



**SUMMARY REPORT  
OF THE AUDITOR-GENERAL  
ON LEVEL 4 AND LEVEL 5 HOSPITALS IN KENYA  
FINANCIAL YEAR 2021/2022**



## **VISION**

Making a difference in the lives and livelihoods of the Kenyan people



## **MISSION**

Audit services that impact on effective and sustainable service delivery



## **OUR CORE VALUES**

Integrity ● Credibility ● Relevance  
Accountability ● Independence

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## List of Abbreviations

<b>Abbreviation</b>	<b>Description</b>
FEFO	First Expiry First Out
FIFO	First In First Out
HDU	High Dependency Unit
ICU	Intensive Care Unit
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standards of Supreme Audit Institutions
NHIF	National Health Insurance Fund
NSSF	National Social Security Fund
PAYE	Pay As You Earn
PPB	Pharmacy and Poisons Board
PSASB	Public Sector Accounting Standards Board
UHC	Universal Health Coverage



## Foreword

This report is a summary of the findings in the audit reports of Level 4 and Level 5 hospitals for the year ended 30 June, 2022.

The Constitution of Kenya, under the Bill of Rights, provides that every person has a right to the highest attainable standard of health. This includes the right to health care services, including reproductive health care.

The Sustainable Development Goals (SDGs), which were adopted by the United Nations in 2015, emphasize the importance of good health and well-being. SDG 3 aims to promote health and well-being for people of all ages. It underscores the importance of addressing communicable and non-communicable diseases, maternal and child health, affordable medicines and vaccines, and environmental health. SDG 10 on the other hand aims at reducing inequalities and one way of achieving this is by providing equitable access to health services through Universal Health Care (UHC) based on enhanced primary care.

The First Schedule of Health Act, 2017 sets out the technical classification of levels of health care. The Kenya Quality Model for Health Policy Guidelines (KQMH), developed by the Ministry of Health and implemented by the Kenya Medical and Dentists Practitioners Council (KMDPC), specify the needs of each level of hospital in terms of staffing, services and equipment.

A crucial step towards realizing the right to health was the devolution of key health services to County Governments under the Constitution. The devolved system of government defines the responsibilities of the National Government and County Governments. Notably, health services were devolved to County Governments, with the National Government retaining oversight of health policy guidelines and the three national referral hospitals, namely Kenyatta National Hospital (KNH), Moi Teaching and Referral Hospital (MTRH), and Kenyatta University Teaching Research and Referral Hospital (KUTRRH).

The forty seven (47) County Governments assumed the management of hospitals within their jurisdictions, comprising Community Facilities (Level 1), Health Dispensaries (Level 2), Health Centres (Level 3), County Hospitals (Level 4) and County Referral Hospitals (Level 5).

According to the Kenya Master Health Facility list by the Ministry of Health, there are a total of three hundred and fifty-eight (358) Level 4 hospitals and fourteen (14) Level 5 hospitals in the Country. For the financial year ended 30 June, 2022, fifty (50) Level 4 hospitals and eight (8) Level 5 hospitals submitted their financial statements for audit, marking the commencement of the inaugural audit for these fifty-eight (58) hospitals as self-accounting entities.

Hospitals play a crucial role in the implementation of healthcare, a key pillar for the Government Agenda. The healthcare pillar focuses on; Primary Healthcare, Universal Health Coverage (UHC), Health Systems Capacity, and Health Data Systems.

The Office of the Auditor-General has expanded its audit scope in tandem with the increase in Government programs aimed at fostering sustainable development and delivery of quality services to citizens. The expanded responsibilities call for enhanced support from Parliament and the Executive so that the Office can build capacity to comprehensively execute its mandate.

The individual audit reports of each of the hospitals for the year ended 30 June, 2022 containing my opinion have already been submitted to the Senate, County Assemblies and the Medical Superintendents who are the Accounting Officers. A consolidated report containing the individual audit reports is submitted separately.

I would like to express my sincere gratitude to the entire staff of the Office of the Auditor-General for their unwavering commitment, passion, and professionalism in conducting the audit of Level 4 and Level 5 hospitals. I wish also to appreciate my clients, the auditees for their cooperation during the audit process.



**FCPA Nancy Gathungu, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**26 January, 2024**

## 1. Introduction

### 1.1. Constitutional Mandate of the Auditor-General

The Auditor-General is mandated by the Constitution of Kenya, under Article 229, to audit and report on the use of public resources by all entities funded from public funds. These entities include; the National Government, County Governments, the Judiciary, Parliament, Statutory Bodies/State Corporations, Commissions, Independent Offices, Public Debt, Political Parties funded from public funds, other Government agencies and any other entity funded from public funds. The mandate of the Auditor-General is further expounded by the Public Audit Act, 2015.

The Constitution requires the Auditor-General to audit and submit the audit reports of the public entities to Parliament and the relevant County Assemblies by 31 December, every year. In carrying out the mandate, the Auditor-General, is also required by the Constitution under Article 229(6) to assess and confirm whether the public entities have used the public resources entrusted to them lawfully and in an effective way.

Further, the objects and authority of the Auditor-General, as outlined in Article 249 of the Constitution, are: to protect the sovereignty of the people; to secure the observance by all State Organs of democratic values and principles; and to promote constitutionalism. The Auditor-General has also been given powers by the Constitution, under Article 252, to conduct investigations, conciliations, mediations and negotiations and to issue summons to witnesses for the purpose of investigations.

The mandate of the Auditor-General as enshrined in the Constitution, has been operationalized by the Public Audit Act, 2015 and the Public Finance Management Act, 2012. In addition, the Auditor-General carries out audits in accordance with the International Organization of Supreme Audit Institutions (INTOSAI) Framework of Professional Pronouncements.

### 1.2. Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the International Public Sector Accounting Standards (IPSAS), as prescribed by the Public Sector Accounting Standards Board (PSASB). Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of the Public Finance Management Act, 2012 and Section 47 of the Public Audit Act, 2015.

Management is also responsible for maintaining effective internal control environment, necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for the assessment of the effectiveness of internal control, risk management and governance.

Further, Management is required to ensure that the activities, financial transactions and information reflected in the financial statements are in compliance with the law and other relevant or applicable authorities, and that public resources are applied in an effective way.

Those charged with governance are responsible for; overseeing the financial reporting process; reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements; ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management; and ensuring the adequacy and effectiveness of the control environment.

### **1.3. Auditor-General's Responsibility**

My responsibility is to conduct an audit of the financial statements in accordance with the International Standards of Supreme Audit Institutions (ISSAIs), and to issue an auditor's report. The audit report includes my opinion as provided by Section 48 of the Public Audit Act, 2015, and the report is submitted to Parliament in compliance with Article 229(7) of the Constitution.

In addition, Article 229(6) of the Constitution requires me to express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the law and other authorities that govern them, and that public resources are applied in an effective way. I also consider the entities' control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems, in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

I am independent in accordance with Article 249(2) of the Constitution of Kenya and ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of public entities in the Republic of Kenya.

## 1.4. Structure of the Report

The structure of my report addresses the reporting requirements of Article 229(6) of the Constitution of Kenya, which requires that an audit report shall confirm whether or not public money has been applied lawfully and in an effective way. Section 7(1)(a) of the Public Audit Act, 2015 also requires that I provide assurance on the effectiveness of internal controls, risk management and overall governance in National and County Governments entities. In addition, the International Standards of Supreme Audit Institutions (ISSAIs), require the incorporation of Key Audit Matters in the report on the financial statements, which are those matters that I determine in my professional judgment, are of most significance in the audit of the financial statements as a whole, for the year under review. In order to address these requirements, my audit reports contain the following:

- i. **Report on Financial Statements**, in which I give an audit opinion on whether the financial statements present fairly, in all material respects the financial position and performance of the entity.
- ii. **Report on Lawfulness and Effectiveness in Use of Public Resources**, in which I give a conclusion on whether or not public money has been applied lawfully and in effective way.
- iii. **Report on Effectiveness of Internal Controls, Risk Management and Governance**, in which I give a conclusion on whether internal controls, risk management and overall governance were effective.

## 1.5. Audit Opinions

I have expressed different types of audit opinions based on the following criteria –

### **Unmodified Opinion**

The books of accounts and underlying records agree with the financial statements and no material misstatements were found. The financial statements present fairly, in all material respects the operations of the entity. The number of financial statements with unmodified opinion are two (2) as listed in **Appendix A**. One of the unmodified opinions was for financial statements of a Level 5 hospital while the other was for financial statements for a Level 4 hospital.

## Qualified Opinion

Financial transactions recorded are to a large extent in agreement with the underlying records, except for cases where I noted material misstatements or omissions in the financial statements. The issues though material, are not widespread or persistent. The number of financial statements with qualified opinion is forty (40) as listed in **Appendix B**. Out of the forty (40), three (3) were financial statements for Level 5 hospitals while the balance of thirty-seven (37) were related to financial statements for Level 4 hospitals.

## Adverse Opinion

The financial statements exhibit significant misstatements with the underlying accounting records. There is significant disagreement between the financial statements and the underlying books of accounts and/or standards. These problems are widespread, persistent and require considerable intervention by the Management to rectify them. The number of financial statements with an adverse opinion is twelve (12) as listed in **Appendix C**. Out of the twelve, four (4) were for Level 5 hospitals while eight (8) related to the financial statements of Level 4 hospitals.

## Disclaimer of Opinion

The financial statements exhibit serious and significant misstatements that may arise from inadequate information, limitation of scope, inadequacy or lack of proper records, such that I was not able to form an opinion on financial operations. The number of financial statements with disclaimer of opinion is four (4) as listed in **Appendix D**. These financial statements all relate to Level 4 hospitals.

## 1.6. Reporting Framework

The County Government Executive has previously accounted for Level 4 and Level 5 hospitals as a single line within the IPSAS cash template. The reporting framework under IPSAS Cash does not adequately disclose financial information relevant for decision-making by the various users of financial information. The Kenyan Government has implemented several public finance management reforms in response to increased demand for greater transparency and accountability in the utilization of resources within devolved healthcare units. Among them is the improvement of financial reporting in Level 4 and Level 5 hospitals.

The Public Sector Accounting Standards Board (PSASB) in May, 2022 prescribed the International Public Sector Accounting (Accrual Basis) for application by all Level 4 and Level 5 hospitals. The Board developed and issued the financial reporting templates to

assist the Level 4 and Level 5 hospitals adhere to the prescribed standards. The adoption date was set as 30 June, 2022.

## **1.7. Regulatory Framework**

The Health Act, 2017 sought to establish a unified health system, to coordinate the inter-relationship between the National Government and County Governments health systems, and to provide for the regulation of health care services, health care service providers, health products and health technologies.

The First Schedule of the Health Act, 2017 sets out the technical classification of the levels of healthcare. Further, the Ministry of Health through the Kenya Quality Model for Health Policy Guidelines (2016), defined resourcing requirements in terms of facilities, infrastructure, services offered, and personnel requirements for each category of hospital.

The County Governments have further enacted laws and regulations to operationalize the provision of health services under their jurisdictions as provided for in the Fourth Schedule of the Constitution of Kenya, which apportions different functions between the National and County Governments.

## **2 Key Audit Findings**

This summary identifies several cross-cutting issues that require urgent attention as they have serious implications on the sustainability of service delivery in Level 4 and Level 5 hospitals. These issues include:

- i. Failure to submit financial statements for audit
- ii. Budgetary performance and control
- iii. Financial reporting weaknesses
- iv. Exceptions in revenue receipts and recognition
- v. Asset management weaknesses
- vi. Pending bills, compliance and governance
- vii. Internal controls weaknesses
- viii. Challenges in NHIF claims management
- ix. Inadequacies in UHC as per Kenya Quality Model for Level 4 and Level 5 hospitals in terms of staffing, services and equipment

These issues are summarized in the ensuing paragraphs.

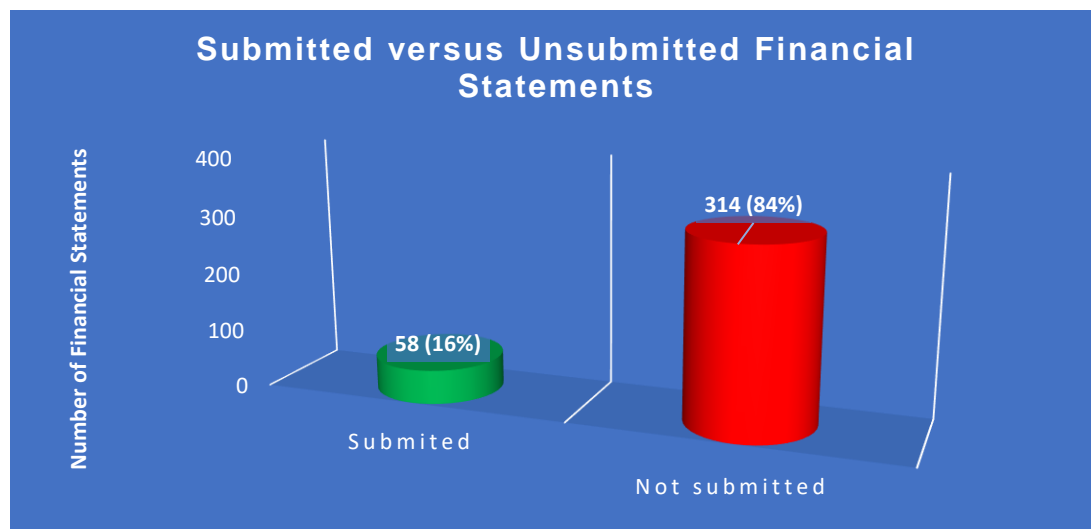
## 2.1 Failure to Submit Financial Statements for Audit

According to the Kenya Master Health Facility list by the Ministry of Health, there are three hundred and seventy-two (372) Level 4 and Level 5 hospitals in the Country. This total is made up of three hundred and fifty-eight (358) Level 4 hospitals and fourteen (14) Level 5 hospitals. In the year under review, only fifty-eight (58) hospitals submitted their financial statements for audit, comprising of fifty (50) Level 4 hospitals and eight (8) Level 5 hospitals. This implies that three hundred and eight (308) or 87% of the Level 4 hospitals did not submit their financial statements for audit. Six (6) out of the fourteen (14) Level 5 hospitals, or 29% of the total did not submit their financial statements. In general, only fifty-eight (58) or 16% of the Level 4 and Level 5 hospitals presented their financial statements for audit, which implies that three hundred and fourteen (314) or 84% of the Level 4 and Level 5 hospitals' financial statements out of the expected three hundred and seventy-two (372) financial statements were not submitted for audit as shown in **Table 1** below:

*Table 1: Submitted financial statements versus unsubmitted financial statements*

Hospital Level	Number of Hospitals	Financial Statements			
		Submitted	Not submitted	% Submitted	% Not Submitted
Level 5	14	8	6	57%	43%
Level 4	358	50	308	14%	86%
<b>Total</b>	<b>372</b>	<b>58</b>	<b>314</b>	<b>16%</b>	<b>84%</b>

The information is further illustrated by the graph below:



*Figure 1: Financial Statements Submission Status*



Failure to submit financial statements is contrary to Section 164 (1) of the Public Finance Management Act, 2012 which requires the Accounting Officer for a County Government entity to prepare financial statements in respect of the entity at the end of each financial year, in formats to be prescribed by the Accounting Standards Board. Further Section (4) (a) of the Act requires the Accounting Officer to within three months after the end of each financial year to submit the entity's financial statements to the Auditor-General.

