

REPUBLIC OF KENYA

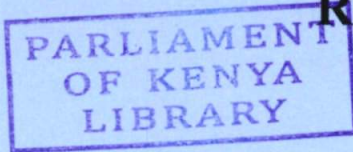


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

REPORT



220

OF

THE AUDITOR-GENERAL

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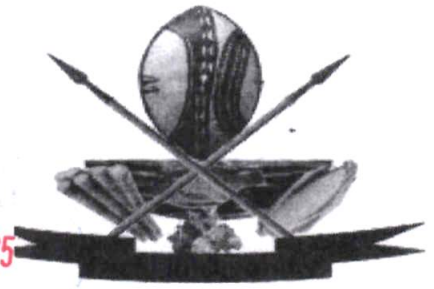
ONGO SUB-COUNTY HOSPITAL

FOR THE YEAR ENDED
30 JUNE, 2025

COUNTY GOVERNMENT OF MIGORI

Self





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**ONGO SUB COUNTY HOSPITAL
MIGORI 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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ONGO Sub County Hospital (Migori County)
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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 Ongo Sub County Hospital.

2. Key Ongo Sub County Hospital Information and Management

a) Background information

Ongo Sub County hospital is a level (4) hospital is domiciled in Migori County under the Health Medical Service Department. The hospital is governed by a Board of Management.

b) Principal Activities

The principal activity/mandate of the hospital is to execute prompt, effective and quality service delivery.

Vision: To have a nationally and internationally Competitive, productive and healthy county

Mission: To provide integrated, responsive and high-quality client –centred promotive, preventive, curative and rehabilitative health care services that is evidence based and technologically driven to the people of Migori County

Key Management

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

County department of health-Chief Officer Medical Services

Medical Superintendent

Board of Management

Accountant

Hospital departmental Heads

c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

1.	Medical Superintendent	Emmily Ater
2.	Head of Procurement	Kenas Odongo
3.	Accountant	Stephen Nyainda

d) Fiduciary Oversight Arrangements

Clinical Research and Standards Committee.

Audit committee

ONGO Sub County Hospital (Migori County)
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Risk Committee

County Assembly

Parliamentary committees

Other oversight committees

Parliamentary committees

Other oversight committees

e) Ongo Sub County Hospital Headquarters

Ongo Sub County Hospital,

P.O. Box 374,

SARE-AWENDO

f) Ongo Sub County Hospital Contacts

Telephone: (+254) 725037081

E-Mail:ongohospital@gmail.com

g) Ongo Sub County Hospital Bankers

National Bank of Kenya

A/C No, 01021262739500

A/C No, 01242045431400

h) Independent Auditors

Auditor General

Office of Auditor General

Anniversary Towers, Institute Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

i) Principal Legal Adviser

The Attorney General

State Law Office








Harambee Avenue

ONGO Sub County Hospital (Migori County)
Annual Report and Financial Statements for The Year Ended 30th June 2025


P.O. Box 40112
City Square 00200
Nairobi, Kenya
County Attorney
P.O. Box. 202
MIGORI, Kenya

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3. The Board of Management

S/NO	PHOTO	DETAILS
1.		Name: Nelson Opiyo Okumu Education: Form Four certificate Position: Board Chairman Independent Director
2.		Name: Emmily Ater Education: Diploma in Nursing Position: Secretary to the Board Executive Director
3.		Name: Elphas Juma Awiti Education: Certificate in accounting Position: Board member Finance and audit committee and chair Independent Director
4.		Name: Rose Atieno Ocheng Education: Certificate in E.C.D.E Position: Board member Development committee Independent Director
5.		Name: Gordon Otieno Aringo Education: O level Position: Board member Finance and Audit committee Independent Director
6.		Name: Jacob Onyango Education: Diploma in Business Management Position: Head of Finance and Procurement Development committee Independent Director
7.		Name: Jayne Awuor Owino Education: O level Position: Board member Development committee Independent Director

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8.		Name: David Ochieng Okombo Education: Diploma in Counselling Position: Board member Finance and Audit Committee Independent Director
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4. Key Management Team

NAME	Functions
<p>EMMILLY ADHIAMBO ATER (MEDICAL SUPRETENDANT)</p> 	<ol style="list-style-type: none"> 1. Coordinate the general function of the Hospital as follows; <ul style="list-style-type: none"> ❖ Clinical functions ❖ Nursing functions ❖ Medical functions ❖ Referral functions ❖ Procurement and accounting function ❖ Diagnostic function ❖ Staff relations and discipline ❖ Patient welfare
<p>TERESIA NZIVO (NURSING OFFICER)</p> 	<ol style="list-style-type: none"> 1. Supervisor small nurses. 2. Over-sees the operation of the nursing rota. 3. Ensure that all equipment are in good working condition. 4. Develops and implement quality proses improvement activities. 5. Ensures compliance with all appropriate regulatory requirements specific to the units. 6. A resource person in decision making.
<p>VERONICA ACHIENG OWINO (PHARM. TECH)</p> 	<ol style="list-style-type: none"> 1. Timely ordering of pharmaceuticals and non-pharmaceuticals, storage and appropriate use 2. Controls and manages use of commodities 3. Compile monthly commodity reports
<p>JOCINTER AKINYI ODHIAMBO (LABORATORY TECHNOLOGIST)</p> 	<ol style="list-style-type: none"> 1. Coordinate all the laboratory services within the facility. 2. Ensures quality sample taking, networking/tasting and timely results. 3. Manages laboratory commodities by timely quantification ordering storage and appropriate use.

