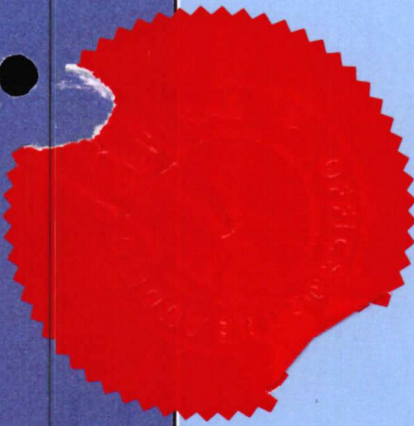


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REPORT

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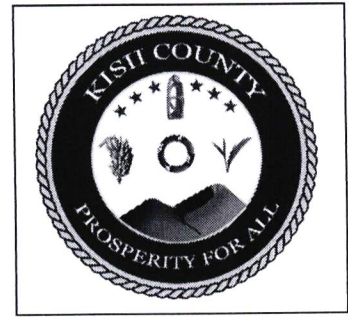
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GUCHA LEVEL 4 HOSPITAL

FOR THE YEAR ENDED
30 JUNE, 2025

COUNTY GOVERNMENT OF KISII

1662



GUCHA LEVEL 4 HOSPITAL (Kisii County Government)

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.

2. Key Entity Information and Management

(a) Background information

Gucha Hospital is a level 4 hospital established under gazette notice number 786 and is domiciled in Kisii County under The Department of Medical Services, Public health and sanitation, Government of Kisii County.

The hospital is a duly registered public medical institution operating within the republic of Kenya (certificate of registration GK-010246) and has been duly licenced by the Kenya Medical Practitioners and Dentist Council (KMPDC licence for 2025: 6902210) to offer medical services.

The hospital is governed by a Hospital Board of Management that works alongside the Hospital Executive management committee and the Hospital Management Team.

The Gucha Subcounty referral Hospital is a Level-4 public health facility within Kisii County, Bomachoge Chache Subcounty, Ogembo Municipality. Sitting on a 5-Acre piece of land, it is the county's second largest and busiest public hospital serving an estimated monthly workload of 12,000 patients drawn from a catchment population of 250,000 people spread across 3 neighbouring sub-counties. The hospital serves as the referral facility for 8 level-2 and 2 level-3 public facilities within the subcounty besides other private and faith based health facilities within its catchment area. It also serves patients from Narok county regions of Transmara-Kilgoris and international patients from the Tanzania-Isebania border.

The hospital offers a range of Outpatient services: general and specialist consultations, Maternal and Child Health clinics, Antenatal Clinics, Laboratory, Imaging (Xray and Ultrasound), minor and major Theatre (emergency and elective Obstetrics/gynaecology, orthopaedics-trauma) surgeries, comprehensive care clinics for chronic diseases and HIV care services, mortuary services, ambulance services.

It currently has an inpatient bed capacity of 65 (maternity-10 (labour-2, post cs-8), postnatal-10, male ward-10, NBU-9, paediatric-11, female ward 15). At least 144 staff offer services (consultants: Obstetrics & gynaecologist, Family physician, orthopaedic and trauma surgeon, consultant radiologist, 2-medical officers, Nurses-40 (specialization include midwifery, child health, theatre, reproductive health), Primary care Clinical Officers = 8, speciality clinicians: reproductive health -2, paediatrics -1, mental health & psychiatry-1, radio-sonographer-2, chest -1) among other support staff.

(b) Principal Activities

VISION

To be a center of excellence in provision of healthcare services in the region

MISSION

To provide quality promotive, preventive, curative and rehabilitative care services, training and research.

OBJECTIVES

- I. Promote provision of integrated high quality healthcare services
- II. Create an enabling environment for provision of health services.
- III. To provide accessible and affordable health services

(c) Key Management

The management of Gucha level 4 is under the following key organs:

- County department of health
- Board of Management
- Accounting Officer/ Medical Superintendent
- Management

(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	DR. Wycliff Guto
2.	Head of finance	Edward Marigi
3.	Head of supply chain	Loyce Opanga
4.	Hospital administrator	Michael Kaguru
5.	Hospital Pharmacist	DR. Lilian Kabesa
6.	Nurse Manager	Felix Orondo

(e) Fiduciary Oversight Arrangements

- Clinical Research and Standards Committee.
- Audit committee
- Risk Committee
- County Assembly
- Parliamentary committees
- Other oversight committees

Key Entity Information and Management (continued)

(f) Entity Headquarters

P.O. Box 92 - 40200
Hospital Road
Kisii, Kenya.

