surgery, ENT, dental, maternity amongst other services. In addition, the Hospital provides clinical support services that include pharmacy, laboratory, radiology and nutrition.

Sultan Hamud Sub County Hospital strives to ensure that the clinical services provided throughout the organization are efficient, effective, appropriate, innovative, evidence-based and in line with modern technological advances. Clinical governance has been strengthened to ensure patient safety and quality healthcare.

The Hospital's workload analysis over the last three years is as depicted in the charts below:-

	Medical	paediatri	maternit	NBU	TOTAL
Beds -Authorized	21	6	18	3	48
Beds- Actual physical	21	6	18	3	48
Cots- Authorized	0	4	1	4	9
Cots-Actual physical	0	4	1	4	9
Incubator authorized	0	0	0	4	4
Incubator- Actual	0	0	0	4	4

OPD services workload comparison between the 2 F/Y

F/Y 21/22	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
totals	6,907	7,558	7,548	6,743	7,041	6,366	5,946	6,822	6,146	5,314	6,026	6,583
F/Y 22/23	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
totals	6,057	6,148	6,127	6,818	6,480	5,772	6,640	7,292	7,609	6,708	8,531	7,555

The total OPD workload for the year 2021/2022 was 72,178 while for the year 2022/2023 amounted to 81,737. There was an increase in the OPD workload and this could be attributed to improvement in service delivery.

TOTAL OUTPATIENT SERVICES WORKLOAD

F/Y 2022/2023

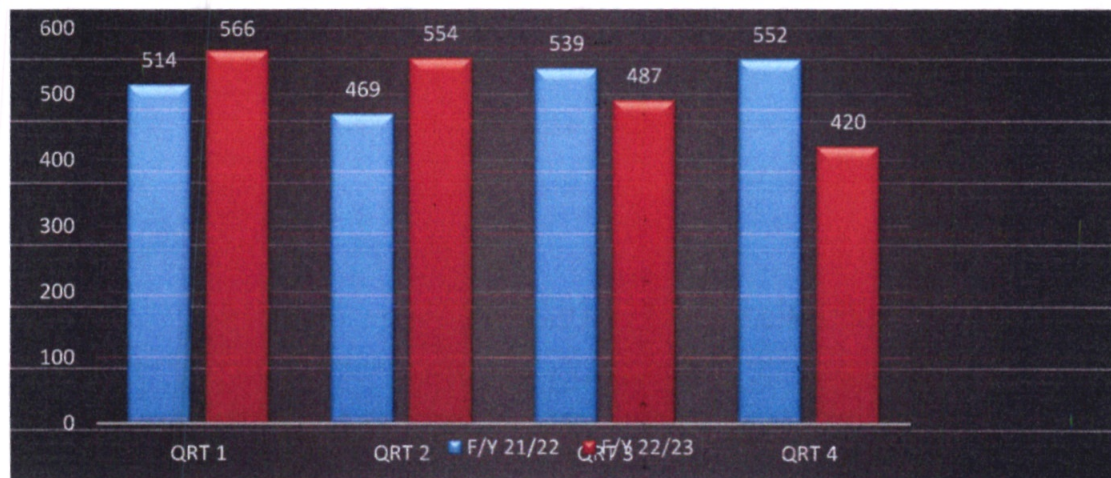
	Quarter 1, 2, 3 and 4 (F/Y 2022/2023)											
Month	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Over >5 years	2,847	2,822	2,686	3,413	2,988	2,783	3,129	3,317	3,408	3,024	3,156	3,684
Under <5years	906	833	986	979	993	901	961	1,034	1,139	981	2,070	984
>60 years	694	710	707	790	753	687	846	703	913	654	918	715
Occupational therapy	117	125	135	126	119	89	115	131	145	138	133	83
MCH/FP	1,358	1,511	1,432	1,354	1,455	1,182	1,399	1,791	1,757	1,628	1,992	1,851
Dental services	135	147	181	156	172	130	190	316	247	283	262	238
Totals	6,057	6,148	6,127	6,818	6,480	5,772	6,640	7,292	7,609	6,708	8,531	7,555

In patient service workload comparison between 2 F/Y

F/Y 21/22	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
totals	291	298	330	296	288	280	328	271	372	313	309	265
F/Y 22/23	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
totals	298	308	325	326	305	288	326	286	320	269	351	295

For 21/22 financial year, the inpatient workload was 3,641 while the year ended 30th June 2023 the inpatient workload slightly increased to 3,697.

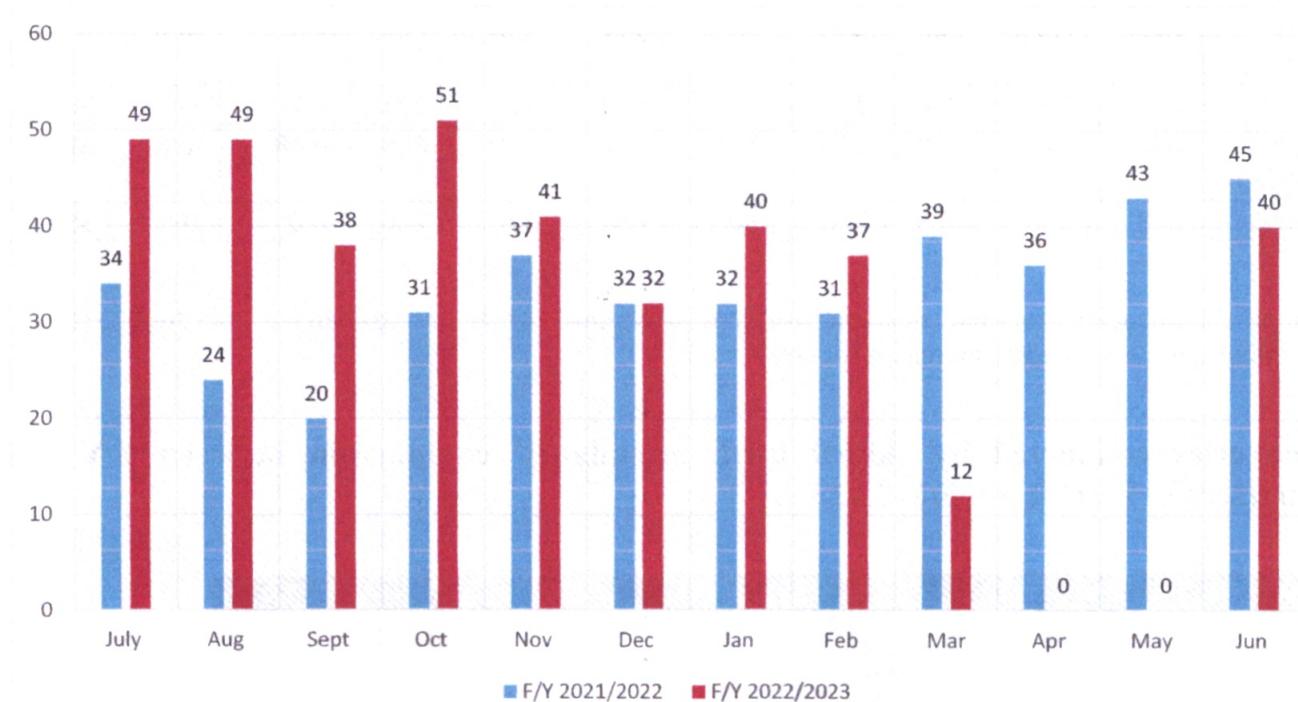
Deliveries conducted by skilled birth attendants' comparison between F/Y Per Quarters F/Y 21/22 VS F/Y 22/23



The number of deliveries in 2021/2022 were 2,074 as compared to 2022/2023 which were 2,027, the decline could be attributed to the general anaesthetic machine which was out of order in the months of march, April and May 2023.

The table below shows the caesarean sections done in the same period and the decline in those months forementioned was due to a faulty general anaesthetic machine which was replace with a new machine by the County Government of Makueni through the Department of Health.

Caesarean section F/Y21/22 vs F/Y 22/23



Special clinics F/Y 2022/2023

F/Y 2022/2023	Quarter 1,2, 3 and 4											
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Special clinics												
Eye clinic	97	120	152	122	45	18	91	116	160	80	147	140
Tb and leprosy	125	202	128	132	157	123	161	152	182	68	204	168
CCC	1,354	1,406	1,428	1,435	1,437	1,440	1,442	1,440	1,441	1446	601	679
Occupational therapy	117	125	135	126	119	89	115	131	145	138	133	83
MOPC	87	112	105	106	133	32	90	127	156	95	114	115

Paediatrics	13	25	12	22	18	5	10	2	4	0	0	0
OBS/Gynac	35	9	13	14	21	9	19	17	30	22	25	24
Nutrition	24	42	34	54	73	3	48	42	79	82	78	59
Skin	19	0	27	15	25	16	8	15	33	19	30	0

Theatre Services

The Hospital has one theatre which serves maternity and any other surgical operations on a Twenty-four-hour basis. Many of the success stories have taken place in these theatres

Healthcare financing

With the improvements in NHIF coverage aimed at promoting universal healthcare and considering that majority of the patients at Sultan Hamud Sub County Hospital are indigenous and are not able to meet the cost of treatment; it is expected that considerations will be made on how to reimburse the cost of treatment for such persons. This will help the Hospital to meet some of the pending obligations towards better healthcare provision.

Customer Satisfaction

Sultan Hamud Sub County Hospital is committed to improving patient experience and conducts an annual customer satisfaction survey.

The outcomes of the survey indicated that the Sultan Hamud Sub County Hospital customers are generally happy with the services owing to the satisfaction indicated in the Customer Care Register the level of satisfaction increased and it is expected the same trend will be sustained.

Public complains and reactive disclosure was done throughout the year.

