

REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

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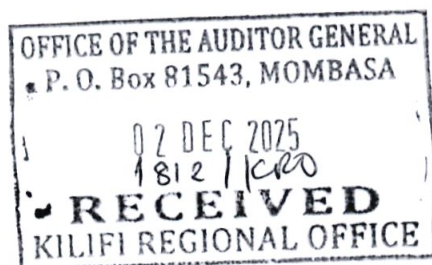
BAMBA SUB-COUNTY LEVEL 4 HOSPITAL

FOR THE YEAR ENDED
30 JUNE, 2025

PAPERS LAID	
DATE	24/2/20
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COUNTY GOVERNMENT OF KILIFI

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**BAMBA SUB COUNTY LEVEL 4 HOSPITAL
(COUNTY GOVERNMENT OF KILIFI)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2025

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

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1. Acronyms & Glossary of Terms.

CSR	Corporate Social Responsibility
OSHA	Occupational Health & Safety Act
PFMA	Public Financial Management Act
MED SUP	Medical Superintendent
Fiduciary Management	Key management personnel who have financial responsibility in the entity.
BSCH	Bamba Sub county Hospital
MD	Managing Director
OPD	Out Patient Department
HSIF	Health service Improvement Fund
HMB	Health management Board
DOH	Department Of Health
CHMT	County Health Management Team

2. Key Entity Information and Management

(a) Background information

Bamba sub-county is level four hospital, which is located in coast region, Kilifi County, Ganze Sub County, Bamba ward, Mtsarawatsastu location. It was started as a dispensary in 1968 opened by Mzee Jomo Kenyatta in 1978 it was upgraded to a health centre in 2009 it become a sub district hospital until 2014 due to devolution it was upgraded to Bamba Sub county hospital. It serves 4 wards Bamba, Ganze, Jaribuni and Sokoke.it serves a population of approximately 300,000 The hospital, having been commissioned in 1968, has seen a lot of development through funding by national government and county government providing more funds to improve the in-patient capacity and outpatient facilities to its present state.

(b) Principal Activities

The main mandate of BSCH is to provide curative, preventive, and rehabilitative health services. It offers specialized clinical services in various disciplines. It facilitates training for medical students. The hospital mission is to provide quality healthcare services that are accessible, acceptable, sustainable, and equitable visible to the population of Kilifi county and beyond.

(c) Key Management

The Bamba Subcounty Hospital management is under the following key organs:

- County department of health
- 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 2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Medical Superintendent	Simon Peter Buoga-
2.	Head of finance	Elizabeth karisa-
3.	Head of supply chain	Mwachiro Mwatata-
4.	Head Administration	Julius fondo -
5.	Head of Nursing Services	Mariana Dzidza Chakacha

(e) Fiduciary Oversight Arrangements

The county assembly it approves the budget and expenditure of the County Government and the borrowing in accordance of the constitution 212 of the Constitution of Kenya 2010.

The controller of budget it approves withdrawal from the public funds only when satisfied by law.

County executive committee it exercises executive authority in accordance with the constitution legislation

Internal auditor department it ensures that the internal controls exist and are adhered to

Key Entity Information and Management (continued)

(f) Entity Headquarters

P.O. Box 8 -80114
Ganze–Mariakani Bamba road
Bamba, KENYA

(g) Entity Contacts

Email. Bambasubcountyhospital@gmail.com
Contact.0745554068

(h) Entity Bankers

Cooperative Bank kilifi branch
National Bank of Kenya

(i) Independent Auditors

Auditor General
Office of Auditor General
Anniversary Towers, Institute Way
P.O. Box 30084

Bamba Sub county Hospital (Kilifi County Government)
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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

Kilifi Plaza
Hospital Road
P.O Box 519-80108
Kilifi, Kenya

3. The Board of Management

1	Mr. Edward Yongo 	Chairman MR Edward being the Chairman of Management, Bamba Sub County Hospital, worked as a teacher until his retirement. He was also privileged to study Bachelor of Education (Arts option) and was awarded a Degree 20th June 2012 His capacity to serve the community within and outside Ganze Sub County to acquire sufficient medical services through the Board of Management as the Chairman.
2	Mrs. Alice Loyeima 	Vice Chair Mrs Alice works at the Board of Management as the vice Chairperson, serving the Community of Ganze Sub County as we earmarked improved service delivery at the Bamba Sub County Hospital. She was privileged to do Kenya Certificate of Secondary Education. Alongside my other teammates of the Board, we have a role in making sure sufficient and efficient services are provided within the facility though with limited resources.
3	Mr Daniel Ngonyo 	Member He was appointed as a Board Member of Bamba Sub County Hospital on the capacity of person living with disability. He has done Kenya Certificate of Secondary Education in the year 2003. He dedicates his sincere service delivery to the community of Ganze Sub County for this period as a Board member of Bamba Sub-County Hospital.
4	Mr. rashid Jefwa 	Member A board member of Bamba sub county hospital in Ganze sob county. He did his Kenya certificate of secondary education in the year 2006. He was privileged to do a certificate in ICT at Junda ICT Centre, he also did certificate in plant operator in the year 2021. He is dedicated to make sure the community in Ganze sub county hospital get efficient services.
5	Mr. Morris Mutoro 	Member Mr Mutoro did his certificate at East African Certificate in Education in the year 1976. He has sufficient skills to render to the community through his membership of Board of Management of Bamba Sub County Hospital in Ganze Sub County.

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6	Mrs. Alice Dzame 	Member Mrs Alice is Board Member of Bamba Sub-County Hospital. She did her Kenya Certificate of Secondary Education in the year 1991. She is determined to transform the facility alongside his fellow Board Members to the level four hospital status both infrastructure wise and manpower.
7	Mrs.Dorothy Mwangolo 	Member Mrs Dorothy is a Board Member of Bamba Sub County Hospital, being a level four Hospital in Ganze Sub County. She did her secondary school examination in the year 1999. It's my sincere hope that we as Board of Management will have the zeal dedicated towards the Community of Ganze Sub County in getting sufficient services.
8	Mr. Gedion Katana 	Member I am a Board member at Bamba sub county hospital in Ganze sub county. I did my Kenya Certificate of secondary education in the year 1999. I am therefore determined to execute services as a board member of Bamba sub county hospital with much zeal.
9	Dr. Buoga Simon Peter 	Secretary Dr. Buoga Holds MBChB Degree, from Jomo Kenyatta University of Agriculture and Technology, Kenya. He worked in Malindi Sub-county Hospital as a medical officer intern then as a medical officer under hospital contract prior to joining Kilifi County in 2024 and is currently the medical superintendent at Bamba Sub-county Hospital.

4. Key Management Team

Ref	Management	Details
1.	Simon Peter Buoga MBChB Degree 	Dr. Buoga Holds MBChB Degree, from Jomo Kenyatta University of Agriculture and Technology, Kenya. He worked in Malindi Sub-county Hospital as a medical officer intern then as a medical officer under hospital contract prior to joining Kilifi County in 2024 and is currently the medical superintendent at Bamba Sub-county Hospital. Medical superintendent
2.	Julius Fondo -Administrator for over 20yrs 	Mr Julius Fondo has served as an administrator for over 20 years during the defunct local authority and since the inception of county government where he was seconded to the department of ICT, culture and social services. Administrator
3.	Mariana chakacha -Degree in nursing 	Holds a bachelor's degree in nursing from Kenya Registered community Health Nurse. Worked in mariakani subcounty hospital from 2013 until march 2024, then joined bamba sub county hospital to date as Nursing officer in charge
4.	Elizabeth Karisa B COM (Finance) 	Mrs elizabeth holds a degree in commerce (Finance option) from Mount Kenya University and Certified Public Accountant (CPA-2) she is an Accountant with more than 5 years' experience. Finance officer
5.	Mwachiro Mwatata- Diploma in supply chain 	Mr. Mwachiro Mwatata holds a diploma in supply chain management, from Kilifi school of accountancy he worked at Kilifi county hospital from 2016 until 2018 where he joined Bamba subcounty hospital to date Head of procurement

5. Chairman’s Statement

BSCH main mandate is providing curative, preventive, promotive and rehabilitative health services and specialised clinical services. Plans of the hospital are to establish 300-bed capacity, conduct surgeries, to build a mortuary and others.