(g) Entity Contacts

Telephone: (254)0725347228
E-mail: dmohgucha@gmail.com
Website:

(h) Entity Bankers

Kenya Commercial Bank
P.O. Box 4760-40200
Kisii, Kenya

(i) Independent Auditors

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

(j) Principal Legal Adviser



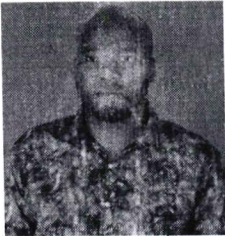

The Attorney General
State Law Office



Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

(k) County Attorney





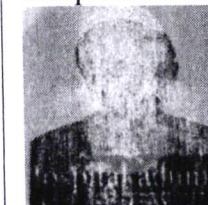

Office of the County Attorney
P.O. Box. 4550-40200
Kisii, Kenya

3. The Board of Management

Ref	Name	Details
1.	<p>Mr. Andrew Osoro</p> 	<ul style="list-style-type: none"> • He has been a deputy principal at Etanda secondary school and a principal Nyamagwa boys school. • He stays around, acknowledged those who proposed him and said if elected he can lead for three years.
2.	<p>Margret onchieku</p> 	<ul style="list-style-type: none"> • Worked at New Nyanza General Hospital kisumu • Worked at the KTRH. • Worked at Gucha sub county Hospital.
3.	<p>Nyaora Benard</p> 	<ul style="list-style-type: none"> • He was holds Bachelor of Technology Information Technology from Technical University of Kenya • Previous has worked as sub county projects Coordinator – Kenya slum youth development organisation • Worked at Kenya Trade Network Agency as a quality assurance Tester • Worked as in intern at Kenya Revenue Authority
4.	<p>Amos Oirongo</p> 	<ul style="list-style-type: none"> • He was elected to represent faith groups • He is a holder of diploma in counseling, writing and communication • He is an administrator heading 3 schools

5.	<p>John Nyariki</p> 	<ul style="list-style-type: none"> • He holds a Diploma in Human Management Resource From university of Eldoret • Holds a certificate of training from Animals Health and industry training institute • He works as an animal health and production (private) • He owns an Agro vet at Ogembo Town
6.	<p>DR GUTO NYABANDO WYCLIFF</p> 	<p>Dr. Wycliff Nyabando Guto, the medical superintendent of Gucha Subcounty Hospital, is the secretary to the Hospital Board of Management. He is a Medical Doctor (consultant Family physician) by profession having first graduated with a Bachelor of Medicine and Bachelor of Surgery Degree from the University of Nairobi (2011) and Kenyatta University respectively.</p> <p>He has held various management portfolios:</p> <ol style="list-style-type: none"> 1. Resident Medical Officer; Christamarriane Mission Hospital (2023-2016) 2. Chief Medical Officer; Fountain Healthcare (2018-2022) 3. Head Of Emergency and Outpatient Departments at Kisii Teaching, Referral and Research Hospital (2023-2024) 4. Ichuni Boys Primary School Board Member (2017-2020)

4. Key Management Team

1.	 MEDICAL SUPERINTENDENT:	DR Guto Nyabando Wycliff Bachelor of Medicine and Bachelor of Surgery Degree from the University of Nairobi (2011) and Kenyatta University respectively. He is 38 years old
2.	 Hospital Accountant	Edward Otachi Marigi Bachelor of commerce-accounting option from Kisii University CPA Part One He is 35 years old
3.	 Head of supply chain	Loyce Opanga Bachelor of Business Administration-Finance option-Jaramogi Oginga Odinga Diploma in purchases and supplies management from KISM She is 50 years old
4.	 Hospital administrator Hospital Pharmacist	Michael Murimi Kaguru Bachelor of Arts in Administration Kenyatta University He is 44 years old
5.		Dr. Lilian Kabesa She has a Master's in Global Health Policy She has a Bachelor of Pharmacy She is 40 years old
6.	Nurse Manager 	Felix Orondo Bachelor of Science in Nursing from Baraton University He is 42 years old

5. Chairman's Statement

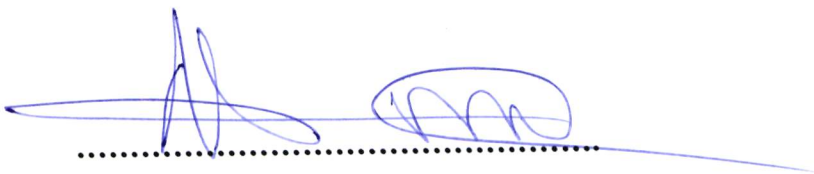
It is my privilege to present the Chairman's Report for Gucha level iv hospital for the financial year 2024-2025. Over the past year, the facility has remained steadfast in its mission to sustainably operate, maintain, equip, and rehabilitate health facility, as well as procure vital emergency medical supplies. These efforts have been crucial in ensuring that our health facility continues to provide essential services to the people of Bomachoge chache and its environments.

During the financial year, the fund focused on enhancing healthcare infrastructure and service delivery. We prioritized the acquisition of critical medical equipment, the rehabilitation of several health facilities, and the procurement of emergency medical supplies. These activities have greatly improved our capacity to deliver quality healthcare services across the sub county, reinforcing our commitment to the health and well-being of our residents.