## 2.2 Budgetary Control and Performance

Review of the fifty-eight financial statements submitted for audit established that seven hospitals did not disclose their budgeted expenditure in their statement of comparison of budget and actual amounts for the year ended 30 June, 2022. In addition ten (10) hospitals incurred expenditures that were above 50% of the budgeted amount, as detailed in **Appendix 1**.

In aggregate, the fifty-eight (58) hospitals had budgeted to spend Kshs.5,712,394,275 but incurred actual expenditure of Kshs.7,972,568,262 resulting in an over-expenditure of Kshs.2,260,173,987 or 40%, as tabulated in **Table 2** below:

*Table 2: Budgeted versus actual expenditure*

<b>Budgeted Versus Actual Expenditure</b>			
<b>Budgeted Amounts Kshs.</b>	<b>Actual Amounts Kshs.</b>	<b>Over-Expenditure Kshs.</b>	<b>% Over Expenditure</b>
5,712,394,275	7,972,568,262	2,260,173,987	40%

The over-expenditure indicates that some of the hospitals were not adhering to budgetary controls.

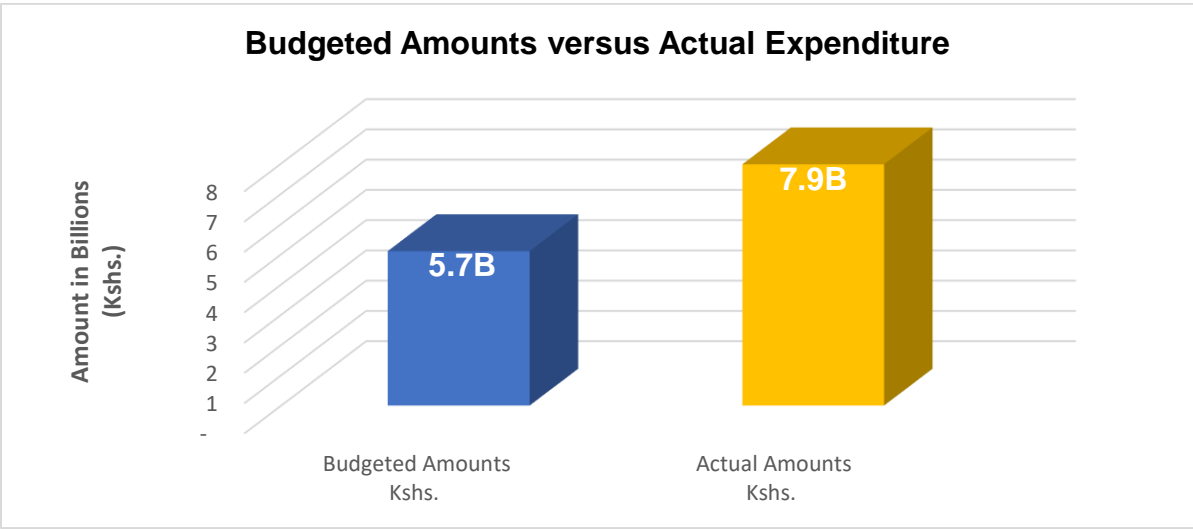


Figure 2: Budgeted versus Actual Expenditure

### 2.3 Financial Reporting Weaknesses

#### 2.3.1 Audit Opinion Expressed on the Financial Statements

Fifty (50) Level 4 hospitals submitted their financial statements for audit, out of which one (1) hospital representing 2% of the hospitals obtained an unmodified opinion. Thirty-seven (37) Level 4 hospitals had their financial statements qualified, representing 74% of the financial statements submitted. Eight (8) Level 4 hospitals representing 16% received adverse opinions on their financial statements, while four (4) hospitals representing 8% had a disclaimer of opinion.

Similarly, of the eight (8) Level 5 hospitals that submitted their financial statements, one (1) Level 5 hospital representing 12% had unmodified audit opinion, three(3) Level 5 hospitals representing 38% had qualified opinion on their financial statements, and four (4) Level 5 hospitals representing 50% of the financial statements submitted had an adverse opinion. The audit opinions issued are shown in Table3 below:

Table 3: Audit opinion on financial statements

Type of Opinion	Level 4		Level 5		Total	
	No.	%	No.	%	No.	%
Unmodified	1	2%	1	12%	2	3%
Qualified	37	74%	3	38%	40	69%
Adverse	8	16%	4	50%	12	21%
Disclaimer	4	8%	0	0%	4	7%
<b>Total</b>	<b>50</b>	<b>100%</b>	<b>8</b>	<b>100%</b>	<b>58</b>	<b>100%</b>

The opinions are graphically presented below:

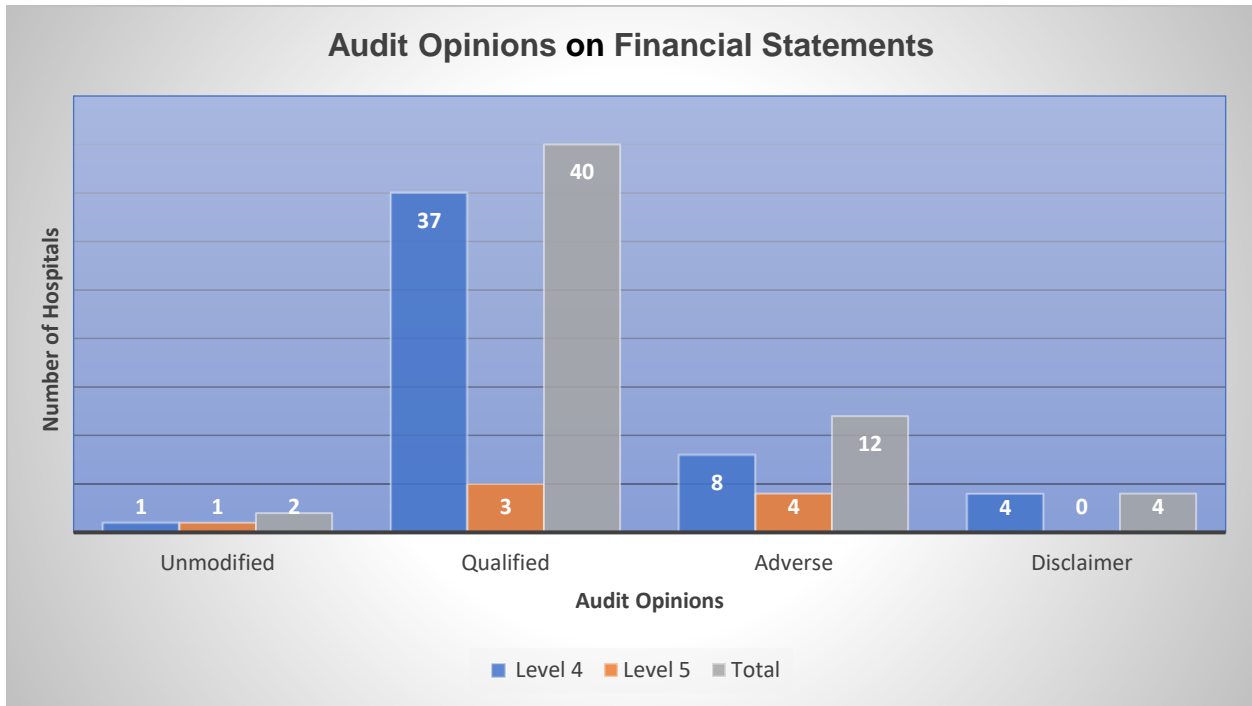


Figure 3: Audit Opinions on Financial Statements

### 2.3.2 Failure to Disclose Budgeted Revenues and Actual Receipts

Analysis of the fifty-eight (58) hospitals which submitted their financial statements for audit revealed the following:

- i. Twenty-two (22) hospitals did not disclose their budgeted own revenue in the statement of comparison of budget and actual amounts for the year ended 30 June, 2022.
- ii. Ten (10) Level 4 hospitals and one (1) Level 5 hospital did not disclose the actual revenue they generated during the year under review.
- iii. For the Level 5 hospitals, Thika Level 5 Hospital had the highest income in the financial year under review with own revenue of Kshs.384,650,412, while for the Level 4 hospitals, Kapkatet Sub-County Level 4 Hospital collected the highest own revenue of Kshs.145,334,000.
- iv. Kisumu County Referral surpassed its own revenue collection budget by 182% for the Level 4 hospitals, while Kitui County Referral Hospital exceeded its budgeted own revenue at 115%. However, Suba Sub-County Hospital only managed to achieve 15% of its budgeted own revenue.

## 2.4 Exceptions on Revenue

### 2.4.1 Revenue Not Transferred to the County Revenue Fund (CRF) Account

Audit review revealed that revenue from exchange transactions amounting to Kshs.35,492,056 from two Level 4 hospitals was not paid into their respective County Revenue Funds as shown in the Table 4 below. This is contrary to Section 109(2) of the Public Finance Management Act, 2012 which requires the County Treasury for each County Government to ensure that all money raised or received by or on behalf of the County Government is paid into the County Revenue Fund.

Table 4: Revenue not transferred to the CRF account

S.No.	Name of Hospital	Level	Amount (Kshs.)
1	Rachuonyo County Hospital	4	19,097,086
2	Suba Sub-County Hospital	4	16,394,970
	<b>Total Amount</b>		<b>35,492,056</b>

### 2.4.2 Unaccounted for Revenue

Review of the financial statements revealed that fourteen (14) of the fifty-eight (58) hospitals had unaccounted for revenue amounting to Kshs.327,817,277 as highlighted in **Appendix 2**:

### 2.4.3 Uncollected Revenue

Audit review revealed that five hospitals had uncollected revenue amounting to Kshs.127,031,707 predominantly due to long outstanding receivables from exchange transactions. Kihara Level 4 Hospital had the highest uncollected revenue of Kshs.65,783,942 dating back to 2016/2017 financial year. The hospitals with uncollected revenue are shown in **Table 5** below:

Table 5: Hospitals with uncollected revenue

SNo.	Name of Hospital	Level	Amount (Kshs.)
1	Kihara Level 4 Hospital	4	65,783,942
2	Kapkatet Sub-County Level 4 Hospital	4	10,702,600
3	Kipkelion Sub-County Level 4 Hospital	4	192,350
4	Kericho County Referral Hospital	5	42,452,815
5	Iten County Referral Hospital	5	7,900,000
	<b>Total</b>		<b>127,031,707</b>

## 2.4.4 Other Exceptions on Revenue

Other exceptions related to revenue were reported in fourteen (14) hospitals, amounting to Kshs.446,657,741. The major weaknesses highlighted include:

- i. Undisclosed revenue from exchange transactions,
- ii. Inadequate NHIF capitation and underfunding of the hospitals, and
- iii. Delayed disbursement of NHIF capitation

The graph below compares the amounts reported in each of the categories related to exceptions in revenue.

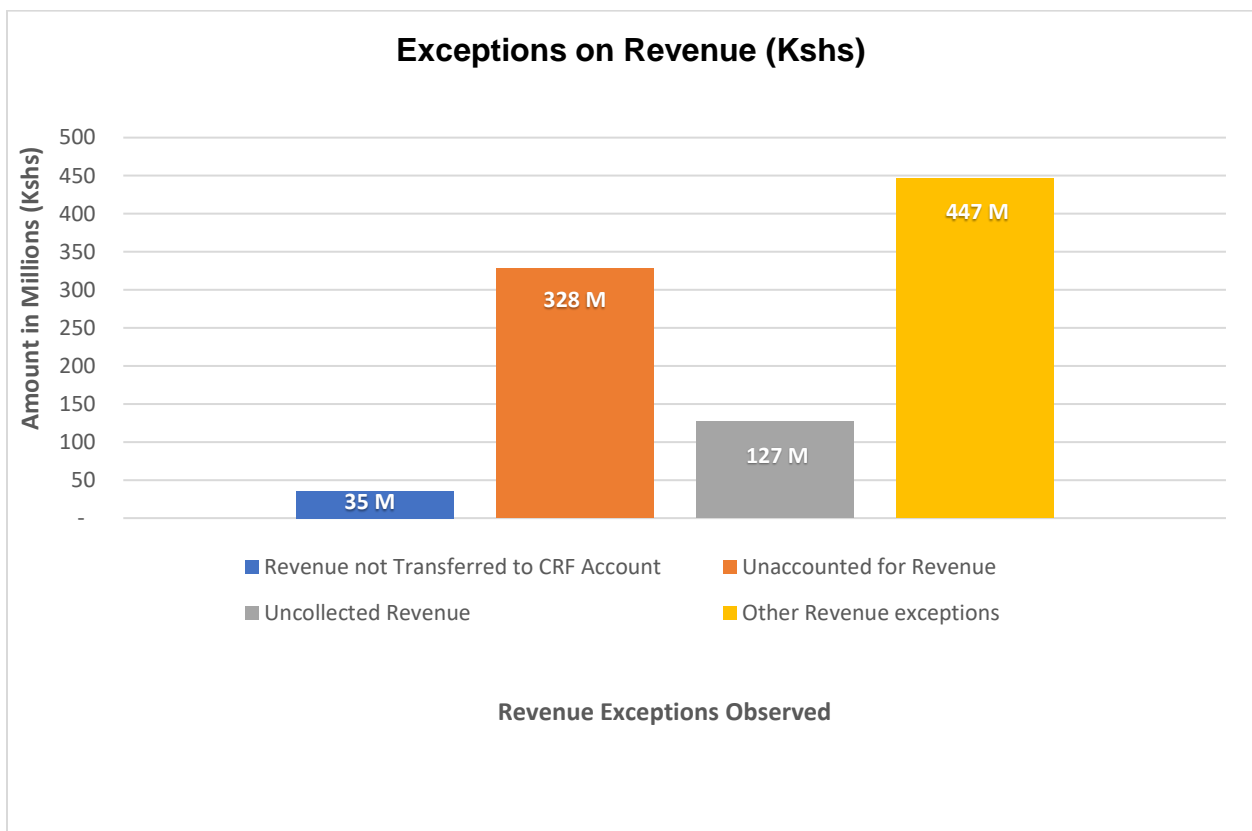


Figure 4: Exceptions on Revenue

## 2.5 Presentation of Financial Statements

### 2.5.1 Inaccuracies in the Financial Statements

Review of the financial statements revealed inaccuracies amounting to Kshs.2,290,465,131 in eleven (11) hospitals as shown in **Table 6** below:

*Table 6: Hospitals with inaccuracies in the financial statements*

<b>SNO.</b>	<b>Name of Hospital</b>	<b>Amount (Kshs.)</b>
1	Kihara Level 4 Hospital	446,996,491
2	Tseikuru Level 4 Hospital	1,412,950
3	Ikanga Level 4 Hospital	988,481
4	Kombewa County Hospital	1,509,775
5	Nyakach County Level 4 Hospital	1,445,402
6	Kwale Sub-County Hospital	6,166,450
7	Sigowet County Level 4 Hospital	187,332,977
8	Kapkatet Sub-County Level 4 Hospital	10,409,250
9	Jaramogi Oginga Odinga Teaching Referral Hospital	324,254,421
10	Thika Level 5 Hospital	1,306,433,788
11	Muhoroni County Hospital	3,515,146
	<b>Total</b>	<b>2,290,465,131</b>

### 2.5.2 Unsupported Expenditure

Regulation 104 (1) of the Public Finance Management (National Government) Regulations, 2015 requires, that all receipts and payment vouchers of public funds shall be properly supported by pre-numbered receipt and payment vouchers and appropriate authority and documentation. However, the audit revealed that expenditures amounting to Kshs.1,937,209,942 from twenty (20) hospitals were not supported by the relevant documentation and support schedules as shown in **Appendix 3**.