5. Chairman's Statement

Dear stakeholders.

I am pleased to present the financial statement for Ongo Sub-County Hospital for the fiscal year ending 30th June 2025. This year has been full of challenges and remarkable improvement in the facility. We as the board we still promise to commit to serve the facility diligently to improve the services of the facility.


Our hospital has demonstrated resilience and a adaptability amidst various industry changes and economic fluctuations since it was upgraded to a Sub-County hospital. Despite all the turbulences that we are facing as a facility, we have some notable improvement in our service delivery. There has been introduction of inpatient services which has boosted our revenue collection.

The County Government of Migori has fairly done well in medical drug supplies since most of the essential drugs have been available in the Facility. Availability of these drugs has improved the trust of our Facility to the community. The hospital management team headed by the Medical Superintendent has also done well in out serving some of the commodities from Rongo Sub-County Hospital for the facility.

There has been a challenge in staffing. Currently the staffing level of the facility is low but the county government through the department of medical services is working tirelessly in reducing this gap as the hospital continuously received medical staff which has helped to improve service delivery to the community. This is being pushed so that at least all the departments work 24 hours according to the level of the facility. Once this is done there will be increased revenue generation to the hospital.

The facility also needs a stable fence to avoid frequent absconding of patients and to enhance security of the facility infrastructure. The current fence is a live one and very porous.

Our strategic plan will solely focus on quality care, operational efficiency and innovation. I extend my heartfelt gratitude to our dedicated team and loyal support to strengthen our collaboration to achieve greater heights.

.....


Name: Nelson Opiyo Okumu

Chairman to the Board

6. Report of The Medical Superintendent

In the financial year ending June 30th 2025 Ongo Sub-County Hospital as had significant improvement in revenue collection and despite a lot of challenges facing the facility. In terms of budget expenditure, the facility has solely relied on own sources of revenue and this has been mainly focused on improving service delivery and also motivation and payment of the board members.

During this period, the hospital revenue stream has primarily been from the hospital collection. This has been monitored and managed prudently through budgets which are approved by the County director of medical services. This has solely focused on hospital supplies on various departments and there has not been any variance in the budget.

Disbursement of revenue for use has always been done monthly though as a facility we tend to do quarterly budget since the revenue collection has been low. We still hope that this will be improved and budget will be done monthly as per the disbursement one our revenue collection will increase.

The hospital has been faced with a lot of challenges in revenue collection. This has since reduced since currently the hospital has no power hence no NHIF collection being done since the hospital rely solely on electricity as its main source of power. Most of the Laboratory testing can't be done. Deliveries have also reduced since maternity is only active during the day. This has also reduced the overall workload of the facility hence reduced revenue collection. This started in the month of April 2025 to date.

The facility has also been experiencing low outpatient turn out since the introduction of the hospital charges. The community still feel that they should be treated free of charge. This has affected mostly lab collection and pharmacy since most patients stop being seen and opt out after consultation. As a Facility, we have tried to do health talks and community dialogue to educate the community about the level of the hospital currently. Though the community is still rigid about the information but hopefully they will come to understand the importance of the upgrade.

As a facility, the achievements that we have made are remarkable. The introduction of impatient services has really helped the facility to improve in revenue collection. Procurement of portable solar lamp has also improved deliveries at night. Looking ahead, we focused on improving our

ONGO Sub County Hospital (Migori County)
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services since the issue of power supply is being followed up by both the county management team, Hospital Board and also the area MCA.

I would like to extend my gratitude to the staff members who have been working tirelessly to make sure that services continue despite challenges and all the stakeholders for their dedication and hard work that they have directed to the facility. I can confess that your contributions have made Ongo to improve and service delivery has significantly improved.

Thank You!



.....

Name: Emmily Ater
Secretary to the Board

ONGO Sub County Hospital (Migori County)
Annual Report and Financial Statements for The Year Ended 30th June 2025

7. Statement of Performance Against Predetermined Objectives

Ongo Sub-County Hospital has 3 strategic pillars/ themes/issues and objectives within the current Strategic Plan for the 2024/25. These strategic pillars/ themes/ issues are as follows;

- Pillar /theme/issue 1: Planning and administrative support services
- Pillar/theme/issue 2: Preventive and promotive health services
- Pillar/theme/issue 3 Curative services

Ongo Sub County Hospital develops its annual work plans based on the above 3 pillars.