FINANCIAL PERFORMANCE HIGHLIGHTS

Considering that the free maternity includes ante-natal, delivery and post-natal, Sultan Hamud Sub County Hospital will not get any reimbursement for patients, who will attend ante-natal and later deliver in another facility, despite Sultan Hamud Sub County Hospital incurring costs for ante-natal services. Therefore, Sultan Hamud Sub County Hospital incurs this loss under free maternity.

In addition, where mothers develop complications after delivering in another hospital and are referred to Sultan Hamud Sub County Hospital for specialized care, the Hospital is not compe

Clinical Performance

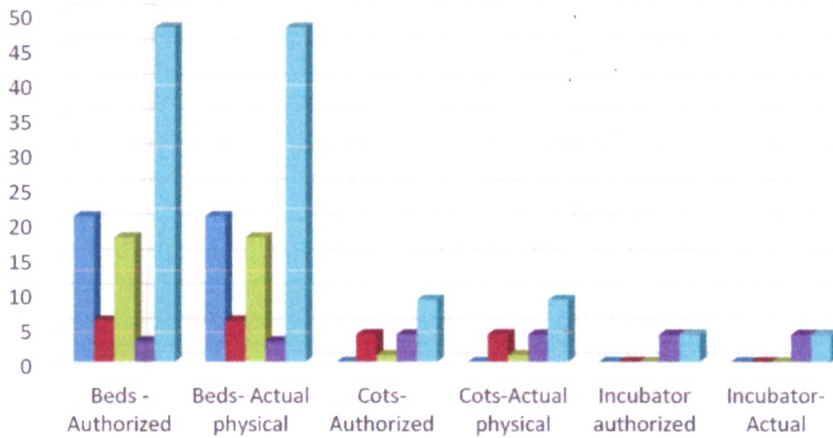
Sultan Hamud Sub County Hospital provides a wide range of services to Kenyans and patients from within Sultan Hamud sub County and its environs. Some of these services include outpatient clinics, inpatient care and day care procedures for surgery, ENT, dental, maternity amongst other services. In addition, the Hospital provides clinical support services that include pharmacy, laboratory, radiology and nutrition.

Sultan Hamud Sub County Hospital strives to ensure that the clinical services provided throughout the organization are efficient, effective, appropriate, innovative, evidence-based and in line with modern technological advances. Clinical governance has been strengthened to ensure patient safety and quality healthcare.

The Hospital's workload analysis over the last three years is as depicted in the charts below:-

	Medic	paediatri	mater	NBU	TOTAL
Beds -Authorized	21	6	18	3	48
Beds- Actual physical	21	6	18	3	48
Cots- Authorized	0	4	1	4	9
Cots-Actual physical	0	4	1	4	9
Incubator authorized	0	0	0	4	4
Incubator- Actual	0	0	0	4	4

Chart Title



Theatre Services

The Hospital has one theatre which serves maternity and any other surgical operations on a Twenty-four-hour basis. Many of the success stories have taken place in these theatres

Healthcare financing

With the improvements in NHIF coverage aimed at promoting universal healthcare and considering that majority of the patients at Sultan Hamud Sub County Hospital are indigenous and are not able to meet the cost of treatment; it is expected that considerations will be made on how to reimburse the cost of treatment for such persons. This will help the Hospital to meet some of the pending obligations towards better healthcare provision.

Customer Satisfaction

Sultan Hamud Sub County Hospital is committed to improving patient experience and conducts an annual customer satisfaction survey. Our surveys conducted in the past one year are as follows:
 The outcomes of the survey indicated that the Sultan Hamud Sub County Hospital customers are generally happy with the services owing to the satisfaction indicated in the Customer Care Register the level of satisfaction increased and it is expected the same trend will be sustained.

FINANCIAL PERFORMANCE HIGHLIGHTS

Considering that the free maternity includes ante-natal, delivery and post-natal, Sultan Hamud Sub County Hospital will not get any reimbursement for patients, who will attend ante-natal and later deliver in another facility, despite Sultan Hamud Sub County Hospital incurring costs for ante-natal services. Therefore, Sultan Hamud Sub County Hospital incurs this loss under free maternity.

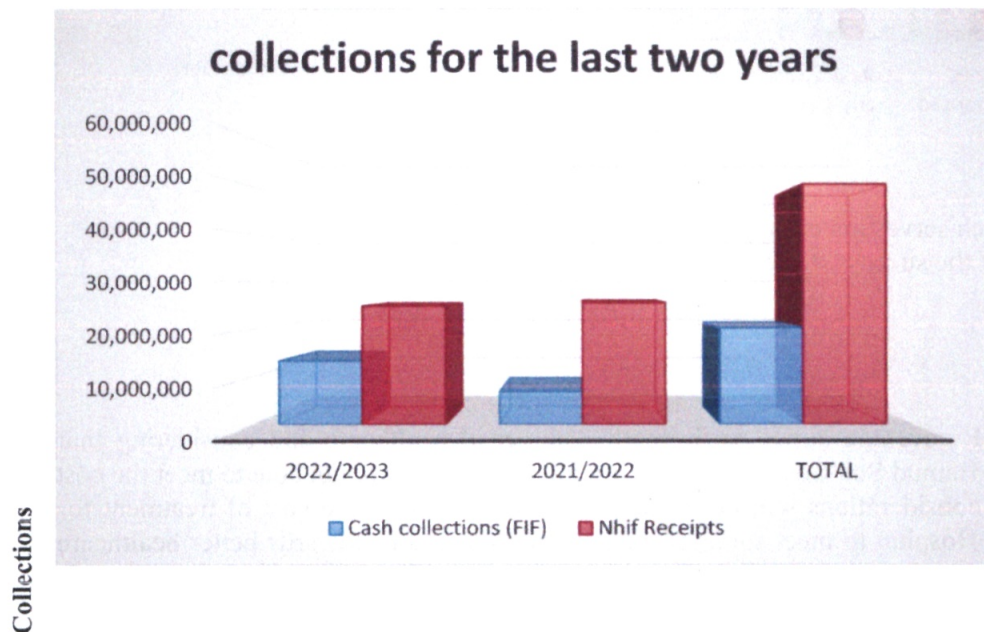
In addition, where mothers develop complications after delivering in another hospital and are referred to Sultan Hamud Sub County Hospital for specialized care, the Hospital is not compensated resulting to a loss.

Revenue performance

The Hospital operations are funded through grants from the County Government of Makueni and fees charged for services rendered.

COLLECTIONS FOR THE LAST TWO YEARS ARE AS TABULATED BELOW:

	2022/2023	2021/2022	Total
Cash collections (FIF)	13,316,056	6,916,606	20,232,662
Nhif Receipts	24,898,380	25,541,358	50,439,738



Compliance with statutory requirements

In the period under review, the Hospital complied with all statutory requirements and has not received any sanctions so far for non-compliance.

What is Financial Risk?

Financial risk is a term applied to the individual, business, and government; risk means the probability of losing money in investment or in case of government and business inability to pay off its debt from various [financial institutions](#).

Risk includes various factors which may affect desired results of operations or provide unwanted effects affecting operations eventually involving business, investors, and the entire market. Financial risk for an individual is the loss of investment and the ability to pay off loans. Business financial risk may occur due to problems in operations of the business, credit risk, i.e., inability to pay off debt, market risk, i.e., when

business losses its customers due to upgrades, innovations by competitors, and changes in consumption patterns. For the government, financial risk means the inability to control inflation, defaulting bonds, and other debt instruments.

Example of Financial Risk

Examples of financial risk are given in detail:

Great Recession in 2008

- Subprime mortgage crisis.
- It started in December 2007 with a fall in GDP by 4.3% and a rise in unemployment by 10%.
- Reasons:
 1. High-risk loans are granted to borrowers with lower credit scores and poor credit histories.
 2. From 2000-2005 due to the housing boom in the United States, many lenders wanted to capitalize on rising home prices.
 3. As a result, many financial institutions took risky mortgages in bulk from buyers with poor credit histories, known as mortgage-backed securities.
 4. In the US, in early 2007, New Century Financial declared bankruptcy.
 5. Freddie Mac(Federal Home loan and mortgage corporation) declared its inability to buy other Mortgage-backed securities.
 6. As a result, there is no market available for a mortgage to sell and recover the investment in such high-risk loans; many firms started on a path to bankruptcy, resulting in a price decline in the real estate market and no way to recover the investment.
 7. Because of the fall in housing prices, many borrowers realized that their homes had much less value than the loan amount.
 8. Many homeowners started to default on their loans. Since there is a lack of buyers in such a market, prices continue to fall further, resulting in a rise in the number of defaults from homeowners and no way to recover such loans for financial institutions.
 9. Like a snowball effect on the economy, even when Dow Jones crossed 14000 for the first time, it could not maintain that level. Over the next 18 months, it fell more than 6500 points, which resulted in a loss of investment for many Americans who invested a large portion of their life savings in the stock market; as a result, the credit market started to decline.
 10. To take action against a fall in the economy, Federal Reserve in the US reduced the target for interest rates to promote borrowing and unfreeze the credit market.
 11. In February 2008 Economic Stimulus Act was signed by the US President to encourage a certain amount of rebates to taxpayers to increase spending and loan limits to promote home sales and boost the economy.
- Investment banking giants like Bear Sterns and Lehman Brothers collapsed, declaring bankruptcy due to the subprime mortgage crisis in 2008.
- Insurance giant American Insurance Group(AIG), which insured many such Mortgage-backed loans from various financial institutions, also faced trouble. But because of its asset qualities, the Fed agreed to lend additional 85 billion dollars to AIG to manage its business.
- TARP(Troubled Asset Relief Program) allowed the US government \$700 billion to buy such assets from companies in trouble. Such assets can be slowly sold in a market as the economy recovers.
- Tarp Funds were also used to bail out General Motors and Bank of America.