However, this period was not without its challenges. The most notable was the industrial action by medical personnel, which disrupted service delivery in our facility. This challenge highlighted the need to address human resource issues in the healthcare sector, particularly in ensuring that our healthcare workers are adequately supported. We are committed to working with all stakeholders to resolve these issues and ensure that service delivery is not compromised in the future.

As we look ahead, I am confident that the Gucha level iv Hospital will continue to make significant strides in improving healthcare services. Our goal remains clear: to provide world-class healthcare services to the residents of Bomachoge Chache. We will invest in state-of-the-art medical equipment, rehabilitate our facility, and continue to ensure the timely procurement of medical supplies. By doing so, we aim to build a healthcare system that meets the highest standards of quality and accessibility.

I would like to express my heartfelt appreciation to the Kisii County Government, the Department of Health, and all our partners who have supported us throughout this journey. I also extend my gratitude to the healthcare workers who, despite the challenges faced, have shown incredible dedication in serving the people of Bomachoge Chache sub county and its surrounding. Together, I am confident that we will continue to make progress in realizing our vision for better healthcare.



Andrew Osoro

Chairman to the Board

6. Report of The Medical Superintendent

I am pleased to present the Medical Superintendent Report for the Gucha Level iv Hospital for the financial year 2024-2025. Over the past year, the facility has made considerable progress in fulfilling its mandate of improving healthcare delivery across the county.

A key driver of the facility's revenue growth was the continued investment in infrastructure and the procurement of essential medical supplies, which enabled the health facilities to operate more efficiently and attract more patients. Additionally, our partnership with various stakeholders, including healthcare donors and government agencies, has positively impacted the fund's financial health.

Our primary goal remains the improvement of healthcare services for the residents of Bomachoge Chache. To achieve this, the facility will continue to invest in upgrading facility, ensuring that it is well-equipped to provide quality services. We are also committed to maintaining financial transparency and accountability in the management of the facility's resources.

In conclusion, the Gucha level iv has demonstrated resilience and growth during the financial year 2024-2025, despite the challenges faced. I would like to thank the County Government, the Department of Health, and all stakeholders for their continued support. I also extend my appreciation to the healthcare workers and facility managers who have worked diligently to improve service delivery.



Dr. Wycliff N. Guto

Secretary to the Board

7. Statement of Performance Against Predetermined Objectives

(Gucha level iv hospital does not have a strategic plan yet, however the facility develops its annual work plans based on the objectives and principles of the Facility. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The objectives of the facility include;

- a) Sustainably operate, maintain, equip, rehabilitate health facilities and procure emergency medical; supplies in funds and health facilities in the county
- b) Enhance participation of relevant stakeholders and host communities in the planning and management of health facilities and funds located in their jurisdiction
- c) Create incentives for funds and health facilities to sustainably generate resources.
- d) Provide funding for the day to day operations of funds and health facilities
- e) Provide for financing of preventive and promotional healthcare services
- f) Provide immediate funds for health related emergencies and disaster

8. Corporate Governance Statement

Commitment to good corporate governance is fundamental in ensuring sustainable stakeholder value and meeting their expectations. Our procedures and processes are anchored on accountability, transparency, responsibility, and fairness which are the tenets of good corporate governance. Through the board of management Gucha level iv hospital is complying with statutory requirements.

Appointment and Induction of Board Members

Appointment of Board members is as prescribed under the County Governments Act, 2012 and section 6(1) (a) and (b) of the Kisii county Health Facilities Improvement Fund Act, 2020. The CECM health appoints the board members.

Role of the Board

The responsibility of driving good corporate governance and stewardship of Gucha level iv is vested in the board of management. The board through its committees provide strategic direction while the Management Committee is accountable to the Board for implementing the strategy.

Conflict of interest

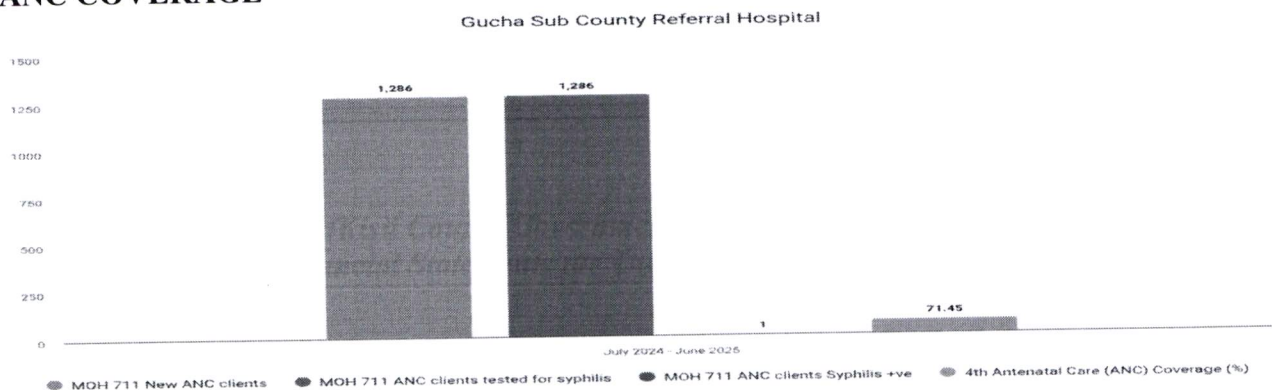
Declaration of conflict of interest is a standing agenda in all meetings of the Board and its committees. A register maintained by the institution to record all declarations made by board members.