Annual Performance Targets

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Planning and administrative support services	To ensure efficient and effective well-coordinated health services	No Of health policies developed	Developing Annual work plans. Conducting performance reviews	As Ongoo Sub county Sub County Hospital, One workplan developed Biannual and annual review conducted
	To increase, develop ,retain and motivate health personnel	No.of Annual Work Plans developed		
	To construct ,expand, maintain and improve health infrastructure	No.of Strategic plans developed		
	To accelerate scale up of Universal Health Coverage	% of performance reviews conducted		
		% quarterly support supervision conducted		
Preventive and promotive health services	To reduce the burden of preventable diseases and promote healthy lifestyles among communities	% of hospitals supplied with Pharmaceuticals	Supplying the hospital with pharmaceuticals, laboratory reagents	Ongoo Sub County Hospital was supplied with medical drugs non pharmaceuticals, laboratory
	To reduce maternal and new-born mortality	% of hospitals supplied with Non Pharmaceuticals		
	To increase community health unit coverage	% of hospitals supplied with Laboratory Reagents		
		% of hospitals supplied with Vaccines and sera		

ONGO Sub County Hospital (Migori County)
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	<p>00%ofthecountyvillages</p> <p>Toimprovecoverageoffacilitiesofferingadolescentandyouthfriendlyservice</p> <p>Toimplementarobustandmultisectoralapproachinpreventingandmanaging</p>	<p>% of hospitals supplied with medical equipment</p> <p>% of hospitals supplied with Patient food and rations</p>	<p>gents, vaccin essupplies</p>	<p>reagents, and vaccines supplies.</p>
<p>Curative, rehabilitative and referral services</p>	<p>To provide affordable curative, rehabilitative and referral services</p> <p>To improve access to essential health products and technologies</p>	<p>% of functional ambulances available for referral</p> <p>% of specialized services provided at primary health facilities</p>	<p>Functioning ambulances on referrals.</p>	<p>1 ambulance available for referrals.</p>

8. Corporate Governance Statement

During the Financial Year 2024/25 the Board Member held quarterly meetings to discuss the performance of the hospital. Consequently, the meetings were convened every time the facility receive funds from Migori Health Services Fund Board to discuss and see the areas which need urgent funding so that facility to continue operating normally. These meetings were held in the medical superintendent boardroom.

Consequently, board members training was carried towards the end of the financial year on various matters pertaining to health and the new health insurance cover that is yet to be adopted by the hospital and how it might affect the operation of the facility. The hospital board are appointed by the Chief Executive Officer- Health who are then gazetted in the Kenyan Gazette. For the new members, a mandatory induction is done to them so that they can be a par with various regulations and operations of health as a sector. The board are entitled to a sitting allowance and various transport and lunch reimbursement anytime they sit.

The Roles and Functions of The Board Members

- i. Responsibility for patient care and the overall quality of service in the hospital by demonstrating leadership in determining priorities for the hospital that is consistent with the available resources.
- ii. Provision of general oversight for the general operations and management of the hospital.
- iii. Represent community interests in resource allocation and planning within the hospital.
- iv. Health promotion agents to the hospital catchments population on behalf of the hospital.
- v. Articulate and represent local community interests on health matters in local development forums.
- vi. Facilitate feedback process to the community pertaining to the operations and management of the hospital.
- i. Mobilize community resources towards the development of health services within the hospital.

Ethics and Conduct of Board Members

The code of ethics outlines the principles and standards that guide the conduct of the board members in overseeing the hospital operations. Some of these principles include:

Ongo Sub County Hospital
Annual Report and Financial Statements for The Year Ended 30th June 2025

- Commitment to the hospital Mission and Vision ensuring that all the action plans and decisions are in line with the achievement of the later.
- Integrity and Accountability: This is where the hospital board members are required to operate with utmost honesty and transparency while making financial decisions of the hospital.
- Confidentiality: This is where the hospital board members are required to respect the patients and staff confidentiality and safeguard sensitive information from unauthorized disclosure.
- Conflict of Interest: This is where the board members are required to disclose any potential conflicts of interest and recuse oneself from related decision making.
- Compliance With Laws and Regulations: The hospital board members are required to comply with the hospital governing laws and regulations.
- Respect and Fairness: The hospital board members are required to respect one another's decision and to treat one with utmost respect, fairness and dignity.
- Ethical decision Making: The hospital board Members are encouraged and required to prioritize on issues which are geared towards the improvement of patients' wellbeing as opposed to personal interest.
- Financial Stewardship: The hospital board members are required to oversee the hospital financial health with diligence, ensuring resources are used effectively and responsibly to advance the hospital mission.
- Collaboration and Communication: Hospital board members are encouraged to work collaboratively with one another to ensure that best decisions are arrived at.

**Ongo Sub County Hospital
Annual Report and Financial Statements for The Year Ended 30th June 2025**

9. Management Discussion and Analysis

Financial performance

Ongo Sub County Hospital registered a total of Ksh.5,736,864 (Five Million Seven Hundred and Thirty Six Thousand Eight Hundred and Sixty-Four) as the revenue for financial year 2024/2025. In line with this, the hospital collected a total of Ksh. 1,426,370 from exchange transactions and Ksh. 4,310,494 from non-exchange transactions. Moreover, the hospital registered a net surplus of Ksh. 231,651.