### 2.5.3 Unreconciled Variances

Review of the financial statements revealed that thirty-seven (37) hospitals had unreconciled variances amounting to Kshs.3,630,494,892 as shown in **Appendix 4**.

#### 2.5.4 Inaccuracies in Cash and Cash Equivalents

The audit revealed various inaccuracies in the cash and cash equivalents balances for twenty-nine (29) hospitals which could not be confirmed. These hospitals had inaccuracies of cash and cash equivalents totalling Kshs.144,716,272 as shown in **Appendix 5**.

#### 2.5.5 Unsupported Revenue

Analysis of the financial statements revealed that twenty-five (25) hospitals had unsupported revenue from exchange transactions, totalling Kshs.927,591,735, as indicated in **Appendix 6**. Similarly, eight (8) hospitals reflected unsupported revenue from non-exchange transactions amounting to Kshs.405,799,685, as tabulated in the **Table 7** below

*Table 7: Unsupported revenue from non-exchange transactions*

	<b>Name of Hospital</b>	<b>Level</b>	<b>Amount (Kshs.)</b>
1	Kyangi Level 4 Hospital	<b>4</b>	1,615,135
2	Roret Level 4 Hospital	<b>4</b>	13,394,375
3	Wangige Level 4 Hospital	<b>4</b>	110,618,371
4	Kombewa County Hospital	<b>4</b>	614,000
5	Nyakach County Level 4 Hospital	<b>4</b>	968,187
6	Kapkatet Sub-County Level 4 Hospital	<b>4</b>	4,613,280
7	Kisumu County Referral Hospital	<b>4</b>	12,104,845
8	Gatundu Level 5 Hospital	<b>5</b>	261,871,492
	<b>Total</b>		<b>405,799,685</b>

The graph below illustrates issues reported on presentation of financial statements.

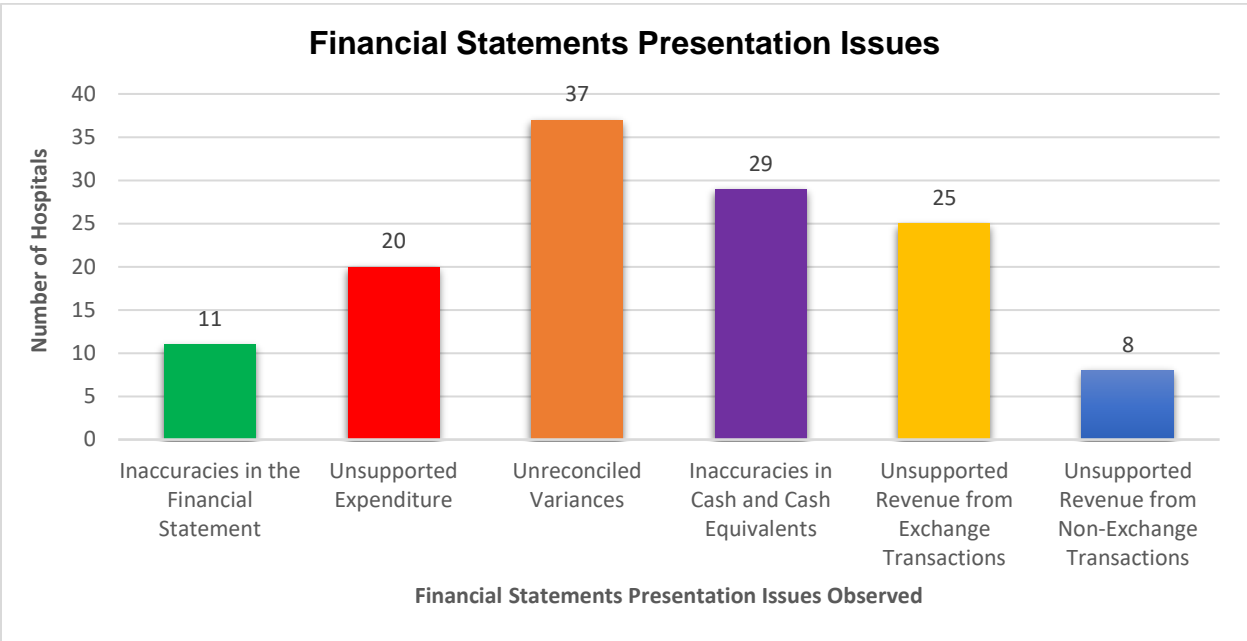


Figure 5: Reported Issues related to Presentation of Financial Statements

## 2.6 Asset Management

### 2.6.1 Undisclosed Property, Plant and Equipment

The Management of twenty-nine (29) hospitals, listed in **Appendix 7** did not disclose property, plant and equipment and inventory balances in their financial statements despite owning various assets which include land and buildings, specialized and non-specialized medical equipment, furniture and fittings, motor vehicles and ICT equipment. This is contrary to the provisions of IPSAS 17 that prescribes the recognition of property, plant and equipment so that users of the financial statements can discern information about an entity’s investment in its property, plant, and equipment and the changes in such investments.

### 2.6.2 Lack of Ownership Documents

Thirteen (13) out of the fifty-eight (58) audited hospitals as shown in **Appendix 8**, did not have ownership documents (title deeds) for the land on which the hospitals are built. The land either belonged to the community and in other cases, the title deeds were in the names of the defunct Municipal Councils.

### 2.6.3 Idle Assets

Six (6) hospitals as indicated in **Table 8** had theatres that were not functional and as a result, the health equipment in the theatres were not being utilized.



Table 8: Hospitals with idle theatres

	<b>Name of Hospital</b>	<b>Level</b>
<b>1</b>	Zombe Level 4 Hospital	<b>4</b>
<b>2</b>	Kyuso Sub-County Hospital	<b>4</b>
<b>3</b>	Mutito Sub-County Hospital	<b>4</b>
<b>4</b>	Mt. Kenya Sub-County Level 4 Hospital	<b>4</b>
<b>5</b>	Kanyangi Level 4 Hospital	<b>4</b>
<b>6</b>	Mutomo Level 4 Hospital	<b>4</b>

**Table 9** shows three other hospitals which had medical equipment such as incubators, cots for newborns, anesthetic machines, and theatre lamps that were not in use.

Table 9: Hospitals with idle hospital equipment

	<b>Name of Hospital</b>	<b>Level</b>
<b>1</b>	Fort Ternan Level 4 Hospital	<b>4</b>
<b>2</b>	Lumumba Sub-County Hospital	<b>4</b>
<b>3</b>	Ruiru Level 4 Hospital	<b>4</b>

#### **2.6.4 Stalled Projects**

Three (3) hospitals, as shown in **Table 10** below, had stalled projects related to the construction of a maternity theatre, pediatric hospital, and hospital ward extension.

Table 10: Hospitals with stalled projects

	<b>Name of Hospital</b>	<b>Level</b>
<b>1</b>	Chulaimbo Hospital	<b>4</b>
<b>2</b>	Kombewa County Hospital	<b>4</b>
<b>3</b>	Kitui County Referral Hospital	<b>4</b>

The graph below indicates the number of hospitals that recorded issues relating to asset management in the above categories:

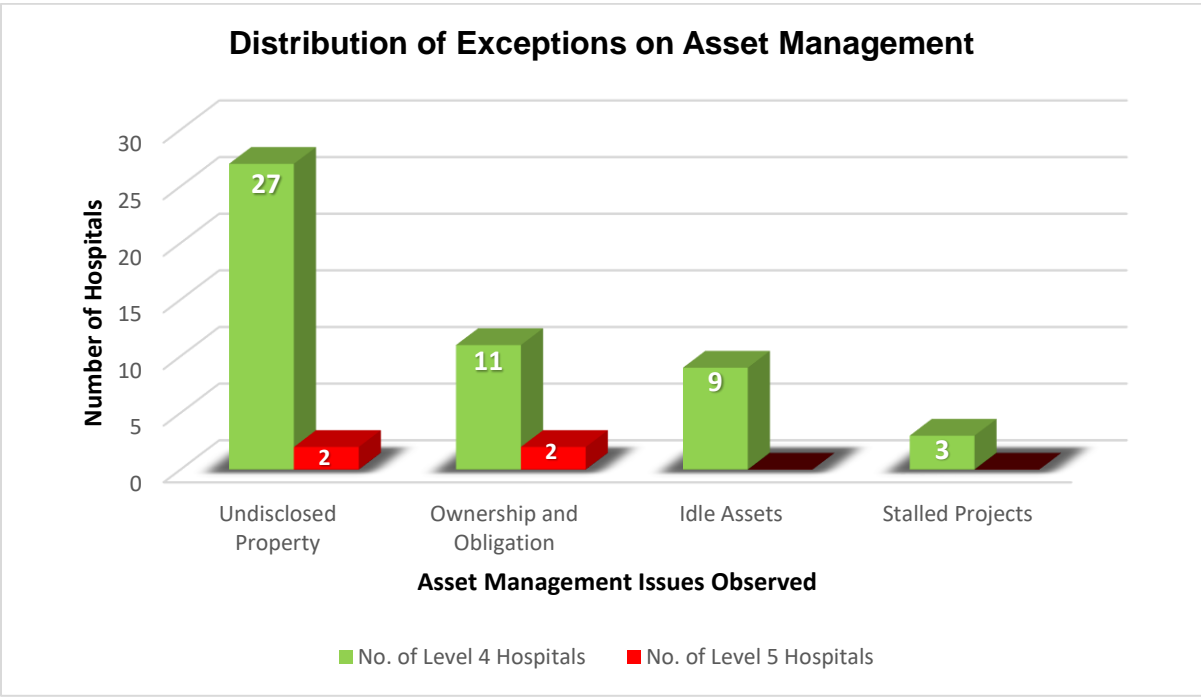


Figure 6: Observed Issues related to Asset Management

## 2.7 Compliance and Governance Issues

### 2.7.1 Non-Remittance of Statutory Deductions

Review of the financial statements revealed that six (6) hospitals did not remit National Social Security Fund (NSSF) deductions amounting to Kshs.2,068,900. This was contrary to Section 27(1) of the National Social Security Fund Act, 2013 which stipulates that if any contribution for which a contributing employer is required to pay to the Fund is not paid on or before the prescribed day on which the payment in respect of any month is due, a sum equal to five per cent (5%) of the amount of that contribution shall be added to the contribution for each month or part of a month that the amount due remains unpaid, and any such additional amount shall be recoverable at the same time and in the same manner as the contribution to which it is added. Further, three (3) hospitals did not remit Pay as You Earn (PAYE) amounting to Kshs.6,367,164 contrary to provisions of the Income Tax Act, Cap 470.

The hospitals which did not remit NSSF and PAYE deductions are listed in **Table 11** below:

Table 11: Hospitals which did not remit statutory deductions

	Name of Hospital	Level	Type of Deduction	
			NSSF	PAYE
1	Kihara Level 4 Hospital	4	108,850	160,547
2	Kwale Sub-County Level 4 Hospital	4	488,800	
3	Lungalunga Sub-County Hospital	4	85,200	
4	Nuu Level 4 Hospital	4	627,200	
5	Wangige Level 4 Hospital	4	145,650	58,599
6	Msambweni County Referral Hospital	5	613,200	
7	Thika Level 5 Hospital	5		6,148,018
	<b>Total</b>		<b>2,068,900</b>	<b>6,367,164</b>

### 2.7.2 Ineffective Governance by Board of Managements

Review of the documents revealed that sixteen (16) hospitals as outlined in **Appendix 9** had ineffective Boards of Management. Six (6) hospitals had Board members whose term had ended but continued to be in the office without valid appointments while seven (7) hospitals operated without appointment of the hospital committee. Additionally, in three (3) hospitals, it was reported that the Board of Management did not meet regularly contrary to the requirement to meet at least quarterly in order to effectively lead the organisations.

### 2.7.3 Lack of Policy Documents

Review of the documents and records revealed that twenty-eight (28) hospitals as shown in **Appendix 10**, had not established risk management policies, and risk management strategies, which include fraud prevention mechanisms and a system of risk management and internal controls that builds robust business operations.

### 2.7.4 Non-Compliance with the Public Sector Accounting Standards Board Reporting Template

Review of the annual report and financial statements revealed that twenty (20) hospitals out of the fifty-eight (58) audited hospitals did not comply with the reporting template for levels 4 and Level 5 hospitals, issued by the Public Sector Accounting Standards Board (PSASB) as shown in **Appendix 11**.

### 2.7.5 Procurement Irregularities

Review of the procurement documents on eight (8) hospitals revealed irregularities in the procurement of goods and services amounting to Kshs.155,721,617. These included:

- i. Failure to approve and implement annual procurement plans contrary to Section 53(2) of the Public Procurement and Asset Disposal Act, 2015,
- ii. Procurement that exceeded the approved budget estimates, contrary to Section 53(8) of the Public Procurement and Asset Disposal Act, 2015, and
- iii. Procurement of goods outside the threshold matrix requirements.

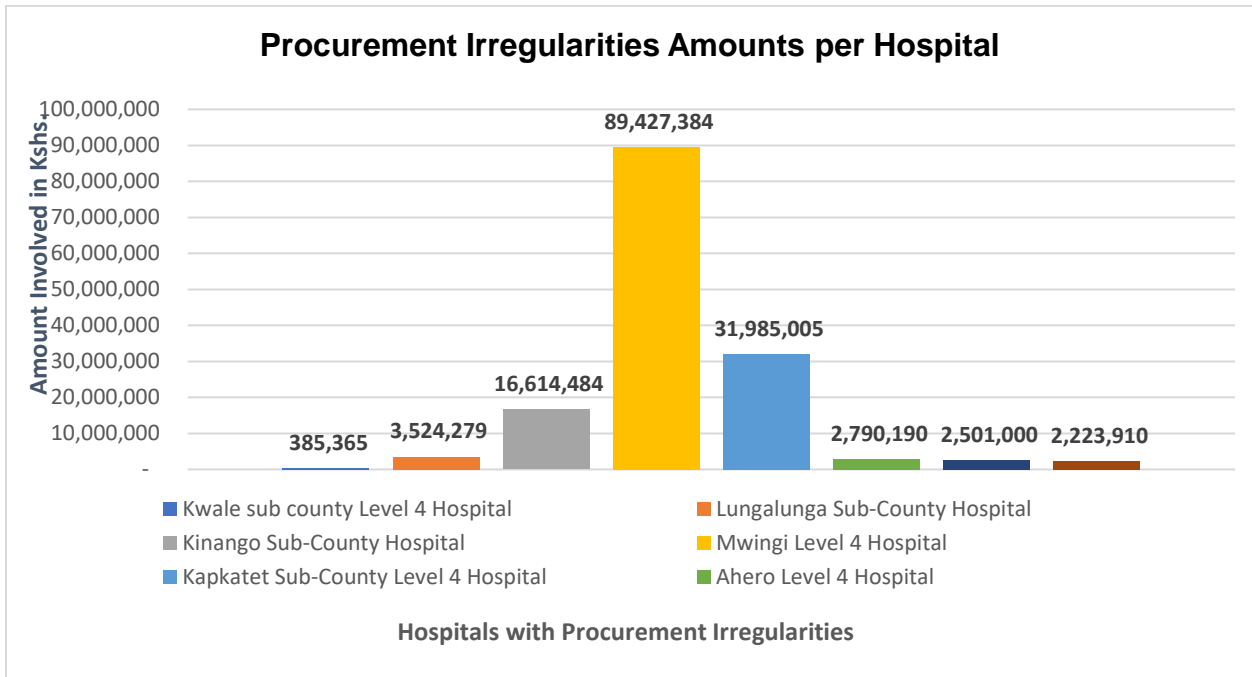


Figure 7: Hospitals with Procurement Irregularities and the amounts involved

The graph below summarizes the distribution of compliance and governance issues across the hospitals.