BSCH started the year’s operations on a positive outlook, but because it covering a huge population continued to realize huge flow of patients from neighbouring ward 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. 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.

consolidate its mandate as a level 4 hospital and realize its vision and mission, BSCH will implement a set of priority activities organized around the following eight key strategic choices in the period set in this strategic plan: clinical services and products, quality improvement, human resource development, healthcare financing and sustainability HMB and hospital management realized great achievement in terms of revenue generation, which has grown compared to the previous financial year 2023/2025 including, Human resource development. 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 and excellent institution.

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



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Name Edward Yongo
Chairman to the Board

6. Report of The Medical Superintendent

Bamba sub County Hospital (BSCH) is a level 4 public health facility that began in 1978 as a dispensary. The facility has developed to its status through the years. Currently the facility brugs of two (2) wards, two (1)operating theatre, and a wide of services at the OPD level.

During the year in focus (2024-2025), the hospital management prioritized to work on **provision of quality health services by put systems in place to improve on the patient** flow,reduce waiting time, minimise public complaints and increase on customer experience at the facility.

BSCH is faced with several challenges including Shortage of skilled personnel, low revenue collection, due to poverty level and the effects of drought, Lack of adequate working space including female ward, male ward, paediatrics ward and Emergency unit. Being the only sub county hospital at a remote area, many patients have difficulty in accessing it due to long distance and terrain ,patients leave in the interior where there is drought, The hospital also lacks basic commodities like some drugs and lab reagents etc. due to low KEMSA fill rate Lack of an ideal kitchen for the hospital, Lack of call rooms and lack of modern medical equipment's like CT- Scan, XRAYs, Biochemistry Machines, Physiotherapy, Plaster Rooms etc. MRI, Laundry Machine (comprises most of the referralsout) etc. Staff demotivation due to delayed promotions and overworking

Due to the continued demand of services, the hospital management team has been forced to engage on contractemployees under the most desperate situations i.e. nurses, registered clinical officers, pharm technicians, to curb malpractices and reduce errors in service delivery. All this has been done through the HSIF.

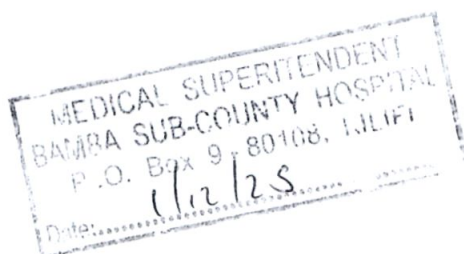
The HMT is in constant communication with the DOH Kilifi for support in providing more skilled personnelparticularly in the following cadres: - Nurses, Registered clinical officers, Medical Officers, consultants, Radiographer, Occupational therapists, nurses and specialized personnel in family medicine, oncology,psychiatry, urology. These are categorized in relation to the morbidity cases in the region.

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Simon Buoga

Secretary to the Board



7. 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.

BSCH has seven strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY 2024- 2025. 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. . Medical products,vaccines and technology

BSCH develops its annual work plans based on the above Seven pillars/Themes/Issues. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Hospital achieved its performance targets set for the FY 2024/2025 period for its seven 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	- Hospital Drug formulary in place - No of stock-out tracer drugs - No of prescription reviewed - Updated SOPs	- Rational use of Medications - Rational use of blood and blood products - Provision of Health products	- Hospital Drug formulary in place. - Reduction in morbidity

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	governance	No of Pharmaceutical vigilance conducted	Monthly Clinical Audits and mortality Meetings	and mortality.
	To strengthen Emergency Preparedness	- Training report - To increase Clinical drills	- Train staff on Emergency preparedness. - Clinical drills on emergency conditions	- Staff Trained - CMEs twice a month
	To Expand work space	- Completion Certificates - Project Committee Evaluation Report.	- To complete radiology building - To complete accident and emergency block	- Radiology building - Accident and emergency block
	To ensure Quality Diagnostic Services	- Registers - Survey reports - Client satisfaction report	- Expand the scope of 24 hours specialized services - Introduce new specialized Services - Adhere to Quality Standards	- Pharmacy and consultation on call 24 hours - UECs Culture sensitivity etc done 24 hours

				Specialised tests(HBA1 C,Lipid profile,PSA)
Healthcare Financing and Sustainability	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	- Staff trained and its continuous - one customer desks introduced at outpatient, at the entrance

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				e &Casua lty
Human Resource	Improved performance management	Human Resource Department established and functional	- Establish Human Resource Department - Conduct Quarterly and Annual Staff Appraisal	- Human Resource Department functional - Staff Appraisals Done
	Staff development	% staff trained - Training Needs Report	Carry out and Implement training Needs Assessment	Training needs Identified
	Staff Motivation	- Staff Satisfaction Report - Client Satisfaction - Minutes	- Staff Recognition, rewards and Suctions - Annual Staff gifting - Improving The staff Levels - Staff involvement on decision making - Remuneration	- All staffs awarded annually - All Staffs are involved in decision making through various committees , HMT, Department al meeting, staff

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				meeting days,
Leadership and Governance	Enhance policy dissemination and implementation	% Increase in hospital performance - No of staff Meetings - No of HMB meetings	- Monthly staff meeting - Quarterly Board meeting - Implementation of strategic plan	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
	Networking and Collaboration	- No of meetings held with partners - No of stakeholders identified	- Mapping of stakeholders - Exchange and Benchmarking program - Consultative meetings with partners and stakeholders	- Several Meetings Held - Several stakeholder s such as world vision

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Medical products, Vaccines and Technology	To provide vaccination as per KDVI .	• 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%
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8. Corporate Governance Statement

BSCH Board of Management is responsible for the corporate governance of the Hospital and is accountable to Ministry of Health, County department of health Kilifi County for ensuring that the Hospital complies with the laws and the highest standards of corporate governance and business ethics. The Board members attach great importance to the 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.

The Board of Management is composed of non-executive members elected by the governor of Kilifi 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 board term is two years renewal subject to performance.

Below are the key roles and responsibilities of the Board:

- Governing and oversight role in the institution for its success
- 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.
- Setting the hospital vision
- Monitoring performance of the hospital progress in line with the strategic goals.
- Delegation of day to day management to the medical superintendent

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

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

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 (4) meetings attended by selected members.

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.

Designation	Amount
Chairman	15,000
Vice chairman	10,000
Members	10,000

Committees of the Board

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

- Development and infrastructure sub committee
- Grievance handling sub- committee
- Finance sub -committee
- Disciplinary sub committee

9. 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.