Clinical/operational performance

- Bed capacity 12
- Overall patient attendance for both inpatient 447 and outpatient 2368
- Accident and Emergency attendance 16
- Specialized clinic attendance 0
- Average length of stay for inpatient 3 days
- Bed occupancy rate 75%.
- Surgical theatres utilization-0
- Mortality Rate 0%
- Sponsorship and partnership lwala community alliance, CIHEB, KIMET.

Revenue sources.

- Facility Improvement Fund(FIF)
- Public Contributions and Donations
- SHA/SHIF
- User fees



.....
Name: Emmy Ater

Secretary to the Board

10. Environmental And Sustainability Reporting

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

i) Sustainability strategy and profile

The hospital is expanding its infrastructure to increase the provision of specialised services to the community. This in long run will increase the revenue base of the hospital which will make it self-sustainable in future.

ii) Environmental performance

Installation of microwave machine to control and treat health care waste reducing accidents and pollution
Formed committees to carryout infection prevention and control within the work environment
Outline clearly, environmental policy guiding the organisation, provide evidence of the policy. Outline successes, shortcomings, efforts to manage biodiversity, waste management policy and efforts to reduce environmental impact of the organisation's products

iii) Employee welfare.

Hiring Services is done by Migori County Public Service Board. The Process is competitive as the Gender ratio and others Factors are considered. The Opportunities are advertised in the local Gazzette

iv) Market place practices-

The Ongo Sub County Hospital encourages good market practices as outlined below:

a) Responsible competition practice.

Display of Service chatters

Carryout exit visit interviews

Provisions of complaints and suggestion box

b) Responsible Supply chain and supplier relations

The Hospital raises requisition to procurement who invites the public through open tenders and gazettelement process

The bidders are evaluated and the awarding is done committees formed by the management

c) Responsible marketing and advertisement

The facility being a public entity endeavours to uphold service to common mwanachi at all levels. All advertisements are targeting to ensure the public is aware of services being offered or any upcoming donor sponsored surgeries.

d) Product stewardship

Ongo Sub County Hospital endeavours to maintain incinerators for better waste management.

Ongo Sub County Hospital
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e) Corporate Social Responsibility / Community Engagements

The facility has been carrying out outreaches to different areas such as markets, schools, churches and other community engagement forums so as to encourage girls to avoid early pregnancies and in case they conceive they should seek proper health care services like attending all antenatal visits so as to delivery in the formal way.

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 hospital's affairs.

Principal activities

The principal activities of the Ongo Sub County Hospital are provision of quality, accessible and affordable health services to the citizens.

Results

The results of the Ongo Sub County Hospital 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 v. During the year no director retired or resigned.

Auditors

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

By Order of the Board



.....
Name: Emmily Ater

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 of that entity, which give a true and fair view of the state of affairs of the entity at the end of the financial year and the operating results of the entity for that year/period. The Board of Management is also required to ensure that the entity 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 entity’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 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 Ongo Sub County Hospital, (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 Ongo Sub County Hospital; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board of Management accepts responsibility for the *Ongo Sub County Hospital’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 Ongo Sub County Hospital’s financial statements give a true and fair view of the state of Ongo Sub County Hospital’s transactions during the financial year ended June 30, 2025, and of the Ongo Sub County Hospital’s financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the Ongo Sub County Hospital, which have been relied upon in the preparation of the Ongo Sub County Hospital’s 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 or nothing has come to the attention of the Board of management to indicate that the Ongo

**Ongo Sub County Hospital
Annual Report and Financial Statements for The Year Ended 30th June 2025**

Sub County Hospital will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Hospital's financial statements were approved by the Board on 19th August 2025 and signed on its behalf by:



.....
Name: Nelson Opiyo
Chairperson
Board of Management



.....
Name: Emmily Ater
Accounting Officer

REPUBLIC OF KENYA

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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 ONGO SUB-COUNTY HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2025 – COUNTY GOVERNMENT OF MIGORI

PREAMBLE

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

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

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 Ongo Sub County Hospital - County Government of Migori set out on pages 1 to 33, which comprise of the statement of financial position 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 amount 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 the Ongo Sub County Hospital Hospital-County Government of Migori as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with the International Public sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Non-Disclosure of Salaries Paid on Behalf of the Hospital by Migori County Executive

The statement of financial performance reflects employee costs of Kshs.251,637. However, it was noted that the salaries and wages of employee of Ongo Sub County Hospital were paid directly by the County Government of Migori on behalf of the hospital. The expenses were not disclosed in the hospital's books of account or financial statements.

In the circumstances, the accuracy and completeness of the employee costs of Kshs.251,637 could not be confirmed.