Board Remuneration

Remuneration of the board members is based pegged on meetings attended as they are paid sitting allowances for each meeting attended for the period. The rates are as provided by the salaries and remuneration commission circular for sitting allowances and per diem.

9. Management Discussion and Analysis

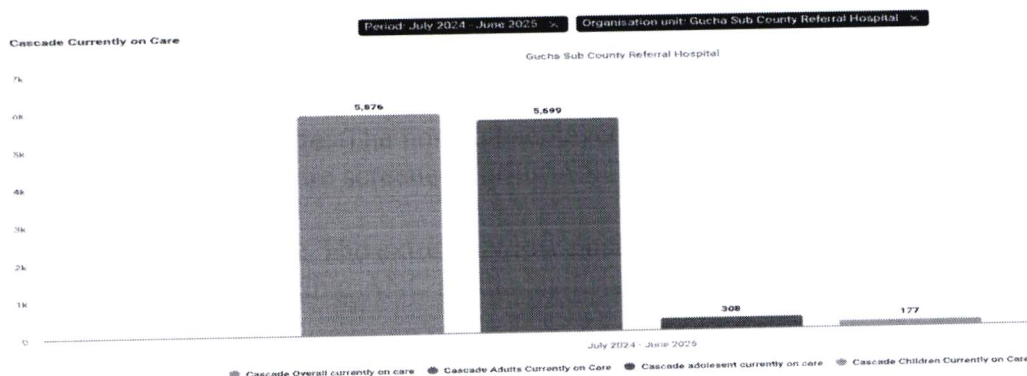
ANC COVERAGE



High Testing Coverage: The hospital achieved **excellent performance** in syphilis testing, ensuring that all pregnant women were screened during ANC.

Low Syphilis Burden: The extremely low positivity rate indicates **very low syphilis prevalence** among pregnant women attending ANC at this facility.

Moderate 4th ANC Attendance: While 71.45% coverage is commendable, it falls slightly below the **national target of 80%**, suggesting the need to **strengthen follow-up and retention** strategies for ANC clients to complete all visits



High adult retention:

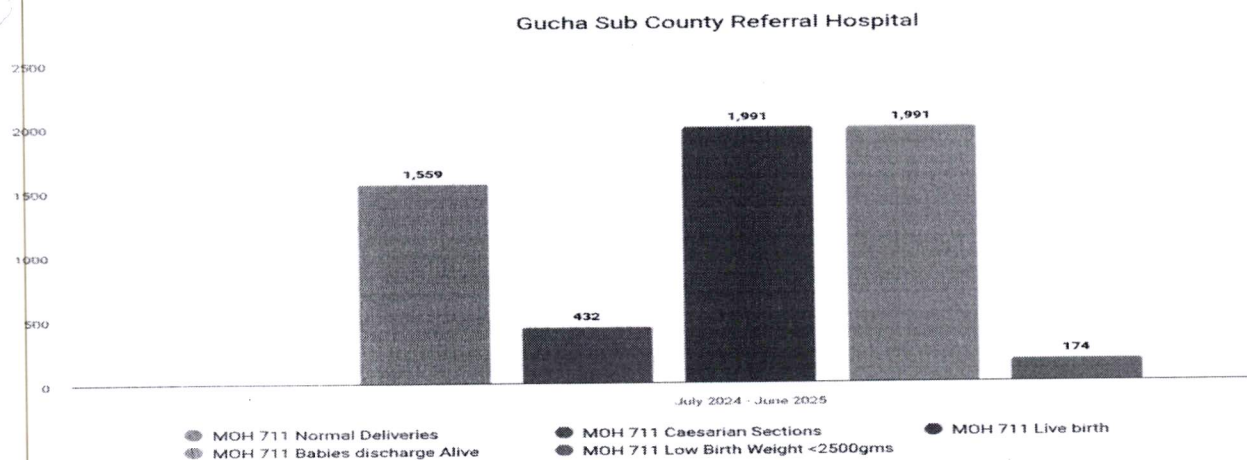
The facility maintains a **strong adult client base**, with adults forming the largest proportion of clients on HIV care and treatment.