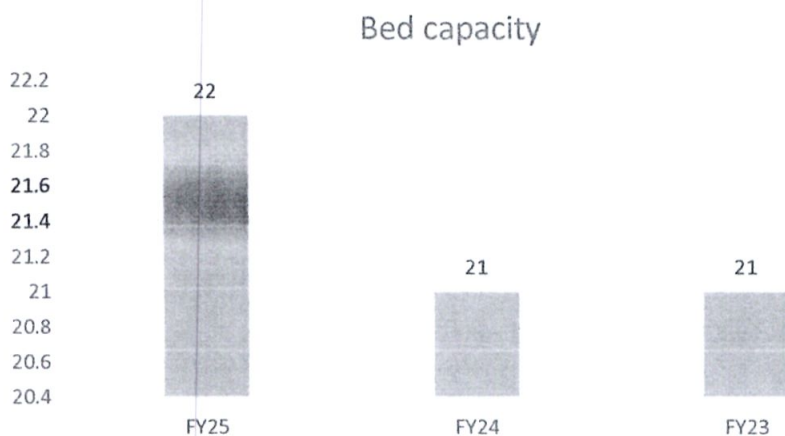
The overall leadership and governance of BSCH will be vested in the Hospital Management Board. The Board members are appointed in accordance with the policies of the County Government of Kilifi and day-to-day management of the hospital is vested on the Chief Executive Officer.

The Chief Executive Officer will be assisted in performing the functions of his or her position by the county health management Team (CHMT), and the Hospital Management Team (HMT). The HMT is made up of the divisional heads and heads of departments

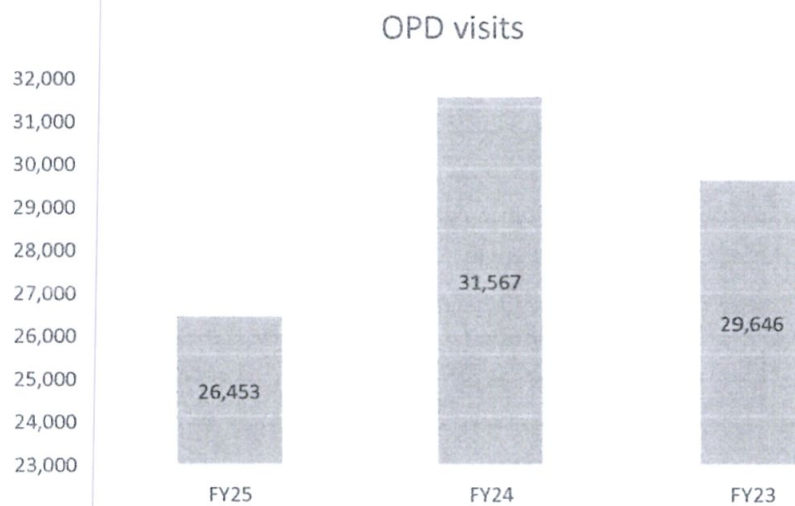
	JULY 2024- 30 TH JUNE 2025		JULY 2023- 30 TH JUNE 2024		JULY 2022- 30 TH JUNE 2023	
Bed capacity	22		21		21	
OPD visits	26,453		31,567		29,646	
Causality	0		0		0	
Special clinics	4,347		1,790		2,543	
Average length of stay	3 Days		3 Days		3 Days	
Bed occupancy rate	67%		18%		67%	
Mortality rate	0.60%		0.20%		0.02%	
Maternity deliveries	1553		1553		1149	
Surgical theatre utilization	Major	195	Major	31	Major	39
	Minor	27	Minor	7	Minor	29
	Circumcision	0	Circumcision	0	Circumcision	0
	TOTAL	222	TOTAL	38	TOTAL	68

Tables and Charts:

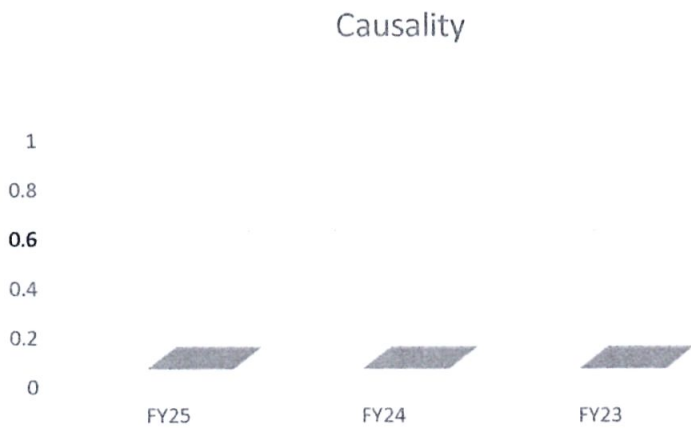
BED CAPACITY



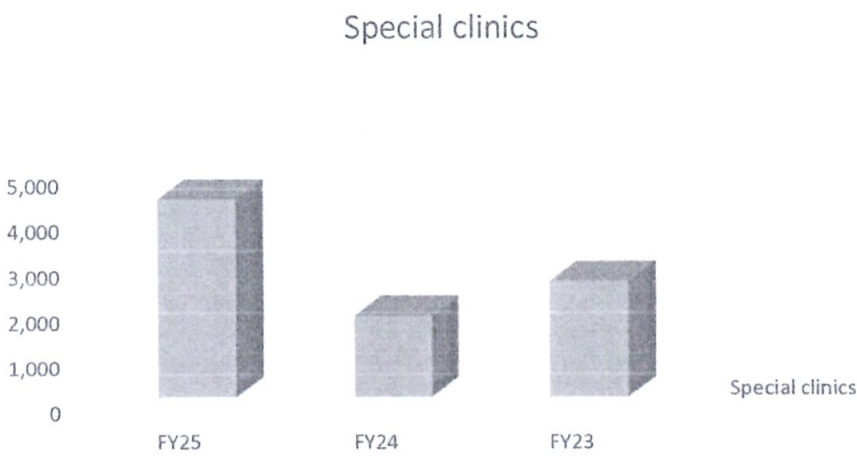
OUT PATIENT VISITS



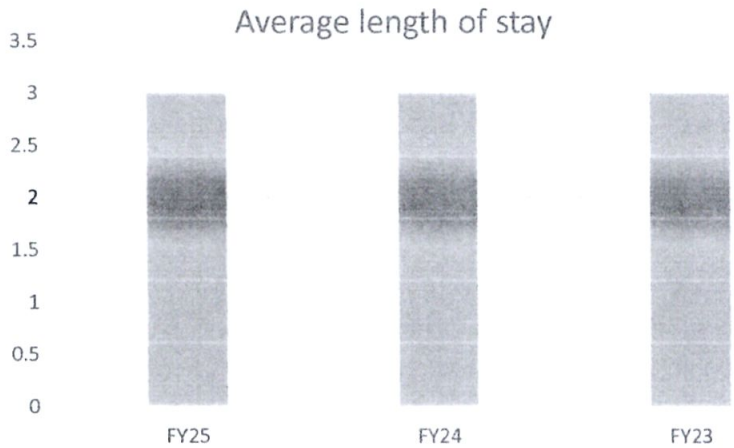
CAUSALITY



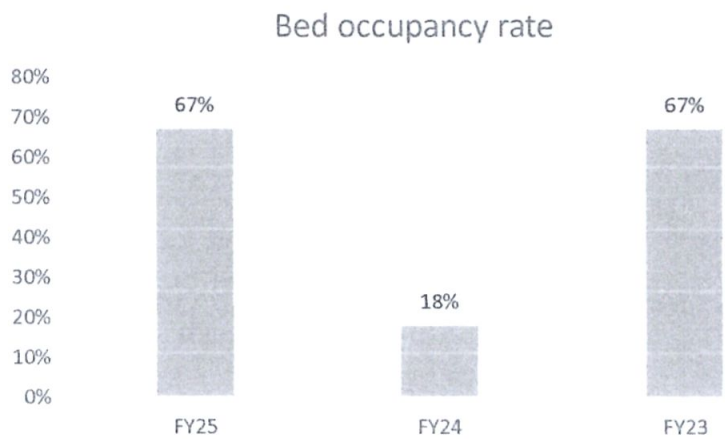
SPECIAL CLINICS



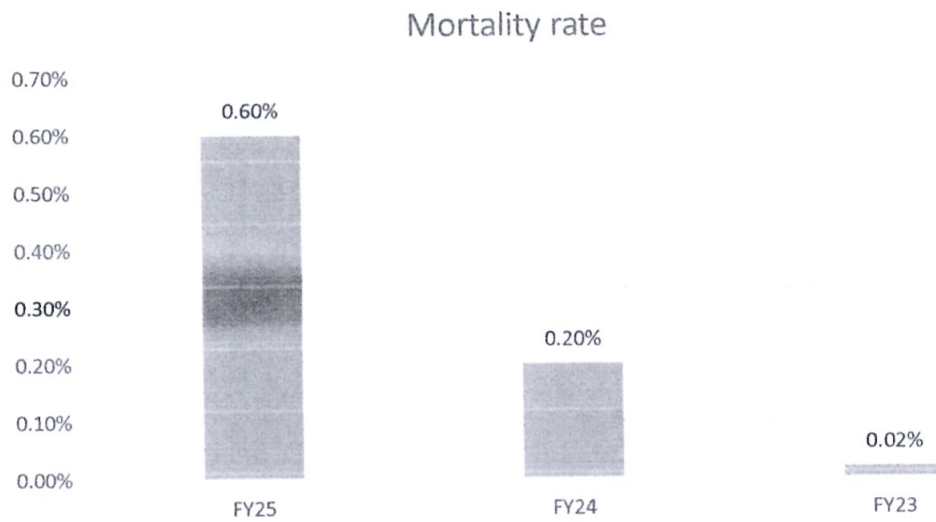
AVERAGE LENGTH OF STAY



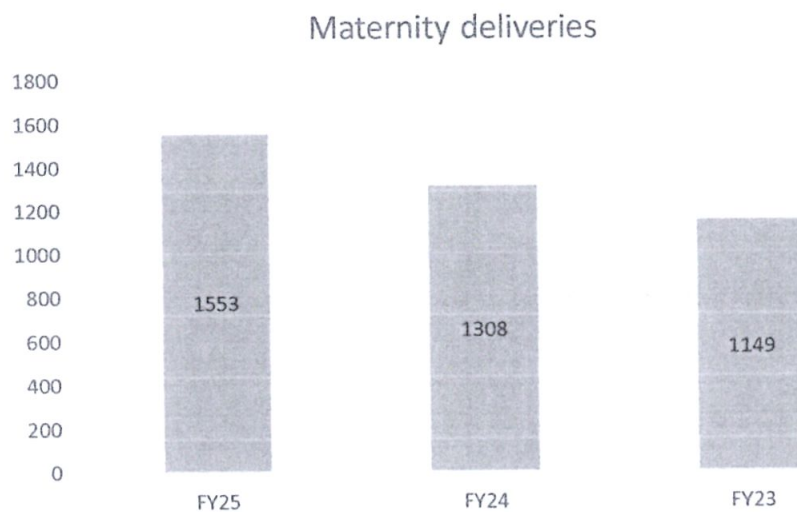
BED OCCUPANCY RATE



MORTALITY RATE

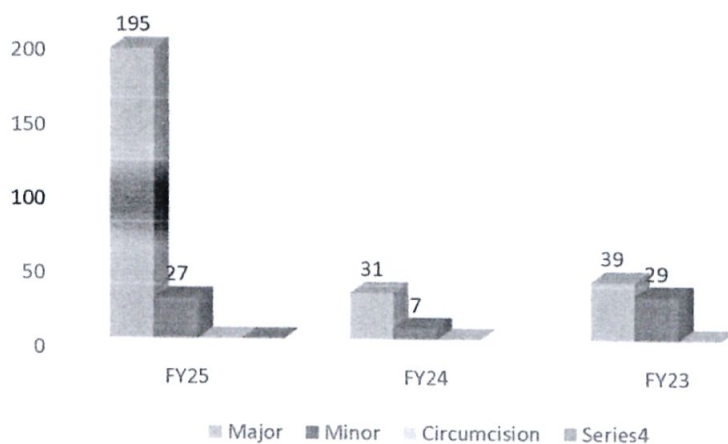


MATERNITY DELIVARIES



SURGICAL THEATRE UTILIZATION

SURGICAL THEATRE UTILISATION



BSCH revenue Sources Includes:

- User Fees Comprising of
 - Cash collection
 - NHIF Collections

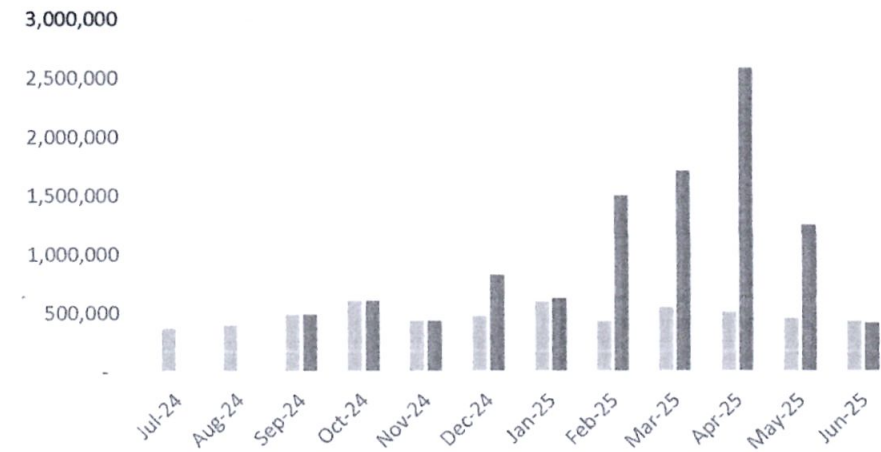
Analysis of revenue performance as at 30TH JUNE 2025 is as listed below:

MONTH	FIF	NHIF COLLECTION
Jul-24	364,100	1545
Aug-24	394,380.00	
Sep-24	487,574.00	487574
Oct-24	604,875.00	604875
Nov-24	429,355.00	429355
Dec-24	468,024.00	819816
Jan-25	593,387.00	622125
Feb-25	423,905.00	1492418
Mar-25	541,003.00	1708126
Apr-25	496,778.00	2,575,409.55
May-25	450,068.00	1,244,618.80