2. Undisclosed Assets

The statement of financial position reflects nil balance in respect of property, plant and equipment. However, physical visit to the Hospital and review of the asset register revealed that the Hospital had medical equipment, land, hospital beds, generator, furniture and fittings, incinerator among others that were not captured in the financial statements. In addition, Management did not maintain a detailed fixed asset register detailing the types of assets, serial/log book number, opening balances, additions, date of acquisitions, disposals, depreciation charged, accumulated depreciation to date and net book value of the assets. Also, ownership documents for the land occupied by the Hospital were not provided for audit review. It was also noted that most of the assets were not tagged and asset movement's registers was not appropriately kept. Thus, such assets may easily be stolen.

In the circumstances, the accuracy and completeness of the reported nil property, plant and equipment balance, and the effectiveness of internal controls over asset management could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Ongo Sub County Hospital Hospital-County Government of Migori 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 Information

The Management is responsible for the Other Information set out on page iii to xxi which comprises 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, Environment 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 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 effects of the matter 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 at the Hospital

Review of revenue records obtained from the Ongo Sub-County Hospital in Migori County revealed that the Sub-County Hospital collected a total Kshs.1,718,086 towards the health facilities improvement which was all transferred to Migori County Health Services Fund Account. However, the Management reimbursed a total of Kshs.848,822 to the Sub-County Hospital resulting in a deficit of Kshs.869,264. 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 Migori County Health Services Fund was in breach of the law.

2. Hospital's Compliance with Minimum Required Criteria for Level 4 Hospital

2.1. Inadequate Staffing Levels

Review of the Hospital's operations and records during the financial year revealed that Ongo Sub County Hospital 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:

Description	Level 4 Standard	Number in the Hospital	Variance
Medical Officers	16	0	16
Anaesthesiologists	2	0	2
General Surgeons	2	0	2
Gynecologists	2	0	2
Pediatrics	2	0	2
Radiologists	2	0	2
Kenya Registered Community Health Nurses	75	6	69
Beds	150	12	138
Resuscitaire (2 in Labor & 1 in Thearte)	2	1	1
New Born Unit Incubators	5	0	5
New Born Unit Cots	5	0	5
Functional ICU Beds	6	0	6

Description	Level 4 Standard	Number in the Hospital	Variance
High Dependency Unit (HDU) Beds	6	0	6
Renel Unit with at least 5 Dialysis Machines	5	0	5
Two Functional Operational Theatres – Maternity & General	2	0	2
Mortuary and Autopsy Services	Should be in place	Not in place	
Advanced life support	Should be in place	Not in place	
Caesarion sections and Surgical operations	Should be in place	Not in place	

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 may have hindered the achievement of the Government program on Universal Health Coverage (UHC).

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

1. Lack of at Least Two (2) Sign Language Interpreter at the Hospital

During the year under review, it was observed that the Hospital did not have any sign language interpreter, contrary to Section 10(e) of the Migori County Health Services Act, 2019, which requires that each sub county health facility have at least two sign language interpreters to facilitate communications with patients who are hearing impaired. Consequently, patients with hearing impairment may have experienced challenges in accessing or receiving adequate health services.

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

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

2. Lack of Audit Committee and Internal Audit Unit

During the year under review, the Hospital had not established an Internal Audit function and an Audit Committee as required by Part III and Regulation 167(1) of the Public Finance Management (County Governments) Regulations, 2015.

In the circumstances, the effectiveness of internal controls, risk management and governance could not be confirmed.

3. Failure to Automate Own Source Revenue Collection

During the year under review, it was established that; although the management had put in place measures to ensure that all payments were done using the Mobile money transaction platform which was transferred directly to the revenue collection bank account, Management had not mapped and automated any of its revenue-generating streams and was dependent on manual collections process which are prone to errors and inconsistencies and are time-consuming.

In the circumstances, the effectiveness of internal controls over the identification, collection and accounting for the Hospital's own generated revenues could not be confirmed.

4. Weakness in Inventory Management

The statement of financial position reflects inventories balance of Kshs.124,060 as disclosed in Note 17 to the financial statements. However, audit review and inspection conducted at the Hospital's stores on 6 December, 2025 revealed that inventory was received and recorded in the store bin cards and issued by a single officer. This practice increased the risk of errors, omissions and manipulation of figures. Additionally, the processes of receiving and issuing drugs were not automated.

In the circumstances, the effectiveness of internal controls over inventory management 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 which 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 complies 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 Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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


08 December, 2025

Ongo Sub County Hospital (Migori County)
Annual Report and Financial Statements for The Year Ended 30th June 2025


14. Statement of Financial Performance for The Year Ended 30th June 2025

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6		152,010
Public Contributions and Donations	7	4,310,494	152,010
Revenue from exchange transactions			
Rendering of services- Medical Service Income	8	1,426,370	298,020
Transfers from other government entities	9		23,200
Revenue from exchange transactions		1,426,370	321,220
Total revenue		5,736,864	473,230
Expenses			
Medical/Clinical costs	10	4,758,001	116,750
Board of Management Expenses	11	141,000	96,000
Employee costs	12	251,637	-
Repairs and maintenance	13	169,400	33,550
General expenses	14	185,175	101,987
Total expenses		5,505,213	348,287
Net Surplus / (Deficit) for the year		231,651	124,943