Low pediatric and adolescent numbers:

Adolescents and children combined constitute only about **8.2%** of clients on care, suggesting potential **gaps in pediatric and adolescent case identification, linkage, or retention**.

Good overall client management:

With **5,876 total clients currently on care**, Gucha Sub County Referral Hospital demonstrates **strong program capacity** for continuity of HIV services across age groups.



High Proportion of Safe Deliveries:

With **1,559 normal deliveries** and **432 caesarean sections**, the hospital demonstrates capacity to handle both routine and complicated deliveries effectively.

Excellent Neonatal Outcomes:

The **100% discharge alive rate** among babies indicates **strong neonatal care** and **minimal perinatal mortality**.

Moderate Low Birth Weight Rate:

The **8.7% LBW rate** could be linked to **maternal health factors** such as malnutrition, anemia, or late ANC attendance, and may warrant targeted interventions.

10. Environmental And Sustainability Reporting

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

i) Sustainability strategy and profile

As a Hospital we conduct our operations in a manner that considers the environmental. we are committed to being transparent and open with our operations.

We actively engage with government regulators, customers, suppliers and citizens to create an environment that is supportive of solutions.

ii) Environmental performance

As part of adopting energy efficient technology, hospitals incinerate their medical waste using bags for clinical waste; staffs are also provided with personal protective equipment

iii) Employee welfare

Employees are encouraged and supported to continually build on their skills and knowledge in courses in leadership, management and technical competencies relevant to each employee.

iv) Community Engagements

As a way of creating awareness on health seeking behaviour and encourage early diagnosis and treatment, the fund conducts clinical outreaches in the communities within its catchment area.

11. Report of The Board of Management

The Board members submit their report together with the Audited Financial Statements for the year ended June 30, 2025, which show the state of the Gucha Level iv facility's affairs.

Principal activities

The principal activities of the entity continue to be.

- a) Sustainably operate, maintain, equip, rehabilitate health facilities and procure emergency medical; supplies in Gucha level iv hospital
- b) Enhance participation of relevant stakeholders and host communities in the planning and management of health facility and funds located in their jurisdiction
- c) Create incentives for funds and health facility to sustainable generates resources.
- d) Provide funding for the day to day operations of the facility
- e) Provide for financing of preventive and promotional healthcare services
- f) Provide immediate funds for health related emergencies and disaster

Results

The results of the entity for the year ended June 30 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.

Auditors

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

By Order of the Board



.....
Dr. Wycliff Guto

Secretary to the Board

12. Statement of Board of Management's Responsibilities

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

The Board of Management is responsible for the preparation and presentation of the Gucha Level iv facility's financial statements, which give a true and fair view of the state of affairs of the Gucha Level iv facility for and as at the end of the financial year (period) ended on June 30, 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 Gucha Level iv facility; (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 Gucha Level iv facility'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 and the FIF Act. The Board members are of the opinion that the Gucha Level iv facility's financial statements give a true and fair view of the state of Gucha Level iv facility's transactions during the financial year ended June 30, 2025, and of the Gucha Level iv facility's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Gucha Level iv facility, which have been relied upon in the preparation of the Gucha Level iv facility financial statements as well as the adequacy of the systems of internal financial control.

In preparing the financial statements, the Directors have assessed the Fund's ability to continue as a going concern and nothing has come to the attention of the Board of management to indicate that the Gucha Level iv facility will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Hospital's financial statements were approved by the Board on 29th August 2025 and signed on its behalf by:

.....
Name: Andrew Osoro
Chairperson

.....
Name: Dr Wycliff Guto
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 GUCHA LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE 2025 - COUNTY GOVERNMENT OF KISII

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 Gucha Level 4 Hospital - County Government of Kisii set out on pages 1 to 15, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in equity, 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 possible 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 Gucha Level 4 Hospital - County Government of Kisii 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 Public Finance Management Act, 2012, the County Governments Act, 2012 and the Health Act, 2017.

Basis for Qualified Opinion

1. Accuracy of the Statement of Financial Position - Failure to Disclose the Facility's Assets

Review of documents provided for audit review revealed that the Hospital did not disclose its assets despite being in a possession of various items which is a requirement before registration. In addition, the Hospital does not maintain its asset register and the assets had not been valued hence difficult to establish their value. Physical verification conducted on 28 October, 2025 revealed that various assets including land, buildings, furniture, computers and equipment at the facility were not disclosed in the financial statements. Further, ownership documents of land where the facility is were not provided for audit review. In addition, the hospital did not disclose the inventory balance as at 30 June, 2025 although inventory items at pharmaceutical stores, non-pharmaceutical stores and food items were in existence as evidenced by stock sheets provided for audit review.

In the circumstances, the accuracy of the statement of financial position could not be confirmed.

