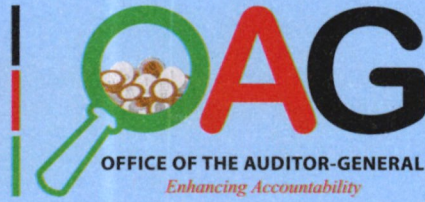
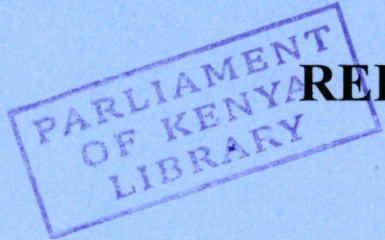


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability



PAPERS LAID	
DATE	27/11/25
TABLED BY	SML
COMMITTEE	—
CLERK AT THE TABLE	Ms. Nabalayo

REPORT

OF

THE AUDITOR-GENERAL

ON

METEITEI SUB-COUNTY HOSPITAL

FOR THE YEAR ENDED
30 JUNE, 2025

COUNTY GOVERNMENT OF NANDI

Revised 30th June 2025



METEITEI SUB- COUNTY HOSPITAL

(Nandi 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)



Meteitei Sub County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Table of Contents

1. Acronyms & Glossary of Terms	ii
2. Key Entity Information and Management	iii
3. The Board of Management	vi
4. Key Management Team	vii
5. Chairlady’s Statement.....	viii
6. Report of The Medical Superintendent.....	ix
7. Statement of Performance Against Predetermined Objectives	xi
8. Corporate Governance Statement	xii
9. Management Discussion and Analysis	xvi
10. Environmental And Sustainability Reporting.....	xvii
11. Report of The Board of Management	xx
12. Statement of Board of Management’s Responsibilities.....	xxi
13. Report of the Independent Auditor of Meteitei Sub County Hospital.....	xxii
14. Statement of Financial Performance for The Year Ended 30 June 2025	1
15. Statement of Financial Position As At 30 th June 2025.....	3
16. Statement of Changes in Net Assets for The Year Ended 30 June 2025	5
17. Statement of Cash Flows for The Year Ended 30 June 2025.....	6
18. Statement of Comparison of Budget and Actual Amounts for Year Ended 30 Jun 2025	7
19. Notes to the Financial Statements	10
20. Appendices.....	63

Meteitei Sub County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

1. Acronyms & Glossary of Terms

CSR	Corporate Social Responsibility
OSHA	Occupational Health & Safety Act
PFMA	Public Financial Management Act
MED SUP	Medical Superintendent
Fiduciary Management	Key management personnel who have financial responsibility in the entity.
MSCH	Meteitei Sub County Hospita

2. Key Entity Information and Management

(a) Background information

Meteitei sub-county Hospital is a level (4/5) hospital established under gazette notice number xxx and is domiciled in Nandi County under the health Department. The hospital is governed by a Board of Management.

(b) Principal Activities

The principal activity/mission/ mandate of the hospital is to treat and attend patient...

(c) Key Management

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

- County department of health
- Board of Management
- Accounting Officer/ Medical Superintendent
- Management
- Others (*specify*)

(d) Fiduciary Management

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

No.	Designation	Name
1.	Medical Superintendent	Dr. Samson Sirma
2.	Chief officer Health and Sanitation	Mr. Fredrick Kiptum
3.	Director Medical Services	Dr. David Bungei
4.	Hospital Administrator	Mrs. Zeddy Jelagat
5.	Head Of Nursing Services	Miss Nancy Otieno

Meteitei Sub County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

- (e) **Fiduciary Oversight Arrangements**
Board Of Management
County Audit committee
County Assembly Department committee on Health
- (f) **Key Entity Information and Management (continued)**
- (g) **Entity Headquarters**
P.O. Box 188, Songhor
Maraba Building/House/Plaza
Maraba-Meteitei Avenue/Road/Highway
Meteitei KENYA
- (h) **Entity Contacts**
Telephone: (+254) 0731177645
E-mail: info@nandi.go.ke
Website: www.nandi.go.ke
- (i) **Entity Bankers**
National bank of Kenya
Co-operative bank of Kenya
- (j) **Independent Auditors**
Auditor General
Office of Auditor General
Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

Meteitei Sub County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025




(k) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue P.O.
Box 40112
City Square 00200
Nairobi, Kenya

(l) County Attorney

P.O. Box. 802
Kapsabet, Kenya

3. The Board of Management

 <p>Mrs. Kibor</p>	<p>MRS KIBOR BOARD CHAIR LADY</p> <p>Statute farmer and a Season Board Member of Tinderet Technical Training Institute. She brings in a vast knowledge in management.</p>
 <p>Dr. Samson Sirma</p>	<p>DR SIRMA SAMSON MEDICAL SUPERINTENDENT METEITEI SUBCOUNTY HOSPITAL</p> <p>Holding degree in Medicine and Surgery from Sumy state medical University and also master student at Amref International University.</p>
 <p>STEPHEN KIPTOO TARUS</p>	<p>Qualification: Bachelor of Human Resource Management</p> <p>Job Experience:</p> <p>2014 March - To date; Principal Administrative Officer County Government of Nandi. This has enabled me to serve as a Ward Administrator in seven wards, cutting across all six Sub-Counties in Nandi County.</p> <p>2024 October - to date; serving as the Acting Sub-County Administrator Tinderet</p>

Meteitei Sub County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

4. Key Management Team

Ref	Management	Details
1.	DR. SAMSON SIRMA	Medical Superintendent
2.	NANCY OTIENO	Nursing Officer In-Charge
3.	ZEDDY JELAGAT	Hospital Health Administrator
4.	EMMANUEL MARITIM	Hospital Accountant

5. Chairlady's Statement

It is with great pride and gratitude that I present this report on behalf of the Board of Management, reflecting on the key activities, achievements, and challenges of the past year, as well as our vision for the future of our hospital.

Over the past year, we have continued to make significant progress in strengthening our service delivery, improving patient outcomes, and enhancing infrastructure. Key achievements include the successful installation of a modern laboratory system, the expansion of outpatient services, and the recruitment of additional qualified healthcare professionals to meet the growing needs of our community.

Our commitment to quality healthcare was further reinforced through capacity building, training programs, and partnerships with both government and non-governmental organizations. These collaborations have played a pivotal role in the successful implementation of maternal and child health programs, chronic disease management clinics, and digitization of health records.

However, we continue to face challenges, notably in areas of funding, staff shortages in specialized departments, and delays in procurement processes. Despite these, the dedication of our staff and the support from our partners have enabled us to navigate these obstacles with resilience.

Looking ahead, the Board is committed to pursuing key development goals, including the construction of a dialysis center, introduction of telemedicine services, and upgrading of the radiology department. We also aim to intensify our community outreach and preventive health strategies to reduce the burden of preventable diseases.

In conclusion, I extend my heartfelt appreciation to the hospital management, staff, partners, and the wider community for their unwavering support. Together, we will continue to strive for excellence in healthcare deliver



.....
Mrs. Kibor

Chairperson to the Board

6. Report of The Medical Superintendent

Introduction

It is with great honour that I present the Medical Superintendent's Report for the financial year 2024–2025. This report outlines the key achievements, ongoing challenges, and future directions for Meteitei Sub-County Hospital. The hospital has continued to register significant progress in clinical care, revenue collection, human resource expansion, and infrastructure improvement. Our collective efforts, supported by strategic policy direction and committed staff, have enabled us to improve service delivery and patient satisfaction across all departments.

Clinical Services and Departmental Performance

This year marked remarkable improvements in our clinical operations and overall patient outcomes:

Outpatient Services: We recorded a notable rise in outpatient visits, with a more streamlined triage and consultation system. The deployment of additional clinical officers and nurses under hospital contracts greatly enhanced patient flow and service efficiency.

Inpatient Services: The wards maintained a steady occupancy, especially the maternity and paediatric units. Emergency admissions were better managed due to improved coordination between the outpatient and casualty teams.

Pharmaceutical Services: Through strengthened supply chain management and collaboration with partners, we successfully met approximately 70% of the patients' drug needs — a significant improvement from previous years. Essential drug stock-outs reduced considerably due to better forecasting and timely procurement.

Theatre Services: The hospital theatre saw enhanced utilization this year, following minor renovations and the addition of new equipment and staff. The number of elective and emergency surgeries increased, improving patient turnaround and reducing referral rates.

Laboratory Services: We upgraded several diagnostic machines and improved lab reagent availabilities. This significantly shortened turnaround time for key tests and enhanced diagnostic accuracy, particularly in outpatient and maternal health services.

Human Resource Development

To meet rising patient demand, we engaged additional health workers on hospital contracts, including:

Clinical officers

Nurses

Theatre support staff

Meteitei Sub County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Lab technologists

The newly recruited staff were oriented into various departments and have played a critical role in reducing waiting times, strengthening specialist clinics, and improving the quality of care. Weekly Continuous Medical Education (CME) sessions have also been institutionalized to maintain professional development and adherence to clinical standards.