Jun-25	422,495.00	413,336.50
TOTAL	5,675,944.00	10,399,198.85

EXPENDITURE ANALYSIS

REVENUE ANALYSIS



Bamba Sub county Hospital (Kilifi County Government)
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CODE	Item Description	2024-2025	TOTALS	BALANCE
2210201	Telephone, Telex, Facsimile and Mobile Phone Services	290,000.00	287,000.00	3,000.00
2210202	Internet Connections	-	-	-
2210203	courier and postal services	1,000.00	-	1,000.00
2110201	Contractual employees	5,480,356.00	5,477,032.00	3,324.00
2120101	employer contribution to national social security fund	220,000.00	219,083.00	917.00
2210301	Travel Costs (airlines, bus, railway, mileage allowances, etc.)	-	-	-
2110202	Contracted labour	165,000.00	164,500.00	500.00
2211005	Chemical Gases	50,000.00	49,500.00	500.00
2210502	publishing and printing	173,000.00	170,500.00	2,500.00
2210504	Advertising, awareness & publicity campaigns	1,000.00	-	1,000.00
2210801	Catering Services (receptions), Accommodation, Gifts, Food and Drinks	327,000.00	326,880.00	120.00
2210802	Boards, Committees, Conferences and Seminar	781,000.00	780,500.00	500.00
2211001	Medical Drugs	664,000.00	663,468.00	532.00
2211002	Dressings and Other Non-Pharmaceutical Medical Items	124,550.00	123,600.00	950.00
2211004	Fungicides, Insecticides and sprays	50,000.00	49,995.00	5.00
2211008	Laboratory Materials, Supplies and Small Equipment	513,000.00	512,789.00	211.00
2211015	food and ration	94,577.00	92,535.00	2,042.00
2211016	work shop tools and equipment	652,000.00	651,550.00	450.00
2211025	Purchase of rehabilitative supplies	37,000.00	35,000.00	2,000.00
2211101	General Office Supplies (papers, pencils, forms, small office equipment	546,747.00	546,395.00	352.00
2211102	Supplies and Accessories for Computers and Printers	893,000.00	890,610.00	2,390.00
2211103	Sanitary and Cleaning Materials, Supplies and Services	104,000.00	102,900.00	1,100.00
2211201	Refined Fuels and Lubricants for Transport	2,157,500.00	2,155,885.00	1,615.00
2211204	Other Fuels (wood, charcoal, cooking gas etc?)	118,000.00	117,000.00	1,000.00
2220105	Routine Maintenance - Vehicles	83,000.00	82,700.00	300.00
2220201	Maintenance of Plant, Machinery	45,000.00	45,000.00	-
2220205	Maintenance of Buildings and Stations -- Non-Residential	365,212.00	364,265.00	947.00
2220210	Maintenance of Computers, Software, and Networks	46,000.00	46,000.00	-
2211301	Bank Services, commission and charges	12,395.00	12,160.00	235.00
2210303	domestic-Daily subsistence allowance / 24 outreaches	4,886,407.00	4,885,005.00	1,402.00
3111101	purchase of medical and dental equipment	2,000.00	-	2,000.00
3111111	purchase of ICT networking & communication Equipment	45,741.00	45,000.00	741.00
3111001	purchase of office furniture and general -other	-	-	-
3111002	Purchase of computers, printers & other IT equip	44,500.00	44,500.00	-
3110902	Purchase of household & institutional appliances	24000	24000	-
TOTAL		18,996,985.00	18,965,352.00	31,633.00

10. Environmental And Sustainability Reporting

i) Sustainability strategy and profile

BSCH 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 BSCH 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 services such as general surgery services, outreach clinic services, services etc.
- Public Private Partnership
- Upgrading the hospital facilities such as wards to get more funding
- Enhancing Client satisfaction through quality service care

ii) Environmental performance

BSCH 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.

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 of waste.
- The general cleanliness of the organization is well maintained both indoors and grounds.

Challenges

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

iii) Employee welfare

Employee hiring process is a 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 that provides the rules governing recruitment and appointment of new officers.

- iv) 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 courses offered by the government institutions.
- v) 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.
- vi) 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.

vii) Market place practices-

a) Responsible competition practice.

This is effectively done through proper use of the instituted internal committees to help minimize anticorruption.

BSCH maintains a healthy relationship with all our competitors. We realise that we need the competitors as much as they need this facility and therefore we respect our competitors and even invite some of them to our stakeholder meetings. Competition is appreciated and taken as a challenge to continually improve on the quality of the service that we offer.

b) Responsible Supply chain and supplier relations

BSCH ensures best involvement of suppliers in the tendering process and feedback given to suppliers in good time. Suppliers are paid promptly and where delay are unavoidable, prior communication is done to avoid conflict.

c) Responsible marketing and advertisement

Effectively done through the use of public address system and the community health workers.

d) Product stewardship

Several efforts have been put in place to safeguard consumer rights and interest i.e.

1. Display of patient service charters, patient rights, are placed on all strategic points of the hospital. These are written both in Kiswahili and local dialect for ease of understanding.
2. The hospital management monitors a good working relation with opinion leaders to ensure service delivery practice is acceptable to the community.
3. Through the HMB, patients' rights and interests are safeguarded.

11. Report of The Board of Management

The Board members submit their report together with the Audited Financial Statements for the year ended June 30th 2025, 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 across the county.

Results

The results of the entity for the year ended June 30th 2025 are set out on pages 1 to 6

Board of Management

The members of the Board who served during the year are shown on page Vi-vii.

Auditors

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

By Order of the Board

Auditors

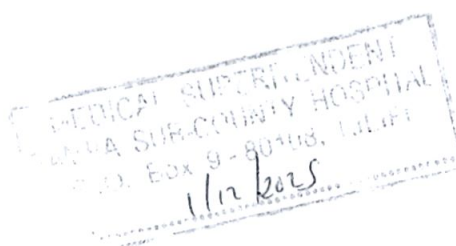
The Auditor General is responsible for the statutory audit of Bamba Subcounty Hospital in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board

.....

Buoga Simon

Secretary to the Board



12. 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 BSCH, 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 BSCH 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 BSCH'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 30th 2025. 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.

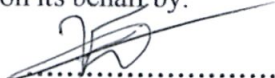
The Board of Management accepts responsibility for the BSCH's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Board members are of the opinion that the BSCH's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30th, 2025 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 BSCH will not remain a going concern for at least the next twelve months from the date of this statement.

Bamba Sub county Hospital (Kilifi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

The Hospital's financial statements were approved by the Board on th 18 August 2025 and signed on its behalf by:

Approval of the financial statements

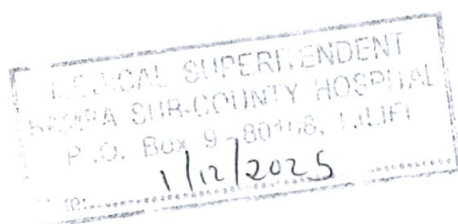
The Hospital's financial statements were approved by the Board on th 18 August 2025 and signed on its behalf by:



Edward Yongo
Board of Management



Simon Buoga
Accounting Officer



REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON BAMBA SUB-COUNTY LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2025 – COUNTY GOVERNMENT OF KILIFI

PREAMBLE

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

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

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Bamba Sub-County Level 4 Hospital set out on pages 1 to 37, which comprise of the statement of financial position

Report of the Auditor-General on Bamba Sub-County Level 4 Hospital for the year ended 30 June, 2025 – County Government of Kilifi

as at 30 June, 2025, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts, for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Bamba Sub-County Level 4 Hospital as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis and comply with the County Governments Act, 2012, the Health Act, 2017 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Annual Report and Financial Statements

The financial statements presented for audit contained presentation anomalies and inaccuracies as detailed below:

1.1. Inaccurate Comparative Amounts

The financial statements reflect comparative amounts that differed with the prior year's audited balances as detailed below: -

Particulars	Financial Statement Amount (Kshs)	Prior Year's Audited Financial Statements Amount (Kshs)	Variance (Kshs)
Transfers from the County Government	20,612,049	19,345,937	1,266,112
Cash and Cash Equivalent	843,714	6,155,372	5,311,658
Receivables from non-exchange transactions	9,150,687	4,433,137	4,717,550
Property, plant & equipment	-	2,072,830	(2,072,830)
Statement of cash flows- Transfer from county government	11,461,362	19,345,937	(7,884,575)
Statement of cash flows- General Expenses	7,664,127	6,785,978	878,149
Transfers from HSIF	11,461,362	19,345,937	7,884,575

1.2. Variance between Financial Statements and Supporting Schedules

The financial statements reflect amounts that differed with the supporting schedules as detailed below: -

Component	Financial Statements Amount (Kshs)	Supporting Schedules Amount (Kshs)	Variance (Kshs)
Employee Costs- Salaries, wages	5,696,115	5,388,240	307,875
Cooperative cash book balance	1,204,899	2,211,449	1,006,550
Inventories	9,905,123	0	9,905,123

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

2. Unsupported General Expenses

The statement of financial performance reflects general expenses amount of Kshs.11,021,520 as disclosed in Note 21 to the financial statements. The following observations were made:

2.1 Unsupported Daily Subsistence Allowances

Included in the amount is Kshs.4,885,005 incurred on domestic travel and subsistence allowances of which the supporting imprest warrants, invitation letters to the meetings, meetings attendance registers, work tickets, programs of work and results achieved were not provided for audit.