2. Incomplete Financial Statements - Failure to Disclose Expenditure

Review the financial statement revealed that the Hospital did not disclose its expenditure items in the statement of financial performance as stipulated in Section 22(1) of the Facilities Improvement Financing Act, 2023 and reporting template issued by the Public Sector Accounting Standards Board for level 4 hospitals. This is despite having the budget, procurement plan and the authority to incur expenditure. Although the management explained that expenditures are reported in the Kisii County Facility Improvement Fund financial statements, failure to report expenditure incurred by the level 4 facility in its financial statements not only distorts the level 4 financial statements but is also in breach of the Facility Improvement Financing Act, 2023 which requires separate financial statements for the facilities to be prepared and submitted to the Auditor General.

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

3. Unsupported Revenue from Exchange Transactions - Rendering of Services

The statement of financial performance and as disclosed in Note 1 to the financial statements reflects Kshs.81,536,843 in respect to rendering of services - medical

services income. Included in this amount is Kshs.20,387,202, Kshs.44,513,711 and Kshs.16,635,930 in respect to user fees, SHA/NHIF revenue and SHA receivable respectively. However, review of the documents provided for review revealed that management did not provide the detailed supporting schedules for Kshs.44,513,711 relating to the revenue from SHA/NHIF. Further, the revenue collection report generated from the Fansoft system disclosed an amount of Kshs.20,599,490 in respect to user fees whereas the financial statement disclosed Kshs.20,287,202 on the same. The resultant variance of Kshs.212,288 was however not explained. There was no approved price list used by the facility to charge for the services rendered. In addition, review of the SHA system revealed that there was rejected claims of Kshs.9,048,500 and the management did not give an explanation on why the same was rejected and whether it arose from fraudulent claims being submitted to SHA, and the remedial measures management has instituted. Also, the Fansoft system used by the facility as the accounting system is not integrated to other departments hence likely to cause leakages in revenue collection process.

In the circumstances, the accuracy and completeness of the Kshs.81,536,843 medical services incomes during the year under review could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Gucha Level 4 Hospital – County Government of Kisii 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.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison and budget and actual amounts reflects final receipt budget and actual on comparable basis of Kshs.73,300,000 and Kshs.81,536,843 resulting in an over-realization of Kshs.8,236,843 or 11%. Further, the Hospital expenditure amounted Kshs.66,885,864 against the realized receipts of Kshs.81,536,843 resulting in an under-utilization of Kshs.14,650,979 or 18% of the actual receipt.

In the circumstances, the under-utilization may have impacted negatively on services delivery to the public.

My opinion is not modified in respect of these matter.

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 Information

The Management is responsible for the Other Information set out on page iii to xvi which comprise 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 Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Hospital's 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 conclusion 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. Failure to Retain Facilities Improvement Funds (FIF) at the Hospital

Review of revenue records obtained from the Gucha Sub County Referral Hospital revealed total collection of Kshs.64,900,913 towards the health facilities improvement. Out of this amount, a total of Kshs.64,466,613 was transferred to County Health Facilities Improvement Fund Board account. However, the amount reimbursed by the Board to the facilities could not be ascertained. This is because the Board made payments on behalf of Gucha Sub County Referral Hospital without disclosing the amount for the expenditures incurred. This was contrary to Section 5(1) of the Facilities Improvement Financing Act, 2023 which requires that all monies raised or received by or on behalf of all public health facilities be retained in the Hospital Facilities Improvement Financing account. In addition, failure to reimburse the total amount transferred by the facilities negatively impacted on service delivery by the health facilities.

In the circumstances, Management of the County Facilities Improvement Funds (FIF) was in breach of the law.

2. Non-Existent Sub-County Health Management Committee

Review of governance structures at Gucha Level 4 hospital did not confirm the existence of a sub-county health management committee and a health facility

management committee appointed and gazetted by the County Executive committee member in line with Section 12 of the Health Facilities Financing Act, 2023 which requires a sub-county health management committee for each sub-county to be in place. According to the Act, a sub-county health management committee supports the health facility management teams in preparing annual and quarterly operational plans including their respective budgets and procurement plans.

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

2. Non-Compliance with Requirements on Universal Health Care (UHC)

Review of the Hospital's operations and records revealed that the health facility operated below the set standards as per the Kenya Quality Assurance Model for Health Checklist for level 4 hospitals. The following deficiencies in implementation of Universal Health Care programme were observed at Gucha Level 4 hospital: -