Revenue Collection and Financial Performance

A major milestone this year was the improvement of our hospital's revenue streams through:

Adoption of non-cash payment methods (MPESA and bank transfers)

Enhanced implementation of Smart Health Application (SHA), which facilitated patient registration, billing, and data reporting

Improved claims processing under the SHA outpatient capitation model as a result:

Overall revenue collection rose by 20% compared to the previous year.

Funds generated were reinvested into essential service areas, including purchase of drugs, repair of critical equipment, and top-up allowances for contract staff.

These strategies have significantly reduced pilferage, improved transparency, and empowered patients with convenient access to services.

Infrastructure and Equipment

While large-scale infrastructure expansion is still underway, we have achieved the following:

Procurement of new patient beds and diagnostic tools

Minor renovations in the theatre and OPD wing

Strengthening of the hospital perimeter for security

We are also in the planning stages for further structural improvements in maternal and diagnostic care units.

These improvements are a testament to the dedication of our staff, the support of the county health department, and the growing trust of the community we serve.

We remain committed to our mission of delivering compassionate, accessible, and high-quality healthcare. As we look to the future, we are confident that with continued support and strategic planning, we will transform Meteitei Sub-County Hospital into a model rural health facility in the region.

Dr. Sirma Samson - Medical Superintendent

Meteitei Sub-County Hospital

Date: 20/7/2025

Secretary to the Board



7. Statement of Performance Against Predetermined Objectives

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Clinical dept	Improvement of clinical operations	Enhanced service delivery	Deployment of additional clinical staffs	Increased patient flow and service delivery
SHA revenue	Increase revenue collection from SHA Insurance	Revenue from SHA rose by 20%	Introduction of smart SHA	NHIF revenue increased by 20% compared to last year

8. Corporate Governance Statement

The Board of Management.

The composition of the Meteitei sub-county hospital Board of Management adheres to the guidelines outlined in the County Government Act of 2012, consisting of 8 members. The selection of Board members emphasizes diversity in gender, age, ethnicity, and culture.

Furthermore, the current Board possesses a wide range of expertise and experience in areas such as medicine, finance, community development, and administration. External specialists and independent professional advisors are consulted as necessary to supplement the Board's capabilities.

Appointment of the Board.

The Chairlady of the Board, along with 7 additional members, are appointed by H.E. the Governor. The Hospital In-Charge serves as an ex officio member and acts as the secretary to the Board. Each member serves a maximum of two terms, each lasting three (3) years. The names of all members and any changes are officially published in the Kenya Gazette.

Board of Management Composition.

The members of the Board of Management who served during the year are as shown below: Table 2: Board Composition

Board member	Board Position	Appointment Date	Retire Date
Betty Kibor	Chairlady	26 th May 2023	26 th May 2025
Dr. Samson Sirma	Medical Superintendent	March 2024	26 th May 2025
Richard Rop	Member	26 th May 2023	26 th May 2025
Pr.Samwel Cherwon	Member	26 th May 2023	26 th May 2025
Raymond Chelulei	Member	26 th May 2023	26 th May 2025
Daniel Sum	Member	26 th May 2023	26 th May 2025
Richard Lagat	Member	26 th May 2023	26 th May 2025
Isack Ngetich	Member	26 th May 2023	26 th May 2025
Stephen Kiptoo Tarus	Member	26 th May 2023	26 th May 2025

Role of the Chairlady.

The Chairlady holds the responsibility for providing strategic leadership to the board, playing a pivotal role in fostering conditions for the board's overall effectiveness. This includes promoting an open environment for discussion, ensuring all members can freely express their views and contributes effectively. The Chairlady also ensures that the board actively participates in shaping the Hospital's strategies and policies. Moreover, they oversee the scheduling of board meetings as needed and ensure that members receive accurate, timely, and adequate information to fulfil their duties effectively.

Role of the Board

The Board of Management, with the support of Board Committees and the Secretary-Medical Superintendent, bears the responsibility for promoting good corporate governance and stewardship of the Hospital. The Board, with its committees, offers strategic guidance, while the Medical Superintendent, aided by the Hospital Management Team, is accountable to the Board for executing the strategy. Board members are expected to demonstrate responsibility, prudence, and skilfulness in carrying out their fiduciary duties on behalf of the Hospital.

The roles and responsibilities of the Board as set out in the Board Charter include: Establishing the Hospital's strategic direction and priorities, and adopting business plans proposed by management for the achievement of the strategic objectives

Monitoring and evaluating the implementation of strategies, policies, management performance criteria and business plans.

Providing oversight in financial reporting to the Government and communication to stakeholders.

Ensuring availability of adequate resources for the achievement of the Hospital's objectives.

Safeguarding Hospital assets by instituting appropriate internal control systems.

Reviewing succession planning for the management and making senior executive appointments, organizational changes and remuneration issues.

Overseeing business affairs of the Hospital in light of emerging risks and opportunities. Ensuring the Hospital complies with all relevant laws, regulations and codes of best business practices.

Approving annual budgets.

Board work plan and meetings

A work plan outlining an annual schedule of meetings for the Board and its committees is prepared in advance. The Chairlady, in collaboration with the medical superintendent, determines the agenda for each Board meeting, which is then circulated to members at least seven days prior to

the meeting. In the year under review, the Board held a total of 4 meetings to consider pertinent issues relating to strategy, business performance and sustainability of the Hospital.

Table 3: Board and committee meeting attendance

Board member	Total number of board meetings	Board committees			
		Clinical research & standards committee	Human capital Finance & administration	Corporate strategy & Enterprise	Risk & Audit
Betty Kibor	4				
Dr. Samson Sirma	3				
Richard Rop	4				
Pr.Samwel Cherwon	4				
Raymond Chelulei	1				
Daniel Sum	0				
Richard Lagat	4				
Isack Ngetich	0				
Stephen Kiptoo Tarus	4				

Board Committees and Responsibilities

To improve efficiency and effectiveness, the Board established four standing committees with well-defined terms of reference covering key operational areas. These committees operate with delegated authority without diminishing the Board's overall accountability. Committee members are appointed based on their relevant skills and experience. When required, the Board may establish an ad hoc committee to address specific issues not within the purview of existing

Meteitei Sub County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

committees. The medical superintendent serves as the secretary to all Board committees except the Audit and Risk Committee, for which the Head of Internal Audit fulfils this role.

Clinical Research & Standards Committee

Identifying health care service problems in the hospital and ensuring that they are resolved.

Review any changes on policy issues on standards, quality assurance and research.

Liaise with the Medical Advisory Committee on matters of quality health care delivery.

Undertake comprehensive quarterly evaluation of standards, quality assurance programs in the hospital based on health professional's handbook on quality management in health care in Kenya.

Human Capital, Finance & Administration Committee

Monitoring the Hospital annual budget and overseeing the Hospital's financial management.

Monitoring the Hospital annual procurement plan and overseeing procurement of goods and services.

Establishing human resource policies and corporate organizational structure.

Appointment, promotion and disciplinary issues of senior staff.

Establishing remuneration structure for the staff.

Developing succession plan for senior staff.

Reviewing performance of the staff pension scheme.

Corporate Strategy Enterprise Committee

Reviewing the Five-Year Corporate Strategic Plan and oversees the annual implementation of the Hospital's strategy.

Advising the Board on strategies to enhance performance of the Hospital.

Monitoring major projects under implementation and directing strategies for improving customer service. Resource mobilization and forging partnerships/linkages.

Overseeing realization of the targets set out in the Board's Performance Contract.

Risk and Audit Committee

Reviewing quarterly, half-yearly and annual financial statements before submission to the Board.

Reviewing the performance, objectivity, and independence of external auditors.

Consideration of audit findings by the external auditors.

Monitoring and reviewing the effectiveness of the Hospital's internal audit function. Reviewing the Hospital's internal control and ensuring quality, integrity, effectiveness and reliability of the Hospital's risk management framework.

Ensuring adherence to the code of ethics and integrity in financial transactions of the Hospital.

Meteitei Sub County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

9. Management Discussion and Analysis

Meteitei sub-county Hospital continues its provision of healthcare services to the residents of Nandi County and patients from neighbouring areas. These services includes outpatient general care, dental care, ear, nose, and throat (ENT) services, physiotherapy, minor surgical procedures, and nutrition services,

Clinical support services include laboratory services, and pharmacy services. Mother-child services such as antenatal and postnatal care, as well as immunization, are provided.

Inpatient services include general medicine, pediatrics, maternity care. The general outpatients' attendances for the year 2023/24 was 21758 patients. There was an increase in outpatient attendances of 1.25% which was attributed to improved efficiency on service delivery as well as use of SHA.

	2023/2024	2024/2025
Bed capacity	36	36
Overall attendance	21758	22030
Deliveries	1459	1582
ANC	5425	6000

10. Environmental And Sustainability Reporting

Meteitei sub-county Hospital faces several sustainability issues which refers to the people, planet and profit. As a sub-county hospital providing healthcare services, our sustainability agenda is at the core of our business as we seek to create long-term sustainable value for our stakeholders and the communities that we operate in. We recognize that We are committed to upholding good corporate governance, ethics, and integrity while we contribute to the nation's healthcare sector. Meteitei sub-county Hospital sustainability commitments are embedded in the fabric of our organization and help guide all our operations. Our strategic intent is premised on identifying and delivering exceptional initiatives and programs that deliver real world and lasting benefits. With dedication to this strategy, bolstered by our aspiration to be the preferred healthcare provider, we manage to create long-term sustainable value to all our stakeholders. For our sustainability journey, we have identified materialities that we believe help us categorize the risks and opportunities of our Economic, Environmental and Social impacts as we work towards generating long-term value creation for all our stakeholders.