The Hospital's financial statements were approved by the Board on 19th August 2025 and signed on its behalf by:



Chairman: Nelson Opiyo
Board of Management



Head of Accounts: Stephen Nyainda
ICPAK No: 31086




Medical Superintendent: Emmily Ater

Ongo Sub County Hospital (Migori County)
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15. Statement of Financial Position as at 30th June 2025

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	15	3,782	883
Receivables from exchange transactions	16	228,752	-
Inventories	17	124,060	220,060
Total Current Assets		356,594	220,943
Non-current assets			
Property, plant, and equipment	18	-	-
Total Non-current Assets		-	-
Total assets		356,594	220,943
Liabilities			
Current liabilities			
Trade and other payables	19	-	96,000
Total Current Liabilities		-	96,000
Net assets		356,594	124,943
Represented By:			
Revaluation reserve			
Accumulated surplus/Deficit		356,594	124,943
Capital Fund			
Total Net Assets and Liabilities		356,594	220,943


The Hospital's financial statements were approved by the Board on 19th August 2025 and signed on its behalf by:



Chairman: Nelson Opiyo
Board of Management



Head of Accounts: Stephen Nyainda
ICPAK No: 31086



Medical Superintendent: Emmily Ater

Ongo Sub County Hospital (Migori County)
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16. Statement of Changes in Net Asset for The Year Ended 30 June 2025

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital	Total
			Fund	
At July 1, 2024	-	124,943	-	124,943
Revaluation gain	-	-	-	-
Surplus/(deficit) for the year	-	231,651	-	231,651
Capital/Development grants	-	-	-	-
At June 30, 2025	-	356,594	-	356,594

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

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government			
Rendering of services- Medical Service Income		1,197,618	349,170
Miscellaneous Income			-
Transfers From Other Government Entities			-
Total Receipts		1,197,618	349,170
Payments			
Medical/Clinical costs		447,507	116,750
Board of Management Expenses		141,000	96,000
Employee costs		251,637	-
Repairs and maintenance		169,400	33,550
General expenses		185,175	101,987
Total Payments		1,194,719	348,287
Net cash flows from operating activities	20	2,899	883
Cash flows from investing activities			
Proceeds from the sale of property, plant, and equipment		-	-
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents	15	2,899	883
Cash and cash equivalents as at 1 July		883	-
Cash and cash equivalents as at 30 June	15	3,782	883

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

Description	Original budget	Adjustments	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	
Budget carryovers from the previous year	-	883	883	883	-	100%
Revenue						
Rendering of services- Medical Service Income	1,426,370	-	1,426,370	1,197,618	228,752	84%
Total income	1,426,370	883	1,427,253	1,198,501	228,752	84%
Expenses						
Medical/Clinical costs	679,158	883	680,041	447,507	232,534	66%
Board of Management Expenses	141,000	-	141,000	141,000	-	100%
Employee costs	251,637	-	251,637	251,637	-	100%
Repairs and maintenance	169,400	-	169,400	169,400	-	100%
General expenses	185,175	-	185,175	185,175	-	100%
Total Expenses	1,426,370	883	1,427,253	1,194,719	232,534	84%
Surplus for the period	-	-	0	3,782	3,782	0%

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Capital expenditure	-	-	-	-	-	0%
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NOTE: The hospital registered 84% utilization in rendering of services as there was an outstanding Ksh. 228,752 rendering services income from the health services which the hospital did not receive for the period ended 30th June 2025. This particular figure is reflected in the trade receivable which led to 66% absorption in the medical clinical costs.

Budget Reconciliation

Description of Particulars	Amount in Kshs
Actual Surplus Amounts as per the statement of Budget	3,782
<i>Total</i>	<i>3,782</i>

19. Notes to the Financial Statements

1. General Information

Ongo Sub County Hospital entity is established by and derives its authority and accountability from PFM Act. The Ongo Sub County Hospital is wholly owned by the Migori County Government and is domiciled in Migori County in Kenya. The Ongo Sub County Hospital's principal activity is provision of medical services to the society.

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 *entity's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Notes. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *Ongo Sub County Hospital*. The financial statements have been prepared in accordance with the PFM Act, and (*include any other applicable legislation*), 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

Standard	Effective date and impact:
IPSAS 43	<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</p>

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Standard	Effective date and impact:
	<p>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>This standard did not have a significant impact on the correctness and completion of the financial statement as the hospital did not have any lease agreement.</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><i>This standard did not have a significant effect on the financial statement for the facility.</i></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.</p> <p>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.</p> <p>This standard did not have a significant impact on the accuracy and correctness of the financial statement as the hospital did not have heritage assets.</p>

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Standard	Effective date and impact:
<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>The standard did not have a significant impact on the correctness and completeness of the financial statement and the institution is yet to adopt it.</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>The standard did not have an impact on the correctness and completeness of the financial statement.</p> <p>The entity is yet to adopt the standard hence it did not have a significant impact on the financials presented.</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>

**Ongo Sub County Hospital (Migori County)
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Standard	Effective date and impact:
	for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers. The standard did not have a significant impact on the financial statement.
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. This standard did not have an impact on the financial statement as the facility is yet to establish a retirement benefit plan.