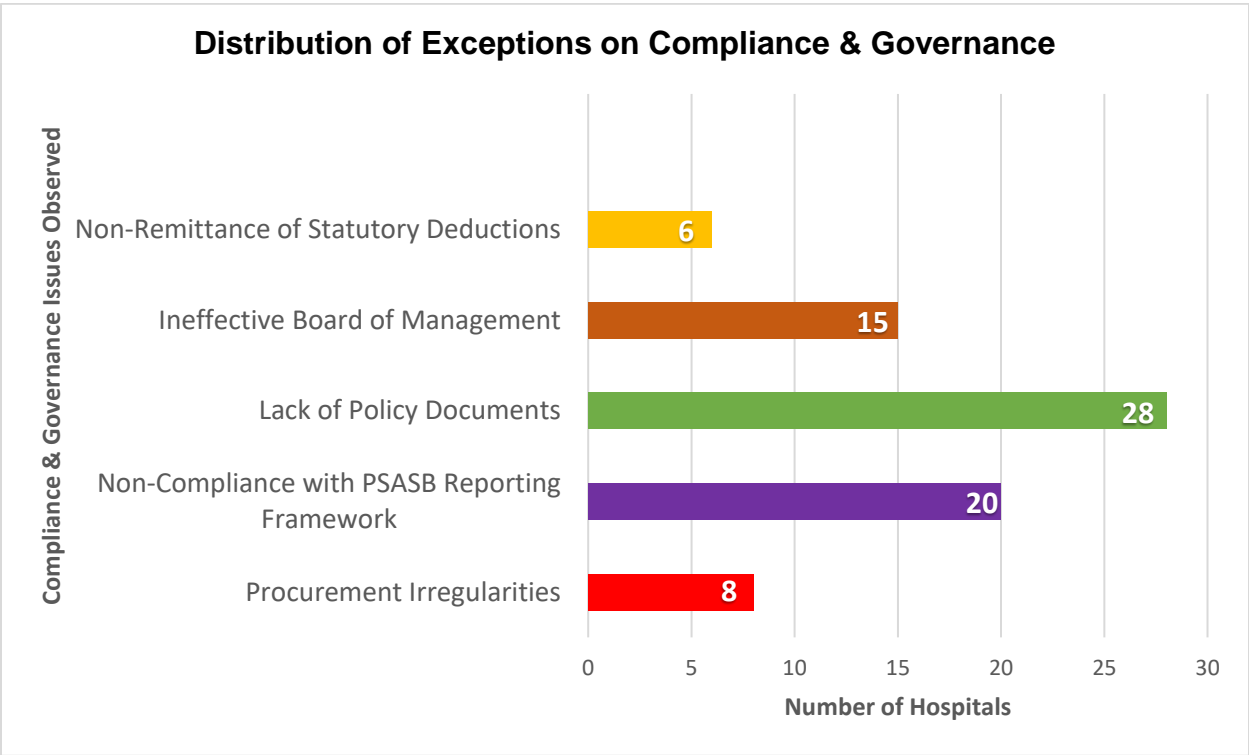


Figure 8: Issues Related to Compliance & Governance

### 2.8 Long Outstanding Trade and Other Payables

The financial statements for twenty (20) hospitals presented for audit indicated that an amount of Kshs.876,061,955 was owed to general suppliers of goods and services, and pharmaceutical items. The amount of Kshs.876,061,955 comprised Kshs. 507,395,775 relating to Level 5 hospitals and Kshs.368,666,180 relating to Level 4 hospitals. However, the balances were not supported with creditors ledgers. Further, it was noted the creditors were outstanding for more than one year. Failure to settle payables may result in suppliers withholding the supply of goods, supplies and pharmaceutical items and hence adversely affect service delivery.

The pie chart below illustrates the distribution of the outstanding payables between the Level 4 hospitals and Level 5 hospitals.

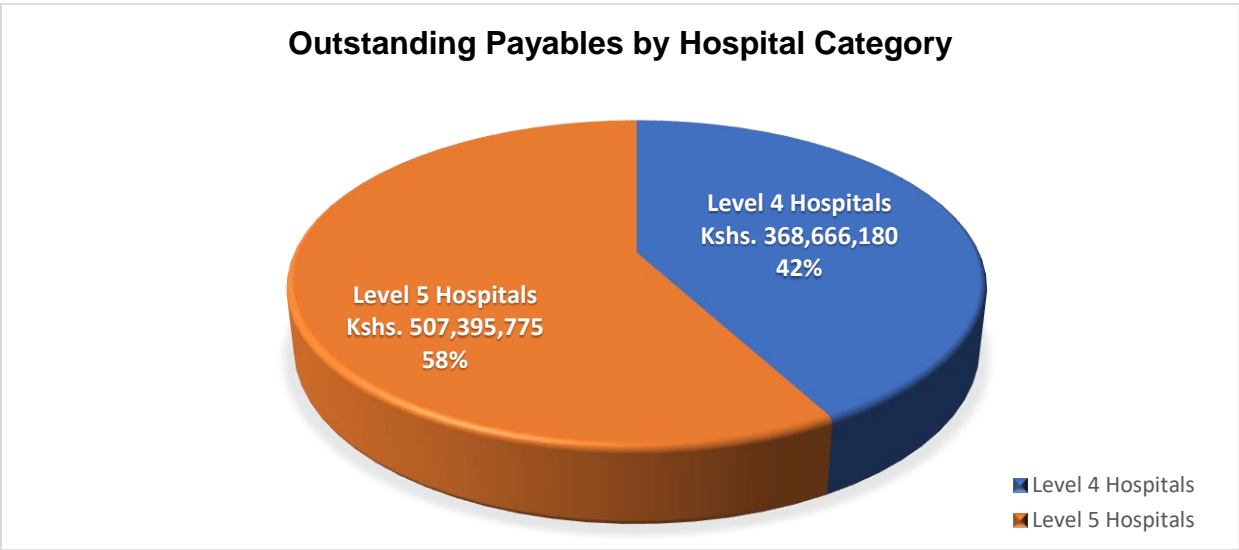


Figure 9: Outstanding Payables in Level 4 & Level 5 Hospitals

**Appendix 12** summarizes the outstanding payables per hospital with Thika Level 5 Hospital recording the highest outstanding payables at Kshs.284,356,387. In the category of Level 4 hospitals, Kisumu County Referral Hospital recorded the highest outstanding payables amounting to Kshs.89,255,272.

**2.9 Internal Controls**

**2.9.1 Failure to Maintain Fixed Assets Registers**

Review of records revealed that eighteen (18) hospitals as shown in **Appendix 13**, did not maintain fixed asset registers of the buildings, motor vehicles, office equipment, furniture and fittings and other assets owned by the hospitals.

**2.9.2 Lack of Audit Committees and Internal Audit Units**

Review of records and processes revealed that sixteen (16) hospitals did not have audit committees or internal audit functions as listed in **Appendix 14**. This is contrary to Section 155 (1) of the Public Finance Management Act, 2012 which states that a County Government entity shall ensure that it has appropriate arrangements for conducting internal audit according to the guidelines issued by the Accounting Standards Board.

**2.9.3 Poor Stores Management**

Review of stores records revealed that fifteen (15) hospitals as shown in **Appendix 15** failed to carry out stock take, maintain stores ledgers, segregate staff duties, and had expired medicines and inappropriate pharmaceutical storage facilities.

## 2.9.4 Inadequate Controls in Revenue Collection Systems

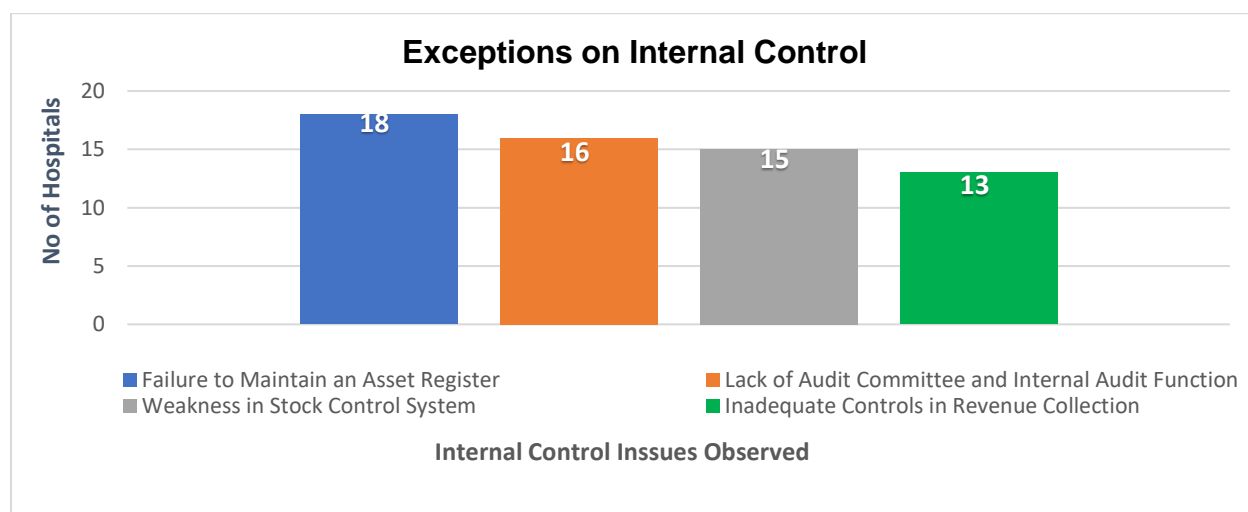
Review of the billing systems revealed weaknesses including partial automation of hospital operations in eleven (11) hospitals where some departments were still operating manual systems as detailed in **Table 12** below. In addition, transactions were handled in cash, staff duties were not segregated, there was inability to capture all event logs, inadequate billing of services, unauthorised bill reversals, inability to generate system user reports and failure to maintain revenue cash books.

Further, Kwale Sub-County Level 4 Hospital approved waivers amounting to Kshs.549,280 without the necessary documentation.

*Table 12: Hospitals with inadequate controls in revenue collection systems*

	<b>Name of Hospital</b>	<b>Level</b>
1	Nyeri Provincial General Level 5 Hospital	<b>5</b>
2	Kwale Sub-County Level 4 Hospital	<b>4</b>
3	Lungalunga Sub-County Hospital	<b>4</b>
4	Chulaimbo Hospital	<b>4</b>
5	Kihara Level 4 Hospital	<b>4</b>
6	Kisumu County Referral Hospital	<b>4</b>
7	Karuri Level 4 Hospital	<b>4</b>
8	Nyakach County Level 4 Hospital	<b>4</b>
9	Migori County Referral Hospital	<b>4</b>
10	Wangige Level 4 Hospital	<b>4</b>
11	Nyathuna Level 4 Hospital	<b>4</b>

Issues on internal control weaknesses are illustrated in the graph below.



*Figure 10: Issues Observed that relate to Internal Controls*

## 2.10 NHIF Claims Management

Review of National Health Insurance Fund (NHIF) claims revealed that seven (7) hospitals reported approved claims of Kshs.395,956,696 but only received refunds of Kshs.308,731,845 resulting to a variance of Kshs.87,224,851 as tabulated in **Table 13** below:

*Table 13: Failure to refund the total approved claims*

	<b>Name of Hospital</b>	<b>Level</b>	<b>Approved Claim</b>	<b>Payment Received</b>	<b>Balance</b>
1	Kwale Sub-County Level 4 Hospital	<b>4</b>	8,129,500	7,282,400	847,100
2	Fort Ternan Hospital	<b>4</b>	18,648,764	14,292,374	4,356,390
3	Kericho County Referral Hospital	<b>5</b>	205,262,042	145,642,183	59,619,859
4	Iten County Referral Hospital	<b>5</b>	63,831,461	55,931,361	7,900,100
5	Kapkatet Sub-County Level 4 Hospital	<b>4</b>	79,071,618	68,369,018	10,702,600
6	Rachuonyo County Hospital	<b>4</b>	10,398,909	7,704,107	2,694,802
7	Suba Sub-County Hospital	<b>4</b>	10,614,402	9,510,402	1,104,000
	<b>Total</b>		<b>395,956,696</b>	<b>308,731,845</b>	<b>87,224,851</b>

In addition, two (2) hospitals identified in **Table 14** below received refunds amounting to Kshs.9,728,370 but the corresponding approved claims were not provided for audit.

*Table 14: Refunds without corresponding claims*

	<b>Name of Hospital</b>	<b>Level</b>	<b>Payment Received</b>
1	Kipkelion Sub-County Level 4 Hospital	4	8,305,170
2	Muhoroni County Hospital	4	1,423,200
	<b>Total</b>		<b>9,728,370</b>

The difference of forty-nine (49) hospitals did not report any National Health Insurance Fund (NHIF) claims or refunds as detailed in **Appendix 16**



## 2.11 Inadequacies in UHC as per Kenya Quality Model for Level 4 and Level 5 Hospitals in terms of Staffing, Services and Equipment

### 2.11.1 Universal Health Coverage – Level 4 Hospitals

#### i. Staffing

According to the Kenya Quality Model for Health Checklist designed for Level 4 hospitals, the recommended staffing consisting of one hundred and one (101) staff per hospital, who includes sixteen (16) Medical Officers, two (2) Anesthesiologists, two (2) General Surgeons, two (2) Gynecologists, two (2) Pediatricians, two (2) Radiologists, and seventy-five (75) Kenya Registered Community Health Nurses, alongside other essential professions. Out of forty-seven (47) hospitals which reported on their staffing levels, they have a collective requirement of four thousand seven hundred and forty-seven (4,747) healthcare workers, but only two thousand three hundred and sixty-five (2,365) staff had been employed resulting in a significant shortfall of staff by two thousand three hundred and eighty-two (2,382) workers as analysed in **Appendix 17**

In addition, one hospital had thirteen (13) healthcare workers whose contracts had expired as at the time of audit in June, 2023.

#### ii. Failure to Offer Essential Services

Out of the forty seven (47) Level 4 audited hospitals, eighteen (18) hospitals did not offer surgical services as shown in **Appendix 18**, ten (10) hospitals did not offer pediatric services as shown in **Appendix 19**, sixteen (16) hospitals did not offer gynecology services as shown in **Appendix 20**, twenty-four (24) hospitals did not offer radiology services as detailed in **Appendix 21**, forty (40) hospitals did not offer renal dialysis services as shown in **Appendix 22**, and nine (9) hospitals did not offer tuberculosis management services as shown in **Table 15** below.

*Table 15: Level 4 Hospitals that did not offer Tuberculosis Management Services*

	<b>Name of Hospital</b>
1	Kinango Sub-County Hospital
2	Kapsabet County Referral Hospital
3	Mt. Kenya Sub-County Level 4 Hospital
4	Karuri Level 4 Hospital
5	Ahero County Hospital
6	Kipkelion Sub-County Level 4 Hospital
7	Kigumo Level 4 Hospital
8	Rachuonyo County Hospital
9	Ikanga Level 4 Hospital

Data on the services offered by three hospitals (3) as indicated in **Table 16** below was not available

*Table 16: Level 4 Hospitals that did not provide information on services offered*

	<b>Name of Hospital</b>
1	Kinango Sub-County Hospital
2	Kipkelion Sub-County Level 4 Hospital
3	Rachuonyo County Hospital

### **iii. Shortage in Bed Capacity**

In line with the Kenya Quality Model for Health checklist applicable to Level 4 hospitals, the required bed capacity is one hundred and fifty (150). Data obtained for thirty-eight (38) hospitals indicate that the hospitals had a combined bed capacity of three thousand eight hundred and seventeen (3,817) beds compared to the required optimum capacity of five thousand seven hundred (5,700) beds resulting to a shortage of one thousand eight hundred and eighty-three (1,883) beds as analyzed in **Appendix 23**.

Data relating to bed capacity for twelve (12) hospitals detailed in **Appendix 24** was not obtained.

### **iv. Inadequate Hospital Equipment and Machines**

According to the Kenya Quality Model for Health checklist for Level 4 hospitals, a Level 4 hospital should have a New Born Unit with at least five (5) incubators and five (5) cots. Thirty-four (34) hospitals had one hundred and sixty-four (164) new-born unit incubators and new born unit cots against the required three hundred and forty (340) for the thirty-four (34) hospitals as analyzed in **Appendix 25**.

Data for sixteen (16) hospitals as shown in **Appendix 26** was not obtained.

## **2.11.2 Universal Health Coverage – Level 5 Hospitals**

### **i. Staffing**

The Kenya Quality Model for Health checklist require a Level 5 hospital to have three hundred and twenty-three (323) medical professionals as follows: Fifty (50) Medical Officers, seven (7) Anesthesiologists, four (4) General Surgeons, four (4) Gynecologists four (4) Pediatricians four (4) Radiologists and two hundred and fifty (250) Kenya Registered Community Health Nurses among other professions.

Data collected from eight hospitals, which required two thousand five hundred and eighty-four (2,584) healthcare workers, showed that they only had one thousand five hundred and thirty-five (1,535) staff, resulting in a shortfall of one thousand and forty-nine (1,049) workers as detailed in **Table 17** below.

*Table 17: Shortage of staff in Level 5 hospitals*

	<b>Name of Hospital</b>	<b>Optimum Number</b>	<b>Staff in Place</b>	<b>Staff Shortage</b>
1	Msambweni County Referral Hospital	323	102	221
2	Jaramogi Oginga Odinga Teaching Referral Hospital	323	191	132
3	Kiambu Level 5 Hospital	323	222	101
4	Nyeri County Referral Hospital	323	257	66
5	Thika Level 5 Hospital	323	209	114
6	Kisii Teaching and Referral Hospital	323	307	16
7	Gatundu Level 5 Hospital	323	107	216
8	Kericho County Referral Hospital	323	140	183
	<b>Total</b>	<b>2,584</b>	<b>1,535</b>	<b>1,049</b>

## ii. **Bed Capacity**

According to the Kenya Quality Model for Health checklist applicable to Level 5 hospitals, the required bed capacity is five hundred (500) beds. However, the eight (8) hospitals had a bed capacity of three thousand two hundred and twenty-six (3,226) against an optimum bed capacity of three thousand five hundred (3,500) beds resulting to a shortage of seven hundred and seventy-four (774) beds as analyzed in **Table 18** below.

*Table 18: Bed capacity in Level 5 hospitals*

	<b>Name of Hospital</b>	<b>Optimum No. of Beds</b>	<b>Actual No. of Beds</b>	<b>Bed Shortage</b>
1	Msambweni County Referral Hospital	500	194	306
2	Jaramogi Oginga Odinga Teaching and Referral Hospital	500	601	(101)
3	Kiambu Level 5 Hospital	500	439	61
4	Nyeri County Referral Hospital	500	262	238
5	Thika Level 5 Hospital	500	460	40

	<b>Name of Hospital</b>	<b>Optimum No. of Beds</b>	<b>Actual No. of Beds</b>	<b>Bed Shortage</b>
6	Kisii Teaching and Referral Hospital	500	700	(200)
7	Gatundu Level 5 Hospital	500	300	200
8	Kericho County Referral Hospital	500	270	230
	<b>Total</b>	<b>4,000</b>	<b>3,226</b>	<b>774</b>

### iii. Hospital Equipment and Machines

According to the Kenya Quality Model for Health checklist for Level 5 hospitals, a Level 5 hospital should have among other equipment twelve (12) functional ICUs, twelve (12) functional HDUs, seven (7) operational theatres and New Born Unit with ten (10) Incubators.

However, the audit revealed that the eight (8) Level 5 hospitals had thirty-nine (39) functional Intensive Care Units with beds against the required ninety-six (96), as detailed in **Table 19** below.

*Table 19: Intensive care unit bed capacity in Level 5 hospitals*

	<b>Name of Hospital</b>	<b>Optimum</b>	<b>Available</b>	<b>Shortage</b>
1	Msambweni County Referral Hospital	12	3	9
2	Jaramogi Oginga Odinga Teaching Referral Hospital	12	6	6
3	Kiambu Level 5 Hospital	12	8	4
4	Nyeri County Referral Hospital	12	6	6
5	Thika Level 5 Hospital	12	6	6
6	Kisii Teaching and Referral Hospital	12	6	6
7	Gatundu Level 5 Hospital	12	0	12
8	Kericho County Referral Hospital	12	4	8
	<b>Total</b>	<b>96</b>	<b>39</b>	<b>57</b>

Additionally, the eight (8) hospitals had eleven (11) High Dependency Unit beds against the required ninety-six (96) beds as detailed in **Table 20**.

Table 20: High dependency unit bed capacity in Level 5 hospitals

	<b>Name of Hospital</b>	<b>Optimum HDU Beds</b>	<b>Available HDU Beds</b>	<b>HDU Beds Shortage</b>
1	Msambweni County Referral Hospital	12	3	9
2	Jaramogi Oginga Odinga Teaching Referral Hospital	12	0	12
3	Kiambu Level 5 Hospital	12	0	12
4	Nyeri County Referral Hospital	12	3	9
5	Thika Level 5 Hospital	12	0	12
6	Kisii Teaching and Referral Hospital	12	3	9
7	Gatundu Level 5 Hospital	12	0	12
8	Kericho County Referral Hospital	12	2	10
	<b>Total</b>	<b>96</b>	<b>11</b>	<b>85</b>

Further, the eight (8) hospitals had forty-eight (48) New Born Unit with incubators compared to the required eighty (80) as detailed in **Table 21**.

Table 21: Shortage of newborn units with incubators in Level 5 hospitals

	<b>Name of Hospital</b>	<b>Optimum New Born Units</b>	<b>Available New Born Units</b>	<b>New Born Units Shortage</b>
1	Msambweni County Referral Hospital	10	3	7
2	Jaramogi Oginga Odinga Teaching Referral Hospital	10	11	-1
3	Kiambu Level 5 Hospital	10	8	2
4	Nyeri County Referral Hospital	10	5	5
5	Thika Level 5 Hospital	10	8	2
6	Kisii Teaching and Referral Hospital	10	9	1
7	Gatundu Level 5 Hospital	10	4	6
8	Kericho County Referral Hospital	10	0	10
	<b>Total</b>	<b>80</b>	<b>48</b>	<b>32</b>

In regards to theatres, the eight (8) hospitals had thirty-three (33) operational theatres against the required fifty-six (56) as detailed below in **Table 22**.

Table 22: Shortage of operational theatres in Level 5 hospitals

	<b>Name of Hospital</b>	<b>Optimum No. of Theatres</b>	<b>Available Theatres</b>	<b>Deficit</b>
1	Msambweni County Referral Hospital	7	2	5
2	Jaramogi Oginga Odinga Teaching Referral Hospital	7	6	1
3	Kiambu Level 5 Hospital	7	4	3
4	Nyeri County Referral Hospital	7	5	2
5	Thika Level 5 Hospital	7	3	4
6	Kisii Teaching and Referral Hospital	7	7	0
7	Gatundu Level 5 Hospital	7	3	4
8	Kericho County Referral Hospital	7	3	4
	<b>Total</b>	<b>56</b>	<b>33</b>	<b>23</b>

## 2.12 Management of Pharmaceuticals

According to the Pharmacy and Poisons Board (PPB) Guidelines for Good Distribution Practices for Health Products and Technologies in Kenya, Section 2.4.2 states that "Storage areas should have sufficient capacity to allow the orderly storage of the various categories of health products and technologies, namely usable products, products in quarantine, released, rejected, returned, or recalled products." However, physical verification of the hospitals' storage revealed that eleven (11) hospitals did not have adequate storage space to maintain the quality of the drugs stored, as shown in **Table 23** below:

Table 23: Hospitals that did not have adequate storage for pharmaceuticals

	<b>Name of Hospital</b>	<b>Level</b>
1	Nyeri County Referral Hospital	<b>5</b>
2	Lungalunga Sub-County Hospital	<b>4</b>
3	Kihara Level 4 Hospital	<b>4</b>
4	Mt. Kenya Sub-County Level 4 Hospital	<b>4</b>
5	Othaya Sub-County Hospital	<b>4</b>
6	Igegania Level 4 Hospital	<b>4</b>
7	Migwani Level 4 Hospital	<b>4</b>
8	Kauwi Level 4 Hospital	<b>4</b>
9	Ikanga Level 4 Hospital	<b>4</b>
10	Kanyangi Sub-County Hospital	<b>4</b>
11	Ruiru Level 4 Hospital	<b>4</b>

Further, the Guidelines for Good Distribution Practices for Health Products and Technologies in Kenya, Section 3.7.3, states that "periodic (at least annually) physical counts should be done, involving counting all items and comparing the counts with the records. All stock must be checked regularly for obsolete and short-dated stock items. All due precautions should be observed to prevent the issuance of such short-dated or expired stock." However, physical verification and interviews revealed that seventeen (17) hospitals shown in **Appendix 27** had expired drugs in their stores whose value could not be determined.

Additionally, the Guidelines for Good Distribution Practices for Health Products and Technologies in Kenya, Section 3.7.3, state that "a written procedure must be in place to ensure effective stock rotation. Health products and technologies due to expire first must be sold and/or distributed in accordance with the first expiry, first out (FEFO) principles. Where no expiry dates exist for health products and technologies, the first in, first out (FIFO) principle should be applied". However, the audit revealed that four (4) hospitals did not implement the FEFO or FIFO to avoid expiry of drugs as shown in **Table 24** below:

*Table 24: Hospitals that did not implement First Expiry, First Out*

	<b>Name of Hospital</b>	<b>Hospital Level</b>
<b>1</b>	Kwale Sub-County Level 4 Hospital	<b>4</b>
<b>2</b>	Fort Ternan Level 4 Hospital	<b>4</b>
<b>3</b>	Ahero Level 4 Hospital	<b>4</b>
<b>4</b>	Wangige Level 4 Hospital	<b>4</b>

### 3 Conclusion

The audit of the Level 4 and Level 5 hospitals revealed low level of compliance with the reporting requirements with only fifty-eight (58) hospitals presenting their financial statements for audit out of the expected three hundred and seventy-two (372) hospitals.

Out of the fifty-eight (58) hospitals which reported, there was low level of compliance with the reporting requirements by the Public Finance Management Act, 2015, which included spending beyond the budget, failure to recognize the internally generated revenue and errors and inaccuracies in the financial statements.

The controls to safeguard assets of the hospitals were found to be weak, with many hospitals lacking title documents for the land they occupy and not maintaining records of assets owned through fixed assets registers. In addition, the controls over cash, bank and debtors were found to be weak due to failure to record, bank and reconcile the bank and MPESA accounts and failure to follow procedures for waivers and write-off of debts. In most hospitals, the Boards were found to be non-existent and where present, they were not well constituted with competent Board Members. Health insurance through NHIF was found to be ineffective due to the high outstanding claims reported by the hospitals, lack of feedback mechanism on the status of claims, and delays in transfer of capitation entitlements to Level 4 and Level 5 hospitals.

Assessment of compliance with the Kenya Quality Model for Health Policy Guidelines on Level 4 and Level 5 Hospitals revealed widespread failures by hospitals in complying with staffing and hospital infrastructure requirements. Most of the services that should have been provided, were unavailable and the infrastructure, both physical and equipment, was inadequate for the delivery of quality health services.



## 4 Recommendations

The capacity of the Management of the Level 4 and Level 5 hospitals should be enhanced to ensure compliance with the financial reporting requirements for all the hospitals.

Training and capacity building should focus on specific requirements of the Public Finance Management Act, 2015 including budgeting, budgetary control and performance and preparation of financial statements. The Management of the should be trained on internal controls for revenue, cash, bank, and debtors management including how to effectively follow up on the National Health Insurance Fund (NHIF) claims. The Management of hospitals and the insurance fund should identify liaison officers to enhance smooth communication between the hospitals and the Fund.

The National Government and County Governments should assist hospitals okay obtain title documents for their assets. The County Governments should appoint Boards for the hospitals under their jurisdiction and ensure that the Board Members have the requisite competencies to enhance performance and efficiency in the hospitals.

The National Government and County Governments should fund and equip the hospitals with the required medical staff, the physical and medical equipment to enable them offer the prescribed services for both Level 4 and Level 5 hospitals. The two levels of Government should collaborate to enhance the National Social Health Insurance and achieve Universal Health Coverage (UHC).

## Appendices

### Appendix A: Hospitals with Unmodified Audit Opinion

	<b>Name of Hospital</b>	<b>Level</b>
1	Kisii Teaching and Referral Hospital	<b>5</b>
2	Homabay County Teaching and Referral Hospital	<b>4</b>

### Appendix B: Hospitals with Qualified Audit Opinion

	<b>Name of Hospital</b>	<b>Level</b>
1	Jaramogi Oginga Odinga Teaching Referral Hospital	<b>5</b>
2	Kericho County Referral Hospital	<b>5</b>
3	Msambweni County Referral Hospital	<b>5</b>
4	Iten County Referral	<b>4</b>
5	Kitui County Hospital	<b>4</b>
6	Fort Tenan Hospital	<b>4</b>
7	Igegania Level 4 Hospital	<b>4</b>
8	Ikanga Sub-County Hospital	<b>4</b>
9	Kanyangi Sub-County Hospital	<b>4</b>
10	Kapkatet Hospital	<b>4</b>
11	Kapsabet County Referral Hospital	<b>4</b>
12	Karatina Sub-County Hospital	<b>4</b>
13	Karatu Level 4 Hospital	<b>4</b>
14	Karuri Level 4 Hospital	<b>4</b>
15	Kauwi Sub-County Hospital	<b>4</b>
16	Kihara Level 4 Hospital	<b>4</b>
17	Kinango Sub-County Hospital	<b>4</b>
18	Kipkelion Sub-County Hospital	<b>4</b>
19	Kisumu County Referral Hospital	<b>4</b>
20	Kwale Sub-County Hospital	<b>4</b>
21	Kyuso Sub-County Hospital	<b>4</b>
22	Lari Level 4 Hospital	<b>4</b>
23	Londiani Sub-County Hospital	<b>4</b>
24	Longisa County Referral Hospital	<b>4</b>
25	Lungalunga Sub-County Hospital	<b>4</b>
26	Migori County Referral Hospital	<b>4</b>
27	Migwani Sub-County Hospital	<b>4</b>
28	Mt. Kenya Sub-County Hospital	<b>4</b>

	<b>Name of Hospital</b>	<b>Level</b>
29	Mukurweini Sub-County Hospital	4
30	Mutomo Sub-County Hospital	4
31	Mwingi County Hospital	4
32	Nuu Sub-County Hospital	4
33	Nyathuna Level 4 Hospital	4
34	Othaya Sub-County Hospital	4
35	Rachuonyo County Hospital	4
36	Roret Sub-County Hospital	4
37	Sigowet Sub-County Hospital	4
38	Suba Sub-County Hospital	4
39	Tigoni Level 4 Hospital	4
40	Zombe Sub-County Hospital	4

### **Appendix C: Hospitals with Adverse Audit Opinion**

	<b>Name of Hospital</b>	<b>Level</b>
1	Gatundu Level 5 Hospital	5
2	Kiambu Level Hospital	5
3	Nyeri County Referral Hospital	5
4	Thika Level Hospital	5
5	Chulaimbo Hospital	4
6	Kigumo Level 4 Hospital	4
7	Lusigetti Level 4 Hospital	4
8	Muhoroni County Hospital	4
9	Nyakach County Hospital	4
10	Ruiru Level 4 Hospital	4
11	Tseikuru Sub-County Hospital	4
12	Wangige Level 4 Hospital	4

### **Appendix D: Hospitals with Disclaimer of Opinion**

	<b>Name of Hospital</b>	<b>Level</b>
1	Ahero County Hospital	4
2	Kombewa Hospital	4
3	Lumumba Hospital	4
4	Mutitu Sub-County Hospital	4

## Appendix 1: Budget Performance

	Name of Hospital	Level	Budgeted Amounts Kshs.	Actual Amounts Kshs.	Over/ Under Kshs.	%Over Expenditure
1	Thika Level 5 Hospital	5	399,968,400	1,299,120,383	(899,151,983)	225%
2	Gatundu Level 5 Hospital	5	155,623,360	486,211,130	(330,587,770)	212%
3	Kinango Sub-County Hospital	4	-	241,541,767	(241,541,767)	0%
4	Nyeri Provincial General Level 5 Hospital	5	216,666,864	388,526,235	(171,859,371)	79%
5	Kericho County Referral Hospital	5	229,200,000	394,692,233	(165,492,233)	72%
6	Igegia Level 4 Hospital	4	12,978,053	169,165,454	(156,187,401)	1203%
7	Kitui County Referral Hospital	4	149,664,618	277,700,722	(128,036,104)	86%
8	Kapsabet County Referral Hospital	4	-	93,252,914	(93,252,914)	0%
9	Msambweni County Referral Hospital	5	389,022,269	434,366,809	(45,344,540)	12%
10	Kisumu County Referral Hospital	4	101,499,546	140,829,424	(39,329,878)	39%
11	Jaramogi Oginga Odinga Teaching Referral Hospital	5	506,098,200	535,038,598	(28,940,398)	6%
12	Ruiru Level 4 Hospital	4	-	28,201,842	(28,201,842)	0%
13	Nyathuna Level 4 Hospital	4	1,117,063	26,677,748	(25,560,685)	2288%
14	Lumumba Sub-County Hospital	4	-	12,081,097	(12,081,097)	0%
15	Muhoroni County Hospital	4	-	9,493,876	(9,493,876)	0%
16	Rachuonyo County Hospital	4	30,788,963	40,067,090	(9,278,127)	30%
17	Nyakach County Level 4 Hospital	4	-	8,213,040	(8,213,040)	0%
18	Kanyangi Level 4 Hospital	4	-	7,003,787	(7,003,787)	0%
19	Mukurweini Sub-County Hospital	4	49,868,278	55,791,994	(5,923,716)	12%
20	Mt. Kenya Sub-County Level 4 Hospital	4	22,167,125	27,252,949	(5,085,824)	23%
21	Kipkelion Sub-County Level 4 Hospital	4	8,595,522	13,378,960	(4,783,438)	56%
22	Mutomo Level 4 Hospital	4	7,180,000	11,644,167	(4,464,167)	62%
23	Karatina Sub-County Hospital	4	119,826,597	124,289,123	(4,462,526)	4%
24	Ikanga Level 4 Hospital	4	5,366,725	9,561,858	(4,195,133)	78%
25	Suba Sub-County Hospital	4	16,911,730	18,337,368	(1,425,638)	8%
26	Migori County Referral Hospital	4	38,800,000	40,011,548	(1,211,548)	3%
27	Lusigetti Level 4 Hospital	4	1,627,175	2,337,833	(710,658)	44%
28	Kihara Level 4 Hospital	4	226,748,838	227,416,731	(667,893)	0%
29	Lari Level 4 Hospital	4	81,029,543	81,472,843	(443,300)	1%
30	Kombewa County Hospital	4	10,209,777	10,298,277	(88,500)	1%
31	Chulaimbo Hospital	4	8,767,066	8,832,013	(64,947)	1%
32	Karatu Level 4 Hospital	4	23,772,451	23,797,951	(25,500)	0%
33	Tigoni Level 4 Hospital	4	348,249,811	348,250,811	(1,000)	0%
34	Fort Ternan Level 4 Hospital	4	18,509,254	18,509,254	-	0%
35	Kauwi Level 4 Hospital	4	6,721,125	6,721,125	-	0%
36	Longisa County Referral Level 4 Hospital	4	102,964,320	102,964,320	-	0%
37	Mutitu Sub-County Hospital	4	5,598,070	5,598,070	-	0%

	<b>Name of Hospital</b>	<b>Level</b>	<b>Budgeted Amounts Kshs.</b>	<b>Actual Amounts Kshs.</b>	<b>Over/ Under Kshs.</b>	<b>%Over Expenditure</b>
38	Mwingi Level 4 Hospital	4	130,862,341	130,862,341	-	0%
39	Nuu Level 4 Hospital	4	5,267,180	5,267,180	-	0%
40	Roret Level 4 Hospital	4	11,940,933	11,940,933	-	0%
41	Wangige Level 4 Hospital	4	123,849,313	123,849,313	-	0%
42	Kigumo Level 4 Hospital	4	3,047,200	3,029,200	18,000	(1%)
43	Karuri Level 4 Hospital	4	7,093,224	6,974,383	118,841	(2%)
44	Zombe Level 4 Hospital	4	6,000,000	5,214,071	785,929	(13%)
45	Kyuso Sub-County Hospital	4	11,116,386	10,323,078	793,308	(7%)
46	Tseikuru Level 4 Hospital	4	9,600,000	8,423,241	1,176,759	(12%)
47	Lungalunga Sub-County Hospital	4	129,492,283	127,759,145	1,733,138	(1%)
48	Migwani Level 4 Hospital	4	15,600,000	13,632,861	1,967,139	(13%)
49	Ahero Level 4 Hospital	4	18,011,931	15,251,640	2,760,291	(15%)
50	Londiani Sub-County Level 4 Hospital	4	48,240,000	44,207,775	4,032,225	(8%)
51	Sigowet Sub-County Level 4 Hospital	4	222,588,336	227,060,226	4,471,890	(2%)
52	Kwale Sub-County Level 4 Hospital	4	234,876,820	229,733,170	5,143,650	(2%)
53	Kapkatet Sub-County Level 4 Hospital	4	145,224,000	137,310,403	7,913,597	(5%)
54	Iten County Referral Hospital	4	609,288,415	596,716,034	12,572,381	(2%)
55	Kisii Teaching and Referral Hospital	5	377,773,692	362,872,220	14,901,472	(4%)
56	Othaya Sub-County Hospital	4	55,529,127	38,082,041	17,447,086	(31%)
57	Homabay County Teaching and Referral Hospital	4	135,921,955	85,748,056	50,173,899	(37%)
58	Kiambu Level 5 Hospital	5	115,530,396	59,659,607	55,870,789	(48%)
			<b>5,712,394,275</b>	<b>7,972,568,262</b>	<b>(2,251,230,207)</b>	

## Appendix 2: Hospitals with Unaccounted for Revenue

<b>S.No.</b>	<b>Name of Hospital</b>	<b>Level</b>	<b>Amount (Kshs.)</b>
1	Msambweni County Referral Hospital	5	36,224,999
2	Jaramogi Oginga Odinga Teaching Referral Hospital	5	19,900,943
3	Nyeri Provincial General Level 5 Hospital	5	24,431,257
4	Igegania Level 4 Hospital	4	159,247,292
5	Sigowet Sub-County Level 4 Hospital	4	32,567,079
6	Kwale Sub-County Level 4 Hospital	4	22,798,230
7	Kisumu County Referral Hospital	4	13,402,680
8	Londiani Sub-County Level 4 Hospital	4	8,575,272
9	Wangige Level 4 Hospital	4	3,584,648
10	Nyakach County Level 4 Hospital	4	2,496,590
11	Ahero Level 4 Hospital	4	2,380,000
12	Lungalunga Sub-County Hospital	4	2,077,994
13	Kihara Level 4 Hospital	4	77,737
14	Nuu Level 4 Hospital	4	52,556
	<b>Total</b>		<b>327,817,277</b>

## Appendix 3: Hospitals with Unsupported Expenditure

<b>SNO.</b>	<b>Name of Hospital</b>	<b>Level</b>	<b>Amount (Kshs.)</b>
1	Kiambu Level 5 Hospital	5	912,968,644
2	Gatundu Level 5 Hospital	5	34,848,829
3	Nyeri Provincial General Level 5 Hospital	5	211,271,192
4	Kihara Level 4 Hospital	4	207,181,526
5	Nuu Sub-County Hospital	4	4,086,245
6	Othaya Sub-County Hospital	4	2,130,613
7	Karuri Level 4 Hospital	4	481,500
8	Longisa County Referral Level 4 Hospital	4	19,721,369
9	Londiani Sub-County Level 4 Hospital	4	29,894,042
10	Ruiru Level 4 Hospital	4	35,178,695
11	Tigoni Level 4 Hospital	4	80,771,856
12	Roret Level 4 Hospital	4	2,236,719

<b>SNO.</b>	<b>Name of Hospital</b>	<b>Level</b>	<b>Amount (Kshs.)</b>
13	Wangige Level 4 Hospital	4	127,342,665
14	Migwani Level 4 Hospital	4	25,640,286
15	Kombewa County Hospital	4	4,384,438
16	Kitui County Referral Hospital	5	64,436,880
17	Rachuonyo County Hospital	4	3,077,536
18	Igegania Level 4 Hospital	4	166,779,776
19	Suba Sub-County Hospital	4	1,507,700
20	Muhoroni County Hospital	4	3,269,432
	<b>Total</b>		<b>1,937,209,943</b>

#### Appendix 4: Hospitals with Unreconciled Variances

	<b>Name of Hospital</b>	<b>Level</b>	<b>Amount (Kshs.)</b>
1	Kiambu Level 5 Hospital	5	302,696,971
2	Chulaimbo Hospital	4	17,569,174
3	Kihara Level 4 Hospital	4	206,559,383
4	Nuu Sub-County Hospital	4	3,630,567
5	Othaya Sub-County Hospital	4	7,910,662
6	Karuri Level 4 Hospital	4	10,406,044
7	Zombe Level 4 Hospital	4	142,190
8	Karatina Sub-County Hospital	4	123,017
9	Kyuso Sub-County Hospital	4	308,119
10	Mutitu Sub-County Hospital	4	1,360,685
11	Mt. Kenya Sub-County Level 4 Hospital	4	19,226,721
12	Lumumba Sub-County Hospital	4	1,548,478
13	Kigumo Level 4 Hospital	4	75,162,685
14	Kericho County Referral Hospital	5	173,688,989
15	Longisa County Referral Level 4 Hospital	4	30,227,822
16	Ruiru Level 4 Hospital	4	43,765,703
17	Tigoni Level 4 Hospital	4	425,404,030
18	Roret Level 4 Hospital	4	9,124,460
19	Wangige Level 4 Hospital	4	129,576,061
20	Karatu Level 4 Hospital	4	25,489,516
21	Mutomo Level 4 Hospital	4	316,229
22	Lari Level 4 Hospital	4	88,655,900
23	Kombewa County Hospital	4	9,135,240

	<b>Name of Hospital</b>	<b>Level</b>	<b>Amount (Kshs.)</b>
24	Kwale Sub-County Hospital	4	1,017,212
25	Sigowet County Level 4 Hospital	4	2,082,088
26	Rachuonyo County Hospital	4	130,538,016
27	Kapkatet Sub-County Level 4 Hospital	4	43,489,774
28	Lusigetti Level 4 Hospital	4	4,897,192
29	Nyathuna Level 4 Hospital	4	52,773,192
30	Kisumu County Referral Hospital	4	571,257,031
31	Migori County Referral Hospital	4	34,700,965
32	Suba Sub-County Hospital	4	1,193,263
33	Ahero Level 4 Hospital	4	23,754,847
34	Thika Level 5 Hospital	5	818,868,690
35	Gatundu Level 5 Hospital	5	285,052,683
36	Nyeri Provincial General Level 5 Hospital	5	40,960,325
37	Muhoroni County Hospital	4	37,880,968
	<b>TOTAL</b>		<b>3,630,494,892</b>

#### Appendix 5: Hospitals with Inaccuracies in Cash and Cash Equivalents

	<b>Name of Hospital</b>	<b>Level</b>	<b>Amount (Kshs.)</b>
1	Chulaimbo Hospital	4	1,567,704
2	Kihara Level 4 Hospital	4	144,086
3	Nuu Sub-County Hospital	4	62,888
4	Othaya Sub-County Hospital	4	3,635,729
5	Zombe Level 4 Hospital	4	8,826
6	Mutitu Sub-County Hospital	4	6,839
7	Mt. Kenya Sub-County Level 4 Hospital	4	6,159,235
8	Kanyangi Level 4 Hospital	4	297,916
9	Lumumba Sub-County Hospital	4	132,600
10	Londiani Sub-County Level 4 Hospital	4	47,655
11	Roret Level 4 Hospital	4	4,879,222
12	Wangige Level 4 Hospital	4	5,883,005
13	Mutomo Level 4 Hospital	4	13,597
14	Migwani Level 4 Hospital	4	367,603
15	Lari Level 4 Hospital	4	554,740
16	Kombewa County Hospital	4	6,478,683
17	Nyakach County Level 4 Hospital	4	1,723,410



	<b>Name of Hospital</b>	<b>Level</b>	<b>Amount (Kshs.)</b>
18	Rachuonyo County Hospital	4	977,937
19	Kisumu County Referral Hospital	4	499,149
20	Kapkatet Sub-County Level 4 Hospital	4	89,312
21	Lusigetti Level 4 Hospital	4	749
22	Nyathuna Level 4 Hospital	4	444,428
23	Jaramogi Oginga Odinga Teaching Referral Hospital	5	59,631,359
24	Migori County Referral Hospital	4	20,628,482
25	Ahero Level 4 Hospital	4	334,930
26	Thika Level 5 Hospital	5	7,411,681
27	Gatundu Level 5 Hospital	5	478,469
28	Nyeri Provincial General Level 5 Hospital	5	18,465,704
29	Muhoroni County Hospital	4	3,790,334
	<b>Total</b>		<b>144,716,272</b>

#### Appendix 6: Unsupported Revenue from Exchange Transactions

	<b>Name of Hospital</b>	<b>Level</b>	<b>Amount (Kshs.)</b>
1	Kiambu Level Hospital	5	414,777,620
2	Nuu Sub-County Hospital	4	5,308,287
3	Othaya Sub-County Hospital	4	23,840,169
4	Zombe Level 4 Hospital	4	1,984,805
5	Kyuso Sub-County Hospital	4	3,916,386
6	Mutitu Sub-County Hospital	4	5,014,088
7	Tseikuru Level 4 Hospital	4	4,905,883
8	Mt. Kenya Sub-County Level 4 Hospital	4	4,346,034
9	Lumumba Sub-County Hospital	4	6,217,054
10	Londiani Sub-County Level 4 Hospital	4	1,243,396
11	Msambweni County Referral Hospital	5	14,330,700
12	Ruiru Level 4 Hospital	4	31,980,737
13	Tigoni Level 4 Hospital	4	8,493,460
14	Ikanga Level 4 Hospital	4	4,178,808
15	Wangige Level 4 Hospital	4	15,475,076
16	Kauwi Level 4 Hospital	4	7,485,630
17	Kombewa County Hospital	4	3,629,819
18	Kitui County Referral Hospital	5	102,945,838

	<b>Name of Hospital</b>	<b>Level</b>	<b>Amount (Kshs.)</b>
19	Igegania Level 4 Hospital	4	29,687,313
20	Mwingi Level 4 Hospital	4	18,951,401
21	Nyathuna Level 4 Hospital	4	917,343
22	Jaramogi Oginga Odinga Teaching Referral Hospital	5	16,351,590
23	Thika Level 5 Hospital	5	191,579,166
24	Gatundu Level 5 Hospital	5	3,224,150
25	Muhoroni County Hospital	4	6,806,982
	<b>Total</b>		<b>927,591,735</b>

### **Appendix 7: Hospitals that Did Not Disclose Property, Plant and Equipment**

	<b>Name of Hospital</b>	<b>Level</b>
1	Kwale Sub-County Level 4 Hospital	4
2	Kinango Sub-County Hospital	4
3	Kapsabet County Referral Hospital	4
4	Fort Ternan Level 4 Hospital	4
5	Chulaimbo Hospital	4
6	Kihara Level 4 Hospital	4
7	Lumumba Sub-County Hospital	4
8	Kombewa County Hospital	4
9	Kisumu County Referral Hospital	4
10	Nuu Level 4 Hospital	4
11	Kyuso Sub-County Hospital	4
12	Tseikuru Level 4 Hospital	4
13	Mukurweini Sub-County Hospital	4
14	Mwingi Level 4 Hospital	4
15	Londiani Sub-County Level 4 Hospital	4
16	Roret Level 4 Hospital	4
17	Nyakach County Level 4 Hospital	4
18	Sigowet Sub-County Level 4 Hospital	4
19	Ahero Level 4 Hospital	4
20	Muhoroni County Hospital	4
21	Kanyangi Level 4 Hospital	4
22	Ruiru Level 4 Hospital	4
23	Ikanga Level 4 Hospital	4
24	Kauwi Level 4 Hospital	4

	<b>Name of Hospital</b>	<b>Level</b>
25	Migwani Level 4 Hospital	<b>4</b>
26	Lari Level 4 Hospital	<b>4</b>
27	Kitui County Referral Hospital	<b>4</b>
28	Jaramogi Oginga Odinga Teaching Referral Hospital	<b>5</b>
29	Gatundu Level 5 Hospital	<b>5</b>

#### **Appendix 8: Hospitals that Lacked Ownership Documents (Title Deeds)**

	<b>Name of Hospital</b>	<b>Level</b>
1	Fort Ternan Level 4 Hospital	<b>4</b>
2	Chulaimbo Hospital	<b>4</b>
3	Lumumba Sub-County Hospital	<b>4</b>
4	Kisumu County Referral Hospital	<b>4</b>
5	Jaramogi Oginga Odinga Teaching Referral Hospital	<b>5</b>
6	Nuu Level 4 Hospital	<b>4</b>
7	Kyuso Sub-County Hospital	<b>4</b>
8	Mutito Sub-County Hospital	<b>4</b>
9	Mt. Kenya Sub-County Level 4 Hospital	<b>4</b>
10	Mwingi Level 4 Hospital	<b>4</b>
11	Nyakach County Level 4 Hospital	<b>4</b>
12	Lari Level 4 Hospital	<b>4</b>
13	Gatundu Level 5 Hospital	<b>5</b>

#### **Appendix 9: Hospitals with Ineffective Board of Management**

	<b>Name of Hospital</b>	<b>Level</b>
1	Msambweni County Referral Hospital	<b>5</b>
2	Kericho County Referral Hospital	<b>5</b>
3	Kwale Sub-County Level 4 Hospital	<b>4</b>
4	Lungalunga Sub-County Hospital	<b>4</b>
5	Kinango Sub-County Hospital	<b>4</b>
6	Fort Ternan Level 4 Hospital	<b>4</b>
7	Chulaimbo Hospital	<b>4</b>
8	Lumumba Sub-County Hospital	<b>4</b>
9	Kombewa County Hospital	<b>4</b>
10	Kisumu County Referral Hospital	<b>4</b>
11	Londiani Sub-County Level 4 Hospital	<b>4</b>
12	Roret Level 4 Hospital	<b>4</b>

	<b>Name of Hospital</b>	<b>Level</b>
13	Kapkatet Sub-County Level 4 Hospital	<b>4</b>
14	Kipkelion Sub-County Level 4 Hospital	<b>4</b>
15	Ahero Level 4 Hospital	<b>4</b>
16	Ruiru Level 4 Hospital	<b>4</b>

#### **Appendix 10: Hospitals that Lacked Policy Documents**

	<b>Name of Hospital</b>	<b>Level</b>
1	Kericho County Referral Hospital	<b>5</b>
2	Thika Level 5 Hospital	<b>5</b>
3	Kitui County Referral Hospital	<b>5</b>
4	Kinango Sub-County Hospital	<b>4</b>
5	Kapsabet County Referral Hospital	<b>4</b>
6	Nuu Level 4 Hospital	<b>4</b>
7	Karuri Level 4 Hospital	<b>4</b>
8	Zombe Level 4 Hospital	<b>4</b>
9	Karatina Sub-County Hospital	<b>4</b>
10	Kyuso Sub-County Hospital	<b>4</b>
11	Mutitu Sub-County Hospital	<b>4</b>
12	Tseikuru Level 4 Hospital	<b>4</b>
13	Mt. Kenya Sub-County Level 4 Hospital	<b>4</b>
14	Mukurweini Sub-County Hospital	<b>4</b>
15	Igegania Level 4 Hospital	<b>4</b>
16	Mwingi Level 4 Hospital	<b>4</b>
17	Kigumo Level 4 Hospital	<b>4</b>
18	Kapkatet Sub-County Level 4 Hospital	<b>4</b>
19	Kipkelion Sub-County Level 4 Hospital	<b>4</b>
20	Longisa County Referral Level 4 Hospital	<b>4</b>
21	Migori County Referral Hospital	<b>4</b>
22	Kanyangi Level 4 Hospital	<b>4</b>
23	Ruiru Level 4 Hospital	<b>4</b>
24	Ikanga Level 4 Hospital	<b>4</b>
25	Karatu Level 4 Hospital	<b>4</b>
26	Mutomo Level 4 Hospital	<b>4</b>
27	Kauwi Level 4 Hospital	<b>4</b>
28	Migwani Level 4 Hospital	<b>4</b>

## Appendix 11: Hospitals that did not Comply with PSASB Reporting Template

	<b>Name of Hospital</b>	<b>Level</b>
1	Kericho County Referral Hospital	5
2	Nyeri Provincial General Level 5 Hospital	5
3	Fort Ternan Level 4 Hospital	4
4	Lumumba Sub-County Hospital	4
5	Kombewa County Hospital	4
6	Othaya Sub-County Hospital	4
7	Karuri Level 4 Hospital	4
8	Zombe Level 4 Hospital	4
9	Karatina Sub-County Hospital	4
10	Kyuso Sub-County Hospital	4
11	Mutitu Sub-County Hospital	4
12	Tseikuru Level 4 Hospital	4
13	Mwingi Level 4 Hospital	4
14	Londiani Sub-County Level 4 Hospital	4
15	Kipkelion Sub-County Level 4 Hospital	4
16	Ahero Level 4 Hospital	4
17	Migori County Referral Hospital	4
18	Tigoni Level 4 Hospital	4
19	Wangige Level 4 Hospital	4
20	Lari Level 4 Hospital	4

## Appendix 12: Hospitals with Outstanding Payables

	<b>Name of Hospital</b>	<b>Level</b>	<b>Amount (Kshs.)</b>
1	Thika Level 5 Hospital	5	284,356,387
2	Gatundu Level 5 Hospital	5	176,978,073
3	Jaramogi Oginga Odinga Teaching and Referral Hospital	5	26,220,344
4	Kitui County Referral Hospital	5	19,840,971
5	Kisumu County Referral Hospital	4	89,255,272
6	Homabay County Teaching and Referral Hospital	4	83,536,298
7	Tigoni Level 4 Hospital	4	80,771,856

	<b>Name of Hospital</b>	<b>Level</b>	<b>Amount (Kshs.)</b>
8	Mwingi Level 4 Hospital	4	44,886,224
9	Ruiru Level 4 Hospital	4	34,732,895
10	Migori County Referral Hospital	4	8,952,668
11	Muhoroni County Hospital	4	8,273,787
12	Chulaimbo Hospital	4	4,877,640
13	Wangige Level 4 Hospital	4	3,493,352
14	Kombewa County Hospital	4	2,218,162
15	Kauwi Level 4 Hospital	4	1,581,510
16	Tseikuru Level 4 Hospital	4	1,412,950
17	Nyathuna Level 4 Hospital	4	1,318,625
18	Nyakach County Level 4 Hospital	4	1,244,375
19	Mutomo Level 4 Hospital	4	1,101,254
20	Migwani Level 4 Hospital	4	1,009,312
	<b>Total</b>		<b>876,061,955</b>

### **Appendix 13: Hospitals that Failed to Maintain an Asset Register**

	<b>Name of Hospital</b>	<b>Level</b>
1	Kericho County Referral Hospital	5
2	Kitui County Referral Hospital	5
3	Kapsabet County Referral Hospital	4
4	Chulaimbo Hospital	4
5	Lumumba Sub-County Hospital	4
6	Zombe Level 4 Hospital	4
7	Kyuso Sub-County Hospital	4
8	Mutitu Sub-County Hospital	4
9	Tseikuru Level 4 Hospital	4
10	Mwingi County Hospital	4
11	Nyakach County Level 4 Hospital	4
12	Kipkelion Sub-County Level 4 Hospital	4
13	Longisa County Referral Level 4 Hospital	4
14	Rachuonyo County Hospital	4
15	Suba Sub-County Hospital	4
16	Kanyangi Level 4 Hospital	4
17	Mutomo Level 4 Hospital	4
18	Migwani Level 4 Hospital	4

#### Appendix 14: Hospitals that Lacked Audit Committees and Internal Audit Units

	<b>Name of Hospital</b>	<b>Level</b>
1	Iten County Referral Hospital	5
2	Kericho County Referral Hospital	5
3	Ikanga Level 4 Hospital	4
4	Karatina Sub-County Hospital	4
5	Karatu Level 4 Hospital	4
6	Kauwi Level 4 Hospital	4
7	Kinango Sub-County Hospital	4
8	Kipkelion Sub-County Level 4 Hospital	4
9	Kombewa County Hospital	4
10	Lumumba Sub-County Hospital	4
11	Mukurweini Sub-County Hospital	4
12	Mwingi County Hospital	4
13	Homabay County Teaching and Referral Hospital	4
14	Rachuonyo County Hospital	4
15	Suba Sub-County Hospital	4
16	Zombe Level 4 Hospital	4

#### Appendix 15: Hospitals that had Poor Stores Management

	<b>Name of Hospital</b>	<b>Level</b>
1	Nyeri Provincial General Level 5 Hospital	5
2	Gatundu Level 5 Hospital	5
3	Kwale Sub-County Level 4 Hospital	4
4	Lungalunga Sub-County Hospital	4
5	Kinango Sub-County Hospital	4
6	Kapsabet County Referral Hospital	4
7	Chulaimbo Hospital	4
8	Kihara Level 4 Hospital	4
9	Lumumba Sub-County Hospital	4
10	Kombewa County Hospital	4
11	Mwingi County Hospital	4
12	Nyakach County Level 4 Hospital	4
13	Rachuonyo County Hospital	4
14	Suba Sub-County Hospital	4
15	Ikanga Level 4 Hospital	4

## Appendix 16: Hospitals that did not Report on NHIF Claims or Refunds

	<b>Name of Hospital</b>	<b>Level</b>
1	Ahero County Hospital	4
2	Chulaimbo Hospital	4
3	Gatundu Level 5 Hospital	5
4	Homabay County Teaching and Referral Hospital	4
5	Igegania Level 4 Hospital	4
6	Ikanga Sub-County Hospital	4
7	Jaramogi Oginga Odinga Teaching Referral Hospital	5
8	Kanyangi Sub-County Hospital	4
9	Kapsabet County Referral Hospital	4
10	Karatina Sub-County Hospital	4
11	Karatu Level 4 Hospital	4
12	Karuri Level 4 Hospital	4
13	Kauwi Sub-County Hospital	4
14	Kiambu Level Hospital	4
15	Kigumo Level 4 Hospital	4
16	Kihara Level 4 Hospital	4
17	Kinango Sub-County Hospital	4
18	Kisii Teaching and Referral Hospital	5
19	Kisumu County Referral Hospital	4
20	Kitui County Hospital	4
21	Kombewa Hospital	4
22	Kyuso Sub-County Hospital	4
23	Lari Level 4 Hospital	4
24	Londiani Sub-County Hospital	4
25	Longisa County Referral Hospital	4
26	Lumumba Hospital	4
27	Lungalunga Sub-County Hospital	4
28	Lusigetti Level 4 Hospital	4
29	Migori County Referral Hospital	4
30	Migwani Sub-County Hospital	4
31	Msambweni County Referral Hospital	5
32	Mt. Kenya Sub-County Hospital	4
33	Mukurweini Sub-County Hospital	4



	<b>Name of Hospital</b>	<b>Level</b>
34	Mutitu Sub-County Hospital	4
35	Mutomo Sub-County Hospital	4
36	Mwingi County Hospital	4
37	Nuu Sub-County Hospital	4
38	Nyakach County Hospital	4
39	Nyathuna Level 4 Hospital	4
40	Nyeri County Referral Hospital	4
41	Othaya Sub-County Hospital	4
42	Roret Sub-County Hospital	4
43	Ruiru Level 4 Hospital	4
44	Sigowet Sub-County Hospital	4
45	Thika Level Hospital	4
46	Tigoni Level 4 Hospital	4
47	Tseikuru Sub-County Hospital	4
48	Wangige Level 4 Hospital	4
49	Zombe Sub-County Hospital	4