Below is an outline of the Meteitei sub-county Hospital policies and activities that promote sustainability.

Sustainability strategy and profile

Meteitei sub-county Hospital Sustainable Strategy aim to meet the needs of today by living within our environmental limits and making a positive contribution to a healthy, just and fair community. In doing so, the Meteitei Sub County Referral Hospital will ensure that we meet all our legal, national and regional obligations and commitments by acknowledging the environmental impact of our buildings and managing them in the most efficient way possible to reduce energy demands and CO2 emissions Engaging with our suppliers and stakeholders and involving them in our drive for achieving the highest standards of sustainable healthcare services; Maximizing the benefits of having a large number of employee and using our social and economic influence for environmental improvement and social value in the local community; Working in partnership with sustainable healthcare specialists and making most effective use of our resources through shared best practice Measuring and reporting on the Meteitei Sub County Referral Hospital progress and demonstrating quantifiable reductions in energy spend, cost and CO2 emissions throughout our sustainability journey. Our corporate governance principles outline how we hold ourselves accountable to shareholders and stakeholders. Meteitei sub-county hospital recognizes that the best protection of integrity is to instil a culture that values honesty and ethics: doing what's right every day; relying on our people's good judgment and sense of fairness; reporting unethical behaviour;

and taking appropriate action. All employees are required to uphold integrity principles as per the constitution of Kenya, 2010 and other laws guiding public servants.

Environmental performance

In our offices and clinical areas, we continue to encourage employees to help reduce energy consumption by switching off their computers and lights at the end of the day and also adopting energy efficient technologies. In packaging of medicine, we are using environmentally friendly bags. In medical waste, we are also using bags which are clearly marked for clinical waste, bottles and left-over foods. Staffs are also provided with personal protective equipment.

Employee welfare

We invest in providing the best working environment for our employees. Recognition and appreciation of our employees is a core part of this. Meteitei sub county Hospital promotes a healthy lifestyle and all employees are provided with SHA comprehensive health cover. Meteitei sub-county Hospital is committed to the promotion and maintenance of the physical and psychological health and wellbeing and safety of its entire workforce. Currently policies on the employee welfare and OSHA are guided by the County Human Resource policies. The hospital is also committed to promoting equality, diversity and inclusion in conjunction with improving health and employment outcomes for staff and patients. It aims to deliver services which are responsive to the diverse needs of our employees, our patients as service users and their families. The hospital has also allowed staff to join unions for collective bargaining

Market place practices-

Our mission is to provide equitable access to timely, evidence-based, and culturally appropriate specialized healthcare services for Nandi County residents. Our commitment is to deliver high quality, efficient, client-centered care through skilled staff.

Responsible competition practice.

Meteitei sub-county Hospital fully complies with all applicable laws and regulations in all its operations. We engage with various governmental bodies on an on-going basis, over different fronts in relation to our daily operations, renovations, and expansions. Market-oriented mechanisms require that hospital pay attention to conditions in the market and suppliers. Currently the hospital offers health services that should be affordable and are determined through the County Finance Act as passed by the County Assembly of Nandi.

Responsible Supply chain and supplier relations

The county procurement department has a key role to play in securing our sustainability ambitions. The purchasing of goods and services are aligned with the principles of the Hospital

Meteitei Sub County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Quality Strategy, with a key objective of ensuring that procurement is undertaken in a manner which supports sustainable development and the growth of the low-carbon economy throughout the supply chain. Meteitei sub county hospital ensures compliance with the Public Procurement and Asset Disposal Act, 2015, Public Procurement and Asset Disposal Regulations 2020 and the existing county policies. Hospital has many suppliers that supply good and services. When we manage contracts and engage multiple service providers for our operations and projects, our own reputation as service provider is always a top priority. For that reason, we are focused on ensuring our suppliers comply with best practice and adhere to our contract agreement for all services and goods offered.

Responsible marketing and advertisement

The Health Act, 2017 provides for the establishment of a regulatory body to regulate the licensing, manufacturing, laboratory testing and inspection, storage and distribution facilities, clinical trials, advertising and promotion, and post marketing surveillance for quality safety and disposal of health products and technologies through an Act of Parliament. The hospital currently does not advertise its services as it is a public entity.

Product stewardship

Our Product Stewardship program focuses on minimizing the usage of certain materials of concern when possible and assessing the environmental footprint of health products and packaging throughout the product life cycle, including consumer use, and end of product life. The hospital considers patient safety and customer satisfaction its top priorities. The hospital offers public services that are affordable and are determined through the County Finance Act as passed by the County Assembly of Nandi.

Corporate Social Responsibility / Community Engagements

Meteitei sub-county hospital is committed to Social Responsibility (CSR) and pursuit of societal good through inclusive healthcare inspires us towards fulfilling public healthcare needs. The initiatives are aimed at improving lives and enhance engagement with the public. Central to this philosophy is the commitment to enhance the quality of life of people from marginalized and vulnerable communities, by empowering them and catalysing change through creating awareness on diseases and available interventions. There was no CSR activity during the year

Meteitei Sub County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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 entity are:

To receive patients on referral health facilities within or outside Nandi County for Specialized Healthcare.

To assure provision of Quality health care services, disaster preparedness and response

To Strengthen availability of essential medicines, medical equipment and supplies

To maintain and improve hospital infrastructure and means of transport to meet the demands for service delivery.

Results

The results of the entity for the year ended June 30 2024 are set out on pages 1 to 8

Board of Management

The members of the Board who served during the year are shown on page viii-x. During the year board (s) was appointed with effect from 26th May 2023.

Auditors

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

By Order of the Board



.....
Dr. Sirma Samson Secretary to the Board



Meteitei Sub County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

The Board of Management is responsible for the preparation and presentation of Meteitei subcounty financial statements, which give a true and fair view of the state of affairs of Meteitei sub-county hospital 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 entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the *entity*; (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 Meteitei sub-county Hospital financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and public Audit Act 2015. The Board members are of the opinion that the financial statements give a true and fair view of the state of transactions during the financial year ended June 30, 2025, and financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for Meteitei sub-county Hospital which have been relied upon in the preparation of financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Board of management to indicate that the Hospital will not remain a going concern for at least the next twelve months from the date of this statement.

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: 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 METEITEI SUB-COUNTY HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2025 – COUNTY GOVERNMENT OF NANDI

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Meteitei Sub County Hospital - County Government of Nandi set out on pages 1 to 63 which comprise of the statement

Report of the Auditor-General on Meteitei Sub-County Hospital for the year ended 30 June, 2025- County Government of Nandi

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 amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Meteitei Sub – County Hospital as at 30 June, 2025 , and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the County Governments Act, 2012, Health Act, 2017 the Nandi County Facilities Improvement Fund Act, 2022 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Rendering of Medical Services Income

The statement of financial performance and as disclosed in Note 11 to the financial statements, reflects income from rendering of services – medical service income amount of Kshs.20,915,290 which further includes Kshs.3,937,600 and Kshs.13,058,980 in relation to National Hospital Insurance Fund and Social Health Authority (SHA) respectively which were not supported by schedules of the amounts claimed and disbursed to the Hospital.

In the circumstances, the accuracy and completeness of rendering of services-medical service income amounting to Kshs.20,915,290 could not be confirmed.

2. Undisclosed Property, Plant and Equipment

The statement of financial position and as disclosed in Note 321 to the financial statements, reflects Kshs.119,025 in relation to property, plant, and equipment. However, the Hospital owns non-movable assets of undetermined value relating to land and buildings which were not valued in financial statements. Further, a detailed schedule indicating asset description, location, cost, and ownership status was not provided for review.

In the circumstances, the accuracy of property, plant and equipment of Kshs.119,025 could not be confirmed.

3. Unsupported Receivables from Exchange Transactions

The statement of financial position and as disclosed in Note 29 to the financial statements, reflects receivables from exchange transactions of Kshs.1,680,623 which relates to transfers from the County Government in respect to National Health Insurance and Social Health Authority (SHA) refund claims. However, the supporting schedules indicating the name of the debtor, services offered, invoice number, amount claimed, amount paid,

outstanding balances, and monthly reconciliations were not provided for audit. In addition, the contract agreement between the Hospital and the NHIF, indicating the terms and conditions of operations, was not provided for audit. Further, there was no evidence to indicate that proper mechanisms had been put in place to recover these long-overdue debts.

In the circumstances, the existence, accuracy, and completeness of the receivables from exchange transactions balance of Kshs.1,680,623 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amount reflects final receipts budget and actual on comparable basis of Kshs.61,885,776 and Kshs.51,821,254 respectively, resulting to under-funding amounting to Kshs.10,064,522 or 16% of the budget. Similarly, the Hospital spent Kshs.57,681,539 against actual receipts of Kshs.51,821,254 resulting to over expenditure of Kshs.5,860,285 or 11% of the actual receipts.