- The US government announced the second stimulus package in 2009 to promote spending on infrastructure, health care, energy, etc.
- The Great recession also impacted European countries resulting in default in bonds by Greece, Portugal, and Ireland with an expectation of a bailout.
- Countries were forced to take specific measures like rising taxes and cuts in social programs to avoid further defaults in debt.
- The great recession in 2008 describes Financial Risk and its impact on individuals, government, and the Global economy. If not appropriately managed, such risk creates a catastrophic result, which makes it hard for the economy to recover and forces the government to take specific measures through policy to avoid further downfall.

Types of Financial Risk

Various types of financial risk are given below:

1. Market Risk

Market risk arises from upgrades or innovations in technology, changes in prices, or changes in consumption patterns of customers affecting business revenues.

Market risk includes systematic and unsystematic risks resulting in a loss of investment. Systematic risk consists of recession, interest rate changes, and natural disasters, which cannot be avoided. Unsystematic risk is the ones that can be avoided or managed through a change in operations, strategy, and planning.

2. Credit Risk

The inability of a borrower to repay the debt according to contractual obligations. Defaulting in debt repayment will affect business reputation in the market, the ability to borrow funds from other financial institutions, and the loss of investor confidence. While in the case of government, credit risk can have vast effects on the entire economy and world since defaulting bonds and the inability to control inflation will affect countries' reputation, business transactions, social stability, and relations with other countries.

3. Operational Risk

Operational risk can result from management decisions affecting business output or providing unwanted results. Generally, Operational risk does not mean complete failure but the reduction in output capacity, which a change in the decision can manage, upgrade, and maintain technology.

4. Liquidity Risk

The ability of an individual or business to pay out its short-term financial obligations due to failure to sell its assets quickly in a market without loss. The inability to sell assets or investments for cash can result from market conditions, lack of buyers, etc. Liquidity risk can be managed by maintaining diversified investment in short-term assets and maintaining adequate money in the business to meet short-term obligations.

Difference between Financial Risk vs. Business Risk

Basis of Comparison	Financial Risk	Business Risk
Definition	Financial risk means the probability of loss in investment or an inability to pay off debt.	Business Risk means business inefficiency in generating enough revenue to meet operational expenses.
Why	In the case of business and government, financial risk is the inability to pay off its debt.	Business risk is generally related to the inefficiency in operations.
Reasons	Financial risk can be caused due to the high burden of debt instead of equity to generate better returns.	Business Risk is inevitable as long as the business continues to operate, as the business needs growth and expansion, which includes risk.
Risk Management	Financial risk can be managed by balancing equity and debt and using debt for business growth for better returns.	Business risk can be managed by managing the operation process, reduction in the cost of production, technical upgrades, and new strategies.
How to calculate	Debt to Asset ratio, debt to equity ratio, the interest coverage ratio	Change in Revenue and EBIT

Advantages and Disadvantages of Financial Risk

Following are the advantages and disadvantages below:

Advantages

- **Growth:** Risk is an integral part of the business, and for growth and expansion in a new market, companies might need to raise finance through debt. Financial risk, although it looks like a burden for the company, if a company can perform and generate better revenues through growth and expansion, such risk needs to be taken.
- **Tax Planning:** Many companies use losses for a tax deduction, which can be spread over multiple years. Reduction in tax liability and risk management of a company can turn financial risk into a long-term advantage.
- **Alert for investors and management:** Financial risk is an alarm for investors and management to take specific measures to avoid further damage.
- **Valuation assessment:** Financial risk in specific businesses or projects helps evaluate income through the risk-reward ratio, which tells whether such a company or project is worth it.
- Financial risk can be analyzed through various ratios, which makes it easy to understand the role of risk involved in the business.

Disadvantages

- **Can Create Catastrophic Result:** In the case of government, Financial Risk leads to defaulting bonds and other debt from financial institutions, which can cause long-lasting damage to the country and the global economy. E.g. the Greece crisis impacted countries in the European Union, which invested in Greece through bonds.
- **Cannot be Control:** Financial risk arising out of global factors, natural disasters, wars, changes in interest rates, and changes in government policies that cannot be controlled by a business operating in a particular market.
- **Long-Term Effects:** Financial Risk, if not managed at the right time with the right strategies, can cause damage to financials and reputation, affecting the entire business and loss of confidence of investors and lenders. It can be challenging for a company to overcome such setbacks.
- **Impact:** Financial risk can impact the entire sector, market, and economy.

Conclusion

Financial risk is an integral part of Individual finances, business, and government. Such risk is not necessarily a negative sign but can be a sign of growth if utilized and managed correctly. In the case of business, financial leverage ratios like interest coverage ratios, debt-asset ratios, and debt-equity ratios are used to understand the company's level of debt in the market. Financial risk can be helpful if tackled with revenue growth and business expansion. Still, if not managed properly, it can cause bankruptcy of the and loss for investors and lenders in the business.

In the case of Government, Financial Risk needs to be monitored continuously to avoid catastrophic effects on the country and economy in the future. Individual Financial risk can be lost in investment, or increasing financial debt can be a concern for their future. Such risk can be reduced and diverted with proper management techniques.

Strategic direction

The Hospital has continued to look for ways of ensuring that it delivers on its mandate as a Sub County Hospital while also addressing the emerging needs of its patients.

During the year under review, the Hospital remained committed to ensuring delivery of its services to its clients.

IX. Environmental And Sustainability Reporting

Sultan Hamud 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 organisation's policies and activities that promote sustainability.

i) Sustainability strategy and profile

Sultan Hamud Sub County Hospital takes a sustainable, long-term approach to business, putting patients at the heart of its operations and delivering consistently high-quality healthcare services. In order to deliver on these priorities, the Hospital upholds the highest standards of clinical governance and ethical behaviour across its platforms, invests significant time and resources in recruiting and retaining skilled staff, makes considerable investment into its facilities and equipment and respects the communities and environment in the areas in which it operates.

ii) Environmental performance

The Hospital's main environmental impacts are the utilization of resources, predominantly energy, through Electricity consumption and water, and the disposal of healthcare risk waste. The Hospital is fully aware of the need to use resources responsibly and is committed to minimizing its environmental impacts to the extent possible.

The Hospital recognizes the risks that regulatory changes, environmental constraints and climate change present to its operations. Potential impacts include rising costs, reduced access to facilities, interruptions in service, and incidents of extreme weather events as a result of climate.

However, the Hospital also believes that using resources responsibly can be a source of strategic advantage for the Hospital, allowing it to manage and contain its operating costs and to ensure ongoing access to water and energy supplies.

Sultan Hamud Sub County Hospital patients are always its first priority, but without natural resources, especially water, Sultan Hamud Sub County Hospital would not be able to provide a service to its patients. The Hospital takes its policies to reduce its impact on the environment very seriously and its facilities and services division is constantly investigating new opportunities to reduce its impact on the environment.

iii) Employee welfare

The focus of attracting and utilizing talent in a challenging healthcare market continues to be a challenge. There is need to improve on knowledge management and human capacity.

Key stakeholders

- Doctors
- Employees and trade unions

Mitigation of risks

- Extensive training and skills development programmes.
- Governance of suitable selection processes with focus on skills assessments, employment references and verification of credentials.

- Targeted sourcing and recruitment initiatives, with a strong focus on agile sourcing techniques ensuring that best fit candidate talent is channeled to appropriate vacancies, supported by a seamless hiring process.
- Tailored retention strategies, supporting the retention of priority audiences within each business unit.
- Succession planning and/or career management initiatives within scarce skills disciplines, ensuring proactive
- Development of high-performing employees with potential to supervisory and leadership roles.
- Deployment of integrated talent strategies in support of core business areas.
- Monitoring of doctor satisfaction.

iv) Market place practices-

Sultan Hamud Sub County Hospital has made efforts to promote:-

(a) Responsible competition practice.

The Hospital promotes corruption free crusades to ensure fairness to all more so in purchasing and tendering.

(b) Responsible Supply chain and supplier relations

The Hospital ensures that only contracted suppliers are awarded tenders and paid as and when funds are available.

(c) Responsible marketing and advertisement

The Hospital engages in fair and realistic marketing campaigns for its products.

(d) Product stewardship

The Hospital safeguards the quality of the products it offers through appropriate feedback mechanisms.

v) Corporate Social Responsibility / Community Engagements

The commitment of Sultan Hamud Sub County Hospital to social responsibility and the pursuit of societal good through inclusive healthcare inspired us towards fulfilling public healthcare needs. We focus on bringing quality healthcare within the reach of all people regardless of their geographic location or economic status.

Sultan Hamud Sub County Hospital aspires to be a socially responsible corporate citizen delivering superior and sustainable value to all.

Sultan Hamud Sub County Hospital Corporate Social Responsibility initiatives express our commitment and concern to the welfare of our employees and the patients we serve. These initiatives focus on community development and health, human rights, empowering people through education and dissemination of information. The main activities undertaken during the year herein outlined below:

Sultan Hamud Sub County Hospital Public Open Day

In line with the constitution, Chapter 4 on Bill of Right, Sultan Hamud Sub County Hospital held Open Days to Mother and Child Health and Nutrition departments to provide the public a special platform for health workers to interact and receive feedback from the clients on healthcare services. Recognizing the variety of

Sultan Hamud Sub County Hospital (Makueni County Government)
Annual Reports and Financial Statements for the Year Ended 30th June 2023

healthcare services and high number of patients seeking services at Sultan Hamud Sub County Hospital, the Open Day focused on service delivery, patients' charters and procedures for providing feedback or complaints. The public were sensitized and received health talks and free services.

X. Report of The Board of Management

The Board members submit their report together with the Audited Financial Statements for the year ended June 30, 2022, which show Sultan Hamud Sub Hospital's affairs.

Principal activities

The principal activities of the entity are to offer quality health care services.

Results

The results of the entity for the year ended 30th June, 2022 are set out in the pages that follow.

Board Of Management

The members of the Board who served during the year are shown on page vii. During the year no board member retired/ resigned and there were no new appointments.

Auditors

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

By Order of the Board

Dr. Jane Mwende
Secretary of the Board



XI. 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 Sultan Hamud Sub County Hospital, which give a true and fair view of the state of affairs of Sultan Hamud Sub County Hospital at the end of the financial year/period and the operating results of Sultan Hamud Sub County Hospital for that year/period. The Board of Management is also required to ensure that Sultan Hamud Sub County Hospital keeps proper accounting records which disclose with reasonable accuracy the financial position of Sultan Hamud Sub County Hospital. The council members are also responsible for safeguarding the assets of Sultan Hamud Sub County Hospital.

The Board of Management is responsible for the preparation and presentation of Sultan Hamud Sub County Hospital financial statements, which give a true and fair view of the state of affairs of Sultan Hamud Sub County Hospital for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the Sultan Hamud 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 Sultan Hamud 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 Sultan Hamud Sub County Hospital financial statements give a true and fair view of the state of Sultan Hamud Sub County Hospital transactions during the financial year ended June 30 2023, and of Sultan Hamud Sub County Hospital financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for Sultan Hamud Sub County Hospital, which have been relied upon in the preparation of Sultan Hamud Sub County Hospital financial statements as well as the adequacy of the systems of internal financial control.

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

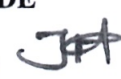
Approval of the financial statements

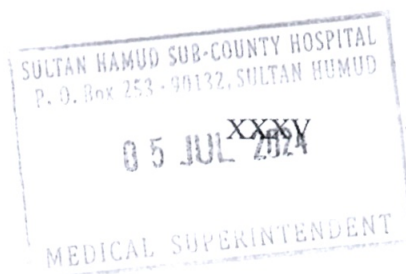
The Hospital's financial statements were approved by the Board on 5/7/24 and signed on its behalf by:

JONATHAN KALWA


Chairperson
Board of Management

DR. JANE MWENDE

Accounting Officer 



REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON SULTAN HAMUD SUB COUNTY LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2023 - COUNTY GOVERNMENT OF MAKUENI

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 Sultan Hamud Sub County Level 4 Hospital - County Government of Makueni set out on pages 1 to 50, which comprise of

the statement of financial position as at 30 June, 2023, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Sultan Hamud Sub County Level 4 Hospital - County Government of Makueni as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012, the County Governments Act, 2012 and the Health Act, 2017.

Basis for Qualified Opinion

1. Inaccuracies on Rendering of Services – Medical Service Income

The statement of financial performance reflects total revenue from rendering of services -medical services income of Kshs.13,316,056 as disclosed in Note 11 to the financial statements. However, analysis of the Hospital revenue collection system indicated service fees revenue collection of Kshs.13,664,749 resulting to an unexplained variance of Kshs.348,693.

In the circumstances, the accuracy and completeness of rendering of services-medical services income of Kshs.13,316,056 could not be confirmed.

2. Non-Disclosure of Employee Costs Paid by the County Government

The statement of financial performance reflects employee costs of Kshs.13,444,790 for casuals and contractual staff as disclosed in Note 16 to the financial statements. The Hospital also received services from medical staff employed and paid for by the County. However, the expenditure was not disclosed in the financial statements and the payroll was not provided for audit.

In the circumstances, the accuracy and completeness of employee costs of Kshs.13,444,790 could not be confirmed.

3. Non-Disclosure of Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.5,196,965 as disclosed in Note 31 to the financial statements. However, the facility had movable and non-movable assets of undetermined value relating to land, buildings, furniture and fittings and computers which were not valued or disclosed in financial statements.

In the circumstances, the accuracy and completeness of the property, plant and equipment balance of Kshs.5,196,965 could not be confirmed.

4. Encroachment on Hospital Land

Review of Hospital records revealed that part of land owned by the Hospital had been encroached on by a private developer. The developer had put up a residential house although the approved development plan No.14 of 1987, PDP reference No. MKS 87/86/1 indicated that the earmarked area was re-planned from residential plots to the extension of the existing health facility.

In the circumstances, legal ownership to the encroached-on parcel of land could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Sultan Hamud Sub County Level 4 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 matter 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. Incomplete Asset Register

Hospital summary of the fixed assets register provided for audit did not reflect all the assets including land, buildings, motor vehicles and motor cycles owned by the Hospital and their value as at 30 June, 2023. Further, the assets register in some instances lacked the values and tag numbers in the respective fields. This was contrary to Regulations 136(1) of the Public Finance Management (County Governments) Regulations, 2015 which requires that the Accounting Officer shall be responsible for maintaining a register

of assets under his or her control or possession as prescribed by the relevant laws; and Regulation 136(2) which requires that the register of land and buildings shall record each parcel of land and each building and the terms on which it is held, with reference to the conveyance, address, area, dates of acquisition, disposal or major change in use, capital expenditure, lease hold terms, maintenance contracts and other pertinent management details.

In the circumstances, the effectiveness of controls over hospital asset management could not be confirmed while Management was in the breach of the law.

2. Failure to Prepare Quarterly Revenue Reports

The statement of financial performance reflects rendering of services - medical income of Kshs.13,316,056 as disclosed in Note 11 to the financial statements. However, there is no evidence to show that the reports were prepared and submitted to the County Treasury with a copy to the Auditor-General. This was contrary to Regulations 64(1) of the Public Finance Management (County Governments) Regulations, 2015 which requires the Accounting Officer or receiver of revenue or collector of revenue to prepare a quarterly report not later than the 15th day after the end of the quarter.

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

3. Deficiencies in Implementation of Universal Health Coverage

Review of Hospital records and interviews on verification of services offered, equipment used and medical specialists in the Hospital at the time of audit in April, 2024 revealed that the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits by fifty-one (51) or 50% of the authorized staff establishment.

Personnel	Level 4 Standard	Actual Numbers	Variance	Percentage %
Medical Officers	16	4	12	75
Anaesthesiologists	2	0	2	100
General Surgeons	2	0	2	100
Gynaecologists	2	0	2	100
Paediatrics	2	0	2	100
Radiologists	2	0	2	100
Kenya Registered Community Health Nurses	75	46	29	39
Total	101	50	51	50

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

Services	Required	In-Post	Variance	Percentage %
Incubators (New Born)	5	4	1	20
Cots	5	2	3	60
Resuscitaire in Theatre	1	1	0	
Resuscitaire in Labour Ward	2	2	0	
Functional ICU Beds	6	0	6	100
HDU Beds	6	0	6	100
Renal Unit with Dialysis Machine	5	0	5	100
Functional Operating Theatres Maternity and General Surgeries	2	1	1	50

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

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Expired Pharmaceutical Supplies and Storage

Review of the records maintained at the hospital in April 2024 revealed that the facility had in store expired pharmaceutical products of undetermined value as analysed below:

Item Description	Expiry Date	Batch Number	Quantity
Levonorgestrel and Estradiol Tablets	November, 2022	LE427492	354 cycles
Levonorgestrel 0.03mg Tablets	February, 2023	HF807	9 cycles

Item Description	Expiry Date	Batch Number	Quantity
Lopinavir/ritonavir tablets 200mg/50mg	April, 2024	8130102	4440 tablets

Further, the storage space for pharmaceuticals and non-pharmaceuticals was inadequate with no air conditioner in the non-pharmaceuticals store to regulate the temperature.

In the circumstances, the effectiveness on internal controls over drugs management and storage could not be confirmed.

2. Lack of Risk Management Policy

During the year under review, the Hospital operated without a documented risk management policy framework. In addition, there was no evidence of risk identification, risk assessment and evaluation of likelihood of risk occurrence and its impact on the entity's operation. This was contrary to Regulation 158(1) of the Public Finance Management (County Governments) Regulations, 2015 that provides that the County Government entity shall develop risk management strategies, which include fraud prevention mechanism; and a system of risk management and internal control that builds robust business operations.

In the circumstances, the internal controls and risk management of the Hospital may not be effective.

3. Lack of Internal Audit Function

Review of the Hospital's governance system revealed that the Hospital does not have an Internal Audit Unit but relies on the services of the County Executive Internal Audit. However, there was no evidence of internal audit reports in the year ended 30 June, 2023. In addition, there was no internal audit committee in place. This was contrary to Regulation 167(1) of the Public Finance Management (County Governments) Regulations, 2015 that requires County Government entities to establish an audit committee in accordance with prescribed regulations to monitor the entities governance process, accountability process and control systems, offer objective advice on issues concerning risk, control, regulatory requirements and governance.

In the circumstances, the internal controls, risk management and governance of the Hospital may not be effective.

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

Responsibilities of Management and the 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 controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

The Board of Management is responsible for overseeing 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 audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in

compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls 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 controls 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 non-compliance. 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 judgment 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Hospital's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Hospital to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Hospital to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and 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

28 June, 2024

Sultan Hamud Sub County Hospital (Makueni County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023

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

Description	Notes	2022/23	2021/22
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6	3,522,000	12,300,000
In- kind contributions from the County Government	7	6,277,305	1,509,058
Grants from donors and development partners	8	-	-
Transfers from other Government entities	9	-	-
Public contributions and donations	10	-	-
Revenue from non-exchange transactions		9,799,305	13,809,058
Rendering of services- Medical Service Income	11	13,316,056	6,916,606
Finance /Interest Income	13	-	
Other income-Nhif Income	14	24,898,380	25,541,358
Revenue from exchange transactions		38,214,436	32,457,964
Total revenue		48,013,741	46,267,022
Expenses			
Medical/Clinical costs	15	15,156,774	17,950,545
Employee costs	16	13,444,790	10,099,000
Board of Management Expenses	17	460,000	280,500
Depreciation and amortization expense	18	690,317	1,030,261
Repairs and maintenance	19	3,103,088	3,342,412
Grants and subsidies	20		
General expenses	21	2,925,184	9,445,957
Use of In- kind contributions from the County Government	7	6,277,305	
Total expenses		42,057,458	43,657,733
Other gains /(losses)			
Gain on disposal of non-Current assets	23	-	
Unrealized gain on fair value of investments	24	-	
Medical services contracts Gains/Losses	25		(1,986,890)
Impairment loss	26		
Gain on foreign exchange transactions		-	
Total other gains/(losses)			(1,986,890)
Net Surplus for the year		5,956,283	2,131,456
Attributable to:			

Sultan Hamud Sub County Hospital (Makueni County Government)
Annual Reports and Financial Statements for The Year Ended 30th June 2023

Surplus/(deficit) attributable to minority interest		-	
Surplus attributable to owners of the controlling entity		5,956,283	2,131,456

JONATHAN KALWA

**Chairman
Board of Management**

DOMINIC NZIOKA

**Head of Finance
ICPAK No:19171**

DR. JANE MWENDE

Medical Superintendent

ACCOUNTANT
 SULTAN HAMUD SUB-COUNTY HOSPITAL
05 JUL 2024
 P. O. Box-253-90132, SULTAN HUMUD

SULTAN HAMUD SUB-COUNTY HOSPITAL
 P. O. Box 253 - 90132, SULTAN HUMUD
05 JUL 2024
 MEDICAL SUPERINTENDENT

Sultan Hamud Sub County Hospital (Makueni County Government)
Annual Reports and Financial Statements for The Year Ended 30th June 2023

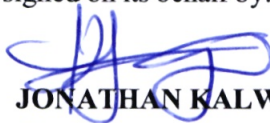
XIV. Statement of Financial Position as of 30 June 2023

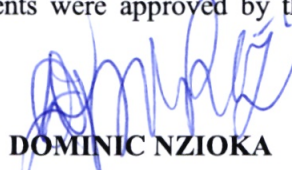
Description	Notes	2022/23	2021/22
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	27	11,528,197.35	6,880,676
Receivables from exchange transactions-NHIF	28	4,853,572	-
Receivables from non-exchange transactions	29		-
Inventories	30	2,220,098	3,808,156
Total Current Assets		18,601,867.35	10,688,832
Non-current assets			
Property, plant, and equipment	31	5,196,965.00	4,692,522
Intangible assets	32	-	
Investment property	33	-	
Total Non-current Assets		5,196,965.00	4,692,522
Total assets		23,798,832.35	15,381,354
Liabilities			
Current liabilities			
Trade and other payables	34	9,450,200.00	-
Refundable deposits from customers/Patients	35	-	-
Provisions	36	-	-
Finance lease obligation	37	-	-
Current portion of deferred income	38	-	-
Current portion of borrowings	39	-	-
Total Current Liabilities		9,450,200.00	-
Non-current liabilities			
Provisions	36	-	-
Non-Current Finance lease obligation	37	-	-
Non-Current portion of deferred income	38	-	-
Non - Current portion of borrowings	39	-	-
Service concession liability	40	-	-
Total Non-current liabilities		-	-
Total Liabilities		9,450,200.00	-
Net assets		14,348,632.35	15,381,354.00
Revaluation reserve			
Accumulated surplus/Deficit		8,087,739	6,795,903

Sultan Hamud Sub County Hospital (Makueni County Government)
Annual Reports and Financial Statements for The Year Ended 30th June 2023

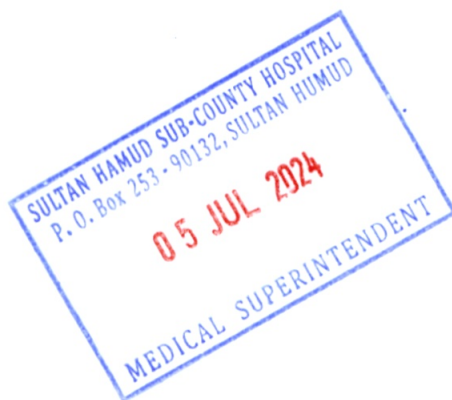
Capital Fund		1,362,461	8,585,451
Total Net Assets		14,348,632.35	15,381,354
Total Net Assets and Liabilities		23,798,832.35	15,381,354

The Hospital's financial statements were approved by the Board on 5/7/20 and signed on its behalf by:


JONATHAN KALWA
 Chairman
 Board of Management


DOMINIC NZIOKA
 Head of Finance
 ICPAK No:19171


DR. JANE MWENDE
 Medical Superintendent

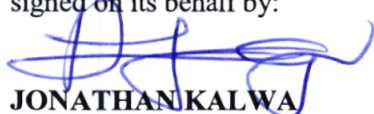


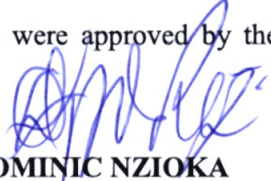
Sultan Hamud Sub County Hospital (Makueni County Government)
Annual Reports and Financial Statements for The Year Ended 30th June 2023

XV. Statement of Changes in Net Asset for The Period Ended 30 June 2023

	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at 1 July 2021	-		-	
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	2,131,456	-	2,131,456
Capital/Development grants	-	-	-	-
As at June 30, 2022	-	2,131,456	-	2,131,456
			-	
At July 1, 2022	-	2,131,456	-	2,131,456
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	5,956,283	-	5,956,283
Capital/Development grants	-	15,711,093.35	-	15,711,093.35
At June 30 2023	-	23,798,832.35	-	23,798,832.35

The Hospital's financial statements were approved by the Board on 5/7/24 and signed on its behalf by:


JONATHAN KALWA
 Chairman
 Board of Management


DOMINIC NZIOKA
 Head of Finance
 ICPAK No:19171


DR. JANE MWENDE
 Medical Superintendent



Sultan Hamud Sub County Hospital (Makueni County Government)
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XVI. Statement of Cash Flows for The Year Ended 30 June 2023

Description		2022/23	2021/22
	Note	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government	6	3,522,000	12,300,000
Grants from donors and development partners		-	
In- kind contributions from the County Government		-	
Public contributions and donations		-	
Rendering of services- Medical Service Income	11	13,316,056	6,916,606
Revenue from rent of facilities		-	
Finance / interest income		-	
Other receipts-NHIF income	14	24,898,380	25,541,358
Total Receipts		41,736,436	44,757,964
Payments			
Medical/Clinical costs	15	15,818,400	17,950,545
Employee costs	16	12,876,880	10,099,000
Board of Management Expenses	17	460,000	280,500
Repairs and maintenance	19	3,941,671	3,342,412
Grants and subsidies		-	
General expenses	21	2,925,184	7,936,900
Finance costs		-	
Refunds paid out		-	
Total Payments		36,022,135	39,609,357
Net cash flows from operating activities	41	5,714,301	5,148,607
Cash flows from investing activities			
Purchase of property, plant, equipment, & intangible assets		-1,066,780	-331,700
Proceeds from the sale of property, plant, and equipment		-	-
Acquisition of investments		(-)	(-)
Net cash flows used in investing activities		-1,066,780	-331,700
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		(-)	(-)
Capital grants received		-	-
Net cash flows used in financing activities		(-)	(-)
Net increase/(decrease) in cash and cash equivalents		4,647,521.00	4,016,907

Sultan Hamud Sub County Hospital (Makueni County Government)
Annual Reports and Financial Statements for The Year Ended 30th June 2023

Cash and cash equivalents at 1 July	27	6,880,676.00	2,063,769
Cash and cash equivalent as at 30 June	27	11,528,197	6,880,675.95

JONATHAN KALWA

**Chairman
Board of Management**

DOMINIC NZIOKA

**Head of Finance
ICPAK No:19171**

DR. JANE MWENDE

**Medical Superintendent
Board Secretary**



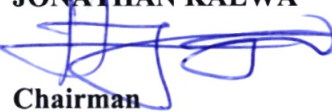
Sultan Hamud Sub County Hospital (Makueni County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2023


XVII. Statement Of Comparison of Budget and Actual Amounts For The Period Ended 30 June 2023.

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	a	b	c=(a+b)	d	e=(c-d)	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Revenue						
Transfers from the County Government	3,522,000	-	3,522,000	3,522,000	-	%
Grants from donors and development partners	-	-	-	-	-	%
Transfers from other Government entities	-	-	-	-	-	%
Public contributions and donations	-	-	-	-	-	%
Rendering of services- Medical Service Income	13,316,056	-	13,316,056	11,984,451	1,331,606	90%
Revenue from rent of facilities	-	-	-	-	-	%
Finance / interest income	-	-	-	-	-	%
Other receipts –Nhif Income	24,898,380	-	24,898,380	28,384,154	(3,485,774)	114%
Total income	41,736,436	-	41,736,436	43,890,605	(2,154,169)	
Expenses						
Medical/Clinical costs	15,818,400	-	15,818,400	15,502,032	316,368	98%
Employee costs	12,876,880	-	12,876,880	12,748,112	128,768	99%
Remuneration of directors	460,000	-	460,000	446,200	13,800	97%
Repairs and maintenance	3,941,671	-	3,941,671	3,862,838	78,833	98%
Grants and subsidies	-	-	-	-	-	%
General expenses	2,925,184	-	2,925,184	2,895,933	29,251	99%
Finance costs	-	-	-	-	-	%
Refunds	-	-	-	-	-	%

Sultan Hamud Sub County Hospital (Makueni County Government)
Annual Reports and Financial Statements for The Year Ended 30th June 2023

Total Expenses	36,022,135		36,022,135	35,455,115	567,020	
Surplus for the period	5,714,301	-	5,714,301	8,435,490	(2,721,189)	%
Capital expenditure	1,066,780	-	1,066,780	1,066,780	-	

JONATHAN KALWA

Chairman
Board of Management

DOMINIC NZIOKA

Head of Finance
ICPAK No:19171

DR. JANE MWENDE

Medical Superintendent

ACCOUNTANT
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05 JUL 2024
 P. O. Box 253 - 90132, SULTAN HUMUD

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 P. O. Box 253 - 90132, SULTAN HUMUD
05 JUL 2024
 MEDICAL SUPERINTENDENT

XVIII. Notes To the Financial Statements

1. General Information

Sultan Hamud Sub County Hospital is established by and derives its authority and accountability from PFM Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. Sultan Hamud Sub County Hospital principal activity is provision of Healthcare Services.

2. Statement Of Compliance And Basis Of Preparation

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

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

3. Adoption of New and Revised Standards

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.

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 2022.

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an 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.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>(a) The nature of such social benefits provided by Sultan Hamud Sub County Hospital;</p> <p>(b) The key features of the operation of those social benefit schemes; and</p>

Sultan Hamud Sub County Hospital (Makueni County Government)
Annual Reports and Financial Statements for the Year Ended 30th June 2023

	(c) The impact of such social benefits provided on the Entity’s financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<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>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • 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>
IPSAS 43	<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</p>

Sultan Hamud Sub County Hospital (Makueni County Government)
Annual Reports and Financial Statements for the Year Ended 30th June 2023

	<p>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>

ii. Early adoption of standards

Sultan Hamud Sub County Hospital did not adopt any new or amended standards in the period 2022/2023

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.

Notes to the Financial Statements (Continued)

Revenue from exchange transactions

Rendering of services

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

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery

of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

Interest income

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

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.

Notes to the Financial Statements (Continued)

b) Budget information

The original budget for FY 21/22 was approved by Board on 30th June, 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. Sultan Hamud Sub county Hospital's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

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

Notes to the Financial Statements (Continued)

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. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

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

Notes to the Financial Statements (Continued)

f) Leases

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

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

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

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

g) Intangible assets

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

Notes to the Financial Statements (Continued)

h) Research and development costs

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

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

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

i) Financial instruments

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. The Entity 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.

Notes to the Financial Statements (Continued)

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are 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. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Entity 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. The Entity 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.

Notes to the Financial Statements (Continued)

Loans and borrowing

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

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.

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:

- 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) Provisions

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

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

Notes to the Financial Statements (Continued)

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

Contingent liabilities

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

Contingent assets

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

k) Changes in accounting policies and estimates

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

l) Employee benefits

Retirement benefit plans

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

Notes to the Financial Statements (Continued)

m) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

n) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

o) Related parties

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

p) Service concession arrangements

The Entity analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Entity recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

Notes to the Financial Statements (Continued)

q) 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.

r) Comparative figures

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

s) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2022.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

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

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 the Entity.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset.

Provisions

Provisions were raised and management determined an estimate based on the information available.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Sultan Hamud Sub County Hospital (Makueni County Government)
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6. Transfers From The County Government

Description	2022/23	2021/22
	KShs	KShs
Unconditional grants		
Makueni Care	3,500,000	12,300,000
Level 5 grants	-	-
Other grants	-	-
	-	-
Conditional grants		
User fee forgone	-	-
Transforming health services for Universal care project (THUCP)	22,000	-
DANIDA	-	-
Wards Development grant	-	-
Paediatric block grant	-	-
Administration block grant	-	-
Laboratory grant	-	-
Total government grants and subsidies	3,522,000	12,300,000

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Annual Reports and Financial Statements for the Year Ended 30th June 2023*

Notes to the Financial Statements (Continued)

6 a. Transfers from The County Government

Name of the Entity sending the grant	Amount recognized to Statement of financial performance KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund.	Total grant income during the year	Total 2021/22
			KShs	KShs	KShs
Makueni County Government	3,522,000	-	-	3,522,000	3,522,000
Total	3,522,000	-	-	3,522,000	3,522,000

7. In Kind Contributions from The County Government

Description	2022/23	2021/22
	-	KShs
Salaries and wages	-	-
Pharmaceutical and Non-Pharmaceutical Supplies	6,277,305	-
Medical supplies-Drawings Rights (KEMSA)	-	-
Utility bills	-	1,509,058
Total grants in kind	6,277,305	1,509,058

(These include payments made directly by the County Governments for staff salaries and medical drugs. These should be recorded both as income and expense for completeness of financial statements)

8. Grants From Donors and Development Partners

Description	2022/23	2021/22
	KShs	KShs
Cancer Centre grant- DANIDA	-	-
World Bank grants	-	-
Paediatric ward grant- JICA	-	-
Research grants	-	-
Other grants (<i>specify</i>)	-	-
Total grants from development partners	-	-

Sultan Hamud Sub County Hospital (Makueni County Government)
Annual Reports and Financial Statements for the Year Ended 30th June 2023

Notes to the Financial Statements (Continued)

8 (a) Grants from donors and development partners (Classification)

Name of the Entity sending the grant	Amount recognized to Statement of financial performance	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Total 2021/22
	KShs	KShs	KShs	KShs	KShs
Donor e.g., DANIDA	-	-	-	-	-
JICA	-	-	-	-	-
World Bank	-	-	-	-	-
Total	-	-	-	-	-

9. Transfers From Other Government Entities

Description	2022/23	2021/22
	KShs	KShs
Transfer from National Government (Ministry of Health)	-	-
Transfer from National Hospital	-	-
Transfer from Institute	-	-
Total Transfers	-	-

10. Public Contributions and Donations

Description	2022/23	2021/22
	KShs	KShs
Public donations	-	-
Donations from local leadership	-	-
Donations from religious institutions	-	-
Donations from other international organisations and individuals	-	-
Other donations(<i>specify</i>)	-	-
Donations in kind-amortised	-	-
Total donations and sponsorships	-	-

(Provide brief explanation for this revenue)

Sultan Hamud Sub County Hospital (Makueni County Government)
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Notes to the Financial Statements (Continued)

10 (a) Reconciliations of amortised grants

Description	2022/23	2021/22
	KShs	KShs
Balance unspent at beginning of year	-	-
Current year receipts	-	-
Amortised and transferred to revenue	-	-
Conditions to be met – remain liabilities	-	-

11. Rendering of Services-Medical Service Income

Description	2022/23	2021/22
	KShs	KShs
Pharmaceuticals	3,431,065	2,315,490
Laboratory	3,752,600	1,002,040
Radiology	1,694,970	1,053,750
Orthopedic and Trauma Technology	416,050	
Theatre	36,500	21,500
General Ward	1,563,360	
Records	919,020	
Ear Nose and Throat service	95,300	145,300
Dental services	328,150	165,550
Reproductive health	81,150	
Paediatrics services	1,000	
Farewell home services	780,100	
Other medical services income	216,791	2,212,976
Total revenue from the rendering of services	13,316,056	6,916,606

Sultan Hamud Sub County Hospital (Makueni County Government)
Annual Reports and Financial Statements for the Year Ended 30th June 2023

Notes to the Financial Statements (Continued)

12. Revenue From Rent of Facilities

Description	2022/23	2021/22
	KShs	KShs
Residential property	-	-
Commercial property	-	-
Total Revenue from rent of facilities	-	-

13. Finance /Interest Income

Description	2022/23	2021/22
	KShs	KShs
Cash investments and fixed deposits	-	-
Interest income from short- term/ current deposits	-	-
Interest income from Treasury Bills	-	-
Interest income from Treasury Bonds	-	-
Interest from outstanding debtors	-	-
Total finance in come	-	-

(Provide brief explanation for this revenue)

14. Other Income

Description	2022/23	2021/22
	KShs	KShs
Insurance recoveries-NHIF	24,387,380	25,541,358
Insurance Recoveries- Makueni Care	511,000	
Income from sale of tender		
Services concession income		
Sale of goods (water, publications, containers etc.)		
Total other income	24,898,380	25,541,358

Sultan Hamud Sub County Hospital (Makueni County Government)
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Notes to the Financial Statements (Continued)

15. Medical/ Clinical Costs

Description	2022/23	2021/22
	KShs	KShs
Dental costs/ materials	48,800	648,500
Laboratory chemicals and reagents	836,172	1,324,074
Public health activities		
Food and Ration	2,914,615	6,195,550
Uniform, clothing, and linen	182,940	142,900
Dressing and Non-Pharmaceuticals	2,735,311	5,050,865
Pharmaceutical supplies	613,970	339,697
Health information stationery	2,197,410	2,348,865
Reproductive health materials		
Sanitary and cleansing Materials	920,600	997,670
Purchase of Medical gases	424,030	309,538
X-Ray/Radiology supplies	397,500	582,200
Other medical related clinical costs-Fuels	3,885,426	10,686
Total medical/ clinical costs	15,156,774	17,950,545

16. Employee Costs

Description	2022/23	2021/22
	KShs	
Salaries, wages, and allowances	11,282,280	9,579,830
Contributions to pension schemes	573,360	270,420
Staff welfare	100,000	
Performance and other bonuses		
Staff medical expenses and Insurance cover		248,750
Group personal accident insurance and WIBA		
Social contribution		
Other employee costs - <i>Locums</i>	1,489,150	
Employee costs	13,444,790	10,099,000

Sultan Hamud Sub County Hospital (Makueni County Government)
Annual Reports and Financial Statements for the Year Ended 30th June 2023

Notes to the Financial Statements (Continued)

17. Board of Management Expenses

Description	2022/23	2021/22
	KShs	KShs
Chairman's Honoraria	-	-
Sitting allowance	319,000	160,500
Mileage		
Insurance expenses		
Induction and training		
Travel and accommodation allowance	141,000	120,000
Airtime allowances		
Total	460,000	280,500

18. Depreciation And Amortization Expense

Description	2022/23	2021/22
	KShs	KShs
Property, plant and equipment	690,317	1,030,261
Intangible assets	-	-
Investment property carried at cost	-	-
Total depreciation and amortization	690,317	1,030,261

19. Repairs And Maintenance

Description	2022/23	2021/22
	KShs	KShs
Property- Buildings	1,046,800	1,250,114
Medical equipment	335,100	1,165,720
Office equipment	611,648	
Furniture and fittings	39,460	
Computers and accessories	752,300	722,900
Motor vehicle expenses	317,780	203,678
Maintenance of civil works		
Total Repairs and Maintenance	3,103,088	3,342,412

Sultan Hamud Sub County Hospital (Makueni County Government)
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Notes to the Financial Statements (Continued)

20. Grants And Subsidies

Description	2022/23	2021/22
	KShs	KShs
Community development and social work	-	-
Education initiatives and programs	-	-
Free/ subsidised medical camp	-	-
Disability programs	-	-
Free cancer screening	-	-
Other grants and subsidies(<i>specify</i>)	-	-
Total grants and subsidies	-	-

21. General Expenses

Description	2022/23	2021/22
	KShs	KShs
Advertising and publicity expenses	50,000	30,000
Catering expenses	248,760	145,870
Waste management expenses		
Insecticides and rodenticides		
Audit fees		
Bank charges	80,947	117,475
Conferences and delegations		
Contracted services		
Electricity expenses	39,975	
Animal feeds		
Research and development expenses		
Travel and accommodation allowance	536,765	1,018,940
Legal expenses		
Licenses and permits		
Courier and postal services	9,450	28,120
Printing and stationery	925,587	669,940
Hire charges		
Rent expenses		
Water and sewerage costs	433,910	799,690
Skills development levies		
Telephone and mobile phone services	320,000	341,250
Internet expenses	279,790	447,100
Staff training and development		
Subscriptions to professional bodies	-	-

Sultan Hamud Sub County Hospital (Makueni County Government)
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Subscriptions to newspapers periodical, magazines, and gazette notices	-	-
Library books/Materials	-	-
In Kind Contributions from the County Government	6,277,305	1,509,058
Other General Expenses	-	4,338,515
Total General Expenses	9,202,489	9,445,958
Total general expenses less in kind	2,925,184	7,936,900

22. Finance Costs

Description	2022/23	2021/22
	KShs	KShs
Borrowings (amortized cost) *	-	-
Finance leases (amortized cost)	-	-
Interest on Bank overdrafts/Guarantees	-	-
Interest on loans from commercial banks	-	-
Totalfinancecosts	-	-

(Borrowing costs that relate to interest expense on acquisition of non- current assets and do not qualify for Capitalisation as per IPSAS 5: on borrowing costs should be included under this note.)

23. Gain/Loss On Disposal Of Non-Current Assets

Description	2022/23	2020/21
	KShs	KShs
Property, plant, and equipment	-	-
Intangible assets	-	-
Other assets not capitalised (<i>specify</i>)	-	-
Totalgainonsaleofassets	-	-

24. Unrealized Gain On Fair Value Investments

Description	2022/23	2020/21
	-	KShs
Investments at fair value	-	-
Totalgain	-	-

Sultan Hamud Sub County Hospital (Makueni County Government)
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Notes to the Financial Statements (Continued)

25. Medical Services Contracts Gains /Losses

Description	2022/23	2021/22
	KShs	KShs
Comprehensive care contracts with NHIF	-	-
Non- Comprehensive contracts care with NHIF	-	-
Linda Mama Program	-	-
Waivers and Exemptions	-	(1,986,890)
Total Gain/Loss	-	(1,986,890)

26. Impairment Loss

Description	2022/23	2021/22
	KShs	KShs
Property, plant, and equipment	-	-
Intangible assets	-	-
Total impairment loss	-	-

27. Cash And Cash Equivalents

Description	2022/2023	2021/2022
	KShs	KShs
Current accounts	11,528,197	6,880,675.95
On - call deposits	-	-
Fixed deposits accounts	-	-
Cash in hand	-	-
Others(<i>specify</i>)- Mobile money	-	-
Total cash and cash equivalents	11,528,197	6,880,675.95

Sultan Hamud Sub County Hospital (Makueni County Government)
Annual Reports and Financial Statements for the Year Ended 30th June 2023

Notes to the Financial Statements (Continued)

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

Description		2022/23	2021/22
Financial institution	Account number	KShs	KShs
a) Current account			
Kenya Commercial bank- Emali Branch	1147172730	11,518,172	6,876,811.95
Kenya Commercial bank- Emali Branch	1147172978	10,025	3,864
Sub- total		11,528,197	6,880,675.95
b) On - call deposits			
Kenya Commercial bank		-	-
		-	-
Sub- total		-	-
c) Fixed deposits account			
Bank Name		-	-
		-	-
Sub- total		-	-
d) Others			
cash in hand		-	-
Mobile money- Mpesa, Airtel money		-	-
		-	-
Sub- total		-	-
Grand total		11,528,197	6,880,675.95

28. Receivables From Exchange Transactions

Description	2022/23	2021/22
	KShs	KShs
Medical services receivables-Unpaid NHIF	4,853,572	-
Rent receivables	-	-
Other exchange debtors	-	-
Less: impairment allowance	(-)	(-)
Total receivables	4,853,572	-

Sultan Hamud Sub County Hospital (Makueni County Government)
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Notes to the Financial Statements (Continued)

29. Receivables From Non-Exchange Transactions

Description	2022/23	2021/2022
	KShs	KShs
Transfers from the County Government	-	-
Undisbursed donor funds	-	-
Other debtors (<i>non-exchange transactions</i>)	-	-
Less: impairment allowance	(-)	(-)
Total	-	-

30. Inventories

Description	2022/23	2021/22
	KShs	KShs
Pharmaceutical supplies	2,220,098	2,244,633
Non Pharmaceuticals		1,217,523
Food		85,730
Stationery		
Cleaning materials supplies		62,370
Maintenance supplies		197,900
Less: provision for impairment of stocks		(-)
Total	2,220,098	3,808,156

Sultan Hamud Sub County Hospital (Makueni County Government)
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Notes to the Financial Statements (Continued)

31. Property, Plant and Equipment

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	Computers	Plant and medical equipment	Capital Work in progress	Total
	Shs		Shs	Shs	Shs	Shs	Shs	Shs
Cost								
At 1 st July, 2021	-	997,013	-	250,000	985,000	4,285,000	-	6,517,013
Additions	-	-	-	-	331,700		-	331,700
Disposals	(-)	(-)	(-)	(-)		(-)	(-)	(-)
Transfers/adjustments	-	-	(-)	-	-	-	-	(-)
At 30th June 2022	-	997,013	-	250,000	1,316,700	4,285,000	-	6,848,713
At 1 st July 2022	-	997,013	-	250,000	1,316,700	4,285,000	-	6,848,713
Additions	-	-	-	245,000	464,980	356,800	-	1,066,780
Disposals	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Transfer/adjustments	-	-	-	-		-	(-)	-
At 30th June 2023	-	997,013	-	495,000	1,781,680	4,641,800	-	7,915,493
Depreciation and impairment								
At 1 July 2021	-	24,925	-	62,500	452,880	585,625		1,125,930
Depreciation for the period	-	24,925	-	31,250	438,461	535,625		1,030,261

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Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	Computers	Plant and medical equipment	Capital Work in progress	Total
Disposals	-	(-)	(-)	(-)	(-)	(-)	-	(-)
Impairment	(-)	(-)	(-)	(-)	(-)	(-)	-	(-)
At 30th June 2022	-	947,163	-	156,250	425,359	3,163,750		4,692,522
At 1st July 2022	-	947,163	-	156,250	425,359	3,163,750		4,692,522
Depreciation	-	23,845	-	36,847	216,253	413,372		690,317
Disposals	(-)	(-)	(-)	(-)	(-)	(-)		(-)
Impairment	(-)	(-)	(-)	(-)	(-)	(-)		(-)
Transfer/adjustment	-	-	-	-	-	-	(-)	(-)
At 30th June 2023	-	923,318	-	427,919	773,727	3,072,001	-	5,196,965
Net book values								
At 30 th June 2022	-	947,163	-	156,250	425,359	3,163,750	-	4,692,522
At 30th June 2023	-	923,318	-	427,919	773,727	3,072,001	-	5,196,965

Sultan Hamud Sub County Hospital (Makueni County Government)
Annual Reports and Financial Statements for the Year Ended 30th June 2023

Notes to the Financial Statements (Continued)

32. Intangible Assets-Software

Description	2022/23	2021/22
	KShs	KShs
Cost		
At beginning of the year	-	-
Additions	-	-
Additions-Internal development	-	-
Disposal	(-)	(-)
At end of the year	-	-
Amortization and impairment		
At beginning of the year	-	-
Amortization for the period	-	-
Impairment loss	-	-
At end of the year	-	-
NBV	-	-

33. Investment Property

Description	2021/22	2020/21
	KShs	KShs
At beginning of the year	-	-
Additions	-	-
Fair value gain	-	-
Depreciation (<i>where investment property is at cost</i>)	(-)	(-)
At end of the year	-	-

34. Trade And Other Payables

Description	2022/23	2021/22
	KShs	KShs
Trade payables	9,450,200	
Employee dues	-	-
Third-party payments (<i>unremitted payroll deductions</i>)	-	-
Audit fee		
Doctors' fee	-	-
Total trade and other payables	9,450,200	

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Notes to the Financial Statements (Continued)

35. Refundable Deposits from Customers/Patients

Description	2022/2023	2021/22
	KShs	KShs
Medical fees paid in advance	-	-
Credit facility deposit	-	-
Rent deposits	-	-
Others	-	-
Total deposits	-	-

36. Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	KShs	KShs	KShs	KShs
Balance at the beginning of the year	-	-	-	-
Additional Provisions	-	-	-	-
Provision utilised	(-)	(-)	(-)	(-)
Change due to discount & time value for money	(-)	(-)	(-)	(-)
Total provisions	-	-	-	-
Current Provisions	-	-	-	-
Non-Current Provisions	-	-	-	-
Total Provisions	-	-	-	-

37. Finance Lease Obligation

Description	2022/2023	2021/22
	Kshs	Kshs
Current Lease obligation	-	-
Long term lease obligation	-	-
Total	-	-

Sultan Hamud Sub County Hospital (Makueni County Government)
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Notes to the Financial Statements (Continued)

38. Deferred Income

Description	2022/23	2021/22
	KShs	KShs
Current Portion	-	-
Non-Current Portion	-	-
Total	-	-

38 (a) The deferred income movement is as follows:

Description	National government	International funders/ donors	Public contributions and donations	Total
Balance b/f	-	-	-	-
Additions during the year	-	-	-	-
Transfers to Capital fund	(-)	(-)	(-)	(-)
Transfers to statement of financial performance	(-)	(-)	(-)	(-)
Other transfers (<i>Specify</i>)	(-)	(-)	(-)	(-)
Balance C/F	-	-	-	-

39. Borrowings

Description	2022/23	2021/22
	KShs	KShs
Balance at beginning of the period	-	-
External borrowings during the year	-	-
Domestic borrowings during the year	-	-
Repayments of external borrowings during the year	(-)	(-)
Repayments of domestic borrowings during the year	(-)	(-)
Balance at end of the period	-	-

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Notes to the Financial Statements (Continued)

39. (a) Breakdown of Long- And Short-Term Borrowings

Description	2022/23	2021/22
	KShs	KShs
Current Obligation	-	-
Non-Current Obligation	-	-
Total	-	-

40. Service Concession Arrangements

Description	2022/23	2021/22
	KShs	KShs
Fair value of service concession assets recognized under PPE	-	-
Accumulated depreciation to date	(-)	-
Net carrying amount	=	=
Service concession liability at beginning of the year	-	-
Service concession revenue recognized	(-)	(-)
Service concession liability at end of the year	=	=

41. Cash Generated from Operations

	2022/23	2021/22
	KShs	KShs
Surplus for the year before tax	5,956,283	2,131,456
Adjusted for:		
Depreciation	690,317	1,030,261
Non-cash grants received	(-)	(-)
Impairment	-	-
Gains and losses on disposal of assets	(-)	(-)
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
Working Capital adjustments	-	-
Decrease in inventory	1,588,058	(415,216)
(Increase)/Decrease in receivables	(11,970,557)	2,402,106
Increase in deferred income	-	-
Increase in payables	9,450,200	
Increase in payments received in advance	-	-
Net cash flow from operating activities	5,714,301	5,148,607

Notes to the Financial Statements (Continued)

42. Financial Risk Management

The entity's 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 minimise 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.

The entity's financial risk management objectives and policies are detailed below:

(i) Credit risk

The entity 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:

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Notes to the Financial Statements (Continued)

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2022				
Receivables from exchange transactions		-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	6,880,675.95	-	-	-
Total	6,880,675.95	-	-	-
At 30 June 2023				
Receivables from exchange transactions	4,853,572	-	-	-
Receivables from –non-exchange transactions	-	-	-	-
Bank balances	11,528,197	-	-	-
Total	16,381,769	-	-	-

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The board of management sets the company’s credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the hospital’s board of management who have built an appropriate liquidity risk management framework for the management of the entity’s short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the company under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

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Annual Reports and Financial Statements for the Year Ended 30th June 2023

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2022				
Trade payables	-	-	-	-
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	-	-	-
At 31 March 2023				
Trade payables	-	6,360,129	3,090,071	9,450,200
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
Total	-	6,360,129	3,090,071	9,450,200

(iii) Market risk

The Hospital has put in place an internal audit function to assist it in assessing the risk faced by the entity on an on-going basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

Sultan Hamud Sub County Hospital (Makueni County Government)
Annual Reports and Financial Statements for the Year Ended 30th June 2023

Notes to the Financial Statements (Continued)

The company's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the entity's exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

Sultan Hamud Sub County Hospital has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	KShs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2023			
Financial assets (investments, cash, debtors)	-	-	-
Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

The entity manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting expected sales proceeds and matching the same with expected payments.

	KShs	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2023			
Financial assets (investments, cash, debtors)	-	-	-
Liabilities			
Trade and other payables	-	-	-
Borrowings	-	-	-
Net foreign currency asset/(liability)	-	-	-

Notes to the Financial Statements (Continued)

Foreign currency sensitivity analysis

The following table demonstrates the effect on the company's statement of financial performance on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

	Change in currency rate	Effect on Profit before tax	Effect on Equity
	Kshs	Kshs	Kshs
2020			
Euro	10%	-	-
USD	10%	-	-
2021			
Euro	10%	-	-
USD	10%	-	-

Interest rate risk

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The company's interest rate risk arises from bank deposits. This exposes the company to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the company's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Sensitivity analysis

The entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

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Notes to the Financial Statements (Continued)

iv) Capital Risk Management

The objective of the entity's capital risk management is to safeguard the Hospital's ability to continue as a going concern. The entity capital structure comprises of the following funds:

	2022/23	2021/22
	Kshs	Kshs
Revaluation reserve	-	-
Retained earnings	-	-
Capital reserve	-	-
Total funds	-	-
Total borrowings	-	-
Less: cash and bank balances	(11,528,197)	(6,880,675.95)
Net debt/ <i>(excess cash and cash equivalents)</i>	11,528,197	6,880,675.95
Gearing	-	-

43. Related Party Balances

Nature of related party relationships

Entities and other parties related to the entity 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

The Government of Kenya is the principal shareholder of Sultan Hamud Sub County Hospital, holding 100% of Sultan Hamud Sub County Hospital's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of Sultan Hamud Sub County Hospital, both domestic and external. Other related parties include:

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Annual Reports and Financial Statements for the Year Ended 30th June 2023

Notes to the Financial Statements (Continued)

- i) The National Government;
- ii) County Department of Health;
- iii) Key management;
- iv) Board of directors;

Description	2022/23	2021/22
	Kshs	Kshs
Transactions with related parties		
a) Services offered to related parties		
Services to related parties	-	-
Sales of services to related parties	-	-
Total	-	-
b) Grants from the Government		
Grants from County Government	-	-
Grants from the National Government Entities	-	-
Donations in kind	-	-
Total	-	-
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for employees	-	-
Payments for goods and services	-	-
Total	-	-
d) Key management compensation		
□ Directors' emoluments	460,000	280,500
Compensation to the Medical Superintendent	-	-
Compensation to key management	-	-
Total	335,000	280,500

Sultan Hamud Sub County Hospital (Makueni County Government)
Annual Reports and Financial Statements for the Year Ended 30th June 2023

Notes to the Financial Statements (Continued)

44. Segment Information

Sultan Hamud Sub County Hospital is domiciled in Sultan Hamud Sub County and does not have any other segment.

45. Contingent Liabilities

Contingent liabilities	2022/23	2021/22
	Kshs	Kshs
Court case against Sultan Hamud Sub county Hospital	-	-
Bank guarantees in favour of subsidiary	-	-
Total	-	-

46. Capital Commitments

Capital Commitments	2022/23	2021/22
	Kshs	Kshs
Authorised For	-	-
Authorised And Contracted For	-	-
Total	-	-

47. Events After The Reporting Period

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

48. Ultimate And Holding Entity

Sultan Hamud Sub County Hospital is Semi- Autonomous Government Agency under the Ministry of Health. Its ultimate parent is the Government of Kenya.

49. Currency

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

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Annual Reports and Financial Statements for the Year Ended 30th June 2023*

Sultan Hamud Sub County Hospital (Makueni County Government)
Annual Report and Financial Statements for The Period Ended 30th June 2023

APPENDIX IV: Inter-Entity Confirmation Letter

REPUBLIC OF KENYA

GOVERNMENT OF MAKUENI COUNTY



**OFFICE OF THE MEDICAL SUPERINTENDENT
 SULTAN HAMUD SUB COUNTY HOSPITAL
 P.O. BOX 253 – 90132– SULTAN HAMUD Mobile No: 0754 654 656
 Email:**

Sultan Hamud Sub County Hospital wishes to confirm that the following amounts were disbursed to us as at 30 June 2023.

Confirmation of amounts received by <i>Sultan Hamud Sub County Hospital</i> as at 30 June 2023							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (KShs) as at 30th June 2023			Total (D)=(A+B+C)	Amount Received by Sultan Hamud Sub County Hospital (KShs) as at 30 th June 2023 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter – Ministerial (C)			
REC/010637061	15/5/2023	3,500,000			3,500,000	3,500,000	
REC/006000625 3/54/55	5/6/2023	22,000			22,000	22,000	
Total		3,522,000			3,522,000	3,522,000	

Sultan Hamud Sub County Hospital (Makueni County Government)
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In confirm that the amounts shown above are correct as of the date indicated.

Head of Accounts department of Sultan Hamud Sub County Hospital:

Name: Dominic Kasanga Nzioka Sign  **Date:** 