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 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"> 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; 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.

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Standard	Effective date and impact

iii) Early adoption of standards

The Ongo Sub County Hospital did not early – adopt any new or amended standards in the financial year.

4. Summary of Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other Government entities

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

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

Ongo Sub County Hospital (Migori County)
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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.

b. Budget information

The original budget for FY 2024/2025 was approved by Board. 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 Ongo Sub County Hospital upon receiving the respective approvals in order to conclude the final budget. Accordingly, the *Ongo Sub County Hospital* recorded no additional appropriations on the FY 2024/2025 budget. The *Ongo Sub County Hospital's* budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

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

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.

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- When receivables and payables are stated with the amount of sales tax included. The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d. Investment property

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

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of *one* year. Investment properties are derecognized 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 Ongo Sub County Hospital 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.

f. Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Ongo Sub County Hospital. 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 Ongo Sub County Hospital also recognizes the associated lease liability at the inception of the lease. The liability

Ongo Sub County Hospital (Migori County)
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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.

h. Research and development costs

The Ongo Sub County Hospital 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

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development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

i. Financial instruments

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. *The Ongo Sub County Hospital does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).*

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 Ongo Sub County Hospital 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 Ongo Sub County Hospital has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

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Based on the business model and the cash flow characteristics, the Ongo Sub County Hospital 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 Ongo Sub County Hospital 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

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The Ongo Sub County Hospital 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).

Financial liabilities

Classification

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

j. 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.

k. Provisions

Provisions are recognized when the Ongo Sub County Hospital 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.

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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.

l. 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.

m. 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.

n. 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.

o. Nature and purpose of reserves

The entity creates and maintains reserves in terms of specific requirements. *(Entity to state the reserves maintained and appropriate policies adopted.)*

p. 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.

q. 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.

r. Foreign currency transactions

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

s. 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.

t. Related parties

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

u. 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,

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

v. 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.

w. Comparative figures

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

x. 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.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual values

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

- The condition of the asset based on the assessment of experts employed by the Entity.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset.

Provisions

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

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Notes to the Financial Statements (Continued)

6. Transfers from the County Government

Description	2024-2025	2023-2024
	KShs	KShs
Migori county health services fund		152,010
Total		152,010

7. Public Contributions and Donations

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
Public donations	4,310,494	0
Total donations and sponsorships	4,310,494	0

8. Rendering of Services-Medical Service Income

Description	2024-2025	2023-2024
	KShs	KShs
Cash received	1,426,370	298,020
Total	1,426,370	298,020

9. Transfers From Other Government Entities

Description	2024-2025	2023-2024
	KShs	KShs
Linda Mama Program and NHIF capitation Claims	-	23,200
Total	-	23,200

10. Medical/Clinical Costs

Description	2024-2025	2023-2024
	KShs	KShs
Laboratory chemicals and reagents and medical drugs	4,472,401	7,750
Food and Ration	93,000	71,600
Dressing and non-pharmaceuticals	65,000	7,000
Sanitary and cleansing Materials	50,000	30,400
Medical Records	77,600	0
TOTAL	4,758,000.99	116,750

11. Board of Management Expenses

Description	2024-2025	2022 - 2023
	KShs	KShs
Sitting allowance	141,000	96,000

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Total	141,000	96,000
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12. Employee Costs

Description	2024-2025	2023-2024
	KShs	KShs
Temporary Employees	251,637	0
Total	251,637	0

13. Repairs and Maintenance

Description	2024-2025	2023-2024
	KShs	KShs
Property- Buildings	169,400	0
Furniture and fittings		33,550
Total	169,400	33,550

14. General Expenses

Description	2024-2025	2023-2024
	KShs	KShs
Travel and accommodation allowance	82,050	20,500
General office supplies and small equipment	-	53,500
Telephone and mobile phone services	14,000	15,600
Office Tea	60,600	-
Bank Charges	21,525	12,387
Other Fuel	7,000	-
Total	185,175	101,987

15. Cash and Cash Equivalent

Description	2024-2025	2023-2024
	KShs	KShs
Current accounts	3782	883
Total cash and cash equivalents	3782	883

(a). Detailed Analysis of Cash and Cash Equivalent

	2024-2025	2023-2024

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Financial institution	Account number	KShs	KShs
a) Current account			
National Bank	01021262739500	1221	883
National Bank	01242045431400	2561	
Sub- total		3782	883
Grand total		3782	883

16. Receivables and Exchange Transactions

Description	2024-2025	2023-2024
	KShs	KShs
Receivable	228,752	0
Total receivables	228,752	0

Analysis of Receivables from Exchange Transactions

Description	2024-2025		2023-2024	
	Kshs		Kshs	
	Current FY	% of the total	Current FY	% of the total
Less than 1 year:	228,752		0	0%
Total	228,752		0	

17. Inventories

Description	2024-2025	2023-2024
	KShs	KShs
Pharmaceutical supplies	124,060	220,060
Total	124,060	220,060

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18. Property, Plant and Equipment

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Cost								
At 1 July 2023(previous year)	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-	-
At 30th Jun 2024	-	-	-	-	-	-	-	-
At 1 July 2024(current year)	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-	-

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At 30th Jun 2025	-	-	-	-	-	-	-	-
Depreciation and impairment								
At 1 July 2023 (previous year)		-	-	-	-	-	-	-
Depreciation for the year		-	-	-	-	-	-	-
Disposals		-	-	-	-	-	-	-
Impairment		-	-	-	-	-	-	-
At 30 June 2024		-	-	-	-	-	-	-
At July 2024 (current year)		-	-	-	-	-	-	-
Depreciation		-	-	-	-	-	-	-
Disposals		-	-	-	-	-	-	-
Impairment		-	-	-	-	-	-	-
Transfer/adjustment		-	-	-	-	-	-	-
At 30th June 2025		-	-	-	-	-	-	-
Net book values								

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At 30th Jun 2024 (previous)		-	-	-	-	-	-	-
At 30th Jun 2025 (current)		-	-	-	-	-	-	-

Item	Depreciation rate
Buildings and Civil works	2.00%
Motor vehicles	25%
Furniture, fittings, and office equipment	12.50%
ICT Equipment	33%
Plant and medical equipment	12.50%

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19. Trade And Other Payables

Description	2024-2025	2023 - 2024
	KShs	KShs
Board Members Arrears	-	96,000
Total	-	96,000

Total trade and other payables	2024-2025		2023 - 2024	
	Current FY	% of the Total	Current FY	% of the Total
Ageing analysis:				
Under one year	-	-	96,000	100%
Total	-	-	96,000	

20. Cash Generated from Operations

Description	2024-2025	2023-2024
	KShs	KShs
Surplus for the year before tax	231,651	124,943
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	96,000	(220,060)
Increase in receivables	(228,752)	-
Increase in deferred income	-	-
Increase in payables	(96,000)	96,000
Increase in payments received in advance		-
Net cash flow from operating activities	2,899	883

Notes to the Financial Statements (Continued)

21. Financial Risk Management

The entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The company's overall risk management programme focuses on the unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The company does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

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

(i) Credit risk

The entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment. The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2025 (current year)				
Receivables from exchange transactions	228,752	0	0	0
Receivables from –non-exchange transactions	0	0	0	0
Bank balances	3782	0	0	0
Total	232,534	0	0	0

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The board of management sets the company's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the hospital's board of management who have built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management

requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

There was no non derivative financial liabilities for the entity for the period under review.

(iii) Market risk

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

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

a) Foreign currency risk

The entity has no transactional currency exposures as there were no purchases of goods and services that were done in foreign currencies.

Foreign currency sensitivity analysis

There was no transactions made in foreign currency hence there was no risk relating to exchange rates.

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

iv) Capital Risk Management

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

Description	2024/2025	2023/2024
	Kshs	Kshs
Revaluation reserve	0	0
Retained earnings	0	0
Capital reserve	0	0
Total funds	0	0
Total borrowings	0	0
Less: cash and bank balances	(3,782)	(883)
Net debt/ (<i>excess cash and cash equivalents</i>)	(3,782)	(883)
Gearing	0%	0%

22. 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.

Migori County Government is the principal shareholder of the *entity*, 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 National Government;
- ii) The County Government;
- iii) Board of Directors;
- iv) Key Management

Description	2024/2025	2023/2024
	Kshs	Kshs
Transactions with related parties		
a) Services offered to related parties		
Total	0	0

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Description	2024/2025	2023/2024
	Kshs	Kshs
b) Grants from the Government		
Grants from County Government	0	0
Grants from the National Government Entities	0	0
Donations in kind	0	0
Total	0	0
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for employees	0	0
Total	0	0
d) Key management compensation		
Directors' emoluments	0	0
Compensation to the medical Sup	0	0
Compensation to key management	0	0
Total	0	0

23. Segment Information

(Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an entity to present segmental information of each geographic region or department to enable users understand the entity's performance and allocation of resources to different segments)

24. Contingent Liabilities

Contingent liabilities	2024/2025	2023/2024
	Kshs	Kshs
Bank guarantees in favour of subsidiary	0	0
Total	0	0

The institution never engaged in the any court case for the financial year under review.

25. Capital Commitments

Capital Commitments	2024/2025	2023/2024
	Kshs	Kshs
Authorised For	0	0
Authorised And Contracted For	0	0
Total	0	0

There was capital commitments under the financial year under review

26. Events after the Reporting Period

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

27. Ultimate and Holding Entity

The entity is a State Corporation/ or a Semi- Autonomous Government Agency under the Department of Medical Services. Its ultimate parent is the County Government of Migori.

28. Currency

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