The under-funding affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect to this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management, and Governance. However, Management has not resolved the issues or given any

explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and the National Treasury's circular Ref No: AG.4/16/3 Vol.1(9) dated 24 June, 2020. The unresolved prior year audit matters include;

Under Qualified Opinion

1. Inappropriate presentation of the financial statements
2. Non preparation of and lack of general ledgers
3. Unsupported Inventories

Report on Lawfulness and Effectiveness in the Use of Public Resources

Deficiencies in Implementation of Universal Health Coverage (UHC)

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with Law on Cash Flow Planning

During the year under review, the Hospital did not prepare and submit an annual cash flow plan and forecasts to the County Treasury. This was contrary to Section 120(2) of the Public Finance Management Act, 2012 which requires every County Government entity to submit an annual cash flow plan and forecasts to The County Treasury in a form and manner directed by The County Treasury.

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

2. Procurement of Goods and Services

The statement of financial performance and as disclosed in Notes 15,19, and 21 to the financial statements reflects Kshs.18,614,684, Kshs.173,000, and Kshs.1,337,053 in relation to medical/clinical costs, repairs and maintenance, and general expenses, respectively, all totalling Kshs.20,124,737. However, review of the expenditure and procurement records revealed the following anomalies;

2.1 Failure to Implement E-procurement Systems

During the year under review, the Hospital did not fully implement e-procurement and it was noted that tenders were maintained and publicized on the Hospital's website, and bids could be submitted on the same website. This was contrary to the Executive Order No.2 of 2018 which requires Hospital to maintain and continuously update, through the websites of e-citizen, Public Procurement Regulatory Authority platforms, public notice boards and /or official Government publications, a complete information of all tenders, and that the Hospital, updates and publicize a separate comprehensive list of all registered suppliers, contractors and consultants in the various specific categories of goods, works and/or services pre-qualified to its procurement needs and consolidated and published the information above by 15th day of every subsequent month, outlining the tender and supplier data for the previous month.

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

2.2 Lack of an Approved Procurement Plan

The Hospital procured for goods and services without an approved procurement plan contrary to Section 53(2) of the Public Procurement and Asset Disposal Act, 2015, which requires the Accounting Officer to prepare an annual procurement plan within the approved budget before commencement of each financial year as part of the annual budget preparation process.

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

3. Lack of Hospital's Commitment to Climate Change Agreements

Review of the Hospital's records and physical verification of its infrastructure revealed that the Facility did not have a policy on Climate Change Adaptation, had not undertaken an environmental social impact assessment, and had not conducted environmental audits, contrary to the requirements of the Environmental Management and Coordination Act (EMCA), CAP 387.

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

4. Non-Compliance with Data Protection Laws

Audit review revealed that the Hospital collects and processes data of patients during its day-to-day operational activities. The Hospital also handles data related to its employees and suppliers. The data collected and processed by the Hospital are personal and sensitive, such as patient medical history, patient current health conditions, mobile phone number details, next of kin, bank account details, patient dependents, mobile money accounts, Social Health Authority (SHA) membership details, date of birth, national identification/passport numbers, among others. Review of the data collection, processing, and storage operation activities by the Hospital revealed the following breaches of the data protection laws as at the time of audit in August, 2025;

- i. The Hospital had not registered with the Data Commissioner as a data controller and data processor.
- ii. The Hospital had not established personal data retention schedule contrary to Regulation 19(2)(a) of the Data Protection (General) Regulations, 2021 which requires a data controller or data processor to establish personal data retention schedule with appropriate time limits for the periodic review of the need for the continued storage of personal data that is no longer necessary or where the retention period is reached.
- iii. The Hospital had not established appropriate time limits for the periodic review of the need for the continued storage of personal data for any of the law enforcement purposes contrary to Regulation 19(5) of the Data Protection (General) Regulations, 2021 which states that a data controller or data processor shall establish appropriate time limits for the periodic review of the need for the continued storage of personal data for any of the law enforcement purposes.
- iv. The Hospital had not developed and published a policy reflecting their personal data handling practices contrary to Regulation 23(1) of the Data Protection (General) Regulations, 2021, which states that a data controller or data processor shall develop, publish, and regularly update a policy reflecting their personal data handling practices.
- v. Management had not implemented the elements necessary to safeguard the principle of storage limitation including having in place a clear internal procedure for deletion

and destruction of personal data of subjects, determining what data and length of storage of personal data that is necessary for the purpose and formulating internal retention statements of implementing them contrary to Regulation 35 of the Data Protection (General) Regulations, 2021 which states that the elements necessary to implement the principle of storage limitation include (a) having clear internal procedures for deletion and destruction; (b) determining what data and length of storage of personal data that is necessary for the purpose; (c) formulating internal retention statements of implementing them;

- vi. There was no evidence that Management conducts data protection impact assessment before processing of patient data, contrary to Regulation 49(2) of the Data Protection (General) Regulations, 2021, which states that a data processor or data controller shall, before processing data under Sub-Regulation (1) conduct a data protection impact assessment.

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

5. Lack of Quarterly Revenue Statements

The statement of financial performance and as disclosed in Note 11 to the financial statements reflects rendering of medical service income of Kshs.20,915,290. However, quarterly revenue statements were not provided for audit, contrary to Section 158(3) of the Public Finance Management Act, 2012, which requires a receiver of revenue to prepare and provide quarterly revenue statements to the County Treasury with copies to the National Treasury and the Commission on Revenue Allocation.

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

6. Deficiencies in Implementation of Universal Health Coverage (UHC)

Review of records and verification of services offered, equipment used and medical specialists in the Hospital at the time of audit revealed that the Hospital did not meet the requirements of Kenya Quality Model for Health Policy Guidelines due to staff deficits by staff requirements of 19 or 19% of the 101 authorized establishment.

Staff Requirements	Level 4 Hospital Standard	Number in Hospital	Variance	Percentage %
Medical officers	16	3	12	75%
Anesthesiologists	2	0	-2	(100%)
General surgeons	2	0	-2	(100%)
Gynecologists	2	0	-2	(100%)
Pediatricians	2	0	-2	(100%)
Radiologists	2	0	-2	(100%)
Kenya Registered Community Health Nurses	75	27	-21	(28%)
Total	101	30	-19	(19%)

In addition, the Hospital lacked the necessary equipment and machines outlined in the Health Policy Guidelines as detailed below;

Service	Level 4 Hospital Standard	Number in Hospital	Variance	Percentage %
Beds	150	36	114	76%
Resuscitaire (2 in labor & 1 in theatre)	2	2	0	0%
New born unit incubators	5	1	4	80%
New born unit cots	5	0	5	100%
Functional intensive care unit - Beds	6	0	6	100%
High Dependency Unit (HDU) Beds	6	0	6	100%
Renal Unit with atleast 5 dial sis machines	5	0	5	100%
Two Functional operational theatres- Maternity & General	2	1	1	50%

Further, physical inspection carried out in in the month of September, 2025 revealed that the Hospital did not have any dialysis machine in place.

These deficiencies contravene the First Schedule of Health Act, 2017 and imply that accessing the highest attainable standard 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.

In the circumstances, the Hospital will not be able to deliver on its mandate.

The audit was conducted in accordance with ISSAI 4000. The standard requires 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 are in compliance, 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

Report of the Auditor-General on Meteitei Sub-County Hospital for the year ended 30 June, 2025 – County Government of Nandi

Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Property, Plant and Equipment

The statement of financial position and as disclosed in Note 32 to the financial statements, reflects Kshs.119,025 in relation to property, plant, and equipment. However, review of the documentation provided revealed the following anomalies;

1.1 Lack of Fixed Asset Register

Review of available records revealed that Management did not maintain a comprehensive asset register detailing the assets that the Hospital owned.

1.2 Valuation of Property, Plant and Equipment

Review of the assets revealed that there was no documentary evidence provided to indicate the exact value of the assets since there was no valuation report from a recognized valuer. This was in contravention to Paragraph 44 (Revaluation Model) of International Public Sector Accounting Standard (IPSAS) 17, property, plant and equipment, which states that after recognition as an asset, an item of property, plant and equipment whose fair value can be measured reliably shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

In the circumstances, control over property, plant and equipment could not be confirmed.

2. Lack of Approved Staff Establishment

The statement of financial performance and as disclosed in Note 16 to the financial statements reflects Kshs.17,794,874 in respect to employee costs. However, a review of the expenditure revealed that there was no approved staff establishment. In the absence of an approved staff establishment, the Hospital may not be able to determine the skills and optimal staffing levels required to achieve its goals and objectives.

In the circumstances, the effectiveness of internal controls on staffing could not be confirmed.