2.2 Unsupported Fuel and Lubricants Expenditure

Included in the amount is fuel and lubricants expenditure amount of Kshs.2,155,885 which was not supported by way of bulk fuel register, invoices, utilization statements from the vendors, detail orders and work tickets.

In the circumstances, the accuracy, completeness, fair statement and value for money spent on general expenses of Kshs.11,021,520 could not be confirmed

3. Misstatement of Cash and Cash Equivalents Balance

The statement of financial position reflects cash and cash equivalents balance of Kshs.1,204,899. However, re-computation of the total balances in Note 27 to the financial statements yielded Kshs.1,621,401, resulting to an unreconciled variance of Kshs.416,502. Further, the bank reconciliation statement for cooperative bank account reflects a cash book balance of Kshs.2,211,449 which varies with Kshs.1,204,899 disclosed in Note 27, resulting to an unreconciled variance of Kshs.1,006,550.

in the circumstances, the accuracy and completeness of the cash and cash equivalent balance of Kshs.1,204,899 could not be confirmed.

4. Unsupported Receivables from Non - Exchange Transactions

The statement of financial position reflects receivables from non-exchange transactions balance of Kshs.3,888,906. However, the ageing analysis was not presented and Management did not explain measures put in place to recover the receivables.

In the circumstances, the accuracy and completeness of receivables from non-exchange transactions balance of Kshs.3,888,906 could not be confirmed.

5. Unsupported Inventory Balance

The statement of financial position reflects inventory balance of Kshs.9,905,123. However, the movement schedule, supporting schedule and stock take reports as at 30 June, 2025 were not provided for audit.

In the circumstances, the accuracy and completeness of the inventory balance of Kshs.9,905,123 could not be confirmed.

6. Undisclosed Property, Plant and Equipment

The statement of financial position reflects Nil balance in respect to property, plant, and equipment. However, the balance excludes the prior year balance of Kshs.2,072,830, which was not explained. Further, as previously reported, the balance excludes the value of four (4) acres of land, work in progress, and equipment and machinery (X ray machine and autoclave).

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

7. Inaccurate Trade and Other Payables

The statement of financial position reflects trade and other payables balance of Kshs.1,365,760. However, the payables movement schedule from the prior year's balance of Kshs.2,237,415 was not provided for audit.

In the circumstances, the accuracy and completeness of trade and other payables could not be confirmed.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

The prior year audit certificate contains financial qualification matters, report on lawfulness and effectiveness in use of public resources and report on internal controls, risk management and governance. Review of the status during audit of the Hospital in 2024/2025 revealed that the following eleven (11) issues remained unresolved:

No.	Matter
1	Variance between financial statement and supporting schedules
2	Unsupported Employee Costs
3	Cash and Cash Equivalent
4	Unsupported Receivables from Non-Exchange Transactions
5	Property Plant and Equipment
6	Unresolved Prior Year Matters
7	Role of Hospitals in Universal Health Coverage
8	Financial Statement Presentation Errors
9	Lack of an Audit Committee and Internal Audit Function
10	Lack of Human Resource and Financial Policy and Procedures Manual
11	Incomplete Fixed Assets Register

Other Information

The Management is responsible for the Other Information set out on pages iii to xxxiii which comprise of Key Entity Information and Management, The Board of Management , Key Management Team, Chairman's Statement, Report of the Medical Superintendent, Statement of Performance against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Board of Management and Statement of Board of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Inadequate Staffing of the Hospital

Review of records provided for audit revealed that the Hospital had twenty-two (22) technical staff against the recommended one hundred and one (101) as at 30 June, 2025, resulting in a staff deficit of seventy-nine (79), contrary to the requirements of Kenya Quality Model for Health Policy Guidelines.

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

2. Lack of an Audit Committee and Internal Audit Function

As previously reported, the statement of financial performance reflects Board of Management expenses of Kshs.257,000. However, records provided revealed that there was no audit committee of the Board or a functional Internal Audit Department during the year under review. This was contrary to Section 155 of the Public Finance Management Act, 2012 which requires that "a county government entity shall ensure that it complies with this Act and (a) has appropriate arrangements for conducting internal audit according to the guidelines issued by the Accounting Standards Board, and Regulations 167 of the Public Finance Management (County Governments) Regulations 2015 which states that, each county government entity shall establish an audit committee.

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

3. Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements

The inter-entity confirmation letter on page 32 is not completed and signed while Notes to the financial statements at pages 24 to 31 are not sequential or are incorrectly numbered as shown below:

Item	Notes as per Financial Statements	Correct Note Numbering
Receivables from non-exchange transactions	30	29
Inventories	31	29
Trade and other payable	36	34
Net cash flows from operating activities	43	42

Further, Notes 31 to 33 are missing from the financial statements while the statement of comparison of budget and actual amounts does not have budget reconciliation.

In the circumstances, the financial statements do not comply with the public sector Accounting Standards Board Reporting requirements.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Human Resource and Financial Policy and Procedures Manual

As previously, reported the Hospital is operating without a Human Resource Policy and procedures manual, finance and accounting manual, assets management policy, transport management policy, IT policy, disaster recovery plan and backup and retention strategy.

In the circumstances, the effectiveness of internal controls relating to Human Resource Management and financial processing and reporting procedures could not be confirmed.

2. Incomplete Fixed Assets Register

As previously reported, the Hospital Management failed to maintain an accurate and complete fixed assets register including updating it on a regular basis during the year under review.

In the circumstances, internal controls relating to assets acquisition, management, control and record keeping were not effective nor working as intended.

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

Responsibilities of Management and Board of Management

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

In preparing the financial statements, Management is responsible for assessing the Hospital's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48

of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I 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 authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's 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.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

09 December, 2025

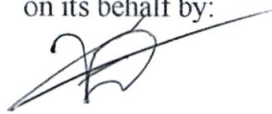
Bamba Subcounty Hospital (Kilifi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

15. Statement of Financial Position As At 30th June 2025

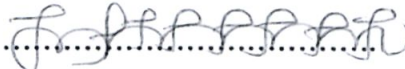
Description	Note	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	27	1,204,899	843,714
Receivables from non-exchange transactions	30	3,888,906	9,150,687
Receivables from exchange transactions	29	-	-
Inventories	31	9,905,123	594,109
Total Current Assets		14,998,928	10,588,509
Non-current assets			
Property, plant, and equipment	32	-	2,072,830
Total Non-current Assets		-	2,072,830
Total assets (A)		14,998,928	12,661,339
Liabilities			
Current liabilities			
Trade and other payables	36	1,365,760	2,237,415
Total Current Liabilities		1,365,760	2,237,415
Total Liabilities (B)		1,365,760	2,237,415
Represented by:			
Revaluation reserve		-	-
Accumulated surplus/Deficit		13,633,168	10,423,924
Capital Fund		-	
Net Assets		14,998,928	12,661,339

Bamba Subcounty Hospital (Kilifi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

The Hospital's financial statements were approved by the Board on th 18 August 2025 and signed on its behalf by:



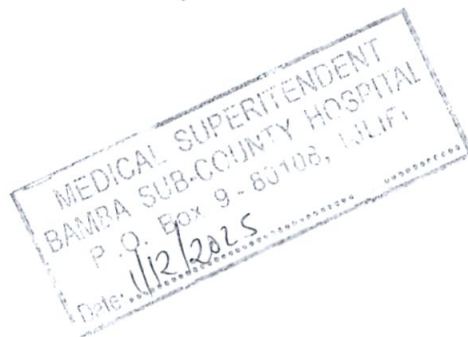
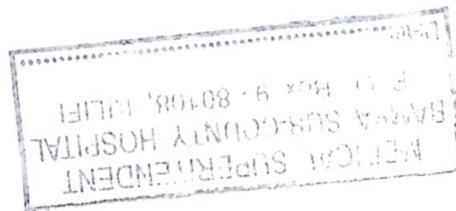
.....
Chairman
Board of Management



.....
Head of Finance
ICPAK No: 30736



.....
Medical Superintendent



16. Statement of Changes in Net Assets for The Year Ended 30 June 2025

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2023(previous year)	-	3,419,014	-	3,419,014
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	7,004,910	-	7,004,910
Capital/Development grants	-	-	-	-
As at June 30, 2024 (previous year)	-	10,423,924	-	10,423,924
At July 1, 2024(current year)	-	10,423,924	-	10,423,924
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	3,209,244	-	3,209,244
Capital/Development grants	-	-	-	-
At June 30, 2025 (current year)	-	13,633,168	-	13,633,168

17. Statement of Cash Flows for The Year Ended 30 June 2025

Description	Note	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government		17,913,384	11,461,362
Total Receipts		17,913,384	11,461,362
Payments			
Medical/Clinical costs		1,452,752	737,997
Employee costs		5,696,115	3,815,622
Board of Management Expenses		257,000	87,000
Repairs and maintenance		537,965	914,430
General expenses		11,021,520	7,664,127
Total Payments		17,552,199	13,219,176
Net cash flows from operating activities	43	361,185	796,891
Cash flows from investing activities			
Purchase of property, plant, equipment		-	-
Net cash flows used in investing activities		-	-
Net increase/(decrease) in cash and cash equivalents		361,185	796,891
Cash and cash equivalents as at 1 July		843,714	1,640,605
Cash and cash equivalents as at 30 June	27	1,204,899	843,714

18. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 June 2025

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% utilisation
	2024/2025	2024/2025	2024/2025	2024/2025	2024/2025	2024/2025
Revenue	KShs	KShs	KShs	KShs	KShs	
Transfers from County Govt & FIF Revenue	16,228,238	2,768,747	18,996,985	18,657,996	338,989	98%
Total income	16,228,238	2,768,747	18,996,985	18,657,996	338,989	98%
Expenses						
Medical/ Clinical Costs	(332,450)	1,788,000	1,455,550	1,452,752	2,798	100%
Employee costs	2,313,000	3,387,356	5,700,356	5,696,115	4,241	100%
Board of Management Expenses	177,000	604,000	781,000	257,000	524,000	33%
General Expenses	2,136,197	8,384,670	10,520,867	11,021,520	(500,653)	105%
Repair and Maintenance	(1,585,000)	2,124,212	539,212	537,965	1,247	100%
Total expenditure	2,708,747	16,288,238	18,996,985	18,965,352	31,633	100%
Surplus for the period			-	(307,356)	307,356	

19. Notes to the Financial Statements

1. General Information

BSCH is established by and derives its authority and accountability from PFM Act. BSCH is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity are to provide quality and affordable preventive, promotive, rehabilitative and curative health services across the county

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant, and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying BSCH 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 6 Page 1-4. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of BSCH.

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

3. Adoption of New and Revised Standards

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2025

There were no new and amended standards issued in the financial year.

ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.

Standard	Effective date and impact:
IPSAS 43	<i>Applicable 1st January 2025</i> 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 cash flows 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	<i>Applicable 1st January 2025</i> 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 of 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.
IPSAS 45- Property	<i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets,

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Standard	Effective date and impact:
Plant and Equipment	infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46 Measurement	<i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47- Revenue	<i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.

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Standard	Effective date and impact:
IPSAS 48- Transfer Expenses	<i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: - Limited improvements to existing accounting practices for exploration and evaluation expenditures. - Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. - Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year

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 BSCH and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the asset that has been acquired using such funds.

ii) 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.

Rental income

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

Notes to the Financial Statements (Continued)

b. Budget information

The original budget for FY 2024/2025 was approved by Board on 10th July 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the BSCH recorded additional appropriations of 2,768,747 on the FY 2024/2025 budget following the Board's approval. BSCH budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts, and the actuals as per the statement of cash flows.

c. Taxes

Sales tax/ Value Added Tax

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

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

Notes to the Financial Statements (Continued)

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

e. Property, plant and equipment

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

Notes to the Financial Statements (Continued)

f. Leases

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

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

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

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

g. Intangible assets

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

Notes to the Financial Statements (Continued)

h. Biological Assets

The entity recognizes biological assets when it controls the assets due to past events, it is probable that future economic benefits associated with the asset will flow to the entity, and when the fair value or cost of the asset can be measured reliably. Biological assets are initially and subsequently measured at fair value less costs to sell, except where fair value cannot be reliably determined. In such cases, the asset is measured at its cost less accumulated depreciation and any accumulated impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur.

i. Research and development costs

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

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

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

j. Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. .

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that

is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note*.

Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

k. 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.

l. 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.

Notes to the Financial Statements (Continued)

m. Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

n. 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.

o. Contingent assets

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

p. Nature and purpose of reserves

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

q. 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.

Notes to the Financial Statements (Continued)

r. 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.

s. Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

t. 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.

u. 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 BSCH, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO/principal and senior managers.

v. 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 BSCH 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 BSCH also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

w. 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.

x. Comparative figures

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

y. Subsequent events

Notes to the Financial Statements (Continued)

15. Medical/ Clinical Costs

Description	FY 2024/2025	FY 2023/2024
	KShs	Kshs
Dental costs/ materials		
Laboratory chemicals and reagents	512,789.00	33,350.00
insecticides and rodenticides	49,995.00	146,830.00
Rehabilitave supplies		8,700.00
Dressing and Non-Pharmaceuticals	123,600.00	352,355.00
Pharmaceutical supplies	663,468.00	196,762.00
Health information stationery		
Reproductive health materials		
Sanitary and cleansing Materials	102,900.00	
Purchase of Medical gases		
X-Ray/Radiology supplies		
Other medical related clinical costs (<i>specify</i>)		
Total medical/ clinical costs	1,452,752.00	737,997.00

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Notes to the Financial Statements (Continued)

16. Employee Costs

Description	FY 2024/2025	FY 2023/2024
	KShs	Kshs
Salaries, wages, and allowances	5,375,694.00	3,344,322.00
casual labour	-	238,700.00
Employer Contributions to Compulsory National Social Security Schemes	219,083.00	232,600.00
Performance and other bonuses		
Staff medical expenses and Insurance cover	101,338.00	
Group personal accident insurance and WIBA		
Social contribution		
Other employee costs (<i>specify</i>)		
Employee costs	5,696,115.00	3,815,622.00

17. Board of Management Expenses

Description	FY 2024/2025	FY 2023/2024
	KShs	Kshs
Chairman's Honoraria		
Sitting allowance	257,000.00	87,000.00
Mileage		
Insurance expenses		
Induction and training		
Travel and accommodation allowance		
Airtime allowances		
Total	257,000.00	87,000.00

Notes to the Financial Statements (Continued)

19. Repairs and Maintenance

Description	FY 2024/2025	FY 2023/2024
	KShs	Kshs
Property- Buildings	364,265.00	725,460.00
Computers and accessories	46,000.00	21,000.00
Motor vehicle expenses	82,700.00	140,470.00
Maintenance of civil works		
Maintenance of Plant, Machinery	45,000.00	27,500.00
Total repairs and maintenance	537,965.00	914,430.00