Item	Level 4 Standard	No. in Hospital
Medical officers	16	2
Anesthesiologists	2	0
General surgeons	2	1
Gynecologists	2	0
Pediatrics	2	0
Radiologists	2	1
Kenya Registered Community Health nurses	75	36
Surgical Services	Should be in place	In place
Pediatric services	Should be in place	In place
Gynecological services	Should be in place	Not in place
In-patients' services	Should be in place	Yes
Radiology services	Should be in place	In place
Renal dialysis services	Should be in place	Not in place
Tuberculosis management	Should be in place	Yes
Mortuary and autopsy services.	Should be in place	In place
Advanced life support	Should be in place	Not in place
Caesarian sections and surgical operations	Should be in place	In place
Laboratory services of Lab class D	5 acres	In place
Inpatient Beds	150	56
Resuscitaire (2 in Labour ward and one in theatre)	3	1 Labour ward
New Born Unit – Incubators	5	3
New Born Unit cots	5	3
Functional intensive care unit - Beds	6	0
High dependency Unit - Beds	6	0

Item	Level 4 Standard	No. in Hospital
Renal unit with at least 5 dialysis machines	5	0
Two functional operating theaters for maternity and general.	2	1

In addition, physical verification conducted on 28 October, 2025 revealed that the Hospital does not have an incinerator and that non-sensitive hospital waste was being accumulated at one site before being transported to Kisii level 5 Hospital for disposal. Further, there was no evidence that Management had complied with NEMA Waste Management Regulations, 2006 on biomedical waste management on taking all practical steps to ensure that waste is managed in a manner which will protect human health and the environment against the adverse effects which may result from the waste.

The deficiencies contravene the First Schedule of Health Act, 2017 and implies that accessing highest attainable standards of health, which includes the right to health care services including reproductive health care as required by Article 43(1) of the Constitution of Kenya 2010 may not be achieved. Further, this contravenes the Kenya Quality Model for Health Policy Guidelines and hindered the realization of the Government program on Universal Health Coverage (UHC).

In the circumstances, the effectiveness of the medical services offered and the Universal Health Coverage Programme could not be confirmed.

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 effects of the matter 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

Lack of Risk Management Policy

During the year under review, the Hospital operated without a documented risk management policy framework. Further, there was no evidence of risk identification, risk assessment and evaluation of likelihood of risk occurrence and its impact on the hospital's operations to have been undertaken at the facility contrary to

Regulation 158(1) of the Public Finance Management (County Governments) Regulations, 2015 requires that the Accounting Officer shall ensure that (a) the county government entity develops risk management strategies, which include fraud prevention mechanism; and (b) the county government entity develops a system of risk management and internal controls that builds robust business operations.

In the circumstances, the effectiveness of risk management system at the Hospital could not be confirmed.

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

Responsibilities of Management and the Board of Management

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

In preparing the financial statements, Management is responsible for assessing the Hospital's, ability to continue 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 is responsible for overseeing the Hospital's, financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to 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

02 December, 2025

14. Statement of Financial Performance for the Period Ended 30 June, 2025

Description	Notes	Period ended
		30th June Kshs
Revenue from non-exchange transactions		
Revenue from exchange transactions		
Rendering of services- Medical Service Income	1	81,536,843
Revenue from exchange transactions		81,536,843
Total revenue		81,536,843
Expenses		
Transfers to other kisii County FIF	2	64,457,885
Bank Charges	3	45,801
Total expenses		64,503,686
Net Surplus for the year		17,024,429

The Hospital's financial statements were approved by the Board on 29th August 2025 and signed on its behalf by:

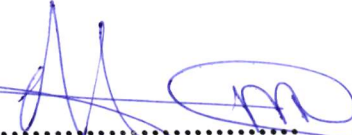
.....
ANDREW OSORO
 Chairman
 Board of Management

.....
KEVIN ORIBU
 Head of Finance
 ICPAK No:22784


.....
DR. WYCLIFF GUTO
 Medical Superintendent

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

Description	Note	2024-2025
		Kshs
Assets		
Current assets		
Cash and cash equivalents	4	2,373,450
Receivables from exchange transactions	6	16,635,930
Total Current Assets		19,009,380
Total assets (A)		19,009,380
Liabilities		
Current liabilities		
Total Current Liabilities		0
Total Liabilities (B)		0
Net assets (A-B)		19,009,380
Represented by:		
Accumulated surplus/Deficit		19,009,380
Net Assets		19,009,380



ANDREW OSORO
 Chairman
 Board of Management



KEVIN ORIBU
 Head of Finance
 ICPAK No:22784



DR. WYCLIFF GUTO
 Medical Superintendent

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

Description	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2024	1,984,951	0	1,984,951
Surplus/(deficit) for the year	17,024,429		17,024,429
Capital/Development grants			
As at June 30, 2025	19,009,380	0	19,009,380

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

Description	Note	Period ended 30 Jun Kshs
Cash flows from operating activities		
Receipts		
Rendering of services- Medical Service Income	1	64,892,185
Total Receipts		64,892,185
Payments		
Transfers to other government entities	2	64,457,885
Bank Charges	3	45,801
Total Payments		64,503,686
Net increase/(decrease) in cash and cash equivalents		388,499
Cash and cash equivalent as at 1st July 2024		1,984,951
Cash and cash equivalents at June 30 2025		2,373,450

Gucha Level 4 Hospital (Kisii County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Original budget	Adjustment	Final budget	Actual on Comparable basis	Performance difference	% of utilization
	a	b	c=(a+b)	d	e=(c-d)	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Revenue						
Rendering of services- Medical Service Income	73,300,000	0	73,300,000	81,536,842.90	(8,236,842.90)	111.24
Total income	73,300,000	0	73,300,000	81,536,842.90	(8,236,842.90)	111.24
Expenses						
Transfers to other government entities	73,200,000	0	73,200,000	66,840,063	6,359,937	91.31
General expenses	100,000	0	100,000	45,801	54,199	45.80
Total expenditure	73,300,000	0	73,300,000	66,885,864	6,414,136	
Surplus for the period				14,650,978.90	(14,650,978.90)	

1. Notes to the Financial Statements General Information

Gucha level iv Hospital is established by and derives its authority and accountability from the Kisii County Health Facilities Improvement Fund Act. The entity is wholly owned by the Kisii County Government and is domiciled in Kenya. The entity's principal activity is to provide for the additional funding for the management of health systems and public facilities improvement in the county, to enable sustainable operations of health facilities and for connected purposes.

2. Statement of Compliance and Basis of Preparation

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

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

3. Adoption of New and Revised Standards

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

Notes to the Financial Statements (Continued)

4. Notes to the Financial Statements General Information

Gucha level iv Hospital is established by and derives its authority and accountability from the Kisii County Health Facilities Improvement Fund Act. The entity is wholly owned by the Kisii County Government and is domiciled in Kenya. The entity's principal activity is to provide for the additional funding for the management of health systems and public facilities improvement in the county, to enable sustainable operations of health facilities and for connected purposes.

5. Statement of Compliance and Basis of Preparation

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

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.

6. Adoption of New and Revised Standards

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

Notes to the Financial Statements (Continued)

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

<p>IPSAS 43</p>	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
<p>IPSAS 45- Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, 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</p>

Standard	Effective date and impact
	<p>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.</p>
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> 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. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
<p>IPSAS 47- Revenue</p>	<p><i>Applicable 1st January 2026</i></p> <p>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.</p>
<p>IPSAS 48- Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i></p> <p>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</p>

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: <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. 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. iii. 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.

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

Standard	Effective date and impact
IPSAS 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

Standard	Effective date and impact
	position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<i>Applicable 1st January 2025</i> The Standard requires: - <ul style="list-style-type: none"> <li data-bbox="507 555 1410 696">i. 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: <li data-bbox="507 703 1410 902">ii. 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.

iii. Early adoption of standards

The fund did not early – adopt any new or amended standards in the year 2024/2025

7. 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 fund and can be measured reliably.

a) Revenue from exchange transactions

i) Rendering of services

The fund 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.

b. Budget information

The original budget for FY 2024/2025 was approved by Board .No *Subsequent* revisions or additional appropriations were made to the approved budget .The fund's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

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

c. Related parties

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

d. 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.

e. Comparative figures

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

f. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025.

8. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Fund's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period.

Notes to Financial Statements Continued

**1. Rendering of Services-Medical Service
Income**

Description	2024-2025
User Fee	20,387,202
SHA/NHIF	44,513,711
SHA Receivable	16,635,930
Total	81,536,843

2. Transfers to other Government entities

Description	2024 - 2025
	KShs
Transfer to FIF A/C	64,457,885
Total	64,457,885

3. Bank charges

Description	2024-2025
	KShs
Bank Charges	45,801
	45,801

4.(a) Cash And Cash Equivalents

Description	2024-2025
	KShs
Current accounts	2,373,450
Total cash and cash equivalents	2,373,450

4.(b) Detailed Analysis of Cash and Cash Equivalents

Description		2024-2025
Financial institution	Account number	KShs
a) Current account		
Kenya Commerical Bank	1102228249	2,373,450.00
Sub- total		2,373,450
Grand total		2,373,450

5. Receivables From Exchange Transactions

Description	2024- 2025
	KShs
Medical services receivables-NHIF	16,635,930
Total receivables	16,635,930

9. Related Party Balances

Nature of related party relationships

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

Kisii County Government is the principal shareholder of the Gucha level iv, holding 100% of the entity's equity interest. The National Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. The related parties include:

- i) The County Government;
- ii) Board of Directors;
- iii) Key Management
- iv) Department of health

v) Events after the Reporting Period

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

vi) Ultimate and Holding Entity

The entity is a a Semi- Autonomous Government Agency under the Department of Health . Its ultimate parent is the County Government of Kisii.

vii) Currency

The financial statements are presented in Kenya Shillings (Kshs) and all values are rounded off to the nearest shilling.

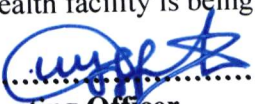
8. Appendices

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)

The health facility is being audited for the first time

.....

 Accounting Officer