3. Failure to Establish Internal Audit Unit and Audit Committee

The Hospital had not established an Audit Committee and Internal Audit Function. This was contrary to Regulation 167(1) of the Public Finance Management (County Governments) Regulations, 2015, which requires County Government entities to

Report of the Auditor-General on Meteitei Sub-County Hospital for the year ended 30 June, 2025 – County Government of Nandi

establish audit committees in accordance with prescribed regulations to monitor the entities' governance process, accountability process, and control systems, and offer objective advice on issues concerning risk, control, regulatory requirements, and governance. Further, no evidence was provided for the audit to confirm that the Hospital was audited by the Internal Audit Unit from the County Executive of Nandi.

In the circumstances, the Hospital operated without a mechanism for assessing and mitigating financial and operational risks.

4. Lack of Risk Management Policy

During the year under review, Management did not have in place a Risk Management Policy. This was contrary to Regulation 158(1)(a)(b) of the Public Finance Management (County Governments) Regulations, 2015 which requires the Accounting Officer to ensure that the County Government entity develops risk management strategies, which include fraud prevention mechanism; and the County Government entity develops a system of risk management and internal control that builds robust business operation.

In the circumstances, Management is not likely to respond appropriately to emerging risks that may result in loss of funds.

5. Lack of an Approved Disaster Recovery Plan

The Hospital operated an Information Technology (IT) System for capturing, storing, and processing fees. In addition, the Hospital was responsible for the custody of sensitive medical data of patients seeking its services, alongside other operational data such as pharmaceutical and non-pharmaceutical inventory management activities. However, the Hospital did not have an approved IT continuity plan and disaster recovery plan.

In the circumstances, the Hospital may not effectively identify, prevent, and mitigate against disasters and ensure that its operations are not interrupted.

6. Weak Information and Communication Technology Control Environment

During the year under review, the Hospital did not have an IT Strategic Committee, an IT Strategic Plan, or an It Steering Committee, which are important for performing oversight functions and formulating policies to ensure that the IT Department functions effectively in assisting the achievement of organizational objectives in an economical, efficient, and effective manner. No training and transfer of skills set aside for the IT Department, staff backup and retention strategy has been implemented.

No approved ICT Policy, no policies and procedures that govern IT controls, and a lack of proper control of physical access to sensitive areas (such as the computer room, operations). The mentioned resources are very vital in the effective and efficient management of the entity's IT resources. In addition, the Hospital did not have the Periodic IT Reports, which are supposed to assess the status of implementation of IT systems and suggest corrective measures.

In the circumstances, internal controls on Information Technology could not be confirmed.

7. Failure to Maintain Unique Official Email Address

During the year under review, the Hospital did not have an official email address but used Gmail as the domain address, contrary to the provisions of Circular SH/ADM/23(1) from the Head of Public Service dated 14 June, 2022 prescribing that all Ministries, Counties, Departments and Agencies shall acquire and ensure appropriate use and management of e-mail and instant messaging applications.

In the circumstances, effectiveness of internal controls and risk 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 the Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the Hospital's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to

governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

04 November, 2025

Meteitei Sub County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Note	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the County Government	6		-
In- kind contributions from the County Government	7	21,161,783.00	
Grants from donors and development partners	8	-	
Transfer from FIF	9	9,744,181.00	
Public contributions and donations	10	-	
		30,905,964.00	
Revenue from exchange transactions			
Rendering of services- Medical Service Income	11	20,915,290.00	4,060,838
Revenue from rent of facilities	12	-	
Finance /Interest Income	13	-	
Miscellaneous Income	14	-	
Revenue from exchange transactions		20,915,290.00	
Total revenue		51,821,254.00	4,060,838
Expenses			
Medical/Clinical costs	15	18,614,726.00	3,758,665
Employee costs	16	17,794,874.00	34,500
Board of Management Expenses	17	89,000.00	
Depreciation and amortization expense	18	107,632.00	
Repairs and maintenance	19	173,000.00	143,000
Transfers to FIF	20	12,996,896.00	
General expenses	21	1,337,053.47	112,000
Finance costs	22		
		51,116,181.47	4,048,165
Other gains (losses)			
Gain/Loss on disposal of non-Current assets	23	-	
Unrealized gain on fair value of investments	24	-	
Medical services contracts Gains/Losses	25		
Impairment loss	26	-	
Gain on foreign exchange transactions		-	
Total other gains/(losses)			
Net Surplus / (Deficit) for the year		705,072.53	12,673

Meteitei Sub County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

The Hospital's financial statements were approved by the Board on 17/09/2025 and signed on its behalf by:





.....

Chairperson
Board of Management


.....

Head of Finance
ICPAK No: 22189


.....

Medical superintendent

Meteitei Sub County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Note	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	27	6,237,771	
Prepayments	28		
Receivables from exchange transactions	29	1,680,623	
Receivables from non-exchange transactions	30		
Inventories	31	1,648,883	
Total Current Assets		9,567,277	1,078,053
Non-current assets			
Property, plant, and equipment	32	119,025	28,875
Intangible assets	33		-
Investment property	34		-
Biological Assets	35	-	-
Total Non-current Assets		119,025	-
Total assets (A)		9,686,302	1,078,053
Liabilities			
Current liabilities			
Trade and other payables	36	7,539,460	-
Refundable deposits from customers/Patients	37	-	-
Provisions	38	-	-
Finance lease obligation	39	-	-
Current portion of deferred income	40	-	-
Current portion of borrowings	41	-	-
Total Current Liabilities		7,539,460	-
Non-current liabilities			
Provisions	38		-
Non-Current Finance lease obligation	39	-	-
Non-Current portion of deferred income	40	-	-
Non - Current portion of borrowings	41	-	-
Service concession Arrangements	42	-	-
Total non-current liabilities		-	-
Total Liabilities (B)		7,539,460	-
Net assets (A-B)		2,146,842	-
Represented by:			
Revaluation reserve		-	-
Accumulated surplus/Deficit		705,072	-
Capital Fund		1,441,769	-
Net Assets		2,146,842	1,078,053

Meteitei Sub County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

The Hospital's financial statements were approved by the Board on 17/09/2025 and signed on its behalf by:


.....

Chairperson
Board of Management


.....

Head of Finance
ICPAK No: 22189



.....
Medical superintendent

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

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
As at July 1, 2023 (previous year)	-	12,673.00	-	12,673.00
Revaluation gain	-	-	-	0
Surplus/(deficit) for the year	-	-	-	0
Capital/Development grants	-	-	-	0
As at June 30, 2024 (previous year)	-	12,673.00	-	12,673.00
At July 1, 2024 (current year)			-	
Revaluation gain	-	-	-	0
Surplus/(deficit) for the year	-	705,072.53	1,441,769.94	2,146,842.47
Capital/Development grants	-	-	-	-
At June 30, 2025(current year)	-	705,072.53	1,441,769.94	2,146,842.47

Meteitei Sub County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Note	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government		-	
Grants from donors and development partners		-	
Transfers from F.I.F		9,744,181.00	
Public contributions and donations			
Rendering of services- Medical Service Income		18,785,181.00	
Revenue from rent of facilities		-	
Finance / interest income			
Miscellaneous receipts(<i>specify</i>)		-	
Total Receipts		28,529,362.00	4,060,838.0
Payments			
Medical/Clinical costs		7,197,315.00	
Employee costs		511,000.00	
Board of Management Expenses		89,000.00	
Repairs and maintenance		173,000.00	
Grants and subsidies			
General expenses		1,337,053.47	
Transfer to FIF		12,996,896.00	
Refunds paid out		-	
Total Payments		22,304,264.47	4,048,165.0
Net cash flows from operating activities	43	6,225,098	12,673.0
Cash flows from investing activities			
Purchase of property, plant, equipment		-	
Purchase of intangible assets		-	
Proceeds from the sale of PPE		-	
Acquisition of investments		-	
Net cash flows used in investing activities		-	
Cash flows from financing activities			
Proceeds from borrowings		-	
Repayment of borrowings		-	
Capital grants received/F.I.F			
Net cash flows used in financing activities		-	
Net increase/(decrease) in cash and cash equivalents		6,225,098.00	
Cash and cash equivalents as at 1 July	27	12,673.00	
Cash and cash equivalents as at 30 June	27	6,237,771.00	12,673.0

Meteitei Sub County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	a	b	c=(a+b)	d	e=(c-d)	f=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	
Revenue						
Transfers from the County Government	21,161,783.00	-	21,161,783.00	21,161,783.00	-	
Grants from donors and development partners	-	-	-	-	-	
Transfers from FIF	16,768,703.00	-	16,768,703.00	9,744,181.00	7,024,522.00	58.1%
Public contributions and donations	-	-	-	-	-	
Rendering of services- Medical Service Income	23,955,290.00	-	23,955,290.00	20,915,290.00	3,040,000.00	87.31%
Revenue from rent of facilities	-	-	-	-	-	
Finance / interest income	-	-	-	-	-	
Miscellaneous receipts (<i>specify</i>)	-	-	-	-	-	
Total income	61,885,776.00	-	61,885,776.00	51,821,254.00	10,064,522.00	83.74%
Expenses					0	
Medical/Clinical costs	18,827,980.00	-	18,827,980.00	18,614,684.00	213,296.00	98.87
Employee costs	17,794,874.00	-	17,794,874.00	17,794,874.00	-	
Remuneration of directors	200,000.00	-	200,000.00	89,000.00	111,000	44.50%
Repairs and maintenance	330,000.00	-	330,000.00	173,000.00	157,000	52.40%

*Meteitei Sub County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025*

Grants and subsidies	-	-	-	-	-	0	
General expenses	670,000.00	-	670,000.00	1,337,053.00	(667,053.00)		199.99%
depreciation for the year	107,632.00		107,632.00				
Transfer To FIF	23,955,290.00	-	23,955,290.00	18,785,181.00	5,170,109.00		78.47%
Retentions 30%		-	-		0		
Surplus for the period		-	-	780,115.00	0		
Capital expenditure	61,885,776.00	-	61,885,776.00	57,681,539.00	4,204,237.00		86.70%

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	4,204,237
1	Increase of revenue due to SHA usage	2,033,534
2	No of patients attendance	0
3	Reason for differences	0
4	Reason for differences	0
	Closing Cash and Cash Equivalent as per the statement of Cash flows	6,237,771

19. Notes to the Financial Statements

1. General Information

Meteitei Sub county Hospital entity is established by and derives its authority and accountability from County Act. The entity is wholly owned by the Nandi County Government and is domiciled in Nandi County in Kenya. The entity's principal activity is:

- a. To receive patients on referral from other Health facilities within or outside Tindiret sub- County for Specialized Healthcare.
- b. To assure provision of Quality health care services, disaster preparedness and response
- c. To Strengthen availability of essential medicines, medical equipment and supplies
- d. To maintain and improve hospital infrastructure and means of transport to meet the demands for service delivery.

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 separate note. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the entity. The financial statements have been prepared in accordance with the PFM Act, County Government Act, 2012 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

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

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

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>No effect</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<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>No effect</p>
IPSAS 45- Property Plant and Equipment	<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</p>

Standard	Effective date and impact:
	<p>criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>No effect</p>
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>No effect</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>No effect</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</p>
<p>Standard</p>	<p>Effective date and impact:</p>
	<p>cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>No effect</p>
<p>IPSAS 49- Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>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.</p> <p>No effect</p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p>No effect</p>

iii) Early adoption of standards

The Entity did not early adopt any new or amended standards in the financial year 2024.

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 entity recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income for each period.

Rental income

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

b. Budget information

The original budget for FY 2024/2025 was approved by Board on **16.10.2024**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of **budget** on the FY 2024/25 budget following the Board's approval. The Meteitei Sub County Hospital budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

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

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

c. Taxes

Sales tax/ Value Added Tax

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

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

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

e. Property, plant and equipment

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

f. Leases

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

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining

balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

g. Intangible assets

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

h. Biological Assets

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

i. Research and development costs

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

- The technical feasibility of completing the asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset

- The asset will generate future economic benefits or service potential
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development.

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

j. Financial instruments

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

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a

financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date.

Financial liabilities Classification

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

k. Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials: purchase cost using the weighted average cost method.

- Finished goods and work in progress: cost of direct materials and labour, and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower cost and the current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

l. Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

m. Social Benefits

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

n. Contingent liabilities

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

o. Contingent assets

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

p. Nature and purpose of reserves

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

q. Changes in accounting policies and estimates

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

r. Employee benefits

Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump-sum payments or increased future contributions on a proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation. *(the entity to retain information relating to defined benefits or contributions, where both schemes are managed full policy applies)*

s. Foreign currency transactions

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

t. Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

u. Related parties

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

v. Service concession arrangements

The Entity analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the *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.

w. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes

in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

x. Comparative figures

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

y. Subsequent events

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.

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. Additional disclosure of these estimates of provisions is included in Note xxx.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material

Notes to Financial Statements Continued

6. Transfers from the County Government

Description	2024/25	2023/24
	KShs	KShs
Unconditional grants		
Operational grant	0	0
Level 4/5 grants	0	0
Unconditional development grants	0	0
Other grants (<i>specify</i>)	0	0
	0	0
Conditional grants		
User fee forgone	0	0
Transforming health services for Universal care project (THUCP)	0	0
DANIDA	0	0
Wards Development grant	0	0
Paediatric block grant	0	0
Administration block grant	0	0
Laboratory grant	0	0
Total government grants and subsidies	0	0

Notes to Financial Statements Continued

6 b Transfers from The County Government

Name of the Entity sending the grant	Amount recognized to Statement of financial performance*	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Comparative Period
	KShs	KShs			
			KShs	KShs	KShs
Nandi County Government	0	0	0	0	0
Total	0	0	0	0	0

7. In Kind Contributions from The County Government

Description	2024/25	2023/24
	KShs	KShs
Salaries and wages	17,283,874.00	17,283,874.00
Medical supplies-Drawings Rights (KEMSA)	0	-
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)	3,877,909	-
Utility bills	0	-
Total grants in kind	21,161,783.00	17,283,874.00

Notes to Financial Statements Continued

8. Grants From Donors and Development Partners

Description	2024/25	2023/24
	KShs	KShs
Cancer Centre grant- DANIDA	0	0
World Bank grants	0	0
Paediatric ward grant- JICA	0	0
Research grants	0	0
Other grants (<i>specify</i>)	0	0
Total grants from development partners	0	0

8 (a) Grants from donors and development partners (Classification)

Name of the Entity sending the grant	Amount recognized to Statement of financial performance	Amount deferred under deferred income	Amount recognized in capital fund.	Total grant income during the year	Comparative Period
	KShs	KShs	KShs	KShs	KShs
Donor e.g., DANIDA	0	0	0	0	0
JICA	0	0	0	0	0
World Bank	0	0	0	0	0
Total	0	0	0	0	0

9. Transfers From Other Government Entities

Description	2024/25	2023/24
	KShs	KShs
Transfer from National Government (Ministry of Health)	0	0
Transfer from FIF	9,744,181.00	0
Transfer from xxx Institute	0	0
Total Transfers	9,744,181.00	0

Notes to Financial Statements Continued

10. Public Contributions and Donations

Description	2024/25	2023/24
	KShs	KShs
Public donations	0	0
Donations from local leadership	0	0
Donations from religious institutions	0	0
Donations from other international organizations and individuals	0	0
Other donations(<i>specify</i>)	0	0
Donations in kind-amortised	0	0
Total donations and sponsorships	0	0

10 (a) Reconciliations of amortised grants

Description	2024/25	2023/24
	Kshs	Kshs
Balance unspent at beginning of year	0	0
Current year receipts	0	0
Amortised and transferred to revenue	0	0
Conditions to be met – remain liabilities	0	0

Notes to Financial Statements Continued

11. Rendering of Services-Medical Service Income

Description	2024/25	2023/24
	Kshs	Kshs
Pharmaceuticals	3,918,710.00	0
Non-Pharmaceuticals		0
Laboratory	-	0
Radiology	-	0
Orthopedic and Trauma Technology	-	0
Theatre	-	0
Accident and Emergency Service	-	0
Anesthesia Service	-	0
Ear Nose and Throat service	-	0
Nutrition service	-	0
Cancer centre service	-	0
Dental services	-	0
Reproductive health	-	0
Paediatrics services	-	0
Farewell home services	-	0
Nhif	3,937,600.00	0
Other medical services income (SHA)	13,058,980.00	0
Total revenue from the rendering of services	20,915,290.00	4,060,838.00

12. Revenue From Rent of Facilities

Description	2024/25	2023/24
	Kshs	Kshs
Residential property	0	0
Commercial property	0	0
Total Revenue from rent of facilities	0	0

Notes to the Financial Statements (Continued)

13. Finance /Interest Income

Description	2024/25	2023/24
	Kshs	Kshs
Interest income from Cash investments and fixed deposits	0	0
Interest income from short- term/ current deposits	0	0
Interest income from Treasury Bills	0	0
Interest income from Treasury Bonds	0	0
Interest from outstanding debtors	0	0
Total finance income	0	0

14. Miscellaneous Income

Description	2024/25	2023/24
	KShs	KShs
Insurance recoveries	0	0
Income from sale of tender	0	0
Services concession income	0	0
Sale of goods (water, publications, containers etc)	0	0
Write backs (Deposits, payments in advance etc)	0	0
Bad debts recovered	0	0
<i>Others (Specify)</i>	0	0
Total Miscellaneous income	0	0

Notes to the Financial Statements (Continued)

15. Medical/ Clinical Costs

Description	2024/25	2023/24
	Kshs	Kshs
Dental costs/ materials	-	0
Laboratory chemicals and reagents	860,000.00	0
Public health activities	-	0
Food and Ration	1,924,200.00	0
Uniform, clothing, and linen	70,000.00	0
Dressing and Non-Pharmaceuticals	1,870,000.00	0
Pharmaceutical supplies	8,176,962.00	0
Health information stationery	726,795.00	0
Reproductive health materials	-	0
Sanitary and cleansing Materials	1,108,860.00	0
Purchase of Medical gases	-	0
X-Ray/Radiology supplies		0
In-kind payments by county government	3,877,909.00	0
Total medical/ clinical costs	18,614,726.00	3,758,665.00

16. Employee Costs

Description	2024/25	2023/24
	Kshs	Kshs
Salaries, wages, and allowances	511,000.00	0
Contributions to pension schemes	-	0
Service gratuity	-	0
Performance and other bonuses	-	0
Staff medical expenses and Insurance cover	-	0
Group personal accident insurance and WIBA	-	0
Social contribution	-	0
Other employee costs/In-kind payments	17,283,874.00	
Employee costs	17,794,874.00	0

Notes to the Financial Statements (Continued)

17. Board of Management Expenses

Description	2024/25	2023/24
	Kshs	Kshs
Chairlady's Honoraria	89,000.00	0
Sitting allowance	-	0
Mileage	-	0
Insurance expenses	-	0
Induction and training	-	0
Travel and accommodation allowance	-	0
Airtime allowances	-	0
Total	89,000.00	0

18. Depreciation and Amortization Expense

Description	2024/25	2023/24
	Kshs	Kshs
Property, plant and equipment	107,632.00	0
Intangible assets	0	0
Investment property carried at cost	0	0
Total depreciation and amortization	107,632.00	0

19. Repairs And Maintenance

Description	2024/25	2023/24
	Kshs	Kshs
Property- Buildings	-	0
Medical equipment		0
Office equipment	30,000.00	0
Furniture and fittings	-	0
Computers and accessories	12,000.00	0
Motor vehicle expenses	-	0
Maintenance of civil works	131,000.00	0
Total repairs and maintenance	173,000.00	0

20. Grants And Subsidies

Description	2024/25	2023/24
	Kshs	Kshs
Community development and social work	0	0
Education initiatives and programs	0	0
Free/ subsidized medical camp	0	0
Disability programs	0	0
Free cancer screening	0	0
Social benefit expenses	0	0
Other grants and subsidies (to FIF)	12,999,896.00	0
Total grants and subsidies	12,999,896.00	0

Social benefit schemes include benefits such as cash transfers for unemployment or elderly in line with IPSAS 42.

Notes to the Financial Statements (Continued)

21. General Expenses

Description	2024/2025	2023/2024
	Kshs	Kshs
Advertising and publicity expenses		
Catering expenses		
Waste management expenses		
Insecticides and rodenticides	202,800.00	
Audit fees		
Bank charges	12,153.47	
Conferences and delegations		
Consultancy fees		
Contracted services		
Electricity expenses		
Fuel and Lubricants		
Insurance		
Research and development expenses		
Travel and accommodation allowance	156,000.00	
Legal expenses		
Licenses and permits		
Courier and postal services		
Printing and stationery		
Hire charges		
Rent expenses		
Water and sewerage costs	877,340.00	
Skills development levies		
Telephone and mobile phone services	88,760.00	
Internet expenses		
Staff training and development		
Subscriptions to professional bodies		
Subscriptions to newspapers periodical, magazines, and gazette notices		
Library books/Materials		
Parking charges		
Total General Expenses	1,337,053.47	

22. Finance Costs

Description	2024/25	2023/24
	KShs	KShs
Borrowings (amortized cost) *	0	0
Finance leases (amortized cost)	0	0
Interest on Bank overdrafts/Guarantees	0	0
Interest on loans from commercial banks	0	0
Total finance costs	0	0

(Borrowing costs that relate to interest expense on acquisition of non- current assets and do not qualify for Capitalisation as per IPSAS 5: on borrowing costs should be included under this note.)

23. Gain/Loss on Disposal of Non-Current Assets

Description	2024/25	2023/24
	KShs	KShs
Property, plant, and equipment	0	0
Intangible assets	0	0
Other assets not capitalised (<i>specify</i>)	0	0
Total gain on sale of assets	0	0

24. Unrealized Gain On Fair Value Investments

Description	2024/25	2023/24
	KShs	KShs
Investments at fair value	0	0
Total gain	0	0

Notes to the Financial Statements (Continued)

25. Medical Services Contracts Gains /Losses

Description	2024/25	2023/24
	KShs	KShs
Comprehensive care contracts with NHIF/SHA	0	0
Non- Comprehensive contracts care with NHIF/SHA	0	0
Linda Mama Program	0	0
Waivers and Exemptions	0	0
Total Gain/Loss	0	0

26. Impairment Loss

Description	2024/25	2023/24
	KShs	KShs
Property, plant, and equipment	0	0
Intangible assets	0	0
Investments	0	0
Total impairment loss	0	0

27. Cash And Cash Equivalents

Description	2024/25	2023/24
	KShs	KShs
Current accounts	6,237,771.00	12,673.00
On - call deposits	-	-
Fixed deposits accounts	-	-
Cash in hand	-	-
Others(<i>specify</i>)- Mobile money	-	-
Total cash and cash equivalents	6,237,771.00	12,673.00

Notes to the Financial Statements (Continued)

27 (a). Detailed Analysis of Cash and Cash Equivalents

Financial institution	Account number	KShs	KShs
a) Current account			
National bank of Kenya		436,771.00	000
Co-op bank		5,801,000.00	000
Sub- total		-	000
b) On - call deposits		-	
Kenya Commercial bank		-	000
Equity Bank – etc		-	000
Sub- total		-	000
c) Fixed deposits account		-	
Bank Name		-	000
Sub- total		-	000
d) Others(<i>specify</i>)		-	000
cash in hand		-	000
Mobile money- Mpesa, Airtel money			000
Sub- total		-	000
Grand total		6,237,771.00	000

28. Prepayments

Description	2024/25	2023/24
	Kshs	Kshs
Insurance	0	0
Rent	0	0
Water	0	0
Internet	0	0
Others specify	0	0
Total	0	0

29. Receivables From Exchange Transactions

Description	2024/25	2023/24
	KShs	KShs
Medical services receivables	1,680,623.00	0
Rent receivables	-	0
Other exchange debtors	-	0
Less: impairment allowance	-	0
Total receivables	1,680,623.00	000

Analysis of Receivables From Exchange Transactions

Description	2024/25		2023/24	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	1,680,623.00	%	0	%
Between 1- 2 years	0	%	0	%
Between 2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total (a+b)	0	%	0	%

30. Receivables From Non-Exchange Transactions

Description	2024/25	2023/24
	KShs	KShs
Transfers from the County Government	0	0
Undisbursed donor funds	0	0
Other debtors (<i>non-exchange transactions</i>)	0	0
Less: impairment allowance	(0)	(0)
Total	0	0

(Undisbursed donor funds refer to funds expected where conditions for disbursements have been met by the recipient as at the reporting date)

Analysis of Receivables From Non-Exchange Transactions

Description	2024/25		2023/24	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	0	%	0	%
Between 1- 2 years	0	%	0	%
Between 2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total (a+b)	0	%	0	%

31. Inventories

Description	2024/25	2023/24
	KShs	KShs
Pharmaceutical supplies	1648883.47	xxx
Maintenance supplies	xxx	xxx
Food supplies	xxx	xxx
Linen and clothing supplies	xxx	xxx
Cleaning materials supplies	xxx	xxx
General supplies	xxx	xxx
Less: provision for impairment of stocks	(xxx)	(xxx)
Total	1,648,883.47	1,212,070.94

Detailed disclosure on inventories

	2024/25	2023/24
Opening balance	0	0
Additional Inventory in the year	0	0
Inventory expensed in the year	0	0
Write-downs in the year	0	0
Others specify	0	0
Closing balance	0	0

Meteitei Sub County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

At 1 July 2025 (previous year)	-	0	0	0	0	0	7,218.00	0	7,218.00
Depreciation for the year	87,500.00	0	0	0	0	0	12,914.00	0	100,414.00
Disposals	-	0	0	0	0	0	-	0	-
Impairment	-	0	0	0	0	0	-	0	-
At 30 June 2025	87,500.00						20,132.00		107,632.00
At July 2026(current year)		0	0	0	0	0		0	
Depreciation		0	0	0	0	0		0	-
Disposals	-	0	0	0	0	0	-	0	
Impairment	-	0	0	0	0	0	-	0	0
Transfer/adjustment	-	0	0	0	0	0	-	0	0
At 30th June 2025	87,500.00						-		
Net book values									
At 30 th Jun 2024 (previous)	-	-	-	-	-	-	51,657.00	-	139,157.00
At 30 th Jun 2025(current)	-	-	-	-	-	0	31,525.00	0	119,025.00

Notes to the Financial Statements (Continued)

33. Intangible Assets-Software

Description	2024/25	2023/24
	KShs	KShs
Cost		
At beginning of the year	0	0
Additions	0	0
Additions–Internal development	0	0
Disposal	(0)	(0)
At end of the year	0	0
Amortization and impairment		
At beginning of the year	0	0
Amortization for the period	0	0
Impairment loss	0	0
At end of the year	0	0
NBV	0	0

34. Investment Property

Description	2024/25	2023/24
	KShs	KShs
At beginning of the year	0	0
Additions	0	0
Disposals during the year	(0)	(0)
Fair value gain	0	0
Depreciation (<i>where investment property is at cost</i>)	(0)	(0)
Impairment	(0)	(0)
At end of the year	0	0

Meteitei Sub County Hospital (Nandi County Government)

Annual Report and Financial Statements for The Year Ended 30th June 2025

Notes to the Financial Statements (Continued)

35. Biological Assets

Description	2024/25	2023/24
	Kshs	Kshs
Trees in a plantation forest	0	0
Animals: Dairy Cattle, Pigs, Sheep	0	0
Others specify	0	0
Total	0	0

36. Trade and other Payables

Description	2024/25	2023/24		
	KShs	KShs		
Pharmaceuticals	4,613,555	0		
Non-pharmaceuticals	1,340,000	0		
Cleaning	491,860	0		
Food and ration	728,500	0		
Stationery	365,545	0		
Total trade and other payables	7,539,460	0		
Ageing analysis:	2024/25	% of the Total	Compa rative 2023/24	% of the total
Under one year -		%	0	%
1-2 years	7,539,460	%	0	%

Meteitei Sub County Hospital (Nandi County Government)

Annual Report and Financial Statements for The Year Ended 30th June 2025

2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total	0	%	0	%

37. Refundable Deposits from Customers/Patients

Description	2024/25		2023/24	
	KShs		KShs	
Medical fees paid in advance	0		0	
Credit facility deposit	0		0	
Rent deposits	0		0	
Others (<i>specify</i>)	0		0	
Total deposits	0		0	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	0	%	0	%
1-2 years	0	%	0	%
2-3 years	0	%	0	%
Over 3 years	0	%	0	%
Total	0	%	0	%

38. Provisions

Description	Leave provision	Bonus provision	Other provision	Total
	KShs	KShs	KShs	KShs
Balance at the beginning of the year	0	0	0	0
Additional Provisions	0	0	0	0
Provision utilised	(0)	(0)	(0)	(0)
Change due to discount & time value for money	(0)	(0)	(0)	(0)
Total provisions	0	0	0	0
Current Provisions	0	0	0	0
Non-Current Provisions	0	0	0	0
Total Provisions	0	0	0	0

39. Finance Lease Obligation

Description	2024/25	2023/24
	Kshs	Kshs
Current Lease obligation	0	0
Long term lease obligation	0	0
Total	0	0

40. Deferred Income

Description	2024/25	2023/24
	KShs	KShs
Current Portion	0	0
Non-Current Portion	0	0
Total	0	0

Notes to the Financial Statements (Continued)

40 (a) The deferred income movement is as follows:

Description	National government	International funders/donors	Public contributions and donations	Total
Balance b/f	0	0	0	0
Additions during the year	0	0	0	0
Transfers to Capital fund	(0)	(0)	(0)	(0)
Transfers to statement of financial performance	(0)	(0)	(0)	(0)
Other transfers (<i>Specify</i>)	(0)	(0)	(0)	(0)
Balance C/F	0	0	0	0

41. Borrowings

Description	2024/25	2023/24
	KShs	KShs
Balance at beginning of the period	0	0
External borrowings during the year	0	0
Domestic borrowings during the year	0	0
Repayments of external borrowings during the year	(0)	(0)
Repayments of domestic borrowings during the year	(0)	(0)
Balance at end of the period	0	0

Notes to the Financial Statements (Continued)

41. (a) Breakdown of Long- and Short-Term Borrowings

Description	2024/25	2023/24
	KShs	KShs
Current Obligation	0	0
Non-Current Obligation	0	0
Total	0	0

42. Service Concession Arrangements

Description	2024/25	2023/24
	KShs	KShs
Fair value of service concession assets recognized under PPE	0	0
Accumulated depreciation to date	(0)	(0)
Net carrying amount	<u>0</u>	<u>0</u>
Service concession liability at beginning of the year	0	0
Service concession revenue recognized	(0)	(0)
Service concession liability at end of the year	<u>0</u>	<u>0</u>

Notes to the Financial Statements (Continued)

43. Cash Generated from Operations

Description	2024/25	2023/24
	KShs	KShs
Surplus for the year before tax	708,114.53	0
Adjusted for:		0
Depreciation	107,632.00	0
Non-cash grants received		0
Impairment	-	0
Gains and losses on disposal of assets	-	0
Contribution to provisions	-	0
Contribution to impairment allowance	-	0
Working Capital adjustments		0
Increase in inventory	(436,812.53)	0
Increase in receivables	(1,680,623.00)	0
Increase in deferred income	-	0
Increase in payables	7,539,460.00	0
Increase in payments received in advance		0
Net cash flow from operating activities	6,237,771.00	0

44. 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 hospital'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 hospital 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:

Notes to the Financial Statements (Continued)

(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 hospital'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 2024 (previous year)				
Receivables from exchange transactions	0	0	0	0
Receivables from –non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
Total	0	0	0	0
At 30 June 2025 (current year)				
Receivables from exchange transactions	0	0	0	0
Receivables from –non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
Total	0	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 hospital has recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The board of management sets the

Notes to the Financial Statements (Continued)

hospital's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the hospital's board of management who have built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the hospital under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Trade payables	0	0	0	0
Current portion of borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred income	0	0	0	0
Employee benefit obligation	0	0	0	0
Total	0	0	0	0
At 30 June 2025				
Trade payables	0	0	0	0
Current portion of borrowings	0	0	0	0
Provisions	0	0	0	0
Deferred income	0	0	0	0
Employee benefit obligation	0	0	0	0
Total	0	0	0	0

Notes to the Financial Statements (Continued)

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

a) Foreign currency risk

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The carrying amount of the entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Description	KShs	Other currencies	Total
	Kshs		Kshs
At 30 June 2025			
Financial assets (investments, cash, debtors)	0	0	0
Liabilities			
Trade and other payables	0	0	0
Borrowings	0	0	0
Net foreign currency asset/(liability)	0	0	0

Notes to the Financial Statements (Continued)

The entity manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting expected sales proceeds and matching the same with expected payments.

Description	KShs	Other currencies	Total
	Kshs		Kshs
At 30 June 2025			
Financial assets (investments, cash, debtors)	0	0	0
Liabilities			
Trade and other payables	0	0	0
Borrowings	0	0	0
Net foreign currency asset/(liability)	0	0	0

Foreign currency sensitivity analysis

The following table demonstrates the effect on the hospital's statement of financial performance on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

Description	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
2024 (previous year)			
Euro	10%	0	0
USD	10%	0	0
2025(current year)			
Euro	10%	0	0
USD	10%	0	0

Notes to the Financial Statements (Continued)

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 hospital's interest rate risk arises from bank deposits. This exposes the hospital to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the hospital's deposits.

Management of interest rate risk

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

Sensitivity analysis

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of financial performance if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs 0.

Notes to the Financial Statements (Continued)

iv) Capital Risk Management

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

Description	Current Period	Comparative Period
	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	(0)	(0)
Net debt/ (<i>excess cash and cash equivalents</i>)	0	0
Gearing	0%	0%

45. 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.

Nandi 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)



Notes to the Financial Statements (Continued)
Key Management

Description	2024/25	2023/24
	Kshs	Kshs
Transactions with related parties		
a) Services offered to related parties		
Services to xxx	0	0
Sales of services to xxx	0	0
Total	0	0
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 xxx employees	0	0
Payments for goods and services for xxx	0	0
Total	0	0

Meteitei Sub County Hospital (Nandi County Government)

Annual Report and Financial Statements for The Year Ended 30th June 2025

Description	2024/25	2023/24
	Kshs	Kshs
d) Key management compensation		
Directors' emoluments	0	
Compensation to the medical Sup	0	0
Compensation to key management	0	0
Total	0	0

46. Segment Information

47. Contingent Liabilities

Contingent liabilities	2024/25	2023/24
	Kshs	Kshs
Court case against the hospital	0	0
Bank guarantees in favour of subsidiary	0	0
Total	0	0

48. Capital Commitments

Capital Commitments	2024/25	2023/24
	Kshs	Kshs
Authorised For	0	0
Authorised And Contracted For	0	0
Total	0	0

49. Events after the Reporting Period

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

50. Ultimate and Holding Entity

The entity is a County Corporation/ or a Semi- Autonomous Government Agency under the Department of xxx. Its ultimate parent is the County Government of XXX.

51. Currency

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

20. Appendices

Appendix 1: Progress on Follow Up of Auditor Recommendations

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

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

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the “Issue/Observation” and “management comments”, required above, from the final external audit report that is signed by Management.
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for the implementation of each issue.
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

.....

Accounting Officer

Appendix II: Projects Implemented by The Entity Projects

Projects implemented by the Hospital Funded by development partners

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1						
2						

Status of Projects completion

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

Appendix III: Inter-Entity Confirmation Letter

Name of Transferring entity.....



Meteitei Sub County Hospital (Nandi County Government)

Annual Report and Financial Statements for The Year Ended 30th June 2025

Name of Beneficiary entity.....METEITEI SUB-COUNTY HOSPITAL.....

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30th June (Current Y)

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
		1253			
Total					

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

Head of Accounts Department - Disbursing Entity:

Name Sign Date

Head of Accounts Department - Beneficiary Entity:

Name Sign Date.....

Appendix IV Reporting of Climate Relevant Expenditures

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



Mosoriot Sub County Hospital (Nandi County Government)
Annual Report and Financial Statements for The Year Ended 30th June 2025

Appendix V: Disaster Expenditure Reporting Template

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