Notes to the Financial Statements (Continued)

21 .General Expenses

Description	FY 2024/2025	FY 2023/2024
	KShs	Kshs
Advertising and publicity expenses		
Catering expenses	326,880.00	504,400.00
Waste management expenses		
daily subsistence allowance	4,885,005.00	2,112,368.00
food and ration	92,535.00	347,200.00
Bank charges	12,160.00	8,650.00
Conferences and delegations	523,500.00	294,972.00
Consultancy fees		
contracted labour	164,500.00	
Electricity expenses		
Fuel and Lubricants	2,155,885.00	1,266,670.00
Internet expenses		
purchase of computer	44,500.00	
Travel and accommodation allowance		
chemical gases	49,500.00	
Courier and postal services		858.00
Printing and stationery	170,500.00	812,760.00
other fuel	117,000.00	148,000.00
Rent expenses		
PURCHASE OF REHABILITATIVE SUPPLIES	35,000.00	
General office supplies	546,395.00	
Telephone and mobile phone services	287,000.00	307,000.00

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Internet expenses		
purchase of households and institutional allowance	24,000.00	373,700.00
supplies and accessories for computers and printers	890,610.00	609,400.00
purchase of ICT and networking equipment	45,000.00	
work shop tools and equipment	651,550.00	
Library books/Materials		
Parking charges		
Total General Expenses	11,021,520.00	6,785,978.00

27. Cash and Cash Equivalents

Description	FY 2024/2025		FY 2022/2023
Financial institution	KShs	Account number	KShs
a) Current account			
Cooperative bank	1,204,899	01141779145400	1,640,604.59
Sub- total	1,204,899		1,640,604.59
National bank of kenya	416,502.35	01001068243700	
b) On - call deposits			
Kenya Commercial bank			
Equity Bank – etc			
Sub- total			-
c) Fixed deposits account			
Bank Name			-
Sub- total			-
d) Others(specify)			
cash in hand			
Mobile money- Mpesa, Airtel money			
Sub- total			-
Grand total	1,204,899		1,640,604.59

Notes to the Financial Statements (Continued)

29. Receivables From Non-Exchange Transactions

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Transfers from the County Government(HSIF)	372,306.00	220,448.00
Reimbursements due from NHIF	3,516,600.00	8,930,238.82
Other debtors (<i>non-exchange transactions</i>)		
Less: impairment allowance		
Total	3,888,906.00	9,150,686.82

30. Inventories

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Pharmaceutical supplies	9,905,123.41	594,108.59
Maintenance supplies		
Food supplies		
Linen and clothing supplies		
Cleaning materials supplies		
General supplies		
Less: provision for impairment of stocks		
Total	9,905,123.41	594,108.59

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Notes to the Financial Statements (Continued)

34. Trade and other Payables

Description	FY 2024/2025	FY 2023/2024		
	KShs	KShs	KShs	
Trade payables	1,365,760.00	2,237,415.00	-	
Employee dues				
Third-party payments (e.g. unremitted payroll deductions)				
Audit fee				
Doctors' fee				
Total trade and other payables	1,365,760.00	2,237,415.00	-	
Ageing analysis:		Current FY	Comparative FY	% of the total
Under one year				%
1-2 years				%
2-3 years				%
Over 3 years				%
Total	1,365,760.00	2,237,415.00	0	%

Notes to the Financial Statements (Continued)

42. Cash Generated from Operations

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Surplus for the year before tax	3,209,244.00	7,004,910.00
Adjusted for:		
Depreciation		-
Non-cash grants received		
Impairment		
Gains and losses on disposal of assets		
Contribution to provisions		
Contribution to impairment allowance		
Working Capital adjustments		
Increase in inventory	(9,311,014.82)	594,108.59
Increase/decrease in receivables	5,261,780.82	7,851,325.00
Increase in deferred income	-	-
Increase/decrease in payables	871,655.00	2,237,415.00
Increase in payments received in advance		
Net cash flow from operating activities	361,185.00	796,891.41

6 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)
OAG/KRO/HOSP/BAMBA LEVEL 4/2023-2024	Variances in the Financial Statements	The unreconciled variances have been noted and it shall be rectified as IPSAS 3 When preparing financial statement of FY 2024/2025. The amounts shall be amended as per the attached	Resolved	
OAG/KRO/HOSP/BAMBA LEVEL 4/2023-2024	Unsupported Employees Cost	The hospital has noted the unsupported employee cost, the casual payroll has been displayed indicating employee name, identity number, gross salaries and statutory deductions	resolved	

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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)
		attached appendix 2a, and muster roll has been attached as appendix 2b		
OAG/KRO/HOSP/BAMBA LEVEL 4/2023-2024	Cash and cash equivalent	The management has noted the variances and are amended in the financial statement	Resolved	
OAG/KRO/HOSP/BAMBA LEVEL 4/2023-2024	Unsupported receivables from non exchange	The hospital has acknowledged the auditor's observations. The hospital has attached the schedules supporting the receivable amount	resolved	
OAG/KRO/HOSP/BAMBA LEVEL 4/2023-2024	Property plant and machinery	The hospital has recognized the property and plant equipments in the asset	resolved	

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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)
		registeras attached		
OAG/KRO/HOSP/BAMBA LEVEL 4/2023-2024	Unresolved prior year audit	The hospital did submit the responses to the auditor general and county assembly and we are awaiting for their recommendation, a letter showing submission of the response have been attached in appendix 5.	resolved	
OAG/KRO/HOSP/BAMBA LEVEL 4/2023-2024	Role of Hospitals in universal health coverage	The hospital acknowledges the observation of the auditor. The county Government of Kilifi has upgraded the Human Resource for Health continuously	resolved	

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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)
		through yearly recruitment of staff since devolution. The County Government has a recruitment plan that is approved by the County Public Service Board and the staffing issue will soon be resolved		
OAG/KRO/HOSP/BAMBA LEVEL 4/2023-2024	Financial statement representation errors	The hospital has noted the errors in the financial statement; the errors shall be amended in the FY 2024/2025.	resolved	
OAG/KRO/HOSP/BAMBA LEVEL 4/2023-2024	Lack of an Audit Committee and Internal Audit Function	The hospital is in the process of establishing a Board Audit Committee with an invitation to the hospital	resolved	

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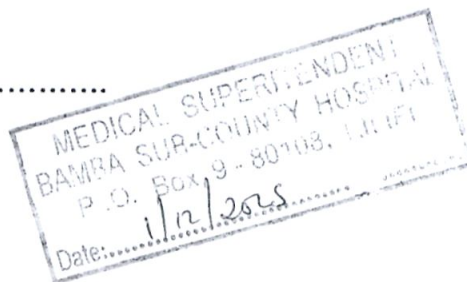
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		board done and sent for action attached as appendix 6		
OAG/KRO/HOSP/BAMBA LEVEL 4/2023-2024	Incomplete Fixed Asset Register	The hospital acknowledges the observation of the auditor. An up-to-date assets register has been attached as per the time of audit.	resolved	

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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 signed by Management.
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue.
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

.....
Accounting Officer



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						
2						

Status of Projects completion

(Summarise the status of project completion at the end of each quarter, i.e. total costs incurred, stage which the project is etc)

SN	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1							
2							
3							

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Appendix III: Inter-Entity Confirmation Letter

Name of Transferring entity.....

Name of Beneficiary entity.....

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June (Current FY)					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
Total					

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

Head of Accounts Department - Disbursing Entity:

Name Sign Date

Head of Accounts Department - Beneficiary Entity:

Name Sign Date.....

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Appendix IV Reporting of Climate Relevant Expenditures

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

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Appendix V: Disaster Expenditure Reporting Template

Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments