COUNTY GOVERNMENT OF KISUMU

COUNTY ASSEMBLY OF KISUMU

HEALTH, HOUSING AND SANITATION COMMITTEE

REPORT ON THE CONSIDERATION OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS OF JARAMOGI OGINGA ODINGA TEACHING AND REFERRAL HOSPITAL FOR THE YEAR ENDED 30TH JUNE, 2022.

Submitted for approval pursuant to Standing Orders No.182.

Presented by;

Hon Vincent Jagongo,
Committee Chairperson.

Prepared by;
Clerks Chambers
County Assembly Buildings.

November, 2022.

Contents

ABBREVIATIONS

HHS	-	Health, Housing and Sanitation
JOOTRH	-	Jaramogi Oginga Odinga Teaching and Referral Hospital
PFM	-	Public Finance and Management
CEO	-	Chief Executive Officer
IPSAS	-	International Public Sector Accounting Standarda
GAAP	-	Generally Accepted Accounting Principles

1.0 PREAMBLE

1.1 Background

Mr. Speaker and Hon Members,

Annual reporting is a regulatory requirement for public companies and institutions enshrined in the Constitution of Kenya, 2010 and the Public Finance and Management Act, 2012 the intent being provision of public disclosure of a company or an institution's operating and financial activities over the past year. In this case, the report is typically submitted to the County Assembly to evaluate the Hospital's financial performance.

Pursuant to Article 226(2) of the Constitution of Kenya, 2010 "The Accounting Officer of a National Public Entity is Accountable to the National Assembly for its Financial Management, and the Accounting Officer of a County Public Entity is accountable to the County Assembly for its Financial Management".

The County Assembly of Kisumu received the annual report and financial statements of JOOTRH for the year ended 30th June, 2022 which was tabled before this House in its sitting of Wednesday 19th October, 2022 at 2:30 p.m. and was thereafter committed to the Health, Housing and Sanitation Committee for consideration.

1.2 Committee mandate

Mr. Speaker and Hon Members,

The Health, Housing and Sanitation Committee as prescribed in the County Assembly Standing Orders Number 193(second schedule), is mandated to oversight on:

All matters relating to County health services, including, in particular County health facilities and pharmacies, ambulance services, promotion of primary health care, licensing and control of undertakings that sell food to the public, cemeteries, funeral parlours and crematoria and refuse removal, dumps and solid waste disposal; housing; and sanitation.

1.3 Committee membership

The following are the members of the Committee as constituted pursuant to the Selection Committee report that was adopted by this House;

Members;

1.	**Hon Vincent Jagongo**	**-**	**Chairperson**
2.	**Hon Emily Oginga**	**-**	**Vice Chairperson**
3.	Hon Seth Okumu	-	Member
4.	Hon Jennipher Obonyo	-	Member
5.	Hon Nereah Okombo	-	Member
6.	Hon Seth Kanga	-	Member
7.	Hon Carren Ajwang'	-	Member
8.	Hon Joachim Oketch	-	Member
9.	Hon Kennedy Ooko	-	Member
10.	Hon Kennedy Ouko	-	Member
11.	Hon Mickey Ochieng'	-	Member
12.	Hon Pamela Oyoo	-	Member
13.	Hon Lumumba Owade	-	Member
14.	Hon Geoffrey Warindo	-	Member
15.	Hon Moses Ochele	-	Member

Secretariat;

1.	Obonyo Angelyne (Ms.)	-	Clerk Assistant
2.	Valery Achieng' (Ms.)	-	Hansard reporter
3.	Mr. Abraham Odegi	-	Sergeant-at-arm

1.4 Committee proceedings

Mr. Speaker and Hon Members,

While considering the report, the Committee held a total of five (5) sittings including which it invited the Hospital's Management on Thursday 4th October, 2022 to closely examine, hear submissions and review submitted documents before it went ahead to produce a comprehensive report.

While taking evidence, the Committee was guided by the existing procedures and modalities of operations of the County Assembly of Kisumu derived from the Constitution of Kenya, 2010; Kisumu County Assembly Standing Orders, common practices and rulings, and directives of the Chair.

1.5 Legal framework

2. **Chapter 12 of the Constitution Kenya 2010 - Public Finance Article 201**:
    - ***a)*** *The following principles shall guide all aspects of public finance in the Republic— There shall be openness and accountability, including public participation in financial matters;*
    - ***b)*** *The public finance system shall promote an equitable society, and in particular-*
        - *i. The burden of taxation shall be shared fairly;*
        - *ii. Revenue raised nationally shall be shared equitably among national and County governments; and*
        - *iii. Expenditure shall promote the equitable development of the country, including by making special provision for marginalized groups and areas;*
    - ***c)*** *The burdens and benefits of the use of resources and public borrowing shall be shared equitably between present and future generations;*
    - ***d)*** *Public money shall be used in a prudent and responsible way; and*
    - ***e)*** *Financial management shall be responsible, and fiscal reporting shall be clear.*

3. **Direct Personal Liability**

    Article 226(5) of the Constitution of Kenya 2010 provides that:–

    "If the holder of a public office, including a political office, directs or approves the use of public funds contrary to law or instructions, the person is liable for any loss arising from that use and shall make good the loss, whether the person remains the holder of the office or not".

4. **County Assembly Powers and privileges Act, 2017**

    On the premise of the aforementioned Constitutional provisions all individual Accounting Officer(s) and other Public Officers are jointly and severely liable for any loss of public funds under their control.

    The Committee has and will continue to invoke these provisions in its recommendations to hold those responsible accountable.

    This is also intended to serve as a deterrent measure on the misuse of Public Resources.

5. **Obligations of Accounting Officers**

    Section 22 of the PFM regulations 2015 provide that:

    - ***(i) Accounting Officers shall in accordance with Article 226 (2) of the Constitution and section 149 (1) of the Act, be accountable to the County Assembly —***

a) *for ensuring the most effective means of achieving desired program outcomes are used;*
b) *for maintaining effective systems of internal Control and the measures taken to ensure that they are effective; and*
c) *for measures taken to prepare the financial reports that reflect a true and fair financial position of the entity.*

2.0 OBJECTIVES

Mr. Speaker and Hon Members

The Committee's objectives while undertaking this considerations were to examine;

i. The accounts showing appropriations of the sum voted by the County Assembly to meet the public expenditure and of such other accounts laid before the County Assembly as the Committee may think fit.
ii. The reports, accounts and financial workings of the hospital.
iii. In the context of autonomy and efficiency of these investments, whether its affairs are being managed in accordance with sound financial principles and prudent commercial practices.

3.0 METHODOLOGY

Mr. Speaker and Hon Members

In compilation of this report, the Committee used the following methods to gather information.

a) Studying the report and financial statements submitted to the Assembly by the hospital.
b) Interviewing key Officers from the Hospital.
c) Examination of records submitted by the Officers.

4.0 ACKNOWLEDGEMENT

Mr. Speaker and Hon Member,
On behalf of the Committee allow me to express my utmost gratitude to the Members of the Committee for the dedication they showed and to a larger extent the Honorable Speaker and the Clerk who ensured that necessary facilitation was availed.

I also wish to register my special appreciation to the Committee Secretariat including the accountant, Mr. Geofrey Omolo, for their unmatched efforts that made the production of this report possible. The commitment and devotion to duty of all those involved in this arduous task made the work of the Committee and production of this report a success. I thank each one of them.

Further, the Committee wishes to thank all the JOOTRH administration for honouring the invitation over a short notice and for their participation in the public inquiry.

It is now my pleasure to present to you this report of the HHS Committee on its consideration of the annual report and financial statement of Jaramogi Oginga Odinga Teaching and Referral (level 5) Hospital for the year ended 30th June, 2022 before this House for adoption.

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Hon. Vincent Jagongo
Chairperson, HHS Committee.

5.0 ANALYSIS OF THE ANNUAL REPORT AND FINANCIAL STATEMENT

5.1 Summary of the hospital's income

Mr. Speaker and Hon Member,

Analysis of the statement of financial performance shows that during the financial year ended 30th June 2022, JOOTRH operated with a total revenue of Kshs. **605,377,241.85.** Out of this, transfers from the County Government amounted to Kshs. 363,925,367.85. There were public contributions and donations to a tune of Kshs. 115,638,484.

Apart from the transfers from the County Government and Public donations/Contributions, the hospital also earned revenue from the following exchange transactions;

- Rendering of services at Kshs. 125,602,281
- Revenue from rent of facilities at 159,500
- Other income at Kshs. 51,600

A further analysis reveals that transfers from the County Government were 60.11% of the total revenue realized by the Hospital.

5.2 Summary of the hospital's expenditure

The Hospital's expenditures were as follows;

- Medical/Clinical costs at Kshs. 356,721,981.20
- Employee costs at Kshs. 66,802,000
- Board of Management Expenses at Kshs. 3,177,249
- Repair and Maintenance at Kshs. 20,366,421
- General Expenses at Kshs. 87,970,947

This analysis shows that during the year under review, the Hospital expended a total of Kshs. **535,038,598.20.**

5.4 Operational performance

In the financial year under review, the hospital performed better compared to the two previous financial years as can be seen in the table below.

Table 1: Summary of the annual operational performance between financial years 2019 to 2022.

		FY 2019-2020	FY 2020-2021	FY 2021-2022
Bed capacity		524	541	850
Patient Attendance: Inpatient and Out- patient	OPD Visits	185,474	196,279	365,217
	Admissions	12,857	14,607	16,744
Accident and Emergency (Casualty) attendance		56,382	45,239	57,042
Specialized Clinics attendance		56,289	55,351	95,106
Average Length of Stay (In-patients) in Days		6.2 Days	6.9 Days	8.5 Days
Bed Occupancy rate		50.7%	49.4%	77%
Mortality rate		11.0%	10.6%	8.9%
Surgical Theatre utilization	Major	2,276	2,573	3,666
	Minor	522	424	797
	Circumcision	1,218	1,210	2,087
	Total	**4,016**	**4,207**	**6,550**
Maternity (Total Deliveries)		3,799	3,971	5,836

5.3 Statement of Financial performance FY 2021/2022

The Hospital realized a net surplus of Kshs. **91,674,446.65** as illustrated below;

Table 2: Statement of financial performance FY 2021/22

DESCRIPTION	AMOUNT
Revenue from non-exchange transactions	
Transfers from the County Government	363,925,376.85
Public contributions and donations	115,638,484
	479,563,860.85
Revenue from exchange transactions	
Rendering of services- Medical Service Income	125,602,281
Revenue from rent of facilities	159,500
Other income (*other sales including containers)*	51,600
Revenue from exchange transactions	**125,813,381**

Total revenue	**605,377,241.85**
Expenses	
Medical/Clinical costs	356,721,981.20
Employee costs	66,802,000
Board of Management Expenses	3,177,249
Repairs and maintenance	20,366,421
General expenses	87,970,947
Total expenses	**535,038,598.20**
Other gains/(losses)	
Medical services contracts Gains/Losses	21,355,803
Total other gains/(losses)	**21,355,803**
Net Surplus	**91,674,446.65**

5.4 Statement of Financial position as of 30th June, 2022

Table 3: Statement of financial position as of 30th June, 2022

Description	**2021/22 (Kshs)**	**2020/21 (Kshs)**
Assets		
Current assets		
Cash and cash equivalents	43,630,023	0.00
Receivables from exchange transactions	15,721,864	0.00
Inventories	56,301,958	0.00
Total Current Assets	**115,653,845**	**0.00**
Non-current assets		
Property, plant, and equipment	77,565,375	0.00
Total Non-current Assets	**77,565,375**	**0.00**
Total assets	**193,219,220**	**0.00**
Liabilities		

Current liabilities		
Trade and other payables	101,483,138	0.00
Total Current Liabilities	**101,483,138**	**0.00**
Non-current liabilities		
Total Non-current liabilities		
Total Liabilities	**101,483,138**	**0.00**
Net assets		
Revaluation reserve	41,635.35	0.00
Accumulated surplus/Deficit	91,694,446.65	0.00
	91,736,082	**0.00**
Total Net Assets and Liabilities	**193,219,220**	**0.00**

Conclusion on the hospital's financial position;

From the above statement it can be noted that the hospital is operating from a position of strength as the total sum of assets outweighs total sum of liabilities.

6.0 OBSERVATIONS

Mr. Speaker and Hon Member,

While analyzing the report, the Committee observed as follows;

6.1 General Observation

1. **THAT** from the hospital's statement of financial position as at 30th June, 2022, the total assets outweighs the sum of its liabilities by a factor of 1.9 (ratio of assets to liabilities), which means that the hospital is operating from a position of strength and is strongly solvent.

2. **THAT** however much the financial statements attempted to provide a measure of comparative analysis of the year under review against the previous one, there is no basis for comparison as the report has failed to fully disclose statements and reports from the previous year.

3. **THAT** the hospital treated the Kshs. **21,355,803** waiver as revenue to form the sum of Kshs. **91,674,446.65** being the net surplus realized.

4. **THAT** the hospital has 867 staff of which 358 are regular staff, 112 are County contracted, 35 Locum Nurses, 8 Locum Doctors, 108 JOOTRH contracted staff, 89 interns, and 169 casuals. The hospital has outsourced cleaning, laundry and security services, which is approximated to be taking 12% of the total budget.

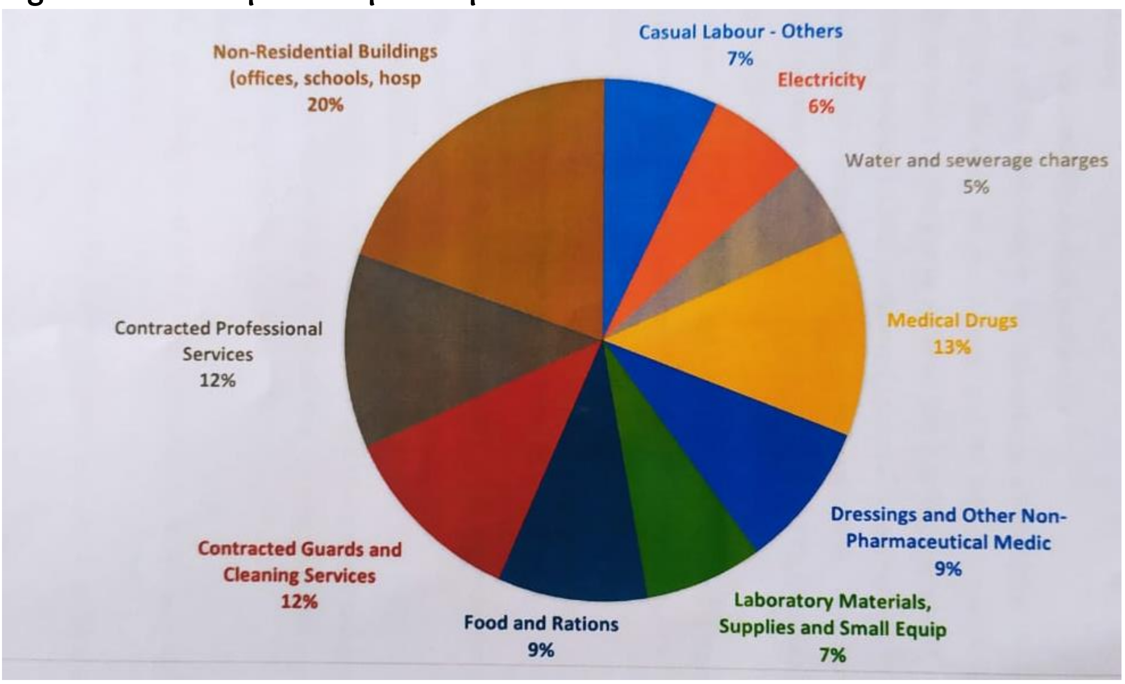
5. **Revenue**
   THAT the hospital derives revenue from; Facility Improvement Fund (FIF), County grants and donors. During the financial year under review, the hospital realized improvement in operating revenue from Kshs. 140.3M to Kshs. 294.2M. The key drivers of this revenue were Pharmacy, Laboratory, Maternity and Renal, Bed fees, surgical income and Radiology.

6. **Deficit**
   THAT from the CEO's remarks on the report, the hospital has a huge deficit running to billions currently under very high financial constraints. For instance during the financial year under review, the Operational Budget presented by the departments for optimal operation was at 2.3 Billion, Other costs such Salaries and wages, Developments etc. Approaches to 8 Billion giving a total of Approximately 10.3 Billion leaving huge deficit compared to the actual revenue realized.

7. **Expenditure**
THAT the total expenditures during this period amounted to Kshs. 437,450,483 representing 99.42% of total approved budget. Top drivers of the budget were Medical drugs, Staff remunerations, pharmaceuticals, patients' food, Laboratory, Contracted Services among others. High Utilization rate realized.

Below is a graphical representation of what are considered as to 10 drivers of the hospital's entire expenditure.

Figure 1: The Hospital's top 10 expenditure FY 2021-2022



The Committee found it awkward that an institution that prides itself in the core mandate of health provisioning regards guards and cleaners (12%) with the same depth it does drugs (13%).

8. **Revenue from rent.**
THAT the Hospital draws rent revenue from three facilities;

a) Hospital restaurant paying	Kshs. 50,000 p/m
b) A building being rented to Afya Sacco paying	Kshs. 10,000 p/m
c) Interns rental Houses (8 houses) @ Kshs. 2,500 p/m (Approx. Kshs 20,000p/m)	
Approximated total per month	*Kshs. 80,000*

In the report revenue from rent captured in the FY under review was only Kshs. 159,500. However, the committee noted that, all factors remaining constant, the rental revenue from the above rental facilities should be as high as approximately **Kshs. 960,000** in a financial year.

9. **Waiver and Exemption Services**

   THAT in the year under review, the hospital management granted waivers and exemptions for services rendered totaling Kshs**. 21,355,803.**
   The committee felt obliged to question the rationale behind granting such considerable amount of waivers for an institution that is struggling to finance much of its activities.

10. On why the waiver was considered as revenue while in real sense it is a sum expended on services rendered.

    THAT the current policy requires waiver to be treated as revenue as it is part of service delivery also known as revenue forgone. The National Government used to reimburse the hospital the amount voted on waiver at the end of every financial year after annual reporting. However since the inception of County Government, the hospital has never received such reimbursement but is optimistic though that these monies will be reimbursed.

11. **National Hospital Insurance Fund** –
    THAT the report indicates that payments received from the NHIF were significantly higher than all the other revenue sources highlighted in the report for the period under review.

12. **THAT** the some of the presentations in the report highly relied on comparative percentages while reporting the key aspects of the operations of the hospital. In such instances, no clear figures for thorough analysis thus making it impossible to make clear determination in absolute terms.

    For example, the committee noted the hospital reporting on the decrease in mortality rate in the year under review as compared to the previous financial year of operation. The indicated percentage drop was not accompanied by actual figures that would have provided a better overview of what the achievements had been made in real terms. The committee therefore was not satisfied that this form of reporting provided a realistic outlook of the gains that the management of the hospital was claiming to have made.

13. **THAT** the report did not expressly declare the monies received from each every donor separately. Instead, it lumped them under one vote head.

6.2 Observation on compliance with Accounting Policies and Principles

1. **Accounting policies.**

   THAT the financial statements have not complied fully to provisions of the PFM Act, 2012 and PFM (County Governments) Regulations, 2015.

2. **International Public Sector Accounting Standards (IPSAS)**

   THAT, one of the IPSAS objective it to enhance the quality and transparency of public sector financial reporting. Cognizant of this, it is right to conclude that the report is not fully compliant as it has not portrayed full transparency.

3. **Generally Accepted Accounting Principles (GAAP).**

   THAT, the accounting officer has NOT fully complied with the Generally Accepted Accounting Principles.

7.0 RESPONSES FROM THE HOSPITAL MANAGEMENT

Mr. Speaker and Hon Members,

The Committee invited the Hospital Management led by the CEO to a meeting on Thursday 4th November, 2022 to respond to various issues raised during the Committee's scrutiny of the report. The team responded as follows;

1) On the huge deficit.
   THAT, indeed the hospital was operating under an environment of constant cash constraint with much of its goals not being realized as a result of that. However, the management assured members of the committee that working in tandem with the Hospital's current strategic plan, the management was dedicated to ensuring that they restricted the hospital's activities to the budgetary reach of the county's allocation and the possible revenue streams that can be earned in a financial year of operation.

2) On why the statements of the previous years are not expressly disclosed.
   THAT it was the first time the hospital was independently doing financial reporting as such reporting were previously done by the County Government.
   The Committee however found this response vague as even though the books of all County hospitals were consolidated and reported as a single report, each hospital used to do rudimentary book-keeping for accountability's sake and the hospital therefore has these records and ought to have included them as appropriate.

3) On why the report tried to portray the hospital to be overly focused on hiring more guards than spending more on drugs.
   THAT the hospital received support from the National Government in form of Covid-19 Emergency Fund in FY 2020/2021, which was partly used to purchase drugs and that is why the percentage expenditure on drugs indicated low.

4) On whether it was economical contracting guards than hiring.
   THAT the National Government sent a notice to all hospitals instructing them to consider contracting guards other than hiring permanently.

5) On the low figure reported for, and inadequate collection of rent from the rental facilities.
   THAT the discrepancy was attributed to such factor as;
   i. COVID-19 that affected operations of the restaurant and it thus could not generate the required amount payable per month. The Administration was at some point forced to lower rent.

ii. Internships are periodical meaning the intern houses are never full throughout the year.
iii. Late payment of rent from tenants.

The management reported that the Afya SACCO was late in payment of rent which the Committee believe was eventually paid. However, the management could not come clear or account for lack of the same in the report.

6) On the causes of the high waiver and exemption amount, the management of the hospital responded:

THAT much of the waiver granted was based on;

i. A directive from the National government requiring hospitals to administer treatment free of charge to COVID-19 patients.
ii. Humanitarian considerations that targeted the most vulnerable section of the society who sought services at the hospital. These they indicated included, those in remand, street children and families, and a host of other members of the public, who had been identified by the social worker desk affiliated to the hospital, and who were adjudged as being vulnerable and deserving of waivers and/or exemptions on hospital bills owed, due to their inability to settle the same.

The hospital must however cost them when making financial statements to know how much it has spent on the same.

7) The hospital management lastly registered their concern to the committee that despite the hospital recording NHIF as the leading revenue collector, there were many instances of delay in remittance of contributions from the national insurance body. This in turn tended to hamper the efficiency and the effectiveness of the hospital in catering for its overall mandate of health provision in times when they were cash constrained due to such delays.

Mr. Speaker and Hon Members,

In the same meeting with the hospital management, the committee instructed them to furnish it with;

1. **Breakdown of the expenditure of the Covid-19 Emergency Fund.**
   In the meeting, the management informed the Committee that COVID-19 Emergency Fund was conditional. That is, there were strict areas it was supposed to be expended on, that is access, patient protection and commodity.

However Mr. Speaker,

In the breakdown submitted and annexed herein, the Committee could not comprehend how money that was meant to cushion COVID-19 patients ended up in purchasing medical dental equipment at a cost of Kshs. 91,928,557, among other less than optimal expenses.

2. **Breakdown of rent collection throughout the financial year under review amounting to the Kshs. 159,500 captured in the report.**
   In the breakdown report submitted to the Committee (attached herein), the management only gave a breakdown of the ideal situation of rental income but FAILED to produce what was actually asked of them.

3. **Breakdown of monies received from each donor.**
   On this, the Committee observed blatant refusal to oblige as it was not availed.

4. **Breakdown of waivers granted.**
   The management yet again provided departmental breakdown and absolutely avoided providing breakdown on the specifics that the Committee asked for.

8.0 COMMITTEE FINDINGS

Mr. Speaker and Hon Members,

The Committee paid a visit to the Hospital on Wednesday 9th October, 2022 to ascertain various issues highlighted in the report under scrutiny among them grey areas surrounding the waiver process. From the visit and in general, the Committee found as follows;

8.1 On Committee's the Visit to the Hospital

1. **THAT** the Hospital is not following the due procedure for the waiver process since the CEO had disbanded the Waiver Committee on suspicion of it being compromised. The entire process and decisions therefore currently lie solely with the CEO which is hugely affected in case of his absence. Again, how he makes judgement on who deserves waiver is questionable.

2. **THAT** the hospital can only grant partial waiver. This means that for a bill to be waivered, a patient is required to pay at least 30% of the total amount billed.

3. **THAT** while the hospital has reported a total of 358 regular staff, what is actually averagely required is 560. Out of this 358, 14 have already retired, a number are due to retire (aged) and cannot perform to the required optimum level, 10 have left for greener pastures out of the country. Lastly there are staff on/or about to go on maternal leave. The number is still declining as resignations are still coming from those leaving to seek greener pastures.

4. **THAT** the hospital, just like other health facilities countrywide is sinking down the drain of inadequate human resource. Nurses are leaving the Country at an alarming rate, new facilities are cropping but there is no additional workforce. This means increased workload to the already inadequate workforce. For example, in the male ward 7b, there are only 2 nurses against 53 patients.

8.2 On Non-compliance to GAAP

THAT the report has failed to adhere in entirety to GAAP i.e. the report has not complied with;

i. Principle of consistency - The report has not portrayed consistent financial reporting procedures throughout (case of percentages and real figures).

ii. Principle of materiality - There is no full disclosure of all financial data in the report. There has not been captured anywhere the opening balance while in the table for expenditure return FY 2020/2021, there is indicated a balance of Kshs. 125,364.

iii. Principle of Utmost Good Faith - The management has not portray in honesty in reporting all their transactions.

8.3 Other findings

1. **THAT** by not showing statements of the previous year under claim of the hospital reporting financial statements for the first time is contravention of Section 100 0f the PFM (County Government) Regulations, 2015.

2. **THAT** the report has acted against the PFM Act, 2012 and the PFM (County Governments) regulations, 2015 by not providing absolute disclosure of finances. For example, in the table for expenditure return FY 2020/2021, there is indicated Kshs. 125,364 which was a balance as at the end of that financial year (2020/2021). However, the amount has not been indicated anywhere in the financial year under review as an opening balance.

9.0 COMMITTEE RECOMMENDATION

Mr. Speaker and Hon Members,

All said, the committee hereby recommends;

1. **THAT** members of the public should be encouraged to get insured by enrolling to NHIF as a long term solution to constant pleas for waivers. Times are indeed hard but NHIF takes just Kshs. 6000 a year within which amount it cushions up to Kshs. 300,000 thereabout for cancer patients.

2. **THAT** the management is expected to make reporting that is accurate and devoid of unnecessary exaggerations. The management of JOOTRH are aware of the scope and the reach of the entire budget of Kisumu County government. It is unrealistic for it to expect their budgetary requests to match almost the entire budget of the county of Kisumu.

3. **THAT** the CEO should cease monopolizing the hospital, move with speed and reinstate the Waiver Committee so that the process follow the due procedures required. His taking charge of the whole process individually is strongly discouraged and MUST be stopped effective immediately.

4. **THAT** the accounting Officer should follow and adhere fully to the guiding principles of accounting while reporting.

5. **THAT** the reasons given for inadequate collection of rent are not convincing and the department of Housing should be instructed to take charge of rent collection at the hospital for it to realize the ideal maximum revenue from the facilities.

   Finally Mr. Speaker and Hon Members,

6. By refusing to furnish the Committee with relevant information, the hospital management has contravened provisions of article 185 of the Constitution of Kenya which gives the County Assembly authority to oversight. The hospital management, despite being instructed by the Committee to furnish it with a breakdown of monies received from individual donors, among others, did not cooperate and failed to submit the same as at the time the committee was finishing its report.

   For this reason the Committee was not satisfied with the report and financial statements submitted to this House and is inclined to believe that the refusal to provide relevant required details was in bad faith. We **therefore recommend that there be carried out an internal audit** on the hospital's books of accounts **and the subsequent audit report be submitted to the County Assembly within one (1) month.**

10.0 CONCLUSION

Mr. Speaker and Hon Members,

It is now my humble request that this House approves this report by the HHS Committee on its consideration of the annual report and financial statements of Jaramogi Oginga Odinga Teaching and Referral (level 5) Hospital for the year ended 30th June, 2022 before this House for adoption.

I call upon Hon…… to second.

11.0 ANNEXURES

11.2 Invitation letter to JOOTRH Management

CHIEF EXECUTIVE
JARAMOGI OGINGA ODINGA TEACHING
REFERRAL HOSPITAL (JOOTRH)
849-40100, KISUMU
DATE:

P.O.Box 86-40100, Kisumu
Email: kisumuassembly@gmail.com

Email: owenojuok@gmail.com
Web: www.kisumuassembly.go.ke

County Assembly of Kisumu

OFFICE OF THE CLERK

REF: CAK/CEO/JOOTRH/OCT/2022. 1/11/2022.

The CEO Jaramogi Teaching and Referral Hospital (JOOTRH).
P.O.BOX 849 - 40100.
<u>KISUMU.</u>

Dear Sir,

<u>RE: INVITATION TO APPEAR BEFORE THE COMMITTEE ON HEALTH, HOUSING AND SANITATION ON THURSDAY 3RD NOVEMBER, 2022 AT 8:00 AM IN THE ASSEMBLY CHAMBERS.</u>

The above matter refers;

The hospital's annual report and financial statements for the year ended 30th June, 2022 was tabled in the House during its sitting of Wednesday 18th October, 2022 and thereafter Committed to Health Housing and sanitation Committee for Consideration.

Take notice that the Committee, while scrutinizing the report and financial statements, flagged off some glaring issues that require your clarification.

The purpose of this letter therefore is to inform you that the Committee invites following Officers to appear before it on **Thursday 3rd November, 2022 at 8:00 am** in the County Assembly Chambers.

1. Chief Executive Officer
2. The Administrative Officer
3. The Human Resource Manager
4. The Accountant
5. Any other officer with information regarding the above mentioned reports and financial statements.

Kindly treat this matter with the urgency it deserves.

Thank you.

NASHO KUSINA.
<u>DEPUTY CLERK OF THE ASSEMBLY.</u>

Cc: -Hon. Elisha J Oraro - Speaker of the County Assembly

11.3 Committee minutes of deliberation on the report

COUNTY GOVERNMENT OF KISUMU

COUNTY ASSEMBLY OF KISUMU

P.O BOX 86-40100, KISUMU

MINUTES OF THE SECTORAL COMMITTEE ON HEALTH, HOUSING AND SANITATION HELD ON THURSDAY 27TH OCTOBER, 2022 AT 10:00 A.M. IN THE ASSEMBLY CHAMBER.

MEMBERS PRESENT.

1. **Hon Vincent Jagongo - Chairperson**
2. **Hon Emily Oginga - Vice Chairperson**
3. Hon Seth Okumu - Member
4. Hon Jennipher Obonyo - Member
5. Hon Nereah Okombo - Member
6. Hon Carren Ajwang' - Member
7. Hon Joachim Oketch - Member
8. Hon Kennedy Ooko - Member
9. Hon Kennedy Ouko - Member
10. Hon Pamela Oyoo - Member
11. Hon Patrick Owade - Member
12. Hon Geofrey Warindo - Member
13. Hon Moses Ochele - Member

Secretariat present

1. Ms. Angelyne A. Obonyo - Clerk Assistant
2. Mr. Abraham Odegi - Serjeant-at-arm
3. Ms. Valery Achieng' - Hansard reporter

In-attendance

1. Mr. Geofrey Omollo - Accountant in charge of Car loan and Mortgage Scheme.

MIN NO.07/CAK/HH&SC/OCT/2022 PRAYER

The meeting was called to order at 10:10a.m by a word of prayer from the Chairperson.

MIN NO.08/CAK/HH&SC/OCT/2022 PRELIMINARIES

i. **Apology-**

1) Hon Seth Kanga - Member
2) Hon Mickey Ochieng' - Member

ii. **Communication from The Chair**

The Chairperson welcomed Members to the 2nd meeting of the Committee and informed them that the Committee had a lot as at the time of the meeting among them annual report and financial statements from Kisumu Referral Hospital (level 4) for the year ended 30th June, 2022 and A statement from the MCA for North Nyakach, Hon Tom Nyaoke, all of which has timelines. He suggested however that the Committee should prioritize on the annual reports from the two hospitals and handle alongside them, the statements.

He thereafter recognized the presence of Mr. Geoffrey Omollo who was attending the meeting for the purpose of helping the Committee understand and analyze the report before them.

MIN NO.09/CAK/HH&SC/OCT/2022 ADOPTION OF AGENDA

The agenda was adopted as below;

1. Prayer.
2. Preliminaries
   a) Communication from the Chair.
   b) Apologies if any.
3. Adoption of Agenda
4. Confirmation of previous minutes
5. Matters Arising.
6. **Deliberation and adoption of Committee work plan.**
7. **Deliberation on the report and financial status of JOOTRH (level five) for the year ended 30th June, 2022.**
8. Adjournment and date of next meeting.

The agenda was adopted without amendment upon being proposed by Hon Pamela Oyoo and Seconded by Hon Seth Okumu.

MIN NO.10/CAK/HH&SC/OCT/2022 CONFIRMATION OF PREVIOUS MINUTES.

Minutes of Monday 24th October, 2022 were read by the Clerk and thereafter confirmed to be the true deliberations of the meeting by members present. This was proposed by Hon Kennedy Ooko and seconded by Hon Moses Ochele.

MIN NO.11/CAK/HH&SC/OCT/2022 MATTERS ARISING.

There were no matters arising.

MIN NO.12/CAK/HH&SC/OCT/2022 DELIBERATION AND ADOPTION OF COMMITTEE WORK PLAN.

The Clerk took Members through the draft Committee Work plan for the FY2022/23 which was summing up to a total of Kshs. 10,500,00 against five (5) vote head as listed;

1. Induction for Committee Members and Secretariat.
2. Consideration of businesses committed to the Committee pursuant to Standing Orders No. 193(5) (a).
3. Inter-Parliamentary visits.
4. Consideration of legislative proposals (Bills and/or policies) pursuant to Standing Orders No. 193(5) (g).
5. Consideration of Committee quarterly and annual report in fulfilment of Standing Orders No 194(3).

The Chairperson thereafter informed the Committee that there was an Organization that had reached out to sponsor the induction exercise for the Committee and that with the agreement of the Members, the same be struck off of the work plan.

Members unanimously agreed to the Chairperson's information and thereafter resolved to adopt the propose work plan with amendment to delete the induction exercise from it, which in turn reduced the Total proposed budget estimate to Kshs. **KSHS.8 300 000.**

The work plan was then adopted upon being proposed by Hon Nereah Okombo and seconded by Hon Pamela Oyoo.

MIN NO.13/CAK/HH&SC/OCT/2022 DELIBERATION ON THE REPORT AND FINANCIAL STATUS OF JOOTRH (LEVEL FIVE) FOR THE YEAR ENDED 30TH JUNE, 2022.

The Chairperson invited Mr. Omollo to take Members through the document by the JOOTRH on its report and financial statements for the year ended 30th June, 2022.

It was noted that there were a lot from the report that needed thorough scrutiny that the time allocated for the meeting could not allow. The meeting then resolved to request for a special sitting on Tuesday 1st November, 2022 at 9:00am to continue scrutinizing the document before inviting the in-charge Officers from the Hospital to clarify the glaring issues that had already been flagged off by the Accountant among others.

The Chairperson then instructed the Clerk to write a memo to the Hon Speaker requesting approval for the Committee to hold a special sitting on Tuesday. He also urged Members to take time and thoroughly go through the report and note down the issues they may identify therein as they are what will form the letter of invitation to the Officers.

MIN NO.14/CAK/HH&SC/OCT/2022 ADJOURNMENT AND DATE OF NEXT MEETING

There being no any other business for consideration, the meeting adjourned at 11:25 a.m. until Tuesday 1st November, 2022.

Agenda will be as follows;

i. Deliberation on the report and financial statements of JOOTRH (level five) for the year ended 30th June, 2022.

Minutes approved by;

Hon Vincent Jagongo,
Committee Chairperson.

Angelyne A. Obonyo
Committee Clerk

COUNTY GOVERNMENT OF KISUMU

COUNTY ASSEMBLY OF KISUMU

P.O BOX 86-40100, KISUMU

MINUTES OF THE SECTORAL COMMITTEE ON HEALTH, HOUSING AND SANITATION HELD ON TUESDAY 1ST NOVEMBER, 2022 AT 9:00 A.M. IN COMMITTEE ROOM 1.

MEMBERS PRESENT.

1. **Hon Vincent Jagongo - Chairperson**
2. **Hon Emily Oginga - Chairperson (Chaired)**
3. Hon Seth Okumu - Member
4. Hon Jennipher Obonyo - Member
5. Hon Nereah Okombo - Member
6. Hon Carren Ajwang' - Member
7. Hon Joachim Oketch - Member
8. Hon Kennedy Ooko - Member
9. Hon Pamela Oyoo - Member
10. Hon Lumumba Owade - Member
11. Hon Geofrey Warindo - Member
12. Hon Mickey Ochieng' - Member

Secretariat present

1. Ms. Angelyne A. Obonyo - Clerk Assistant
2. Mr. Abraham Odegi - Serjeant-at-arm
3. Ms. Valery Achieng' - Hansard reporter

In-attendance

1. Mr. Geofrey Omollo - Accountant in charge of Car loan and Mortgage Scheme.

MIN NO.01/CAK/HH&SC/NOV/2022 PRAYER

The meeting was called to order at 9:24a.m by a word of prayer from the Vice-Chairperson Hon Emily Oginga.

MIN NO.02/CAK/HH&SC/NOV/2022 PRELIMINARIES

i. **Apology-**

No apology was registered.

ii. **Communication from The Chair**

The Vice-Chairperson welcomed Members to the 3rd meeting of the Committee and informed them that the substantive Chairperson was a little committed but was to join the meeting in due course.

MIN NO.03/CAK/HH&SC/NOV/2022 ADOPTION OF AGENDA

The agenda was adopted as below;

1. Prayer.
2. Preliminaries
    a) Communication from the Chair.
    b) Apologies if any.
3. Adoption of Agenda
4. Confirmation of previous minutes
5. Matters Arising.
6. **Scrutinizing the annual report and financial statements of JOOTRH (level five) for the year ended 30th June, 2022.**
7. Adjournment and date of next meeting.

The agenda was adopted without amendment upon being proposed by Hon Seth Okumu and Seconded by Hon Carren Odhiambo.

MIN NO.04/CAK/HH&SC/NOV/2022 CONFIRMATION OF PREVIOUS MINUTES.

Minutes of Monday 27th October, 2022 were read by the Clerk and thereafter confirmed to be the true deliberations of the meeting by members present. This was proposed by Hon Lumumba Owade and seconded by Hon Pamela Oyoo.

MIN NO.05/CAK/HH&SC/NOV/2022 MATTERS ARISING.

There were no matters arising.

MIN NO.06/CAK/HH&SC/NOV/2022 SCRUTINIZING THE REPORT AND FINANCIAL STATEMENTS OF JOOTRH (LEVEL FIVE) FOR THE YEAR ENDED 30TH JUNE, 2022.

The Chairperson invited Mr. Omollo to take Members through the document by the JOOTRH on its report and financial statements for the year ended 30th June, 2022.

Resolution agreed upon

After deliberations it was resolved that;

1. Mr. Geofrey was to send to the Clerk his scrutiny report for dissemination to Members
2. Clerk was to write a letter of invitation to the CEO JOOTRH inviting Him together with the HRM, the Accountant, the Admin and any other officer related with the report in discussion.

MIN NO.07/CAK/HH&SC/NOV/2022 ADJOURNMENT AND DATE OF NEXT MEETING

There being no any other business for consideration, the meeting adjourned at 10:05 a.m. until Thursday 4th November, 2022.

Agenda will be as follows;

1. **Q and A session with JOOTRH Administration on the hospital's annual report and financial statements for the year ended 30th June, 2022.**

Minutes approved by;

Hon Vincent Jagongo,
Committee Chairperson.

Angelyne A. Obonyo
Committee Clerk

COUNTY GOVERNMENT OF KISUMU

COUNTY ASSEMBLY OF KISUMU

P.O BOX 86-40100, KISUMU

MINUTES OF THE SECTORAL COMMITTEE ON HEALTH, HOUSING AND SANITATION HELD ON THURDAY 4TH NOVEMBER, 2022 AT 9:00 A.M. IN THE ASSEMBLY CHAMBER.

MEMBERS PRESENT.

1. **Hon Vincent Jagongo - Chairperson**
2. **Hon Emily Oginga - Chairperson (Chaired)**
3. Hon Seth Okumu - Member
4. Hon Jennipher Obonyo - Member
5. Hon Nereah Okombo - Member
6. Hon Carren Ajwang' - Member
7. Hon Kennedy Ooko - Member
8. Hon Pamela Oyoo - Member
9. Hon Lumumba Owade - Member
10. Hon Geofrey Warindo - Member
11. Hon Mickey Ochieng' - Member
12. Hon Seth Kanga - Member
13. Hon Kennedy Ouko - Member
14. Hon Moses Ochele - Member

Secretariat present

1. Ms. Angelyne A. Obonyo - Clerk Assistant
2. Mr. Abraham Odegi - Serjeant-at-arm
3. Ms. Valery Achieng' - Hansard reporter

In-attendance

1. Mr. Nashon Kusina - CAK Deputy Clerk
2. Mr. Geofrey Omollo - CAK Accountant in charge of Car loan and Mortgage Scheme.
3. Hon Benson Adega - MCA, Kajulu ward

4. Hon Gard Olima - MCA, South West Nyakach
5. Hon Samuel Dede - MCA, North Kisumu
6. Dr. George Rae - CEO JOOTRH
7. Ms. Nereah Ochieng' - HRO JOOTRH
8. Mr. Stephen Alex - Admin JOOTRH
9. CPA Benard Ndege - Chief Accountant JOOTRH
10. Mrs. Teresa Okiri - Director, Nursing Section JOOTRH

MIN NO.08/CAK/HH&SC/NOV/2022 PRAYER

The meeting was called to order at 9:00 a.m by a word of prayer from the Substantive Chairperson Hon Vincent Jagongo

MIN NO.09/CAK/HH&SC/NOV/2022 PRELIMINARIES

i. **Apology-**

No apology was registered.

ii. **Communication from The Chair**

The Chairperson welcomed Members to the 4th meeting of the Committee and invited everyone present to introduce themselves since there were visitors in attendance.

MIN NO.10/CAK/HH&SC/NOV/2022 ADOPTION OF AGENDA

The agenda was adopted as below;

1. Prayer.
2. Preliminaries
    a) Communication from the Chair.
    b) Apologies if any.
3. Adoption of Agenda
4. Confirmation of previous minutes
5. Matters Arising.
6. **Q and A session with JOOTRH Administration on the hospital's annual report and financial statements for the year ended 30th June, 2022.**
7. Adjournment and date of next meeting.

The agenda was adopted with amendment to shelve until next meeting agendas no. 4 and 5 upon being proposed by Hon Seth Okumu and Seconded by Hon Pamela Oyoo.

MIN NO.11/CAK/HH&SC/NOV/2022 Q AND A SESSION WITH JOOTRH ADMINISTRATION ON THE HOSPITAL'S ANNUAL REPORT AND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2022.

The Chairperson invited the CEO, Mr. George Rae and his team to take Members through the annual report and financial statements for the Year ended 30th June, 2022, after which Members were invited to raise forth their concerns on the same.

Resolution agreed upon

After lengthy deliberations it was resolved that the team from JOOTRH were to furnish the Committee with the following on or before Monday 7th November, 2022;

1. A breakdown on the revenue received from rent for the whole financial year under review.
2. A breakdown on the expenditure of the COVID-19 Emergency Fund during the year under review.
3. A Breakdown on the Kshs. 21M voted on waiver and exemption.
4. A breakdown on what is paid on contracted guards and on cleaning services separately.

MIN NO.12/CAK/HH&SC/NOV/2022 ADJOURNMENT AND DATE OF NEXT MEETING

There being no any other business for consideration, the meeting adjourned at 11:45 a.m. until Monday 7th November, 2022 at 9:00 am.

Agenda will be as follows;

1. **Deliberation on the Committee's visit to JOOTRH.**
2. **Deliberation on the Committee's draft report on the consideration of the annual report and financial statements of JOOTRH for the year ended 30th June, 2022.**

Minutes approved by;

Hon Vincent Jagongo,
Committee Chairperson.

Angelyne A. Obonyo
Committee Clerk

COUNTY GOVERNMENT OF KISUMU

COUNTY ASSEMBLY OF KISUMU

P.O BOX 86-40100, KISUMU

MINUTES OF THE SECTORAL COMMITTEE ON HEALTH, HOUSING AND SANITATION HELD ON TUESDAY 15TH NOVEMBER, 2022 AT 09:00 A.M. IN COMMITTEE ROOM 1.

MEMBERS PRESENT.

1. **Hon Emily Oginga - Vice Chairperson (Chaired)**
2. Hon Nereah Okombo - Member
3. Hon Kennedy Ooko - Member
4. Hon Vincent Jagongo - Chairperson
5. Hon Geofrey Warindo - Member
6. Hon Seth Okumu - Member
7. Hon Kennedy Ouko - Members

Secretariat present

1. Ms. Angelyne A. Obonyo - Clerk Assistant
2. Mr. Abraham Odegi - Serjeant-at-arm
3. Ms. Valery Achieng' - Hansard reporter

MIN NO.13/CAK/HH&SC/NOV/2022 PRAYER

The meeting was called to order at 11:21 a.m. by a word of prayer from the Vice Chairperson Hon Emily Oginga.

MIN NO.21/CAK/HH&SC/NOV/2022 PRELIMINARIES

i. **Apology-**
   No apology was registered.

ii. **Communication from The Chair**

The Vice Chairperson welcomed Members to the 7th meeting of Tuesday 15th November, 2022.

MIN NO.22/CAK/HH&SC/NOV/2022 ADOPTION OF AGENDA

The agenda was adopted as below;

1. Prayer.
2. Preliminaries
   a) Communication from the Chair.
   b) Apologies if any.
3. Adoption of Agenda.
4. Confirmation of previous minutes.
5. Matters Arising.
6. **Deliberation and adoption of the Committee's report on its consideration of the annual report and financial statements of JOOTRH for the year ended 30th June, 2022.**
7. **Highlights on the annual reports and financial statements of Kisumu County Referral Hospital for the year ended 30th June, 2022 and way forward.**
8. Adjournment and date of next meeting.

The agenda was adopted without amendment upon being proposed by Hon Geofrey Warindo and Seconded by Hon Kennedy Ouko.

MIN NO.23/CAK/HH&SC/NOV/2022 CONFIRMATION OF PREVIOUS MINUTES

Minutes of Thursday 10th November, 2022 were read by the Clerk and thereafter proposed by Hon Geofrey Warindo and Seconded by Hon Carren Odhiambo as the true deliberations of the previous meeting.

MIN NO.24/CAK/HH&SC/NOV/2022 MATTERS ARISING

There were no matters arising.

MIN NO.25/CAK/HH&SC/NOV/2022 DELIBERATION AND ADOPTION OF THE COMMITTEE REPORT ON CONSIDERATION OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS OF JOOTRH FOR THE YEAR ENDED 30TH JUNE, 2022.

The Vice Chairperson moved the agenda and invited the clerk to take Members through the Committee report.

The report was thereafter adopted with amendments

Resolution agreed upon

The Committee thereafter resolved as follow;

i. The Clerk to capture proposed amendments to the report and forward a copy to the House Business Committee for tabling and subsequent scheduling for debate.

MIN NO.26/CAK/HH&SC/NOV/2022 HIGHLIGHTS ON THE ANNUAL REPORTS AND FINANCIAL STATEMENTS OF KISUMU COUNTY REFERRAL HOSPITAL FOR THE YEAR ENDED 30TH JUNE, 2022 AND WAY FORWARD.

The Vice Chairperson moved the agenda and invited the clerk to take Members through the areas of concern in the report and financial statements of the Kisumu County Referral Hospital for the year ended 30th June, 2022.

Resolutions agreed upon

The Committee thereafter resolved as follow;

i. The Committee Clerk to write a letter of invitation to the management of KCRH to appear before the Committee on Thursday 17th November, 2022 at 8:00 am.
ii. Committee Clerk to write a memo to the Clerk of the Assembly requesting for breakfast.
iii. Members to go through the report for any other concern that the Clerk and the accountant might have skipped.
iv. Committee Clerk to Communicate to the House Business Committee requesting a slot for Committee meeting on Tuesday 22nd November, 2022 at 9:00 am.

MIN NO.27/CAK/HH&SC/NOV/2022 ADJOURNMENT AND DATE OF NEXT MEETING

There being no any other business for consideration, the meeting adjourned at 11:11 a.m. until Tuesday 22nd November, 2022.

Agenda was to be as follows;

1. **Deliberation on the Committee's draft report on its consideration of the annual report and financial statements of KCRH for the year ended 30th June, 2022.**

Minutes approved by;

Hon Vincent Jagongo,	**Angelyne A. Obonyo,**
Committee Chairperson.	**Committee Clerk.**

11.4 Breakdown of expenditures as submitted by the hospital management.

COUNTY GOVERNMENT OF KISUMU
DEPARTMENT OF HEALTH

Telephone: 057-2020801/2020803/2020321
Fax: 057-2024337
E-mail: medsuptnpgh@yahoo.com
ceo@jaramogireferral.go.ke
Website: www.jaramogireferral.go.ke
When replying please quote

JARAMOGI OGINGA ODINGA TEACHING & REFERRAL HOSPITAL
P.O. BOX 849-40100
KISUMU

Ref. No: ACC/ 1/VOL II

Date: 4[TH] November 2022

KISUMU COUNTY ASSEMBLY
OFFICE OF THE CLERK
08 NOV 2022
RECEIVED
P.O. Box 86-40100, KISUMU

The Clerk
County Assembly
Kisumu

RE: JOOTRH FINANCIAL REPORT

Attached kindly find the financial report for the year 2020/2021 as requested.

Thank you.

Ⓓ Committee on Health
Deal
Awange.
8/11/2022

S A. OCHIENG
FOR CHIEF EXECUTIVE OFFICER
JOOTRH-KISUMU

JARAMOGI OGINGA ODINGA TEACHING REFERAL HOSPITAL
WAIVERS AND EXEMPTION REPORT PER DEPARTMENT

DEPARTMENT	AMOUNT
MEDICAL RECORDS	1,383,690.00
CASUALTY	63,000.00
ICU	135,785.00
IP PHARMACY	35,271.00
ISOLATION PHARMACY	23,595.00
ISOLATION WARD	308,553.00
LABORATORY	4,233,673.00
MAIN PHARMACY	3,376,114.00
MATERNITY	10,314.00
MORTUARY	87,800.00
OBAMA PHARMACY	6,553.00
OCCUPATIONAL THERAPY	6,000.00
ONCOLOGY PHARMACY	6,994.00
OPD PHARMACY	2,262.00
ORTHOPAEDIC	2,450.00
ORTHOPAEDIC TRAUMA	219,444.00
OUTPATIENT	73,200.00
PHYSIOTHERAPY	66,360.00
RENAL UNIT	43,030.00
TSSU	143,766.00
THEATRE	711,080.00
WARD 1 SURG	995,010.00
WARD 2 SURG MALE	3,565,655.00
WARD 3 FEMALE	1,368,070.00
WARD 3 MALE	1,030,781.00
WARD 4 GYNAECOLOGY	870,948.00
WARD 5(OBAMA C.H)	207,463.00
WARD 9 EYE	218,552.00
XRAY	2,160,390.00
TOTAL	**21,355,803.00**

CONTRACTED GUARDS AND CLEANING SERVICES

Contracted Guards	1,284,400.00
Contracted Laundry	615,000.00
Contracted Cleaning Services	850,000.00
Ground Cleaning Services	217,000.00
Total Per Month	**2,966,400.00**
Total Per Year	**35,596,800.00**

RENTAL INCOME

Medical Officers Intern Flats	20,000.00
Afya Sacco	10,000.00
Hospital Restaurant	50,000.00
Urusi Sisters Mortuary space	2,500.00
Total Per Month	**82,500.00**
Total Per Year	**990,000.00**

JARAMOGI OGINGA ODINGA TEACHING REFFERAL HOSPITAL
SUMMARY OF EXPENDITURE RETURN (COVID -19)
FINANCIAL YEAR 2020-2021

CODE	ITEM DESCRIPTION	NAME OF PAYEE	CHEQUE NO	ALLOCATION	COMMITMENT	EXPENDITURE	BALANCE
2211001-00001001-0401015060-50600001	Medical Drugs			33,981,151	-	33,981,151	-
2211002-00001001-0401015060-50600001	Non pharmaceuticals			33,252,382	-	33,242,482	9,900
2211015-00001001-0401015060-50600001	Food and ration			11,198,590	-	11,198,590	-
2211008-00001001-0401015060-50600001	Laboratory Materials Supplies			20,619,513	-	20,617,044	2,469
3111101-00001001-0401015060-50600001	Purchase of Medical Dental Equipment			91,928,557	-	91,927,057	1,500
2211011-00001001-0401015060-50600001	Production and Audio Visual			8,290,200	-	8,281,500	8,700
2211101-00001001-0401015060-50600001	General Stationery			479,000	-	479,000	-
2210201-00001001-0401015060-50600001	Telephone Telex			459,389	-	459,389	-
2210502-00001001-0401015060-50600001	Publishing Printing			1,119,600	-	1,119,600	-
2211103-00001001-0401015060-50600001	Saniatary and Cleansing Materials			32,832,594	-	32,832,594	-
2210201-00001001-0401015060-50600001	Refined Fuel and Lubricants			3,000,000	-	3,000,000	-
2211204-00001001-0401015060-50600001	Other Fuels			857,800	-	857,800	-
2220201-00001001-0401015060-50600001	Maintaince of Plant Machinery Equipments			2,790,123	-	2,790,123	-
2220205-00001001-0401015060-50600001	Maintainance of Building Stations			2,775,228	-	2,775,228	-
3111002-00001001-0401015060-50600001	Purchase of ICT Networking			6,855,000	-	6,855,000	-
2210101-00001001-0401015060-50600001	Electricity			9,000,000	-	9,000,000	-
2210205-00001001-0401015060-50600001	Purchase of oxygen			7,191,924	-	7,191,924	-
2210102-00001001-0401015060-50600001	Water And Sewarages			7,200,000	-	7,200,000	-
2220101-00001001-0401015060-50600001	Maintainance of Motorvehicles			396,010	-	396,010	-
2210504-00001001-0401015060-50600001	Advertisement and Awareness			447,021	-	447,021	-
2210302-00001001-0401015060-50600001	Accommodation Domestic Travel			555,000	-	555,000	-
2110202-00001001-0401015060-50600001	Casual Labourers			6,480,000	-	6,453,996	26,004
2211310-00001001-0401015060-50600001	Contracted Professionals			30,240,000	-	30,234,329	5,671
2210701-00001001-0401015060-50600001	Travelling Training Tuitions			796,750	-	796,750	-
2211305-00001001-0401015060-50600001	Contracted Guards and Cleaning Services			2,030,250	-	2,030,250	-
2211011-00001001-0401015060-50600001	Purchase Of Bedding and Linen			5,162,198	-	5,162,198	-
3110902-00001001-0401015060-50600001	Purchase Of Household Appliances			1,407,220	-	1,407,220	-
3110299-00001001-0401015060-50600001	Construction of Building			78,654,500	-	78,654,500	-
		TOTALS		**400,000,000**	-	**399,945,756**	**54,244**

11.5 Annual report and financial statements of Jaramogi Oginga Odinga Teaching and referral Hospital for the year ended 30th June, 2022.

Issued 30th June 2022

JARAMOGI OGINGA ODINGA TEACHINGREFERAL Level 5 HOSPITAL

(Kisumu County Government)

ANNUAL REPORT AND FINANCIALSTATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2022

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

TABLE OF CONTENTS

I. Key Entity Information and Management

a) Background information

JOOTRH Hospital is a level 5 hospital established under Kenya Gazette Notice No. 8694 of 5th December 2014 and is domiciled in Kisumu County under the Health Department. A Board of Management governs the hospital.

Jaramogi Oginga Odinga Teaching & Referral Hospital (JOOTRH) has been in existence for more than a century, having been established in the early 1900s to cater for the health needs of the workers at the then port town of Kisumu. Since then it has grown to become the referral hospital serving County, Sub-County and private hospitals in more than 10 counties in the Western Kenya Region with a population of more than 10 million people.

The hospital, having been commissioned in 1969, has seen a lot of development by the Kenyan government providing more funds to improve the in-patient capacity and outpatient facilities to its present state. JOOTRH has had an eventful history, which continues to influence its present status. Its inception was largely influenced by the high presence of malaria and other diseases in the then Port Florence, which necessitated the creation of a facility to cater for the Black population.

b) Principal Activities

The Vision of Hospital is to become a Centre of excellence in quality healthcare services, training & research in East and Central Africa, while its mission is to provide accessible, responsive, quality healthcare services through innovation, training and research.

The main mandate of JOOTRH is to provide curative, preventive, promotive and rehabilitative health services. It offers specialized clinical services in various disciplines. It serves as a centre for research activities, training for medical students and health workers.

The Following are the key Objectives of the Hospital:

- To provide High quality healthcare services,
- To provide Super-specialized healthcare services
- To conduct clinical research
- To train different levels of health cadres
- To serve as a Centre that can be utilized by local stakeholders for development or implementation of medical intervention of health policies.
- To build and strengthen partnership and sector coordination.
- To advocate and mobilize for adequate funding to the hospital.

c) Key Management

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

- County department of health
- County Department of Finance
- Board of Management
- Accounting Officer/ Medical Superintendent
- Hospital Management Team

d) 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.	Chief Executive Officer	Dr George Otieno Rae
2.	Head of finance	CPA Benard Ndege
3.	Head of supply chain	Mr. Alex Ayatta
4.	Head Administration	Mr Alex Stephen Ochieng
5.	Head of Clinical Services	Dr Dedan Ongonga
6.	Head of Nursing Services	Mrs Teresa Okiri

Name	Details of qualifications and experience
1. Dr George Otieno Rae 	Dr. Rae is the CEO of the hospital and Board"s Secretary, 72 years old. Has Masters in Public Health (MPH), International Health and Epidemiology from University of Loma Linda, California USA, Bachelor of Medicine and Surgery – UoN, Post Graduate Research Fellow- John Hopkins University School of Public Health USA Has over 20 years experience in the health sector. Advisor to the Governor of Kisumu Countyon UHC, Personal assistant to the Director of Medical Services – Ministry of Health
2. CPA Benard Ndege 	Mr, Ndege is Chief Accountant heading the department of Finance in JOOTRH. Holds Masters in finance from University of Nairobi, a degree B COM (Finance option) from University of CUEA and is Certified Public Accountant (CPA-K). Chief Accountant with more than 8years experience.
3. Mr. Alex Stephen Ochieng 	Mr, Alex is the Health Administrative Officer, the Director Finance and Administration in JOOTRH. Holds of higher Diploma in business Management from Cambridge Association of Manager UK

4. Mrs Teresa Okiri 	Mrs, Okiri is the Nursing officer, Director Nursing in JOOTRH. Holds Masters in Nursing from MMUST. Director Nursing at JOOTRH with over 10 years‟ experience).
5. Dr Dedan Ongonga 	Dr. Ongonga is a Paediatric Surgeon Specialist, Director for Clinical Services. Holds MMED (Surgery), MB ch B, Diploma in Sexually Transmitted Infections from University of Nairobi; He is the Director of Clinical services and Deputy CEO in JOOTRH With more than 10 years.
6. Mr. Alex Ayatta 	Mr. Ayatta Holds Degree in Purchasing and supply management, He is the Head of Supply chain management in JOOTRH With more than 10 years.

e) Fiduciary Oversight Arrangements

The fiduciary oversight of the county is done by:

i The County Assembly

The County assembly, pursuant to the constitution of Kenya, 2010 and the County Government Act, 2012 under Article 8(1) has fiduciary oversight role over the execution of the functions of the County Government., it approves the budget and expenditure of the County Government in accordance with article 207of the constitution of Kenya. It also approves the borrowings of the County Government in accordance of the constitution 212of the Constitution of Kenya 2010.

ii The Controller of budget

The controller of budget has fiduciary oversight role of the County Government under article 22(5) of the Constitution of Kenya, 2010 by approving withdrawal from the public funds only when satisfied that the is authorized by law.

iii County executive committee

The County Executive Committee exercise executive authority in accordance with the constitution and county legislation.

iv. Internal Auditor Department

The internal Audit Department of the County Government of Kisumu ensures that the internal controls exist and are adhered to. The internal Audit reports to the county Audit Committee.

f. Entity Headquarters

Prosperity House
P.O. Box 2738-40100
Kisumu, Kenya

g. Entity Contacts

Telephone: (254) 0572020801(3)
E-mail: medsuptnpgh@yahoo.com
Website: www.jaramogireferal.go.ke

h. Entity Bankers

Kenya Commercial Bank
Kisumu Branch
P.O. Box 17
City Square 40100
Kisumu, Kenya

i. Independent Auditors

Auditor General

Office of Auditor General

Anniversary Towers, Institute Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

j. Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

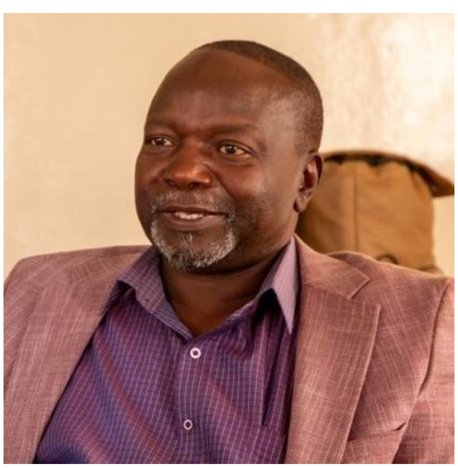
Nairobi, Kenya

k. County Attorney P.O.

Box. 2738-40100

Kisumu Kenya

II. The Board of Management

Ref	Name	Position
1	Mr. Rahmesh Mehta 	**Chairperson** Rahmesh is the Chairperson of Hospital Management Board. Has a degree in Business Management and in his spare time he pursued an Interior Decoration Course. He is 75 years old. He served as Regional Council Chairperson of St. John‟s Ambulance, Trustee Hindu Council of Kenya 2016 -2021, Board Member Sabatia Eye Hospital, Chairperson KIFA, Trustee Lion Sight First Eye Hospital – Nairobi 2013-2018, Trustee Jalaram Academy 2015-2020.
2	Mrs. Monica Ogutu 	**Vice Chairperson** Monica is the board‟s vice-chairperson; She is currently the Chairperson of Quality Assurance Sub-Committee at JOOTRH. she holds a PhD in Public Health from the University of Central England (UCE) and is a trained Nurse/Midwife who managed the busy maternity unit at Kenyatta National Hospital for 15 years doubling up as a Honorary Lecturer at the department of Nursing – Nairobi University before opting out to fully concentrate on establishing KMET‟s activities at the grassroots.
3	Dr. George Rae 	**Secretary** Dr. Rae is the CEO of the hospital and Board‟s Secretary, 72 years old. Has Masters in Public Health (MPH), International Health and Epidemiology from University of Loma Linda, California USA, Bachelor of Medicine and Surgery – UoN, Post Graduate Research Fellow- John Hopkins University School of PublicHealth USA Has over 20 years experience in thehealth sector. Advisor to the Governor of Kisumu County on UHC, Personal assistant to the Director of Medical Services – Ministry of

		Health
4	Mr. Joseph Osano 	**Member** Mr. Joseph is a board member, 43 years old currently serving as the Chairperson of Resource Mobilization Sub-Committee of JOOTRH. Has Diploma in Marketing Management, and continuously pursuing Degree in Sales and Marketing at the University of Nairobi. Served in Kenya Care for 7years, 2 years in Great lakes university. Member of County Assembly – Chemelil Tamu Ward 2013-2017.
5	Mr. Festus Kasuku Achila 	**Member** Mr. Festus is a board member, 60 years old, He is a Certified Public Accountant (CPA) with more 10 years experience in Financial Management, He worked in Barclays bank from 1986-1993, he is currently the chairperson of Finance Sub-Committee in JOOTRH.
6	Dr David Oluoch Olunya 	**Member** Dr. David is a member of the board 62 years old; he is a Consultant Neurosurgeon Lecturer in Department of Surgery College of Health Sciences University of Nairobi. Has experience in Advanced Trauma Care Instructor 1998 FRCS(SN) Intercollegiate Fellowship of the Royal College of Surgeons in Surgical Neurology 1991 FRCS Ed Fellowship of Royal College of Surgeon in Edinburgh 1985 MB.ChBUniversity of Nairobi

7	Mrs. Pamela Awuor 	**Member** Mrs. Pamela is the Board member, 50 years of age, She is a librarian by profession with experience Monitoring and Evaluation at the Lake Basin Authority, a delegate of Co- operative bank Nyanza Region. Nominated MCA 2013-2017 Kisumu County assembly, Divisional Informative Head in Lake Basin.
8	Mr. Cosmas Ngesa 	**Member** Mr. Cosmas is a Board Member, 56 years old He is a Master of Laws (LLM), Bachelor of Law (LLB), Diploma in Law, currently pursuing PhD in Leadership and Governance. Currently the Chairperson of Audit Sub-Committee JOOTRH. Has served as Deputy Director and Head of Licensing, Deputy Director & Safety Compliance, Driver Training and Testing, Deputy Director & Head of Registration – National Transport & Safety Authority. Chief executive Officer-The Transport Licensing Board, assistant secretary – Ministry of Transport & Communications.
9	Mr. Henry Musindi 	**NHIF Representative** Mr. Henry is a co-opted member of the board representing the NHIF, currently the NHIFbranch Manager Kisumu, he is 49 years old with a Bachelor of Arts from Punjabi University – India, has 10 years experience in Management. Currently serving as a board chairperson in Shitoli Secondary School and a board member in Shikondi Secondary School

III. Management Team

Ref	Name	Position
1	Dr. George Rae	Chief Executive Officer
2	Dr. Dedan Ongonga	Deputy CEO/Director Clinical Services
3	Dr. Caroline Wafula	Director , Research and Training
4	Dr. Paul K.Mitei	Head Obs/Gynae Division
5	Mr. Alex Stephen Ochieng	Director Finance and Administration
6	Mrs. Triza Okiri	Director Nursing Services
7	CPA Benard Ndege	Chief Accountant
8	Dr. Stephen Ojuma	Ophthalmologist
9	Dr. Maureen Muchela	Paed Consultant
10	Dr. Ndinya Florencius	Physician Consultant
11	Dr. Josephine Ojigo	Paed Consultant
12	Mr Jacob Odhiambo	Registered Clinical Officer in charge
13	Mr. Denis Odagoh	Radiology&imaging In charge
14	Mr. Hezron Okoth	Laboratory In charge
15	Dr. Festus Ogada	Pharmacist in charge
16	Dr. Paul Onyango	Dental Department In Charge
17	Mr. Peter Sewe	In charge Quality Department
18	Mrs. Rose Abuya	Public Health Officer in Charge
19	Mrs. Alice Adoma	Nursing Officer In charge stores
20	Mr. Isaiah Ruto	Occupational Therapy in Charge

21	Mrs. Rosebella Apollo	Maternity In charge
22	Mrs. Nancy Makunda	Acting Principal Training School
23	Mrs. Margaret Kathanje	Nursing Council
24	Mr. Elijah Nyabuti	Orthopaedic Department In charge
25	Mrs. Betty Okundi	In charge Nutrition Department
26	Mrs. Betty Onyango	Nursing Officer Student Co-ordinator
27	Mr. Zachary Oketch	Nursing Officer in charge Casualty
28	Mr. Edwin Opiyo	HMU In charge
29	Mr. Antony Ayora	Physiotherapy In Charge
30	Mrs. Tom Morike	In Charge Records Department
31	Ms Eunice Gor	Medical Social Worker In charge
32	Mr. Vera Dolla	Deputy Hao

IV. CHAIRMAN'S STATEMENT

JOOTRH main mandate is referral hospital, it strengthens its provision in providing curative, preventive, promotive and rehabilitative health services.it offer specialized clinical services in various disciplines. It serves as a centre for research activities, training for medical student and health workers. JOOTRH being a centre of excellence in healthcare delivery is always set and ready for the dynamic healthcare and environmental changes. The hospital has been evaluated by the medical council to grade 6A awaiting an act of parliament.

Future plans of the hospital is to establish 1000 bed capacity, conduct complex surgeries e.g renal transplant, heart surgeries and neuro -sciences amongst others. It is in this regard that I have the pleasure to present the JOOTRH financial statements for 2021/2022 ending 30th June 2022. The financial statements present the financial performance of the fund in relation to ensuring affordable and quality healthcare.

OPERATING ENVIRONMENT

JOOTRH started the year"s operations on a positive outlook, but the operating environment quickly changed after it was reported that the hospital was no longer goingto receive Level 5 conditional grants. This was automatically leading to adverse effect on the performance and some of the planned projects had to be reprogrammed as we reorganize our financing. JOOTRH covering a huge population continued to realize huge flow of patients from neighbouring counties. These circumstances had an adverse impact on the performance of the hospital, as most of these patients are poor and not able to pay their bills leading high waivers.

The HMB and hospital management is striving to position the hospital as the lead health service provider in the region, seek increased visibility, resource mobilization and allocation in line with the status of a teaching referral & research hospital. It will further seek to win the support of local leaders with a goal of boosting the image of the hospital and improving its relations with the political leadership and public at large.(improve linkage with private players and other public healthcare providers in the whole region and beyond.

STRATEGIC DIRECTION

The overwhelming need and challenges provide opportunities for strategic thinking about the future of the hospital‟s brand. It shaped the change process that the Board of Management approved to upgrade the hospital to a fully pledged National and referral hospital to secure a sustainable future. The Board made radical decisions to restructure and rationalize the hospital‟s core business centers to optimize their performance. It fast-tracked the Autonomization process by bringing in a qualified consultant to jumpstart the process of giving the hospital full autonomy towards its operations which is now under implementation by the Management.

To consolidate its mandate as a referral hospital and realize its vision and mission, JOOTRH will implement a set of priority activities organized around the following eight key strategic choices in the period set in this strategic plan:

1. Clinical services and products
2. Healthcare financing and sustainability
3. Quality improvement
4. Human resource development
5. Infrastructure development
6. Leadership and governance
7. Health information
8. Research and training

ACHIEVEMENTS

The HMB and hospital management realized great achievement in terms of revenue generation, which has grown compared to the previous financial year 2020/2021, infrastructural development including acquisition of modern medical equipment ICT networking, and Human resource development.

LOOKING INTO THE FUTURE

The Board is optimistic that the hospital will soon be upgraded to National teaching referral hospital. Consistent with our vision, Board continues to invest in Modern Technology, infrastructural and specialized human resources to position the JOOTRH as the premier healthcare facility in the Eastern and Central Africa region. The Board"s pledge is to ensure that our systems and human resources are effectively deployed to support the transformation of the hospital into a sustainable, excellent institution.

I greatly appreciate the commitment and inclusive support of the Shareholders, Board, Management, Staff and Stakeholders to the vision and mission of the JOOTRH.

Mr. Rahmesh Mehta

Chairperson

Board of Management

30 June 2022

V. REPORT OF CHIEF EXECUTIVE OFFICERS

a) BACKGROUND

Jaramogi Oginga Odinga Teaching & Referral Hospital (JOOTRH) has been in existence for more than a century, having been established in the early 1900s to cater for the health needs of the workers at the then port town of Kisumu. Since then it has grown to become the referral hospital serving County, Sub-County and private hospitals in more than 10 counties in the Western Kenya Region with a population of more than 5 million people.

JOOTRH exists and operates within a broader socioeconomic and political context. The understanding of this environment is critical in enabling the hospital to position itself to take advantage of emerging opportunities and deal with threats. Of fundamental importance in this environment is government policy. As a public hospital, JOOTRH is governed by the policies and regulations set forth by both the National and County government departments responsible for health services

The hospital, having been commissioned in 1969, has seen a lot of development by the Kenyan government providing more funds to improve the in-patient capacity and outpatient facilities to its present state**.** The main mandate of JOOTRH is to provide curative, preventive, promotive and rehabilitative health services. It offers specialized clinical services in various disciplines. It serves as a centre for research activities, training for medical students and health workers. The hospital has 867 staff: consisting of 358 regular staff, 112 County contracted 35 Locum Nurses, 8 Locum Doctors, 89 interns, 108 JOOTRH contracted staffs, 169 Casuals. The hospital has outsourced Cleaning, laundry and Security services, which equates to approximately 10% of the budget

b) FINANCE

i) Revenue

The hospital"s revenue is derived from Facility improvement funds (FIF), County grants, and donors. During this financial year the hospital has realized great improvement of revenue compared to the last financial 2020/2021 however last financial year may have not been a good base for comparison as JOOTRH was one of the hospital piloting universal healthcare. Operating revenue increased from Sh.140.3 Million to Sh.294.2 M.

The number of patients‟ admissions Increased by 14.63% while the Mortality rate dropped from 10.6% to 8.9%. The key drivers of our revenue included Pharmacy, Laboratory, Maternity, and Renal, Bed fees, surgical income and Radiology, whichcontributed to the total revenue.

ii) Expenditure

The total expenditures during the period amounted to Kshs. 437,450,483 representing 99.42% total approved budget. Top drivers of the budget were Medical drugs, Staff remunerations, Non-pharmaceuticals, patient‟s food, Laboratory, Contracted Services among others. High Utilization rate realized.

iii) Deficit

The hospital has a huge deficit running to billions currently under very high financial constraints. For instance during this financial year 2021/2022 The Operational Budget presented by the departments for optimal operation was at 2.3 Billion, Other costs such Salaries and wages, Developments etc. Approaches to 8Billion giving a total of Approximately 10.3 Billion leaving huge deficit compared to the actual revenue realized.

c) STRATEGY

This plan intends to sustain a competitive business like orientation to achieve improved client satisfaction, financial sustainability, and infrastructure development that reflects modern standards in medical practice.

The strategy is characterized by both Growth and social responsibility and transformative initiatives that will see the hospital grow to become the best hospital in Eastern central Africa.

d) ACHIEVEMENTS

The HMB and hospital management realized great achievement in terms of revenue generation, which has grown compared to the previous financial year 2020/2021, infrastructural development such as Completion of phase one doctor‟s suit, New farewell home, renovations of various wards including acquisition of modern medical equipment i.e. Anaesthetic Machine, ICT networking, and Human resource development. We were able to carry out Successful Neurosurgical Camp, which benefited many of our patients across the whole country leading to an overall increment in our revenue performance.

e) CHALLENGES

JOOTRH based on the population that its serves is faced with a lot of challenges ranging from Global issues, financial constraints, inadequate human resource, environmental challenges, infrastructural i.e. dilapidated buildings, and technological growth that the hospital have to adopt in order to succeed in the healthcare service delivery.

f) LOOKING FORWARD

Modern Technology transformation is one of the pillars of the Strategic Plan. The hospital has embarked on this journey to increase operational efficiencies, enhance customer experience through consistent and patient-focused service delivery and informed decision-making aided by business intelligence. Crucial to this will be the implementation of the key operational systems, the Hospital Information Management System (HMIS)).

g) APPRECIATION

I take this opportunity to express my sincere gratitude and appreciation to the Ministry of health, county government of Kisumu, development partners, stakeholders, management and staff for their continued support, which made us, achieves these results.

I look for   nued support in the year 2022/2023.

Signed: ....

Dr George Rae

Chief Executive Officer

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.

JOOTRH has eight strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY 2021- FY 2022. These strategic pillars/ themes/ issues are as follows;

1. Clinical services and products
2. Healthcare financing and sustainability
3. Quality improvement
4. Human resource development
5. Infrastructure development
6. Leadership and governance
7. Health information
8. Research and training

JOOTRH develops its annual work plans based on the above *Eight* pillars/Themes/Issues. Assessment of the Board‟s performance against its annual work plan is done on aquarterly basis. The *Hospital* achieved its performance targets set for the FY 2021/2022 period for its eight strategic pillars, as indicated in the diagram below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Clinical Services Delivery and Infrastructural development	• To Establish and enhance good clinical governance	• Hospital Drug formulary in place • No of stock-out tracer drugs • No of prescription reviewed • Updated SOPs • No of Pharma covigilance conducted	• Rational use of Medications • Rational use of blood and blood products • Provision of Health products • Monthly Clinical Audits and mortality Meetings	• Hospital Drug formulary in place. • %reduction in morbidity and mortality.
	• To strengthen Emergency Preparedness	• Training reports • Committee Minutes	• Train 100 staff on Emergency preparedness. • Form Emergency Preparedness Committee • Conduct Annual Emergency Drill	• 100 Staff Trained • Committee is in existence. • Two Emergency drills conducted.
	• To Expand work space through infrastructural Development	• Completion Certificates • Project Committee Evaluation Report. • Survey Reports	• To complete phase 1 doctors suit • To complete Neurosurgical Ward • To complete radiotherapy Centre. • To complete the new farewell home • To construct and complete	• Doctors suit phase one 100% • Neurosurgical ward at 68% • Radiotherapy centre 62% • Farewell home 100% complete • Orthopaedic burns unit 100%complete

			orthopaedic burns ward • Construction of modern kitchen. • Installation of kitchen LPG Gas	• Modern kitchen 35% complete • Kitchen LPG gas 100% complete
	• To ensure Quality Diagnostic Services	• Registers • Survey reports • Client satisfaction report • EMR	• Expand the scope of 24 hours specialized services • Introduce new specialized Services • Adhere to Quality Standards	• CT Scan and MRI done on call 24 hours • UECs Culture sensitivity etc done 24 hours • EEG, ECG AND ECHO introduced and working 24 hours.
	• To Enhance Effective Internal and External Referral Systems	• Survey Reports • Meeting Minutes • EMR • Client Satisfaction report	• Implement referral guidelines • Review and implement internal and external referral protocols	• Referral guidelines implemented 99% • Three internal and two external Meeting with the referring facility and Kisumu county department of health.
	• To enhance Routine Maintenance of Infrastructures	• Job Card Reports • Project Committee Reports • Completion Certificates	• Renovation of Ward four • Renovation of Maternity Ward • Renovation of administration roof • Servicing of Photocopier Machines • Servicing of Various Medcal Equipment"s	• Ward four renovation completed • Administration ROOF 100% Complete • Photocopiers serviced and functioning • ICU and Theatre equipment"s serviced and

			• Servicing and Maintenance of Laundry Machine.	operational • Laundry machine serviced and working.
	• To provide Modern Medical Equipment , plants and Machinery	• Asset Register • Theatre Register • Delivery notes • Inspection acceptance report	• Procure two Anaesthetic Machine • Procure two Dental Chairs • Procure Diathamy Machines • Procure Sunction Machines • Procure Assorted Medical Equipment"s •	• One Anaesthetic machine procured and functional • Sunction Machines Procured and functional • Small assorted such as thermo gun, digital BP Machines etc procured and functional.
Healthcare Financing and Sustainability	• To increase revenue Generation	• Revenue Reports • %increase in revenue	• Diversify Revenue Streams • Review User Fee Charges • Increase Customer Base • Develop Concept papers and proposals to development partners	• Revenue improved compared to previous year • Review of user fees continuous and on progress • New institutions brought on board for MOUs Signed with other institutions to boost revenue collection. • New services introduced, Oncology, Neurosurgical and Diagnostic Services • More patients have been

				enrolled to NHIF
	• Facilitate prudent Financial Management	• Financial Reports • % increase in Resource allocation to departments	• Provide E and M-Payment • Strengthen use of financial and procurement policies and guidelines	• M-payment at the Linkage Stage • Financial and procurement policies and guidelines in place
Quality Improvement	• Enhance Continuous Quality Improvement • Enhance customer care services	• Training Reports • Customer care desks • Minutes of the change Agents	• Training of staff on KQMH • Customer care desks Minutes of the change Agents	• More than 100 Staff trained and its continuous • Three customer desks introduced at outpatient, at the entrance &Casualty • Monthly meeting for change Agents Achieved.
Human Resource Development	• Improved performance management	• Human Resource Department established and functional • Human Resource Reports • Staff Appraisal Reports	• Establish Human Resource Department • Conduct Quarterly and Annual Staff Appraisal	• Human Resource Department functional • Staff Appraisals Done
	• To develop Staff	• % staff trained • Training Needs Report • Key Competencies Identified	• Carry out and Implement training Needs Assessment • Training of Staff on specialized	• Training needs Identified • Staffs Trained on neurosurgical,

		and developed	Areas	nephrology, • Introduction of cosesca training
	• Staff Motivation	• Staff Satisfaction Report • Client Satisfaction • Minutes	• Staff Recognition, rewards and Sactions • Annual Staff Party • Improving The staff Levels • Staff involvement on decision making • Remuneration	• All staffs awarded at an annual staff party • Annual staff party was done successfully • All Staffs are involved in decision making through various committes, HMT, Departmental meeting, staff meeting days,
Leadership and Governance	• Enhance policy formulation, dissemination and implementation	• CEO Performance Contract report • %increase in hospital performance • No of staff Meetings • No of HMB meetings	• Monthly staff meeting • Quarterly Board meeting • Implementation of strategic plan	• CEO performance contract signed • Quarterly board meetings Achieved with Few Special Meetings
	• Enhanced Leadership and Governance Capacity	• Management Audit Report • Board of Survey report	• Capacity Building for board ,senior and middle level managers • Develop and implement internal controls	• Capacity building done to all level of management • Internal controls developed and continuous
	• Enhance and Maintain public	• MOUs Signed • Contracts With Private	• Develop and implement PPP Policy	• Mous signed with UZIMA, MASENO,

	private partnership	Institutions • No of projects initiated through PPP	• Develop key gaps that require PPP intervention	RONGO ,AON ETC • PPP With EQUITY BANK on consumables and Kitchen gas Installation • CIHEB on HIV management
	• Networking and Collaboration	• No of meetings held with partners • No of stakeholders identified • MOUs Signed	• Mapping of stakeholders • Exchange and Benchmarking program • Consultative meetings with partners and stakeholders	• Several Meetings Held • Several stakeholders such as manufacturing industry from USA, Equity bank, KCB Bank, Pharm access etc Identified
Health information and Research and Training	• Strengthen, coordinate and manage health information	• ICT Policy document • System Maintenance register	• Develop and implement ICT policy • Maintain ICT infrastructure to ensure full functionality of the system	• Quarterly servicing and maintenance of the system done
	• Enhance Ethical Research Activities	• No of internal research done • School Registration Certificate • No of protocols reviewed • No of scientific conference	• Strengthen Ethics and research Committees • Hold Scientific Conferences • Promote internally driven research	• Committee in place and very active and functional • More than 15 Protocols Reviewed • Several scientific Conferences held such

		held		as Radiology, nursing, occupational, pharmaceuticals, physiotherapy, social works etc.
Medical products, Vaccines and Technology	• Strengthen coordinate and manage medical products supply chain • Enhance ethical research activities	• % reduction on stock outs • HMIS report • Bin cards • Complete registers • Sops in place.	• Annual Forecasting • Prepare monthly and Annual Report • Develop SOPs for inventory management • Prepare documentation of services provided	• Forecasting done • Annual and monthly reports done • Stock outs reduced by 30% • SOPs already developed and functional
	• Timely provision of health products	• Client Satisfaction • Availability of Products • % of reduction in stock-out	• Strengthening of procurement process • Implementation of procurement plan • Strengthen Commodity Management cycle	• Procurement plan in place and functioning • Reduction in stock out by approximately 30%

VII. Corporate Governance Statement

JOOTRH Board of Management is responsible for the corporate governance of theHospital and is accountable to Ministry of Health, County department of health Kisumu County for ensuring that the Hospital complies with the laws and the highest standards ofcorporate governance and business ethics. The Board members attach great importance tothe need to conduct the business and operations of the Hospital with integrity and in accordance with generally accepted corporate practice and endorse the internationally developed principles of good corporate governance.

a) Board of Management

The Board of Management is composed of non-executive members elected by the governor of Kisumu County. The Appointed Board of Management to be held accountable and responsible for the efficient and effective governance of the hospital. Members of the Board have a range of skills and experience and each brings an independent judgment and considerable knowledge to the Board‟s discussions. The boardterm is two years renewal subject to performance.

Summarized below are the key roles and responsibilities of the Board:

- Approve and adopt strategic plans and annual budgets, set objectives and review key risk and performance areas.
- Resource Mobilization
- Determine overall policies and processes to ensure integrity of the Hospital‟s management of risk and internal contracts; and
- Review at regular meetings Management‟s performance against approved budget.The full Board meets at least 4 times a year and the Chairperson has bi-weekly meetings/Consultations with the Chief Executive Officer. The Board members are given appropriate and timely information so that they can maintain full and effective control over strategic, financial, operational and compliance issues. Except for direction and guidance on general policy, the Board has delegated authority for conduct of day-to-day business to the Chief Executive Officer. The Board nonetheless retains responsibility for

establishing and maintaining the Hospital‟s overall internal control, financial, operational and compliance framework.

b) Board Meetings

The Board as per the Annual work plan meets quarterly or additionally when necessary to consider matters of overall control of the hospital. The Board agenda and work plan are prepared early in the year and adequate notice, agenda and Board papers are circulated within stipulated timelines. The Main Board held 10 meetings attended by selected members.

c) Board Remuneration

Non-Executive Members provide services to the hospital to which they are entitled to an allowances the allowance is paid as per the government of Kenya allowance circulars.

d) Committees of the Board

The Board has five standing committees, which meet regularly under the terms of reference set by the Board. The standing committees as follows:

- Finance sub-committee
- Quality and Development Committee
- Resource Mobilization Committee
- Audit Sub Committee

VIII. Management Discussion and Analysis

The considerations in restructuring an organization are effective coordination of roles and responsibilities to avoid overlap and duplication of roles and effort; clear accountability for results; enhanced teamwork and effective communication; and career development for staff. Appropriate structures also allow the organization to resource and sustain essential skills and expertise in the organization.

The overall leadership and governance of JOOTRH will be vested in the Hospital Management Board. The Board members are appointed in accordance with the policies of the County Government of Kisumu. The day-to-day management of the hospital is vested on the Chief Executive Officer.

The Chief Executive Officer will be assisted in performing the functions of his or her position by the Senior Management Team (SMT), which consists of the CEO with the four Directors and the Hospital Management Team (HMT). The HMT is made up of the divisional heads and heads of departments. JOOTRH has developed a governance framework defining the respective roles of Directors and Management.

The overall annual performance is as illustrated below:

a) Clinical/Operational Performance

Summary table:

		FY 2019-2020	FY 2020-2021	FY 2021-2022
Bed capacity		524	541	850
Patient Attendance: Inpatient and Out-patient	OPD Visits	185,474	196,279	365,217
	Admissions	12,857	14,607	16,744
Accident and Emergency (Casualty) attendance		56,382	45,239	57,042
Specialised Clinics attendance		56,289	55,351	95,106
Average Length of Stay (In-patients) in Days		6.2 Days	6.9 Days	8.5 Days
Bed Occupancy rate		50.7%	49.4%	77%
Mortality rate		11.0%	10.6%	8.9%
Surgical Theatre utilization	Major	2,276	2,573	3,666
	Minor	522	424	797
	Circumcision	1,218	1,210	2,087
	Total	**4,016**	**4,207**	**6,550**
Maternity (Total Deliveries)		3,799	3,971	5,836

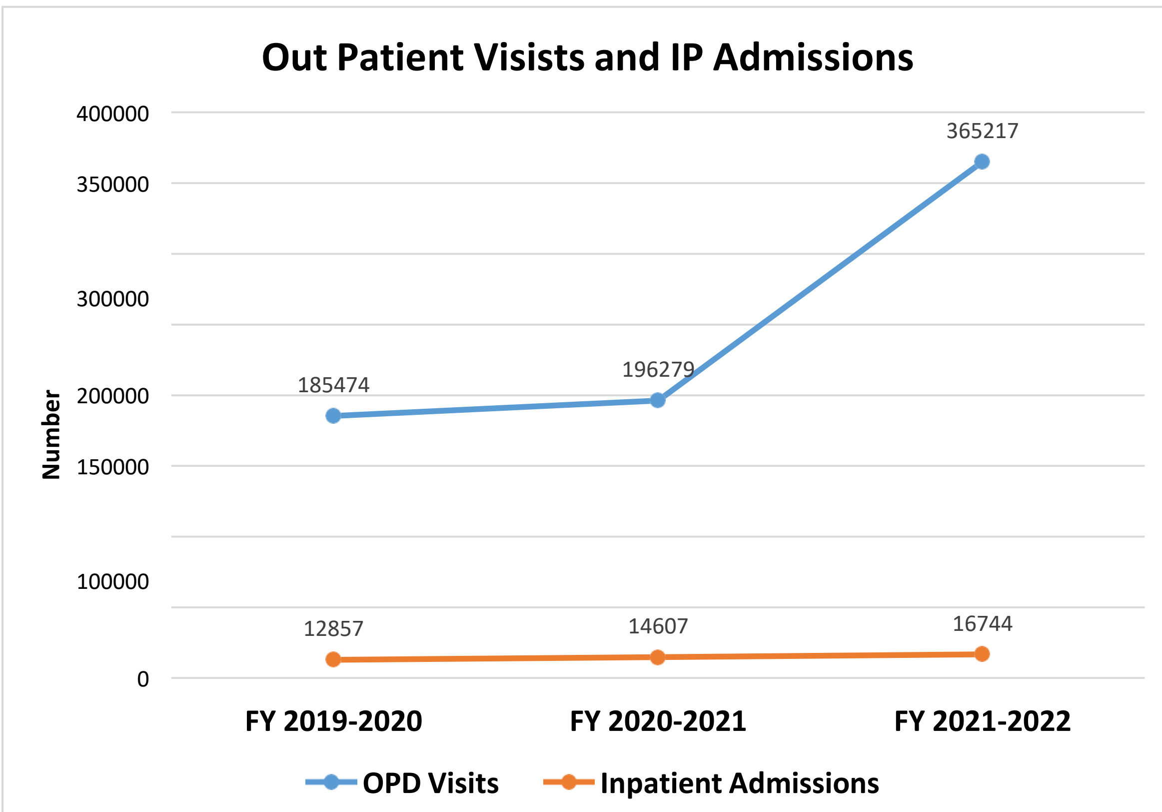
b) Tables and Charts:

1. Bed Capacity

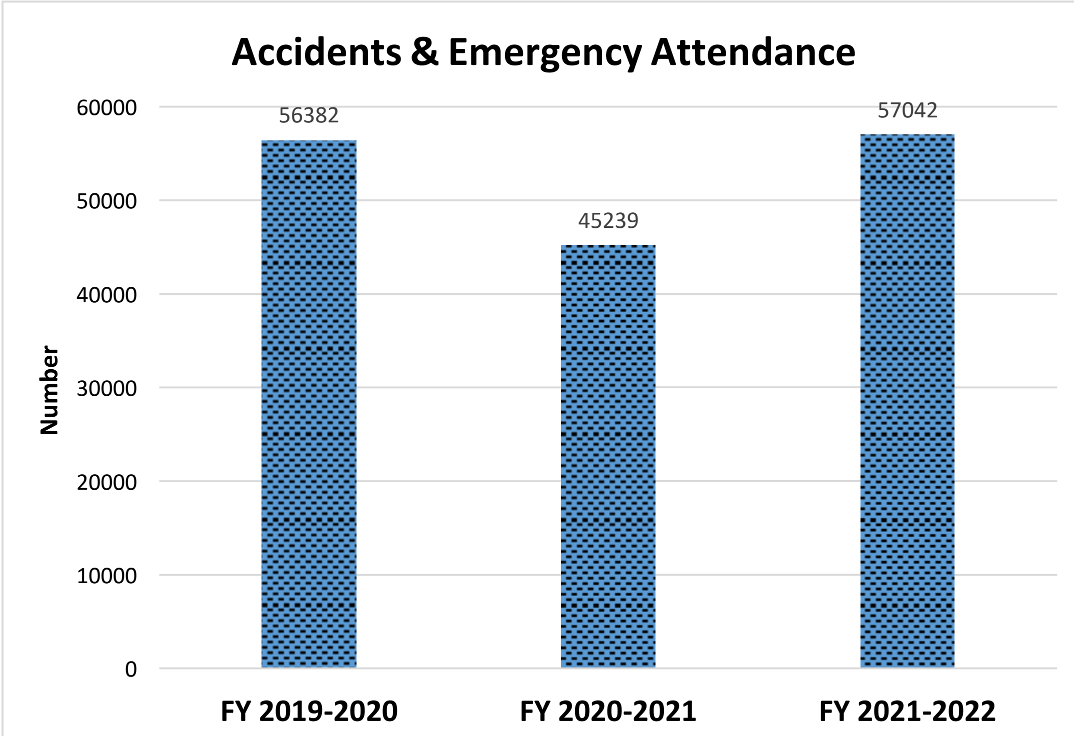
	FY 2019-2020	FY 2020-2021	FY 2021-2022
Available Beds	524	541	850

The number of Beds reduced in the financial year 2021/2022 due to closure of the COVID 19 Isolation Ward.

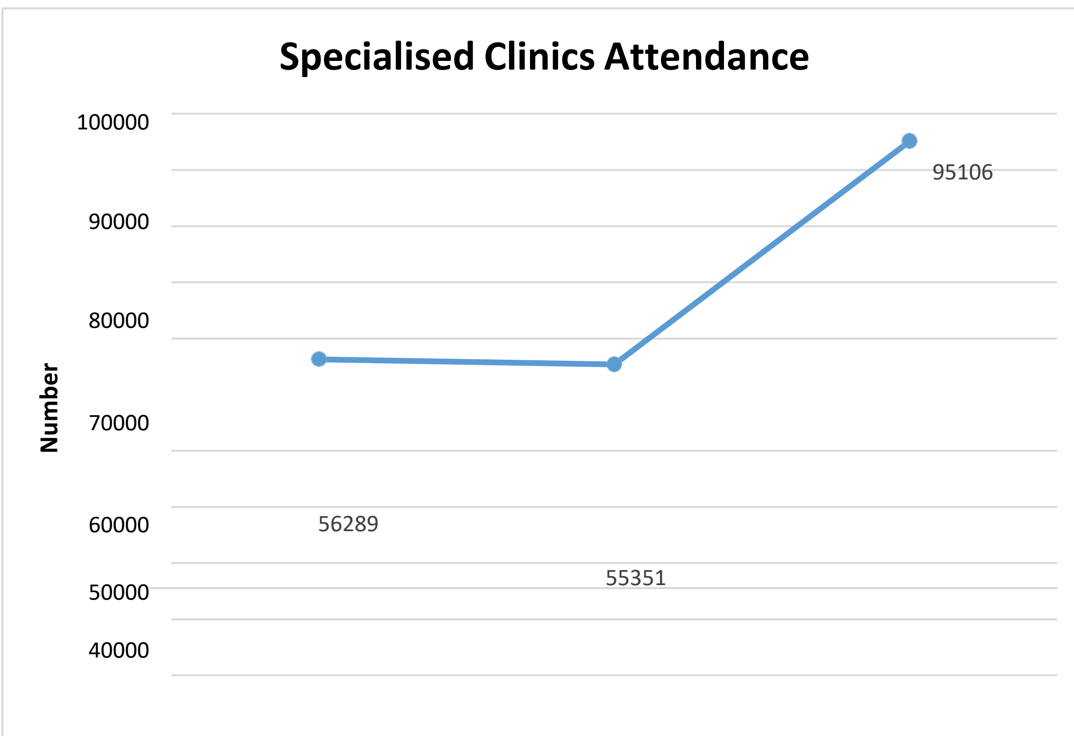
2. Patient Attendance: OPD Visits and Inpatient Admissions



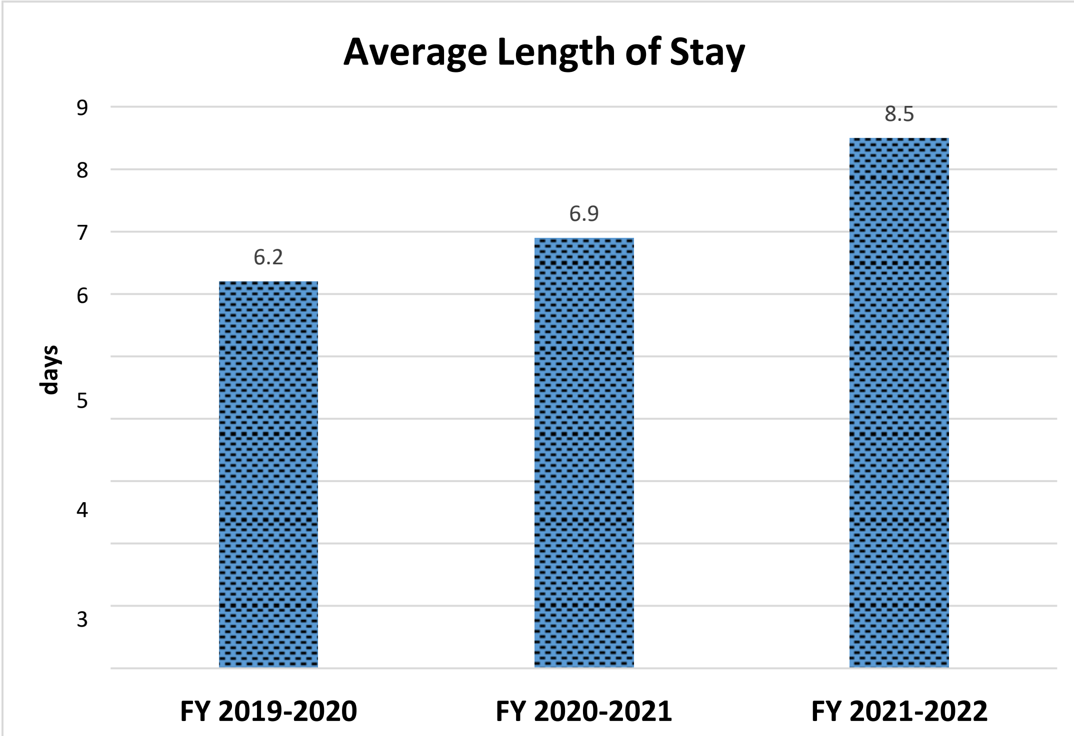
3. Accident and Emergency (Casualty) attendance



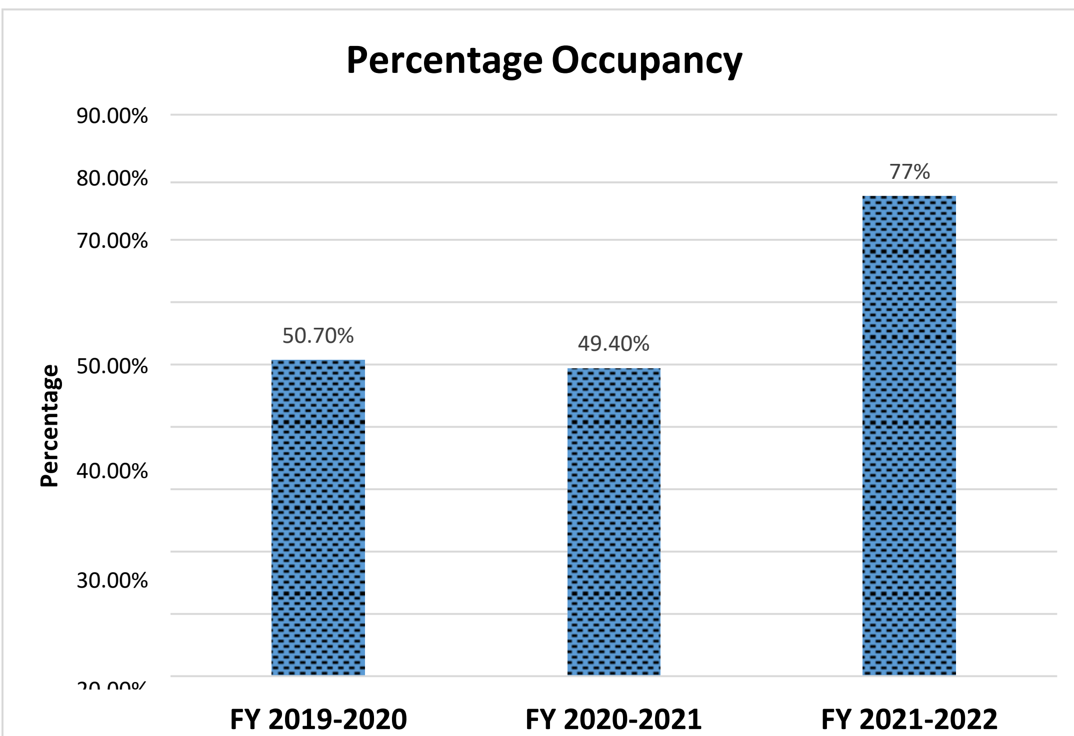
4. Specialised Clinics attendance



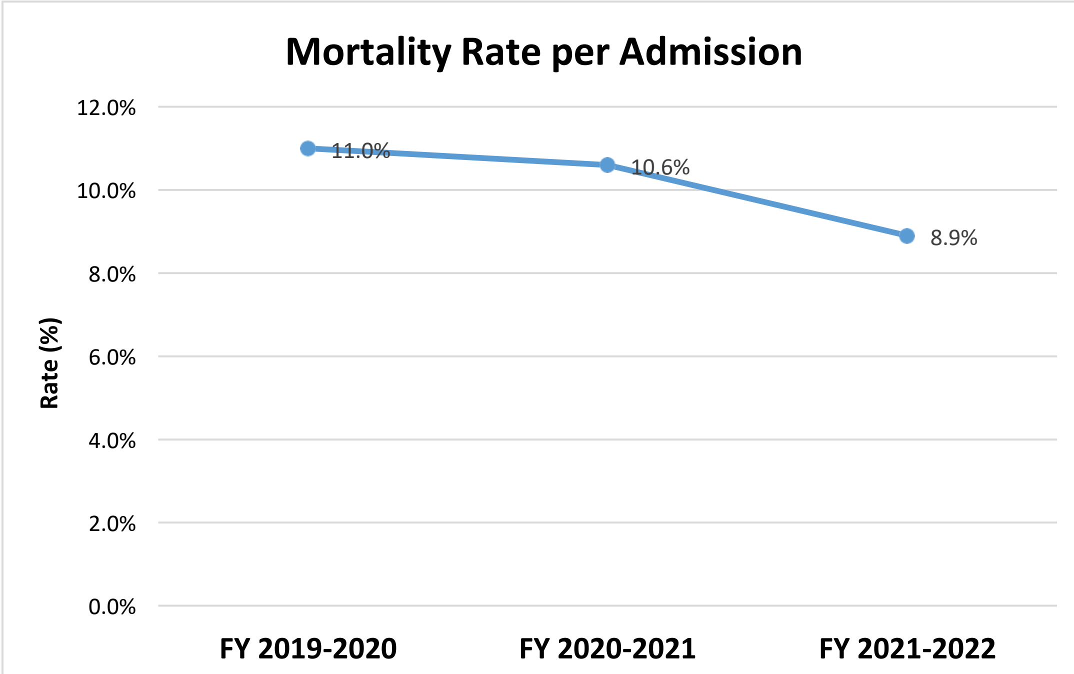
5. Average Length of Stay (In-patients) in Days



6. Bed Occupancy rate

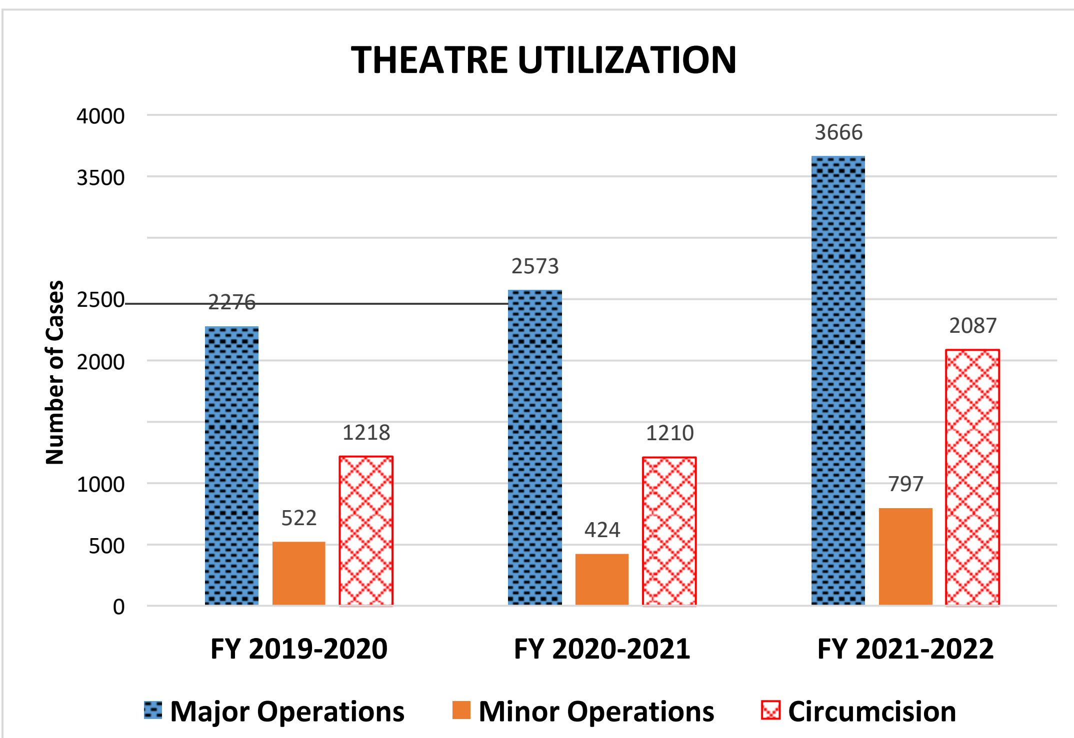


7. Mortality rate

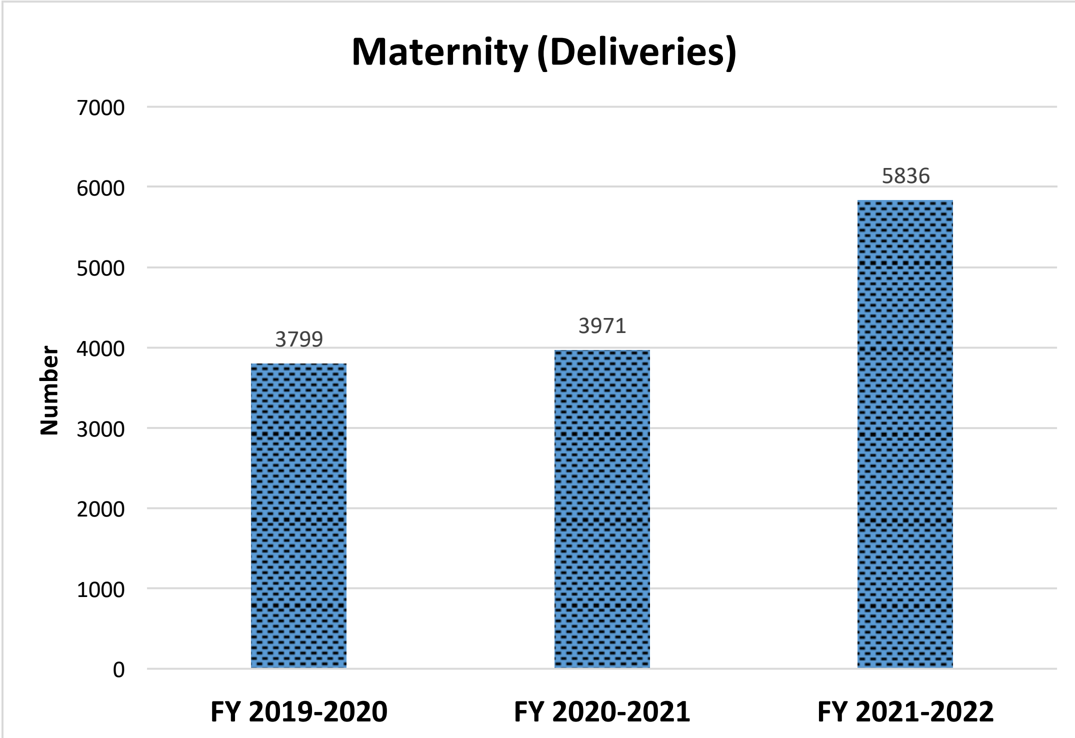


There is a notable decrease in mortality rates over the period.

8. Surgical Theatre utilization



9. Maternity (Total Deliveries)



Note:

Figures are low generally between the year 2020 and 2021 due to the COVID 19 pandemic that affected service delivery at the facility.

Financial performance that

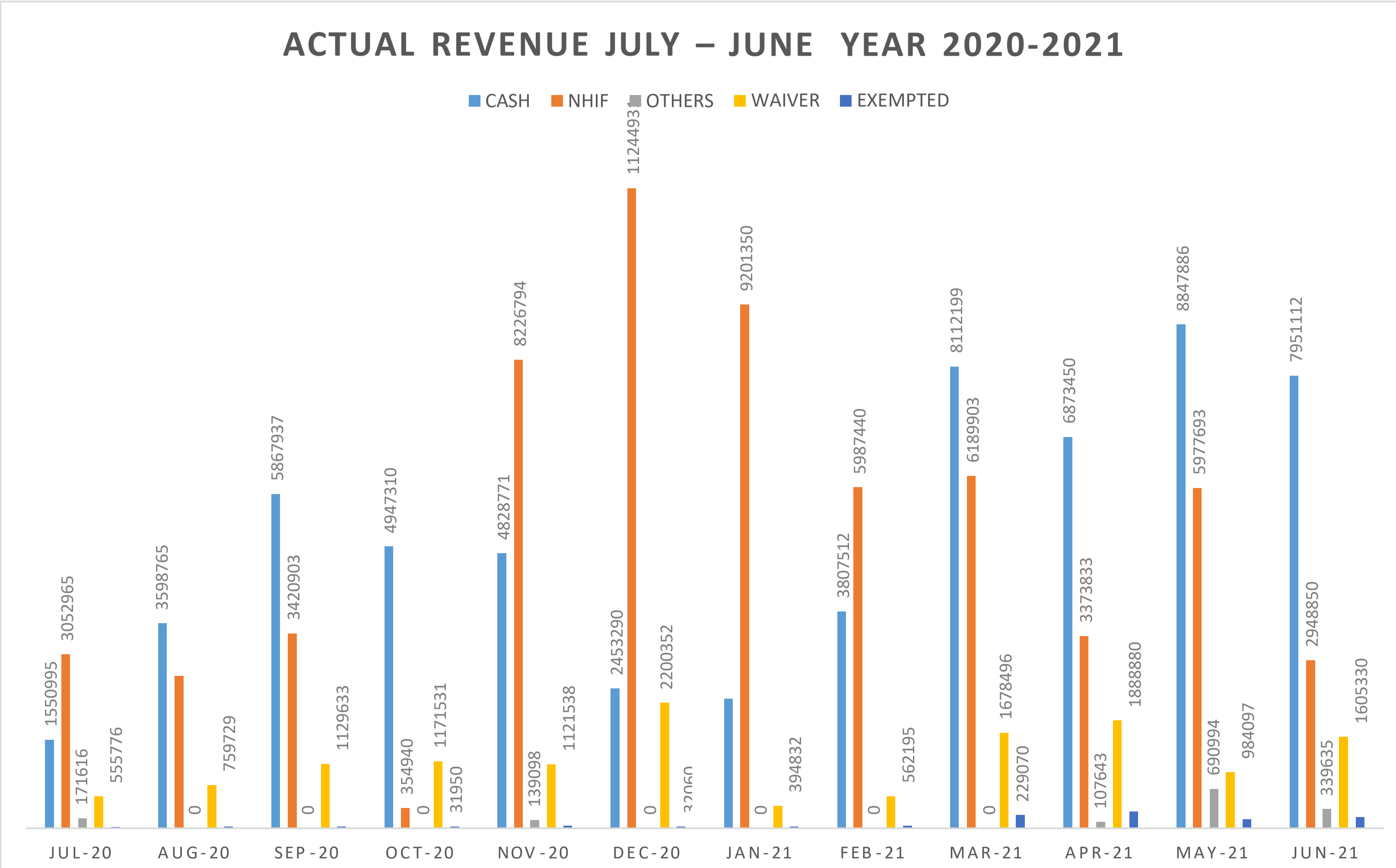
includesRevenue Sources

JOOTRH revenue Sources Includes:

- Conditional Grants
- User Fees Comprising of
    - Cash collection
    - Nhif Collections
    - Other insurances such as AON,
    - Training Fees

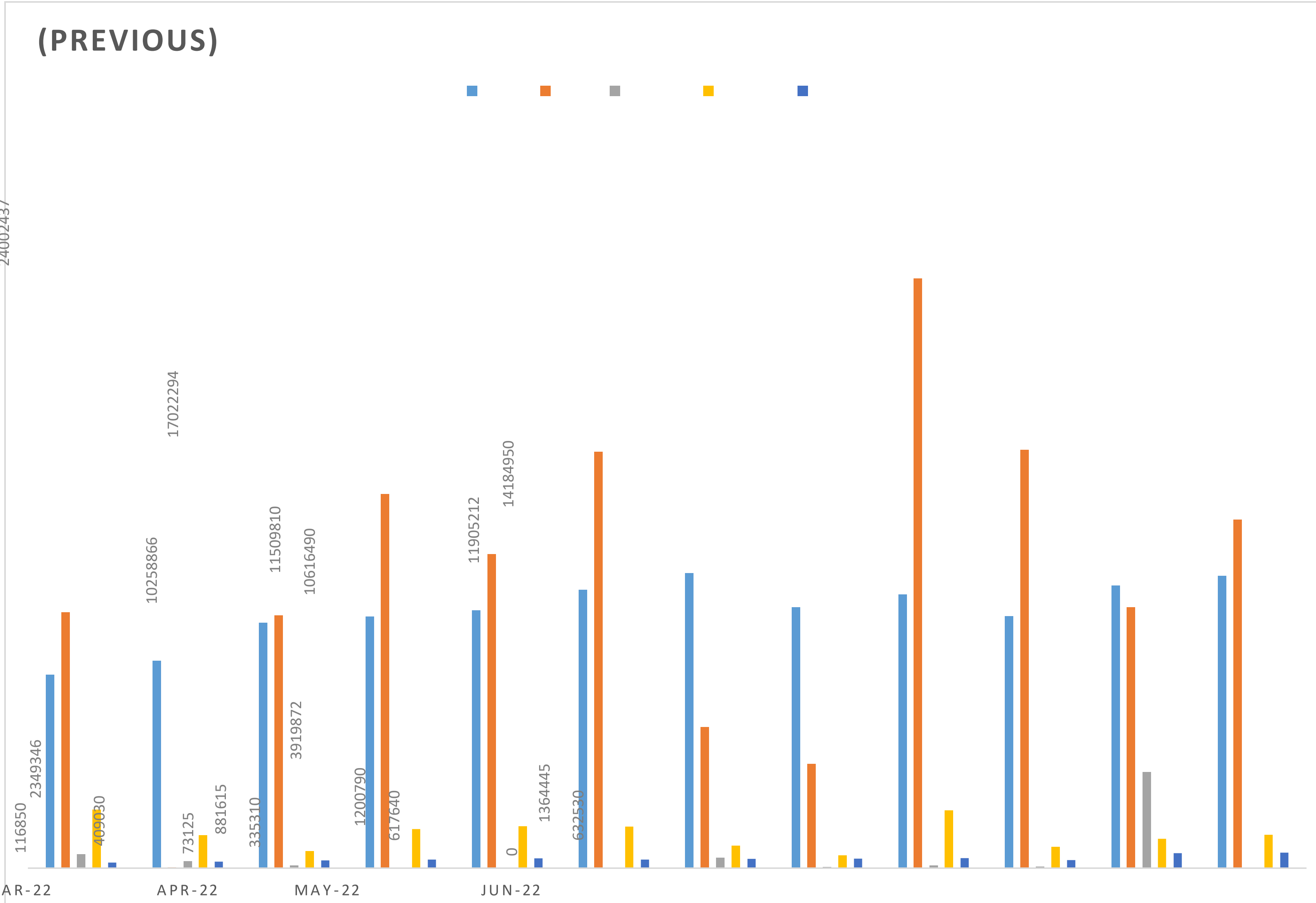
Analysis of revenue performance for the two financial years is as listed below:

COMPARATIVE ANALYSIS OF REVENUE FY 2020/202 – 2021/202



ACTUAL REVENUE JULY - JUNE YEAR 2021-2022

EXEMPT



(PREVIOUS)
24002437
17022294
14184950
11139495
10258866
11509810
10616490
11905212
2349346
116850
409030
73125
881615
335310
3919872
1200790
617640
0
1364445
632530
MAR-22
APR-22
MAY-22
JUN-22

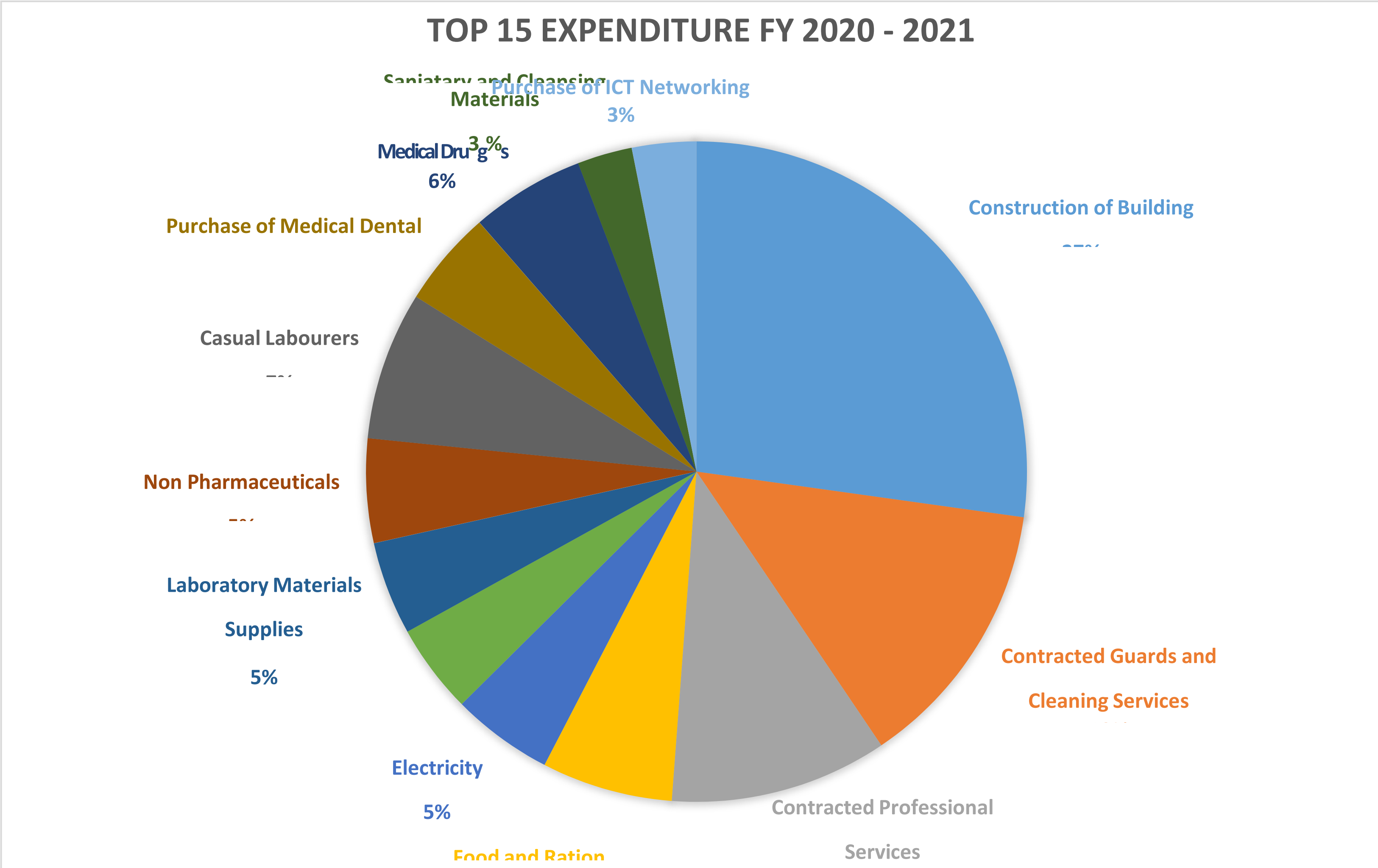
COMPARATIVE ANALYSIS OF EXPENDITURE FY 2020/2021 – 2021/2022

A. EXPENDITURE RETURN FY 2020 - 2021

CODE	*ITEM DESCRIPTION*	*ALLOCATION*	*EXPENDITURE*	*BALANCE*
2211305-00001001-0401015060-50600001	Contracted Guards and Cleaning Services	30,092,880	30,091,880	1,000
2210101-00001001-0401015060-50600001	Electricity	11,200,000	11,200,000	-
2210102-00001001-0401015060-50600001	Water And Sewerages	9,870,000	9,870,000	-
2211015-00001001-0401015060-50600001	Food and Ration	14,476,960	14,472,925	4,035
2210503-00001001-0401015060-50600001	Subscription To Newspapers	50,000	48,180	1,820
2210302-00001001-0401015060-50600001	Accommodation Domestic Travel	950,000	950,000	-
2211101-00001001-0401015060-50600001	General Stationery	3,474,670	3,474,447	223
2110202-00001001-0401015060-50600001	Casual Labourers	16,400,000	16,397,813	2,187
2211310-00001001-0401015060-50600001	Contracted Professional Services	24,000,000	24,000,000	-
2211001-00001001-0401015060-50600001	Medical Drugs	12,561,452	12,559,916	1,536
2210201-00001001-0401015060-50600001	Refined Fuel and Lubricants	3,828,000	3,824,263	3,737
2210701-00001001-0401015060-50600001	Travelling Training Tuitions	1,630,000	1,629,487	513
2210802-00001001-0401015060-50600001	Board Allowances	2,417,500	2,416,500	1,000
2211021-00001001-0401015060-50600001	Purchase of Bedding Linen	1,320,380	1,318,880	1,500
2210502-00001001-0401015060-50600001	Publishing Printing	3,287,500	3,285,909	1,591
2211008-00001001-0401015060-50600001	Laboratory Materials Supplies	10,306,018	10,302,807	3,211
2220201-00001001-0401015060-50600001	Maintenance of Plant Machinery Equipments	4,313,964	4,313,964	-
2211002-00001001-0401015060-50600001	Non Pharmaceuticals	11,507,531	11,507,165	366
3110299-00001001-0401015060-50600001	Construction of Building	61,400,000	61,375,794	24,206
2211103-00001001-0401015060-50600001	Sanitary and Cleansing Materials	6,051,250	6,049,331	1,919
2211011-00001001-0401015060-50600001	Production and Audio Visual	2,737,636	2,733,458	4,178
2211204-00001001-0401015060-50600001	Other Fuels	3,113,650	3,112,911	739

2210504-00001001-0401015060-50600001	Advertisement awareness	1,066,950	1,066,712	238
3111002-00001001-0401015060-50600001	Purchase of ICT Networking	7,088,430	7,083,574	4,856
2220205-00001001-0401015060-50600001	Maintaince of Building Station	4,483,480	4,456,703	26,777
2210201-00001001-0401015060-50600001	Telephone Telex	1,060,000	1,059,770	230
2220101-00001001-0401015060-50600001	Maintainance of Motorvehicles	1,350,000	1,326,100	23,900
3110902-00001001-0401015060-50600001	Purchase Of Household Appliances	482,906	478,984	3,922
3111101-00001001-0401015060-50600001	Purchase of Medical Dental Equipment	10,657,485	10,655,756	1,729
2210203-00001001-0401015060-50600001	Postal Courier Services	20,000	18,323	1,677
3111111-00001001-0401015060-50600001	Purchase of Office Furniture	450,000	447,000	3,000
3111114-00001001-0401015060-50600001	Purchase Of Theraphy Appliances	914,111	913,298	813
2210705-00001001-0401015060-50600001	MARWA SCHEME	900,000	900,000	-
2210301-00001001-0401015060-50600001	Transport Freight	120,471	116,010	4,461
		263,583,224	**263,457,860**	**125,364**

Utilization Rate 99.95%

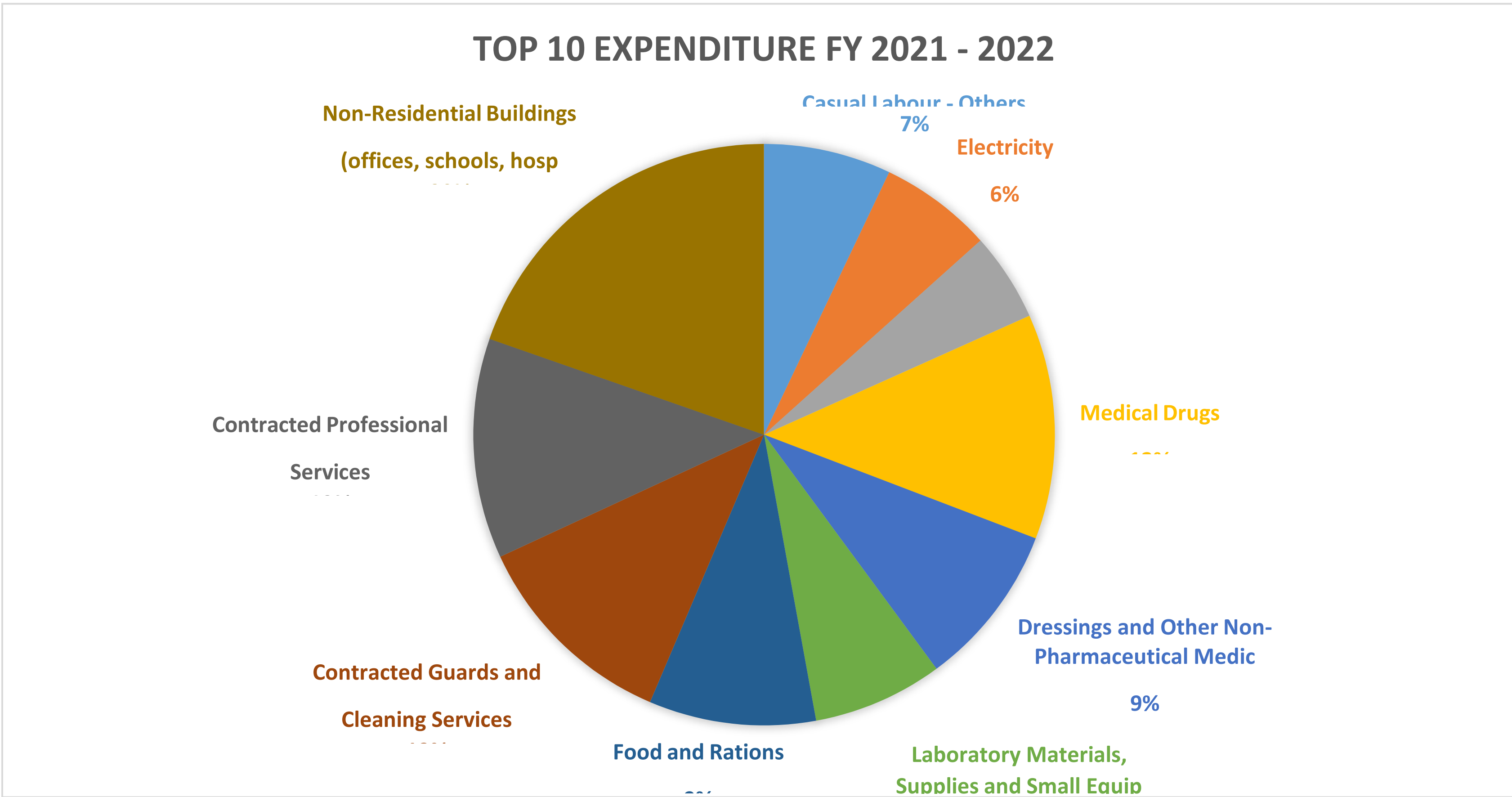

TOP 15 EXPENDITURE FY 2020 - 2021
Materials
Purchase of ICT Networking
3%
3%
Medical Drugs
6%
Purchase of Medical Dental
Construction of Building
Casual Labourers
Non Pharmaceuticals
Laboratory Materials
Supplies
5%
Contracted Guards and
Cleaning Services
Electricity
5%
Contracted Professional
Services

B. EXPENDITURE RETURNS FY 2021 - 2022

AIE Details	SUBITEM DESCRIPTION	Total AIES	Commitments+Payments	Balance
0-5063-5063000201-50600306-2110202-00001001-0407015060	Casual Labour – Others	24,482,000.00	24,482,000.00	0.00
0-5063-5063000201-50600306-2210101-00001001-0407015060	Electricity	21,700,000.00	21,700,000.00	0.00
0-5063-5063000201-50600306-2210102-00001001-0407015060	Water and sewerage charges	17,050,000.00	17,050,000.00	0.00
0-5063-5063000201-50600306-2210201-00001001-0407015060	Telephone, Telex, Facsimile and Mobile Phone	1,075,000.00	1,068,035.00	6,965.00
0-5063-5063000201-50600306-2210203-00001001-0407015060	Courier and Postal Services	15,000.00	14,200.00	800.00
0-5063-5063000201-50600306-2210302-00001001-0407015060	Accommodation - Domestic Travel	2,130,000.00	2,223,130.00	70.00
0-5063-5063000201-50600306-2210502-00001001-0407015060	Publishing and Printing Services	4,915,900.00	4,915,900.00	0.00
0-5063-5063000201-50600306-2210503-00001001-0407015060	Subscriptions to Newspapers, Magazines and P	45,000.00	45,000.00	0.00
0-5063-5063000201-50600306-2210504-00001001-0407015060	Advertising, Awareness and Publicity Campaigns	650,000.00	647,229.00	2,771.00
0-5063-5063000201-50600306-2210701-00001001-0407015060	Travel Allowance	4,892,509.00	4,892,509.00	0.00
0-5063-5063000201-50600306-2210802-00001001-0407015060	Boards, Committees, Conferences and Seminar	3,177,500.00	3,177,249.00	251.00
0-5063-5063000201-50600306-2211001-00001001-0407015060	Medical Drugs	43,255,758.00	43,255,758.00	0.00
0-5063-5063000201-50600306-2211002-00001001-0407015060	Dressings and Other Non-Pharmaceutical Medic	31,430,885.00	31,430,885.00	0.00
0-5063-5063000201-50600306-2211008-00001001-0407015060	Laboratory Materials, Supplies and Small Equip	25,010,846.00	25,010,846.00	0.00
0-5063-5063000201-50600306-2211015-00001001-0407015060	Food and Rations	32,089,090.00	32,089,090.00	0.00
0-5063-5063000201-50600306-2211021-00001001-0407015060	Purchase of Bedding and Linen	3,802,200.00	3,791,924.00	10,276.00
0-5063-5063000201-50600306-2211028-00001001-0407015060	Purchase of X-Rays Supplies	5,728,540.00	5,726,469.00	2,071.00
0-5063-5063000201-50600306-2211101-00001001-0407015060	General Office Supplies (papers, pencils, forms,	5,372,322.00	5,371,590.00	732.00
0-5063-5063000201-50600306-2211103-00001001-0407015060	Sanitary and Cleaning Materials, Supplies and S	7,731,100.00	7,724,970.00	6,130.00
0-5063-5063000201-50600306-2211201-00001001-0407015060	Refined Fuels and Lubricants for Transport	8,192,600.00	8,188,830.00	3,770.00
0-5063-5063000201-50600306-2211204-00001001-0407015060	Other Fuels (wood, charcoal, cooking gas etc…)	4,024,050.00	4,024,050.00	0.00

0-5063-5063000201-50600306-2211305-00001001-0407015060	Contracted Guards and Cleaning Services	40,399,000.00	40,398,799.00	201.00
0-5063-5063000201-50600306-2211310-00001001-0407015060	Contracted Professional Services	42,320,000.00	42,320,000.00	0.00
0-5063-5063000201-50600306-2220101-00001001-0407015060	Maintenance Expenses - Motor Vehicles	6,270,000.00	6,270,000.00	0.00
0-5063-5063000201-50600306-2220201-00001001-0407015060	Maintenance of Plant, Machinery and Equipment	6,239,051.00	6,237,040.00	2,011.00
0-5063-5063000201-50600306-2220205-00001001-0407015060	Maintenance of Buildings and Stations -- Non-Re	7,861,598.00	7,859,381.00	2,217.00
0-5063-5063000201-50600306-3110202-00001001-0407015060	Non-Residential Buildings (offices, schools, hosp	67,937,955.00	67,937,955.00	0.00
0-5063-5063000201-50600306-3110902-00001001-0407015060	Purchase of Household and Institutional Applian	177,896.00	176,341.00	1,555.00
0-5063-5063000201-50600306-3111001-00001001-0407015060	Purchase of Office Furniture and Fittings	1,100,000.00	1,084,679.00	15,321.00
0-5063-5063000201-50600306-3111002-00001001-0407015060	Purchase of Computers, Printers and other IT Eq	7,021,120.00	7,021,120.00	0.00
0-5063-5063000201-50600306-3111101-00001001-0407015060	Purchase of Medical and Dental Equipment	10,793,850.00	10,789,944.00	3,906.00
0-5063-5063000201-50600306-3111114-00001001-0407015060	Purchase of Survey Equipment	620,592.00	618,760.00	1,832.00
Total for Head 5063000201		437,511,362.00	437,450,483.00	60,879.00
Total for Vote 5063 DEPARTMENT OF PUBLIC HEALTH,MEDICAL AND BIOMEDICAL SERVICES		437,511,362.00	437,450,483.00	60,879.00

Utilization Rate 99.99%



DR GEORGE OTIENO RAE
CHIEF EXECUTIVE OFFICER

IX. Environmental And Sustainability Reporting

JOOTRH 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 promotesustainability.

i) Sustainability strategy and profile

JOOTRH and its stakeholders are increasingly emphasizing on the need to ensure sustainability for both its investments and its resource mobilization and financing capabilities with an objective of ensuring that JOOTRH going concern is secured. The hospital has conducted a basic assessment of available options for feasible financing tools that would assure the hospital of its long-term sustainability. The hospital has reviewed its current resource mobilization strategies and proposed feasible sustainability financing options, which include:

- Introduction of new specialized services such as heart surgery services, renal transplant, neurosurgical services, oncology services etc.
- Public Private Partnership
- Upgrading the hospital to national referral to get more funding
- Enhancing Client satisfaction through quality service care
- Bringing on board more financial institutions i.e. lobbying for more engagement with other insurance firms

ii) Environmental performance

JOOTRH is using the National Health Care Waste Management policy guideline which is guiding us in the management of the waste that we generate in the organization and we have a copy of the policy**.**

Successes

- We are having colour-coded bins [receptacles] at all generation points in the departments.
- There are segregation posters alongside the receptacles to guide in the segregation ofwaste.
- We have waste treatment equipment within the organization that helps us treat ourwaste and we only dispose off non-contaminated waste to the dumping site.

- The general cleanliness of the organization is well maintained both indoors andgrounds**.**

Challenges

- Frequent breakdown of the equipment and the cost of repair.
- High cost electricity bill.
- Shortage of staffs.
- Delay of funds disbursement.

Efforts to Reduce Environmental Impact of Waste Products

The waste passes through a microwave during treatment process, which renders it harmless before they are taken to the dumpsite.

The incinerator burns the waste at a very high temperature and the products is harmless.

iii) Employee welfare

Hiring process involves bringing new employees on board. This is the mandate of the County Public Service Board reference made from the Public Service Commission Human Resource Manual and procedures May 2016, mentioned in section B whichprovides the rules governing recruitment and appointment of new officers.

Improvement of employee skills and career management is done through employee sponsorship to further their studies in line with their careers. This is done by sponsorship and supporting employees to attend short causes offered by the government institutions.

Training programs are based on the identified needs from the training needs assessments and are emphasized for performance improvement addressing both individual and organizational goals.

Performance management system is a process conducted by the employer to identify areas of weakness and support the individuals in order to get better results. It"s an annual exercise intended to provide employees with clear understanding of job expectations, regular feedback on performance, advice and steps for improving performance, rewards for good performance and actions for poor performance. It helps to measure performance and ultimately the achievement of intended results for the organization.

The Human Resource Manual procedures also provides for guidelines and standards for the prevention and protection of officer against accidents and occupational hazards arising at the work place. It provides for guidelines, procedures and modalities for the administration and payment of compensation for work related injuries and accidents contracted while and in the course of employment.

iv) Market place practices

a) Responsible completion practices

This is effectively done through proper use of the available website for advertisement purposes as well as making good use of the instituted internal committees to help minimize anticorruption.

b) Responsible supply chain and supplier relations

Ensures best involvement of suppliers in the tendering process and feedback given to suppliers in good time.

c) Responsible marketing and advertisement

Effectively done through the use of website and daily newspapers

Corporate social responsibility/community engagement

d) Corporate social responsibility

Support to adolescent leaving with HIV/Aids being trained on photography supported by partner program to ensure self-reliance.

Cancer patients supported by Food and agricultural organization (FAO) through JOOTRH to develop conical gardens in their homes to enhance nutritional sustainability.

Organization of free medical camps

Based on assessment, patients have reduce medical cost including waivers given by the hospital.

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 the state of the *hospital's* affairs.

Principal activities

The principal activities of the entity are to provide quality and affordable preventive, promotive, rehabilitative and curative health services in both east and central Africa.

Results

The results of the entity for the year ended June 30 are set out on page 1 to 9

Board of Management

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

Auditors

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

By Order of the Board

....

DR GEORGE OTIENO RAE

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

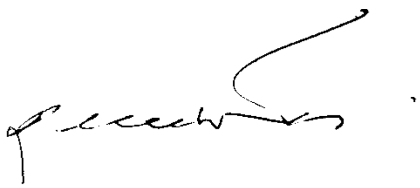
The Board of Management is responsible for the preparation and presentation of the JOOTRH‟s financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) maintaining 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 Hospital (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

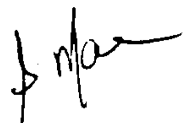
The Board of Management accepts responsibility for the JOOTRH‟s financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 The Board members are of the opinion that the JOOTRH‟s financial statements give a true and fair view of the state of entity‟s transactions during the financial year ended June 30, 2022 and of the entity‟s financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Hospital, which have been relied upon in the preparation of the entity‟s financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Board of management to indicate that the JOOTRH 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 __________________ and signed on its behalf by:





………………………………………..

Name: Rahmesh Mehta
Chairperson
Board of Management

……………………………………….

Name: Dr. George Rae
Accounting Officer

XII. Report of the Independent Auditor (Jaramogi Oginga Odinga Teaching & Referral Hospital)

XIII. Statement of Financial Performance for the Year Ended 30 June 2022

Description	Notes	2021/22	2020/21
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6	363,925,376.85	0.00
Public contributions and donations	8	115,638,484	0.00
		479,563,860.85	**0.00**
Revenue from exchange transactions			
Rendering of services- Medical Service Income	9	125,602,281	0.00
Revenue from rent of facilities	10	159,500	0.00
Other income (*other sales including containers)*	11	51,600	0.00
Revenue from exchange transactions		**125,813,381**	**0.00**
Total revenue		**605,377,241.85**	**0.00**
Expenses			
Medical/Clinical costs	12	356,721,981.20	0.00
Employee costs	13	66,802,000	0.00
Board of Management Expenses	14	3,177,249	0.00
Repairs and maintenance	15	20,366,421	0.00
General expenses	16	87,970,947	0.00
Total expenses		**535,038,598.20**	**0.00**
Other gains/(losses)			
Medical services contracts Gains/Losses	17	21,355,803	0.00
Total other gains/(losses)		**21,355,803**	**0.00**

Net Surplus for the year		**91,694,446.65**	**0.00**
Attributable to:			
		91,694,446.65	**0.00**

(The notes set out on pages 10 to 39 form an integral part of the Annual Financial Statements.)

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

Rahmesh Mehta **Chairman** **Board of Management**	**Benard Ndege** **Head of Finance** **ICPAK No:13829**	**Dr. George Rae** **Chief Executive Office**

XIV. Statement of Financial Position as of 30th June 2022

Description	Notes	2021/22	2020/21
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	18	43,630,023	0.00
Receivables from exchange transactions	20	15,721,864	0.00
Inventories	21	56,301,958	0.00
Total Current Assets		**115,653,845**	**0.00**
Non-current assets			
Property, plant, and equipment	22	77,565,375	0.00
Total Non-current Assets		**77,565,375**	**0.00**
Total assets		**193,219,220**	**0.00**
Liabilities			
Current liabilities			
Trade and other payables	23	101,483,138	0.00
Total Current Liabilities		**101,483,138**	**0.00**
Non-current liabilities			
Total Non-current liabilities			
Total Liabilities		**101,483,138**	**0.00**
Net assets			
Revaluation reserve		41,635.35	0.00
Accumulated surplus/Deficit		91,694,446.65	0.00
		91,736,082	**0.00**
Total Net Assets and Liabilities		**193,219,220**	**0.00**

(*The notes set out on pages 10 to 39 form an integral part of the Annual Financial Statements*.)

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

Rahmesh Mehta
Chairman

Board of Management

Benard Ndege
Head of Finance

ICPAK No:13829

Dr. George Rae
Chief Executive Office

XV. Statement of Changes in Net Asset for The Year Ended 30 June 2022

	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2020	**0.00**	**0.00**	**0.00**	**0.00**
Revaluation gain	0.00	-	-	0.00
Surplus/*(deficit)* for the year	-	41,635.35	-	41,635.35
Capital/Development grants	-	-	0.00	0.00
As at June 30, 2021	**0.00**	**41,635.35**	**0.00**	**41,635.35**
At July 1, 2021	**0.00**	**41,635.35**	**0.00**	**41,635.35**
Revaluation gain	0.00	-	-	0.00
Surplus/(deficit) for the year	-	91,694,446.65	-	0.00
Capital/Development grants	-	-	0.00	0.00
At June 30, 2022	**0.00**	**91,736,082**	**0.00**	**0.00**

(*The notes set out on pages 10 to 39 form an integral part of the Annual Financial Statements*.)

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

……………………………… ……………………………… ………………………………

Rahmesh Mehta
Chairman

Board of Management

Benard Ndege
Head of Finance

ICPAK No:13829

Dr. George Rae
Chief Executive Office

XVI. Statement of Cash Flows for The Year Ended 30 June 2022

Description		**2021/22**	**2020/21**
	Note	**Kshs**	**Kshs**
Cash flows from operating activities			
Receipts			
Transfers from the County Government	6	363,925,376.85	0.00
Public contributions and donations	8	115,638,484	000
Rendering of services- Medical Service Income	9	125,602,281	0.00
Revenue from rent of facilities	10	159,500	0.00
Other receipts(*specify)*	11	51,600	0.00
Medical Service Contracts Gains/Losses	17	21,355,803	0.00
Total Receipts		**626,733,044.85**	**0.00**
Payments			
Medical/Clinical costs	12	356,721,981.20	0.00
Employee costs	13	66,802,000	0.00
Board of Management Expenses	14	3,177,249	0.00
Repairs and maintenance	15	20,366,421	0.00
General expenses	16	87,970,947	0.00
Adjusted for decrease/increase (Asset -Liabilities)		(29,459,316.00)	
Total Payments		**505,579,282.20**	**0.00**
Net cash flows from operating activities	24	**121,153,762.65**	**0.0**

Cash flows from investing activities			
Purchase of property, plant, equipment, & intangible assets	22	(77,565,375)	(0.00)
Net cash flows used in investing activities		**(77,565,375)**	**(0.00)**
Cash flows from financing activities			
Net cash flows used in financing activities		**(0.00)**	**(0.00)**
Net increase/(decrease) in cash and cash equivalents		**0.00**	**(0.00)**
Cash and cash equivalents at 1 July		41,635.35	0.00
Cash and cash equivalents at 30 July	19	**43,630,023**	**0.00**

The notes set out on pages *10 to 39* form an integral part of the Annual Financial Statements. The Hospital‟s financial statements were approved by the Board on and signed on its behalf by:

Rahmesh Mehta
Chairman

Board of Management

Benard Ndege
Head of Finance

ICPAK No:13829

Dr. George Rae
Chief Executive Office

XVII. Statement Of Comparison of Budget and Actual Amounts For The Year Ended 30 June 2022

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	a	**b**	**c=(a+b)**	**d**	**e=(c-d)**	**f=d/c%**
	Kshs	**Kshs**	**Kshs**	**Kshs**	**Kshs**	
Revenue						
Transfers from the County Government	369,070,349	0.00	369,070,349	363,925,376.85	5,144,972.20	98.6%
Public contributions and donations	115,638,484	0.00	115,638,484	115,638,484	0.00	100%
Rendering of services- Medical Service Income	125,602,281	0.00	125,602,281	125,602,281	0.00	100%
Revenue from rent of facilities	417,000	0.00	417,000	159,500	257,500	38.24%
Other receipts (*Other sales)*	51,600	0.00	51,600	51,600	0.00	100%
Total income	**610,779,714.00**	**0.00**	**610,779,714.00**	**605,377,242.00**	**5,402,472.00**	**99.12%**
Expenses						
Medical/Clinical costs	207,967,091.00	0.00	207,967,091	188,702,170.00	19,264,921	90.74%
Employee costs	70,128,000.00	0.00	70,128,000.00	66,802,000.00	3,326,000.00	95.26%
Remuneration of directors	3,177,249.00	0.00	3,177,249.00	3177249.00	0.00	100%
Repairs and maintenance	20,398,735.00	0.00	20,398,735.00	20,366,421.00	32,314.00	99.84%
General expenses	97,622,800.00	0.00	97,622,800.00	87,970,947.00	9,651,853.00	90.11%
Capital expenditure	106,804,325.00	**0.00**	106,804,325.00	**77,565,375**	29,238,950	72.62%

NB

- Capital Expenditure realized low utilization of 72.62% due to inadequate funding
- Revenue received from rent of facilities realized 38..24% due late payment of rent by the tenant.
- The Medical costs in the financial performance leading to kshs 356,721,981.20 compared to statement of comparison ofbudget of kshs 188,702,170 leading to a difference of kshs 168,019,811.20 illustrated as below:

Donations of	kshs 108,638,484
Accrued Expenses	kshs 59,489,761
Total	**kshs 168,019,811.20**

The notes set out on pages x to xx form an integral part of the Annual Financial Statements. The Hospital"s financial statements were approved by the Board on__________________and signed on its behalf by:

Rahmesh Mehta **Chairman** **Board of Management**	**Benard Ndege** **Head of Finance** **ICPAK No:13829**	**Dr. George Rae** **Chief Executive Office**

XVIII. Notes To the Financial Statements

1. General Information

JOOTRH entity is established by and derives its authority and accountability from PFM Act 2012. The entity is wholly owned by the Kisumu Count Kenya and is domiciled in Kisumu Kenya. The entity‟s principal activity are to provide quality and affordable preventive, promotive, rehabilitative and curative health services in both east and central Africa.

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. Italso requires management to exercise judgement in the process of applying the entity‟s accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xvii. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the entity.

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

3. Adoption of New and Revised Standards

IPSASB deferred the application date of standards from 1st January 2022 owing to Covid 19. This was done to provide entities with time to effectively apply the standards. Thedeferral 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 inthe year ended 30 June 2022.

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

	performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	**Applicable: 1st January 2023:** a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.
Other improvements to IPSAS	***Applicable 1st January 2023*** • *IPSAS 22 Disclosure of Financial Information about the General Government Sector*. Amendments to refer to the latest System of National Accounts (SNA 2008). • *IPSAS 39: Employee Benefits* Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • **IPSAS 29: Financial instruments: Recognition and Measurement** Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.
IPSAS 43	***Applicable 1st January 2025*** The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the

	financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	***Applicable 1st January 2025*** The Standard requires, 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 od such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.

ii. **Early adoption of standards**

The entity did not early – adopt any new or amended standards in the year 2021/2022

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other Government entities

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

Revenue from exchange transactions

Rendering of services

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 is right to receive payments is established.

Rental income

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

b) Budget information

The original budget for Board approved FY 2021/2022 on ***01/07/2022*** Subsequent revisions or additional appropriations were made to the approved budget in accordancewith specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of on the FY 2021/2022 budget following the Board‟s approval. The entity‟s budget isprepared on a different basis to the actual income and expenditure disclosed in the financialstatements. 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 theapproved 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 of these financial statements.

c) Taxes

Sales tax/ Value Added Tax

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

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

d) Investment property

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

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of one year. Investment properties are derecognized when either 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 anasset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the 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 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

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 availablefor 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, suchfinancial 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.

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 interestrate. 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.

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.

ii) 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.

iii) 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.

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 moreuncertain 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.

iv) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

v) 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.

vi) 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.

vii) 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 inforeign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlementof 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.

viii) 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.

ix) 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 of nursing, Director of clinical services, director finance and administration, CEO and senior managers.

x) 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.

xi) 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.

xii) Comparative figures

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

xiii) 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 parametersavailable when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur.(IPSAS 1.140)

Useful lives and residual values

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

- The condition of the asset based on the assessment of experts employed by the Entity.

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xxx. 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.

6. Transfers From The County Government

Description	2021/22	2020/21
	KShs	KShs
Unconditional grants		
Level 5 grants	298,153,917	0.00
	298,153,917	**0.00**
Conditional grants		
User fee forgone	65,771,459.85	0.00
Total government grants and subsidies	**363,925,376.85**	**0.00**

NB: The Kshs. 363,925,376.85 includes funds for the previous financial year 2020/2021 which were reimbursed in the financial year 2021/2022, it also includes user forgone fee. The breakdown is as follows:

1. County receipts 2020/2021 - Kshs. 110,080,998.00
2. Development from County 2020/2021 - Kshs. 41,737,955.00
3. County receipts 2021/2022 - Kshs. 146,334,964.00
4. User forgone Fee``` - Kshs. 65,771,459.85

TOTAL - Kshs. 363,925,376.85

7. Transfers from the County Government

Name of the Entity sending the grant	Amount recognized to Statement of financial performance KShs	Amount deferred under deferred income KShs	Amount recognised in capital fund. KShs	Total grant income during the year KShs	Total 2020/21 KShs
Kisumu County Government	256,415,962	0.00	41,737,955	0.00	298,153,917
Total	**256,415,962**	**0.00**	**41,737,955**	**0.00**	**298,153,917**

8. Public Contributions and Donations

Description	2021/22	2020/21
	KShs	KShs
Donations from other international organisations and individuals	115,638,484	0.00
Total donations and sponsorships	**115,638,484**	**0.00**

Donations were received from KEMSA, WHO, UNICEF and AMREF

9. Rendering of Services-Medical Service Income

Description	2021/22	2020/21
	KShs	KShs
Pharmaceuticals	19,869609.84	0.00
Non-Pharmaceuticals &Inpatient services	20,766,155.16	0.00
Laboratory	20,921,513	0.00
Radiology	26,049,165	0.00
Orthopedic and Trauma Technology	1,335,828	0.00
Theatre	5,998,234	0.00
Child Welfare Clinic	35,000	0.00

Accident and Emergency Service	1,290,040	0.00
Renal Services	1,183,360	0.00
Occupational Therapy	313,720	0.00
Orthopaedic	46,050	0.00
Ear Nose and Throat service	206,025	0.00
Eye Services	74,800	0.00
Medical Examination	56,400	0.00
Medical Records	6,374,440	0.00
Research and Training fees	3,332,750	0.00
T.S.SU	843,410	0.00
Physiotherapy	475,990	0.00
Dental services	2,035,900	0.00
Reproductive health	102,833	0.00
Outpatient	293,800	0.00
Paediatrics services	725,145	0.00
Farewell home services	12,520,062	0.00
Other medical services income	147,895	0.00
ICU	604,156	0.00
Total revenue from the rendering of services	**125,602,281**	**0.00**

10. Revenue from Rent of Facilities

Description	2021/22	2020/21
	KShs	KShs
Residential property	159,500	0.00
Total Revenue from rent of facilities	**159,500**	**0.00**

11. Other Income

Description	2021/22	2020/21
	KShs	KShs
Sale of goods (water, publications, containers etc)	51,600	0.00
Total other income	**51,600**	**0.00**

12. Medical/ Clinical Costs

Description	2021/22	2020/21
	KShs	KShs
Dental costs/ materials	5,423,544	0.00
Laboratory chemicals and reagents	25,010,846	0.00
Food and Ration	32,089,090	0.00
Uniform, clothing, and linen	3,791,924	0.00
Dressing and Non-Pharmaceuticals	31,432,745.20	0.00
Pharmaceutical supplies	151,785,808	0.00
Health information stationery	10,287,490	0.00
Sanitary and cleansing Materials	7,724,970	0.00
Purchase of Medical gases(other fuels)	8,130,624	0.00
X-Ray/Radiology supplies	5,726,469	0.00
Computer Accessories & Stationery	7,021,120	00
Rehabilitative Services	618,760	0.00
Other medical related clinical costs (*Refined fuel)*	8,188,830	0.00
Accrued Expenses	59,489,761	000
Total medical/ clinical costs	**356,721,981**	**0.00**

13. Employee Costs

Description	2021/22	2020/21
	KShs	KShs
Salaries, wages, and allowances	66,802,000	0.00
Employee costs	**66,802,000**	**66,802,000**

14. Board of Management Expenses

Description	2021/22	2020/21
	KShs	KShs
Sitting allowance	3,177,249	0.00
Total	**3,177,249**	**0.00**

15. Repairs And Maintenance

Description	2021/22	2020/21
	KShs	KShs
Medical and Plant equipment	6,237,040	0.00
Motor vehicle expenses	6,270,000	0.00
Maintenance of civil works	7,859,381	0.00
Total repairs and maintenance	**20,366,421**	**0.00**

16. General Expenses

Description	2021/22	2020/21
	KShs	KShs
Advertising and publicity expenses	647,229	0.00
Bank charges	25,245	0.00
Contracted services	40,398,797	0.00
Electricity expenses	21,700,000	0.00
Travel and accommodation allowance	2,129,930	0.00
Courier and postal services	14,200	0.00
Water and sewerage costs	17,050,000	0.00
Telephone and mobile phone services	1.068,035	0.00
Staff training and development	4,892,509	0.00
Subscriptions to newspapers periodical, magazines, and gazette notices	45,000	0.00
Total General Expenses	**87,970,947**	**0.00**

17. Medical Services Contracts Gains /Losses

Description	**2021/22**	**2020/21**
	KShs	**KShs**
Waivers and Exemptions	21,355,803	0.00
Total Gain/Loss	**21,355,803**	**0.00**

18. Cash And Cash Equivalents

Description	**2021/22**	**2020/21**
	KShs	**KShs**
Current accounts	43,630,023	0.00
Total cash and cash equivalents	**43,630,023**	**0.00**

19. Detailed Analysis of Cash and Cash Equivalents

Description		**2021/22**	**2020/21**
Financial institution	**Account number**	**KShs**	**KShs**
a) **Current account**			
Kenya Commercial bank	1150668849	43,630,023	0.00
Equity Bank, etc		0.00	0.00
Sub- total		**43,630,023**	**0.00**
b) On - call deposits			
Kenya Commercial bank		0.00	0.00
Equity Bank – etc		0.00	0.00
Sub- total		**0.00**	**0.00**
c) Fixed deposits account			
Bank Name		0.00	0.00
Sub- total		**0.00**	**0.00**
d) Others(*specify*)		0.00	0.00
cash in hand		0.00	0.00
Mobile money- Mpesa, Airtel money		0.00	0.00

Sub- total		**0.00**	**0.00**
Grand total		**43,630,023**	**0.00**

20. Receivables From Exchange Transactions

Description	2021/22	2020/21
	KShs	KShs
Medical services receivables	15,464,364	0.00
Rent receivables	257,500	0.00
Total receivables	**15,721,864**	**0.00**

21. Inventories

Description	2021/22	2020/21
	KShs	KShs
Pharmaceutical supplies	19,398,351	0.00
Maintenance supplies	2,119,673	0.00
Food supplies	924,756	0.00
Non Pharmaceuticals	14,242,661	0.00
Laboratory Supplies	11,834,065	
Radiology and Imaging	1,312,460	0.00
Dental Supplies	2085077	0.00
Other Fuels	22,800	0.00
Printing and Publishing	513,800	0.00
Linen and clothing supplies	1,786,140	0.00
Cleaning materials supplies	1,193,715	0.00
General supplies	868,460	0.00
Less: provision for impairment of stocks	(0.00)	(0.00)
Total	**56,301,958.00**	**0.00**

22. Property, Plant and Equipment

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Capital Work in progress	Total
	Shs		Shs	Shs	Shs	Shs	Shs	Shs
Cost								
At 1st July 2021	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
Additions	0.00	67,937,955.00	0.00	1,084,679.00	0.00	8,366,400.00	0.00	**77,565,375.00**
Disposals	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	**(0.00)**
Transfer/adjustments	0.00	0.00	0.00	0.00	0.00	0.00	(0.00)	**0.00**
At 30th June 2022	**0.00**	**67,937,955.00**	**0.00**	**1,084,679.00**	**0.00**	**8,366,400.00**	**0.00**	**77,565,375.00**
Net book values								
At 30th June 2022	**0.00**	**67,937,955.00**	**0.00**	**1,084,679.00**	**0.00**	**8,366,400.00**	**0.00**	**77,565,375.00**

23. Trade And Other Payables

Description	**2021/22**	**2020/21**
	KShs	**KShs**
Trade payables	**101,483,138**	0.00
Total trade and other payables	**101,483,138**	**0.00**

24. Cash Generated from Operations

	2021/22	**2020/21**
Surplus for the year before tax	**KShs**	**KShs**
Adjusted for:	91,694,446.60	
Depreciation	0.00	0.00
Non-cash grants received	(0.00)	(0.00)
Impairment	0.00	0.00
Gains and losses on disposal of assets	(0.00)	(0.00)
Contribution to provisions	0.00	0.00
Contribution to impairment allowance	0.00	0.00
Working Capital adjustments		
Increase in inventory	(56,301,958.00)	(0.00)
Increase in receivables	(15,721,864.00)	(0.00)
Increase in deferred income	0.00	0.00
Increase in payables	101,483,138.00	0.00
Increase in payments received in advance	0.00	0.00
Net cash flow from operating activities	**121,153,762.60**	**0.00**

25. 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 seeksto 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:

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2020				
Receivables from exchange transactions	0.00	0.00	0.00	0.00
Receivables from –non-exchange transactions	0.00	0.00	0.00	0.00
Bank balances	0.00	0.00	0.00	0.00
Total	**0.00**	**0.00**	**0.00**	**0.00**
At 30 June 2022				
Receivables from exchange transactions	15,721,864	0.00	0.00	0.00
Receivables from –non-exchange transactions	0.00	0.00	0.00	0.00
Bank balances	43,630,023	0.00	0.00	0.00
Total	**59,351,887**	**0.00**	**0.00**	**0.00**

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

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

(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.

	Less than 1	Between 1-	Over 5	
	month	3 months	months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2022				
Trade payables	0.00	59,489,761	42,131,251	101,483,138
Current portion of borrowings	0.00	0.00	0.00	0.00
Provisions	0.00	0.00	0.00	0.00
Deferred income	0.00	0.00	0.00	0.00
Employee benefit obligation	0.00	0.00	0.00	0.00
Total	**0.00**	**59,489,761**	**42,131,251**	**101,483,138**
At 30 June 20xx				
Trade payables	0.00	0.00	0.00	0.00
Current portion of borrowings	0.00	0.00	0.00	0.00
Provisions	0.00	0.00	0.00	0.00
Deferred income	0.00	0.00	0.00	0.00
Employee benefit obligation	0.00	0.00	0.00	0.00
Total	**0.00**	**0.00**	**0.00**	**0.00**

(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 ongoing 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.

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

The entity 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:

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.

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
20xx			
Euro	10%	0.00	0.00
USD	10%	0.00	0.00
20xx			
Euro	10%	0.00	0.00
USD	10%	0.00	0.00

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.

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of financial performance if current floating interest rates increase/decrease by one .

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:

	2021/22	2020/21
	Kshs	Kshs
Revaluation reserve	0.00	0.00
Retained earnings	41635.35	0.00
Capital reserve	0.00	0.00
Total funds	41,635.35	0.00
Total borrowings	0.00	0.00
Less: cash and bank balances	(0.00)	(0.00)
Net debt/ (*excess cash and cash equivalents*)	0.00	0.00
Gearing	0.00%	0.00%

26. 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 the *entity*, holding 100% of the *entity's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

Notes to the Financial Statements (Continued)

i) The National Government;

ii) The Parent Ministry;

iii) Xxx;

iv) Xxx;

v) Xxx;

vi) Key management;

vii) Board of directors;

Description	2021/22	2020/21
	Kshs	Kshs
Transactions with related parties		
a) Services offered to related parties		
Services to xxx	0.00	0.00
Sales of services to xxx	0.00	0.00
Total	**0.00**	**0.00**
b) Grants from the Government		
Grants from County Government	0.00	0.00
Grants from the National Government Entities	0.00	0.00
Donations in kind	0.00	0.00
Total	**0.00**	**0.00**
c) Expenses incurred on behalf of related party		

Payments of salaries and wages for xxx employees	0.00	0.00
Payments for goods and services for xxx	0.00	0.00
Total	**0.00**	**0.00**
d) Key management compensation		
Directors" emoluments	3,177,249.00	0.00
Compensation to the medical Sup	0.00	0.00
Compensation to key management	0.00	0.00
Total	**3,177,249.00**	**0.00**

27. Segment Information

28. Events After The Reporting Period

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

29. Ultimate And Holding Entity

The entity is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of Health. Its ultimate parent is the Government of Kenya.

30. Currency

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

I. Appendices

Appendix 1: Progress on Follow up Of Auditor Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	**Issue / Observations from Auditor**	**Management comments**	**Status: *(Resolved / Not Resolved)***	**Timeframe: *(Put a date when you expect the issue to be resolved)***

Guidance Notes:

(i) Use the same reference numbers as contained in the external audit report.

(ii) Obtain the "Issue/Observation" and "management comments", required above, from the final external audit report that is signedby Management.

(iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible the forimplementation of each issue.

(iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

……………………………… Accounting Officer: Dr. George Rae

APPENDIX II: Projects Implemented by the Entity

Projects

Projects implemented by the Hospital Funded by development partners

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1. Modern Kitchen		UNDP	1 year	35,000,000.00	YES	NO
2						

APPENDIX III: Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Radiotherapy Centre	165,622,113.00		62%	165,622,113.00	165,622,113.00	County
2	Neuro-surgical Ward	18,226,440.00		88.37%	18,226,440.00	18,226,440.00	County
3	Orthopedic and Burns Ward	31,290,034.00		100%	31,290,034.00	31,290,034.00	County

APPENDIX IV: Inter-Entity Confirmation Letter

[Insert your Letterhead]

[Insert name of beneficiary entity]

[Insert Address]

The *[insert SC/SAGA/Fund name here]* wishes to confirm the amounts disbursed to you as at 30th June 2022 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us.

Confirmation of amounts received by [Insert name of beneficiary entity] as at 30th June 2022

		Amounts Disbursed by [SC/SAGA/Fund] (KShs) as at 30th June 2022				Amount Received by [beneficiary entity] (KShs) as at 30th June 2021 (E)	Differences (KShs) (F)=(D-E)
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Inter–Ministerial (C)	Total (D)=(A+B+C)		

Total							

In confirm that the amounts shown above are correct as of the date indicated.

Head of Accountants department of beneficiary entity:

Name ………………………………………….. Sign …………………………….Date .... ____________

APPENDIX V Reporting of Climate Relevant Expenditures

Name of the Organization______________N/A_________________

Telephone Number__________________N/A___________________

Email Address________________N/A____________________

Name of Medical Supp/MD/Head______________N/A____________

Name and contact details of contact person (in case of any clarifications) …………………

Project Name	**Project Description**	**Project Objectives**	**Project Activities**					**Source Of Funds**	**Implementing Partners**
				Q1	**Q2**	**Q3**	**Q4**		

APPENDIX VI Disaster Expenditure Reporting Template

Date:

Entity

Period to which this report refers (FY)	Year			Quarter		
Name of Reporting Officer						
Contact details of the reporting officer:	Email			Telephone		
Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments

10 ADOPTION SCHEDULE

We Members of the Health, Housing and Sanitation do hereby affix our signatures to affirm the correctness and support for this report and every information prescribed here in.

	NAME	POSITION	SIGNATURE
1.	Hon Vincent Jagongo	Chairperson	
2.	Hon Emily Oginga	Vice Chairperson	
3.	Hon Seth Okumu	Member	
4.	Hon Jennipher Obonyo	Member	
5.	Hon Nereah Okombo	Member	
6.	Hon Seth Kanga	Member	
7.	Hon Carren Ajwang'	Member	
8.	Hon Joachim Oketch	Member	
9.	Hon Kennedy Ooko	Member	
10.	Hon Kennedy Ouko	Member	
11.	Hon Mickey Ochieng'	Member	
12.	Hon Pamela Oyoo	Member	
13.	Hon Patrick Owade	Member	
14.	Hon Geofrey Warindo	Member	
15.	Hon Moses Ochele	Member	