#### **Appendix 17: Staff Capacity in Level 4 Hospitals**

	<b>Hospital Name</b>	<b>Optimum Staff</b>	<b>Staff Capacity</b>	<b>Deficit</b>
1	Lungalunga Sub-County Hospital	101	26	75
2	Kwale Sub-County Hospital	101	54	47
3	Kinango Sub-County Hospital	101	69	32
4	Kapsabet County Referral Hospital	101	161	(60)
5	Fort Ternan Hospital	101	13	88
6	Lumumba Hospital	101	22	79
7	Kombewa County Hospital	101	38	63
8	Kisumu County Referral Hospital	101	94	7
9	Chulaimbo Hospital	101	18	83
10	Kihara Level 4 Hospital	101	42	59
11	Mt. Kenya Sub-County Level 4 Hospital	101	23	78
12	Othaya Sub-County Hospital	101	37	64
13	Karatina Sub-County Hospital	101	116	(15)
14	Mukurweini Sub-County Hospital	101	73	28
15	Mwingi Level 4 Hospital	101	101	0
16	Kyuso Sub-County Hospital	101	16	85

	<b>Hospital Name</b>	<b>Optimum Staff</b>	<b>Staff Capacity</b>	<b>Deficit</b>
17	Tseikuru Level 4 Hospital	101	22	79
18	Mutitu Sub-County Hospital	101	9	92
19	Nuu Sub-County Hospital	101	23	78
20	Karuri Level 4 Hospital	101	26	75
21	Igegania Level 4 Hospital	101	6	95
22	Nyakach County Level 4 Hospital	101	28	73
23	Ahero County Hospital	101	7	94
24	Muhoroni County Hospital	101	6	95
25	Londiani Sub-County Hospital	101	42	59
26	Roret Level 4 Hospital	101	16	85
27	Sigowet Sub-County Level 4 Hospital	101	51	50
28	Kapkatet Sub-County Level 4 Hospital	101	128	(27)
29	Iten County Referral Hospital	101	116	(15)
30	Kigumo Level 4 Hospital	101	22	79
31	Longisa County Referral Hospital	101	172	(71)
32	Migori County Referral Hospital	101	152	(51)
33	Homabay County Teaching and Referral Hospital	101	149	(48)
34	Suba Sub-County Hospital	101	23	78
35	Migwani Level 4 Hospital	101	28	73
36	Kauwi Level 4 Hospital	101	18	83
37	Ikanga Level 4 Hospital	101	11	90
38	Kitui County Hospital	101	119	(18)
39	Kanyangi Sub-County Hospital	101	18	83
40	Mutomo Level 4 Hospital	101	15	86
41	Karatu Level 4 Hospital	101	10	91
42	Lari Level 4 Hospital	101	22	79
43	Tigoni Level 4 Hospital	101	75	26
44	Lusigetti Level 4 Hospital	101	22	79
45	Wangige Level 4 Hospital	101	36	65
46	Nyathuna Level 4 Hospital	101	10	91
47	Ruiru Level 4 Hospital	101	80	21
	<b>Total</b>	<b>4,747</b>	<b>2,365</b>	

### Appendix 18: Level 4 Hospitals that did Not Offer Surgical Services

	<b>Name of Hospital</b>
1	Kinango Sub-County Hospital
2	Fort Ternan Hospital
3	Chulaimbo Hospital
4	Kihara Level 4 Hospital
5	Mt. Kenya Sub-County Level 4 Hospital
6	Othaya Sub-County Hospital
7	Zombe Level 4 Hospital
8	Karuri Level 4 Hospital
9	Igegania Level 4 Hospital
10	Nyakach County Level 4 Hospital
11	Kipkelion Sub-County Level 4 Hospital
12	Kigumo Level 4 Hospital
13	Rachuonyo County Hospital
14	Kanyangi Sub-County Hospital
15	Mutomo Level 4 Hospital
16	Lusigetti Level 4 Hospital
17	Wangige Level 4 Hospital
18	Nyathuna Level 4 Hospital

### Appendix 19: Level 4 Hospitals that did Not Offer Pediatric Services

	<b>Name of Hospital</b>
1	Kinango Sub-County Hospital
2	Othaya Sub-County Hospital
3	Zombe Level 4 Hospital
4	Londiani Sub-County Hospital
5	Kipkelion Sub-County Level 4 Hospital
6	Rachuonyo County Hospital
7	Kanyangi Sub-County Hospital
8	Mutomo Level 4 Hospital
9	Karatu Level 4 Hospital
10	Lusigetti Level 4 Hospital

## Appendix 20: Level 4 Hospitals that did Not Offer Gynecology Services

	<b>Name of Hospital</b>
1	Kinango Sub-County Hospital
2	Chulaimbo Hospital
3	Othaya Sub-County Hospital
4	Zombe Level 4 Hospital
5	Nuu Sub-County Hospital
6	Karuri Level 4 Hospital
7	Muhoroni County Hospital
8	Londiani Sub-County Hospital
9	Kipkelion Sub-County Level 4 Hospital
10	Kigumo Level 4 Hospital
11	Rachuonyo County Hospital
12	Kanyangi Sub-County Hospital
13	Mutomo Level 4 Hospital
14	Karatu Level 4 Hospital
15	Lusigetti Level 4 Hospital
16	Nyathuna Level 4 Hospital

## Appendix 21: Hospitals that did Not Offer Radiology Services

	<b>Name of Hospital</b>
1	Kinango Sub-County Hospital
2	Fort Ternan Hospital
3	Chulaimbo Hospital
4	Mt. Kenya Sub-County Level 4 Hospital
5	Kyuso Sub-County Hospital
6	Tseikuru Level 4 Hospital
7	Zombe Level 4 Hospital
8	Karuri Level 4 Hospital
9	Igegania Level 4 Hospital
10	Ahero County Hospital
11	Muhoroni County Hospital
12	Roret Level 4 Hospital
13	Kipkelion Sub-County Level 4 Hospital
14	Kigumo Level 4 Hospital
15	Rachuonyo County Hospital

	<b>Name of Hospital</b>
16	Kauwi Level 4 Hospital
17	Ikanga Level 4 Hospital
18	Kanyangi Sub-County Hospital
19	Mutomo Level 4 Hospital
20	Karatu Level 4 Hospital
21	Lari Level 4 Hospital
22	Lusigetti Level 4 Hospital
23	Wangige Level 4 Hospital
24	Nyathuna Level 4 Hospital

## **Appendix 22: Level 4 Hospitals that did Not Offer Renal Dialysis Services**

	<b>Name of Hospital</b>
1	Lungalunga Sub-County Hospital
2	Kwale Sub-County Hospital
3	Kinango Sub-County Hospital
4	Kapsabet County Referral Hospital
5	Fort Ternan Hospital
6	Lumumba Hospital
7	Kombewa County Hospital
8	Kisumu County Referral Hospital
9	Chulaimbo Hospital
10	Kihara Level 4 Hospital
11	Mt. Kenya Sub-County Level 4 Hospital
12	Othaya Sub-County Hospital
13	Mwingi Level 4 Hospital
14	Kyuso Sub-County Hospital
15	Tseikuru Level 4 Hospital
16	Zombe Level 4 Hospital
17	Nuu Sub-County Hospital
18	Karuri Level 4 Hospital
19	Igegania Level 4 Hospital
20	Nyakach County Level 4 Hospital
21	Ahero County Hospital
22	Muhoroni County Hospital

	<b>Name of Hospital</b>
23	Roret Level 4 Hospital
24	Sigowet Sub-County Level 4 Hospital
25	Kipkelion Sub-County Level 4 Hospital
26	Kigumo Level 4 Hospital
27	Rachuonyo County Hospital
28	Suba Sub-County Hospital
29	Migwani Level 4 Hospital
30	Kauwi Level 4 Hospital
31	Ikanga Level 4 Hospital
32	Kanyangi Sub-County Hospital
33	Mutomo Level 4 Hospital
34	Karatu Level 4 Hospital
35	Lari Level 4 Hospital
36	Tigoni Level 4 Hospital
37	Lusigetti Level 4 Hospital
38	Wangige Level 4 Hospital
39	Nyathuna Level 4 Hospital
40	Ruiru Level 4 Hospital

### Appendix 23: Bed Capacity in Level 4 Hospitals

	<b>Name of Hospital</b>	<b>Required Capacity</b>	<b>Actual Capacity</b>	<b>Deficit</b>
1	Lungalunga Sub-County Hospital	150	72	78
2	Kwale Sub-County Hospital	150	66	84
3	Kapsabet County Referral Hospital	150	250	(100)
4	Fort Ternan Hospital	150	22	128
5	Lumumba Hospital	150	25	125
6	Kombewa County Hospital	150	50	100
7	Kisumu County Referral Hospital	150	180	(30)
8	Kihara Level 4 Hospital	150	63	87
9	Mt. Kenya Sub-County Hospital	150	31	119
10	Karatina Sub-County Hospital	150	216	(66)
11	Mukurweini Sub-County Hospital	150	138	12
12	Mwingi Level 4 Hospital	150	239	(89)
13	Kyuso Sub-County Hospital	150	26	124

	<b>Name of Hospital</b>	<b>Required Capacity</b>	<b>Actual Capacity</b>	<b>Deficit</b>
14	Tseikuru Level 4 Hospital	150	71	79
15	Zombe Level 4 Hospital	150	16	134
16	Mutitu Sub-County Hospital	150	32	118
17	Nuu Sub-County Hospital	150	10	140
18	Karuri Level 4 Hospital	150	10	140
19	Igegania Level 4 Hospital	150	84	66
20	Nyakach County Level 4 Hospital	150	37	113
21	Ahero County Hospital	150	42	108
22	Londiani Sub-County Hospital	150	50	100
23	Roret Level 4 Hospital	150	30	120
24	Sigowet Sub-County Hospital	150	115	35
25	Kapkatet Sub-County Hospital	150	247	(97)
26	Kipkelion Sub-County Hospital	150	3	147
27	Iten County Referral Hospital	150	302	(152)
28	Kigumo Level 4 Hospital	150	20	130
29	Longisa County Referral Hospital	150	240	(90)
30	Migori County Referral Hospital	150	224	(74)
31	Homabay County Teaching and Referral Hospital	150	314	(164)
32	Suba Sub-County Hospital	150	60	90
33	Kitui County Hospital	150	233	(83)
34	Kanyangi Sub-County Hospital	150	25	125
35	Mutomo Level 4 Hospital	150	17	133
36	Karatu Level 4 Hospital	150	32	118
37	Lusigetti Level 4 Hospital	150	25	125
38	Ruiru Level 4 Hospital	150	200	(50)
		<b>5,700</b>	<b>3,817</b>	

#### **Appendix 24: Level 4 Hospitals that did Not Provide Information on Bed Capacity**

	<b>Name of Hospital</b>
1	Kinango Sub-County Hospital
2	Chulaimbo Hospital
3	Othaya Sub-County Hospital
4	Muhoroni County Hospital
5	Rachuonyo County Hospital
6	Migwani Level 4 Hospital

	<b>Name of Hospital</b>
7	Kauwi Level 4 Hospital
8	Ikanga Level 4 Hospital
9	Lari Level 4 Hospital
10	Tigoni Level 4 Hospital
11	Wangige Level 4 Hospital
12	Nyathuna Level 4 Hospital

### **Appendix 25: Level 4 Hospitals Medical Equipment and Machines (Incubators and Cots)**

	<b>Name of Hospital</b>	<b>Required Incubators and Cots</b>	<b>Available Incubators and Cots</b>	<b>Deficit</b>
1	Lungalunga Sub-County Hospital	10	1	9
2	Kapsabet County Referral Hospital	10	5	5
3	Fort Ternan Hospital	10	2	8
4	Lumumba Hospital	10	12	(2)
5	Kisumu County Referral Hospital	10	4	6
6	Kihara Level 4 Hospital	10	3	7
7	Mt. Kenya Sub-County Hospital	10	1	9
8	Karatina Sub-County Hospital	10	10	0
9	Mukurweini Sub-County Hospital	10	8	2
10	Mwingi Level 4 Hospital	10	2	8
11	Kyuso Sub-County Hospital	10	1	9
12	Tseikuru Level 4 Hospital	10	2	8
13	Nuu Sub-County Hospital	10	2	8
14	Igegania Level 4 Hospital	10	6	4
15	Ahero County Hospital	10	5	5
16	Londiani Sub-County Hospital	10	2	8
17	Roret Level 4 Hospital	10	1	9
18	Sigowet Sub-County Hospital	10	5	5
19	Kapkatet Sub-County Hospital	10	20	(10)
20	Kipkelion Sub-County Hospital	10	2	8
21	Iten County Referral Hospital	10	2	8
22	Kigumo Level 4 Hospital	10	1	9
23	Longisa County Referral Hospital	10	5	5
24	Migori County Referral Hospital	10	20	(10)



	<b>Name of Hospital</b>	<b>Required Incubators and Cots</b>	<b>Available Incubators and Cots</b>	<b>Deficit</b>
25	Homabay County Teaching and Referral Hospital	10	11	(1)
26	Suba Sub-County Hospital	10	2	8
27	Ikanga Level 4 Hospital	10	8	2
28	Kitui County Hospital	10	4	6
29	Kanyangi Sub-County Hospital	10	2	8
30	Mutomo Level 4 Hospital	10	3	7
31	Karatu Level 4 Hospital	10	5	5
32	Lusigetti Level 4 Hospital	10	4	6
33	Nyathuna Level 4 Hospital	10	1	9
34	Ruiru Level 4 Hospital	10	2	8
		<b>340</b>	<b>162</b>	

**Appendix 26: Level 4 Hospitals that did Not Provide Information on their Medical Equipment and Machines**

	<b>Name of Hospital</b>
1	Kwale Sub-County Hospital
2	Kinango Sub-County Hospital
3	Kombewa County Hospital
4	Chulaimbo Hospital
5	Othaya Sub-County Hospital
6	Zombe Level 4 Hospital
7	Mutitu Sub-County Hospital
8	Karuri Level 4 Hospital
9	Nyakach County Level 4 Hospital
10	Muhoroni County Hospital
11	Rachuonyo County Hospital
12	Migwani Level 4 Hospital
13	Kauwi Level 4 Hospital
14	Lari Level 4 Hospital
15	Tigoni Level 4 Hospital
16	Wangige Level 4 Hospital

## Appendix 27: Hospitals that Had Expired Drugs

	<b>Hospital</b>	<b>Level</b>
1	Msambweni County Referral Hospital	<b>5</b>
2	Kwale Sub-County Level 4 Hospital	<b>4</b>
3	Lungalunga Sub-County Hospital	<b>4</b>
4	Fort Ternan Level 4 Hospital	<b>4</b>
5	Zombe Level 4 Hospital	<b>4</b>
6	Kyuso Sub-County Hospital	<b>4</b>
7	Mutitu Sub-County Hospital	<b>4</b>
8	Tseikuru Level 4 Hospital	<b>4</b>
9	Mwingi Level 4 Hospital	<b>4</b>
10	Ahero Level 4 Hospital	<b>4</b>
11	Ikanga Level 4 Hospital	<b>4</b>
12	Mutomo Level 4 Hospital	<b>4</b>
13	Kauwi Level 4 Hospital	<b>4</b>
14	Migwani Level 4 Hospital	<b>4</b>
15	Lari Level 4 Hospital	<b>4</b>
16	Lusigetti Level 4 Hospital	<b>4</b>
17	Kitui County Referral Hospital	<b>4</b>