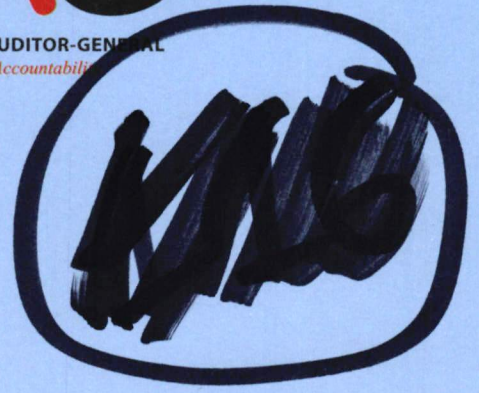


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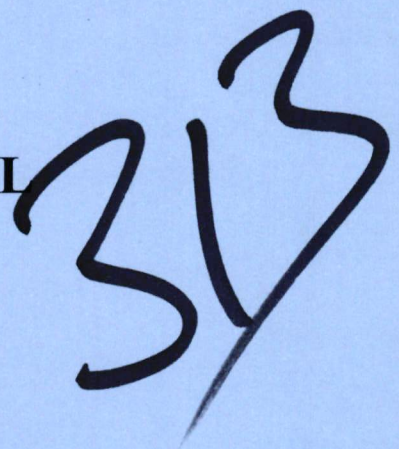
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REPORT

OF

THE AUDITOR-GENERAL



ON

CHEPARERIA SUB COUNTY LEVEL 4 HOSPITAL

FOR THE YEAR ENDED 30 JUNE, 2025

COUNTY GOVERNMENT OF WEST POKOT

PAPERS LAID	
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**CHEPARERIA SUB COUNTY HOSPITAL  
Level 4 HOSPITAL  
(West Pokot County Government)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2025**

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

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## **1. Acronyms & Glossary of Terms**

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.
FIF	Facilities Improvement Fund
CSCH	Chepareria Sub County Hospital
IMCI	Integrated Management of Childhood Illness
OSHA	Occupational Safety and Health Act
NHIF	National Hospital Insurance Fund
ICU	Intensive Care Unit
FY	Financial Year
CPA	Certified Public Accountant
ICPAK	Institute of Certified Public Accountant
PFM	Public Finance Management
MAKL	Medical Administrators Kenya Limited
DNDI	Drugs for Neglected Diseases Initiative
PSASB	Public Sector accounting Standards Board
CSR	Corporate Social Responsibility
FIF	Facility Improvement Fund
MED SUP	Medical Superintendent
CSCH	Chepareria Sub County Hospital
NHIF	National hospital insurance fund
IPSAS	International public Sector Accounting Standards
Fiduciary Management	Key management personnel who have financial responsibility in the entity

## **2. Key Entity Information and Management**

### **(a) Background information**

Chepareria sub county Hospital is a level (4) hospital established under gazette notice number 786 vol. CXXII No 24 dated 4<sup>th</sup> February 2020 and is domiciled in West Pokot County under the health Department. The hospital is governed by a Board of Management.

### **(b) Principal Activities**

To promote and participate in provision of affordable, integrated and high Quality promotive, curative and rehabilitative

#### **Vision Statement**

A model referral hospital committed to excellence in quality health care provision, Innovation, training and research.

#### **Mission Statement**

To promote and participate in the provision of integrated and high quality promotive, preventive, curative and rehabilitative healthcare services to all Kenyans.

#### **Core Values**

Leadership and Integrity  
Respect and Dignity  
Commitment  
Compassion  
Professionalism and Excellence

#### **Strategic Goals**

Attainment of Highest Standard of Health Care  
Continuous Improvement  
Institutional resource efficiency and Sustainability

### **(c) Key Management**

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

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

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Medical Superintendent	<b>Mrs Domongole Jennipher</b>
2.	Hospital Administrator	<b>Mrs Deborah Chemtai</b>
3.	Accountant	<b>Mr Desmond k. Lotam</b>
4.	Supply chain	<b>Mrs Nancy Lowoi</b>
5.	Nursing Officer In Charge	<b>Mrs Miriam Lopus</b>

**(e) Fiduciary Oversight Arrangements**

**i) Audit and Risk Management Committee**

The West Pokot County Audit Committee was constituted and inducted on 1<sup>st</sup> July 2018 as per the provisions of the Public Finance and Management Act, 2012. It is mandated to review audit reports and advise the Hospital on institutional risk management.

S/No	Name	Designation
1	Mr. Paul Loitangiro Rikilem	Chairperson
2	Mr Thomas Pkemoi Lotiaka, CPA	Secretary
3	Mr. Kizito Musakala Makhumi CPA	Member
4	Ms. Irene Chebet Lorot	Member

**ii) County Assembly committees**

Article 185(3) provides that a County Assembly, while respecting the principle of the separation of powers, may exercise oversight over the County Executive Committee and any other County Executive organs. The oversight role of the County assembly is exercised directly by all members of the County assembly and through County assembly committees. The following are the committees responsible for oversight in the County assembly:

- Public Accounts and Investment Committee
  - Health Sectorial Committees
  - Finance and Planning Committee
  - Implementation Committee
- covering (say)*
- Clinical Research and Standards Committee.
  - Audit committee

- Risk Committee
- County Assembly
- Parliamentary committees
  - Other oversight committees

**Key Entity Information and Management (continued)**

**(f) Entity Headquarters**

Chepareria sub county hospital  
P.O. Box 63-30600  
Kapenguria  
KENYA

**(g) Entity Contacts**

Telephone: (+254)736182216  
E-mail: medsupcsch@westpokot.go.ke  
Website: www.west pokot.go.ke

**(h) Entity Bankers**

**(i) Kenya Commercial Bank**

Kapenguria Branch,  
P.O. Box 66 - 30600  
Kapenguria, Kenya  
Kapenguria Town Centre

**(j) Independent Auditors**

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

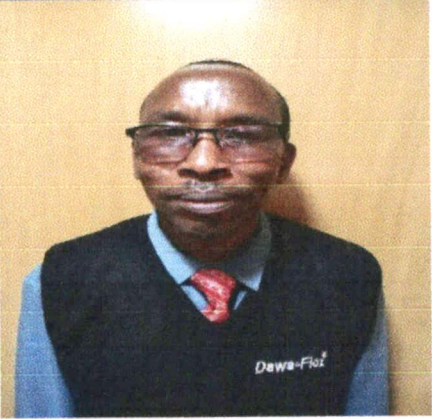
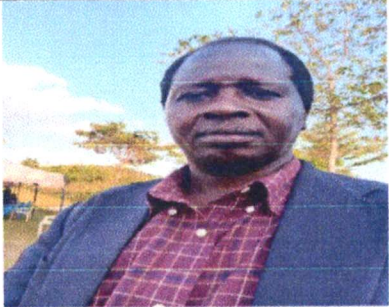
**(k) Principal Legal Adviser**




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



**(l) County Attorney**

P.O. Box. 222-30600  
kapenguria, Kenya

### 3. The Board of Management


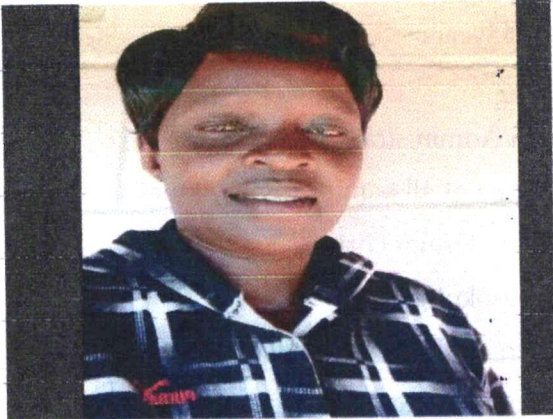
Ref	Directors	Details
1.	 <p>Mr Martin Korwa</p>	<p>Mr Martin Korwa is the current chair of the board</p> <p>Diploma in pharmacy KMTTC Nairobi Campus</p> <p>Aged 62 years</p>
2.	 <p>Mr Jackson Kaliwai</p>	<p>Mr Jackson Kaliwai is the vice chair to the board.</p> <p>TOT KTTC</p> <p>Currently employed as a warden Ack St John chepareria Parish</p>
3.	 <p>Mr Moses Komole Lotim</p>	<p>Mr Moses Komole Lotim Is a member to the board</p> <p>Planner by profession</p> <p>Currently working at Kerio Valley Development Authority</p>

4.	 Mrs Irene Chepkazi Kapkama	Mrs Irene Chepkama is a board member Has a certificate in secretariat Current employed at Chepareriria vocational training center
5.	 Mr kiraule Pyatich	Mr Kiraule is aboard member Profession: diploma in accountancy Attached to finance University of eldoret
6.	 Mrs Julia Kamketo	Mrs Julia is a board member Profession teacher Diploma in ECDE Retired teacher

7.	 <p>Mr David Pkumun</p>	<p>Mr David is a board member Farmer by profession</p>
8.	 <p>Mrs Jenipher Domongole</p>	<p>Mrs Domongole is the secretary to the board Medical superintendent to the facility Diploma in Medicine Kenya medical training Nakuru campus Worked at Kapenguria Referral hospital as a clinical officer Aged 45yrs</p>

#### 4. Key Management Team

Ref	Management	Details
1.	 <p data-bbox="204 797 539 887">Mrs Domongole Jenipgher Medical Superintendent</p>	<p data-bbox="778 351 1385 488">The Medical superintendent Chairlady to the Management team, AIE Holder Secretary to the board of management</p> <p data-bbox="778 510 1082 600">Primary education 1994 Secondary 1998</p> <p data-bbox="778 622 1353 712">Diploma in clinical medicine Kenya Medical Training college Nakuru Campus</p> <p data-bbox="778 734 1449 869">2013 Worked in Kapenguria county referral hospital 2022 deployed to chepareria sub county on managerial level</p> <p data-bbox="778 891 970 936">Aged 45years</p>
2.	 <p data-bbox="204 1335 587 1424">Mrs Deborah Chemtai Health Administrative officer.</p>	<p data-bbox="778 987 1257 1077">Health Administrative Officer In charge of all administrative issues.</p> <p data-bbox="778 1099 1066 1189">Primary; Ortum Girls Sec Nasokol girls</p> <p data-bbox="778 1211 1401 1301">University: Kisii university public administration and public policy</p> <p data-bbox="778 1323 1385 1391">Masters public policy and public administration Aged 35years</p>
3.	 <p data-bbox="204 1839 443 1883">Mrs Miriam Iopus</p>	<p data-bbox="778 1464 986 1509">Nursing Officer</p> <p data-bbox="778 1532 1385 1621">In charge of nursing services within the hospital 1980 primary education</p> <p data-bbox="778 1644 1129 1688">1984 Secondary education</p> <p data-bbox="778 1711 1417 1756">1988 certificate of nursing Ortum mission hospital</p> <p data-bbox="778 1778 1321 1823">2006 diploma in Kenya registered nursing Nyambodo medical training institute</p> <p data-bbox="778 1845 1353 1890">1989 Started work at Ortum nursing hospital</p>

	Nursing officer in charge	Aged 59 years
4.	 Desmond Kibet Hospital Accountant	Hospital Accountant Handle all financial matters in the facility 2000 finished Ortum primary 2004 Ortum secondary school Bachelor of business management Moi university 2018 Started work at Chepareria Sub county hospital Aged 39 years
5.	Supply chain officer Nancy Lowoi  Nancy Lowoi Supply chain officer	Supply chain officer Nancy is in charge of all the procurement 2002 Norek primary school 2006 St Bridgits Girls high school 2014 Bachelor in supply chain management 2018 Started work at county

## **5. Chairman's Statement**

I am pleased to present the financial statements for Chepareria Sub County Hospital board for the period ended June 30, 2025. The financial statements have been prepared in accordance with Section 164(2) of the Public Finance Management Act, 2012. They contain appropriation accounts showing the services for which the appropriated money was rendered, amounts actually spent on each service, and any variations between the actual expenditure and the sums vote for the financial year 2024/2025.

In order to ensure improved transparency, accountability and fiscal responsibility the Hospital is committed to prudent use of its finances guided by sound fiscal policies that ensure efficient utilization of resources.

As we come to the end of the financial year I want to take this opportunity to thank the county government with entrusting me with the chairmanship of the facility and the journey has been of many ups and down. Together with my fellow board members we wish to reiterate that the facilities performance and achievements have been without the mentioning of the management, staff and other stakeholders who have contributed into achieving milestone progress in delivery of medical services to our population.

To start on a few successes, we managed to procure some computers for the facility to be able to be fully automated but we still waiting on the government to implements its new system of Afya Ke. Secondly there was a partner by the name VAMED from Finland who has partnered with us to support maternity services, this included the ground breaking of construction of a new maternity wing complete with its theatre and baby unit. The partner also was able to drill a second well for the facility hence plenty supply of water reducing cost and improving cleanliness at the facility.

The new paediatric ward was officially opened and now is in use having to handle children under five who did use to share with the adults under general wards.

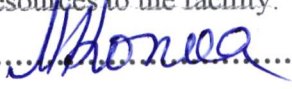
More so the support from FREDHOLLOWS prompted the county government to swing into action upon seeing the number of patients with eye problem being high to allocate funds for a modern eye unit and we were blessed to ground brake for a construction of a complete eye unit and its ongoing.

On the part of the facility and the board we did see the need for a presentable and modern gate hence the start of the construction of one with a gate house and a water kiosk in order to introduce a revenue stream to improve on our revenues.

Basically, the major challenges we face as a facility is one being the lack of constant supply of power because we lack a standby generator once we have blackouts.

The fact that we cannot refer patients who are on critical conditions is also of major concern since we lack an ambulance to save life's that we cannot handle. Of concern was the admission of male and female patients under one ward was a challenge.

On the way forward, we as the board and management we wish the county government to construct more wards and a major theatre since within the region we handle a large population. Employ more staff and allocate adequate resources to the facility.



.....  
**Name Mr Martin Korwa**

**Chairman to the Board**

## **6. Report of The Medical Superintendent**

To start off on the report of the just ended financial year I want to thank the staff under my management and the board on the collaboration and support awarded to me in order to achieve what the chairman has just mentioned. The year has been of many challenges just to mention on the performance for the year being of a deficit of **Kshs.6,131,467** as shown in the financial performance, this was mainly attributed to the low revenue collection. The revenue collected during the period was **Kshs.8,222,132** against the plan target of **Kshs.12,000,000** representing 69%. The low collection was due to the changes from NHIF to SHA which at the time was not well known to the population that we serve hence delays in making claims for reimbursement.

We thank God for the Ground breaking of two major projects at the facility being the modern eye unit (complete with theatre) and fully fledged maternity. This in future will contribute to our revenue stream as we will be able to claim more from SHA on services offered for eye services and maternity.

On the staff improvement we were lucky to attend for a training in Nairobi led by I on modern maternity services offered by our partner who is constructing the modern maternity. Luckily three of our staff who attended the training were able to further extend the training to Finland to impart more knowledge as an exchange program for one month.

On the part of expenditure, the facility was able to absorb a larger percentage of its budget as indicated later in the financial statements.

The facility still faces major challenges which can be listed below;

- Lack of standby power supply
- No land for expansion
- Few staff
- Limited services
- Lack of an ambulance
- No utility vehicle



.....  
**Name Mrs Jenipher Domongole.**

**Secretary to the Board**

## 7. Statement of Performance Against Predetermined Objectives

Section 164 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the County Government entity's performance against predetermined objectives.

*West Pokot* has 3 strategic pillars/ themes/issues and objectives within the current Strategic Plan for the FY 2022- 2023. These strategic pillars/ themes/ issues are as follows;

Pillar 1: preventive and promotive health services

Pillar 2: curative and rehabilitative health services

Pillar 3: general administration planning and support services

*Chepareria Sub County Hospital* develops its annual work plans based on the above 5 pillars/Themes/Issues and other priority areas. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The *Chepareria Sub County Hospital* achieved its performance targets set for the FY 2024/2025 period for its 3 strategic pillars, as indicated in the diagram below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
1: preventive and promotive health services	To reduce the burden of preventive diseases	Reduced preventive diseases	-Strengthen preventive and promotive health services through roll out of primary care networks -community sensitization on preventive measures of communicable diseases	Community knowledge on prevention i.e. corona virus
2: curative and rehabilitative health services	To provide effective and efficient curative	-cure patients -rehabilitate	-procurement of drugs on time -continuous capacity	There was no stock out of critical drugs

**Chepareria Sub-County level 4 Hospital (West Pokot County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

	and rehabilitative at all health service delivery		building of staff on key technical arrears and logistics management	-patients were treated and managed at the facility level -low cases of referrals
3: general administration planning and support services	To provide leadership and policy direction for effective health services	-smooth operations at the facility -adherence to financial management acts	-Operalization of HMT -provision of support services(procurement, administrative and accounting)	-no hick ups in running the facility -minimal breach of financial acts

## **8. Corporate Governance Statement**

### **Board minutes**

The Board of Chepareria sub county Hospital holds its sittings to transact the business of the facility quarterly that is after every three months. The Chairperson of the Board of hospital may, and upon request in writing by at least one-third of the members of the Board shall, convene a special meeting to transact any urgent business of the Board. All regular meetings of the Board of the hospital called for transacting business, where a majority of the members elected are present, shall be open to the public.

A majority of the members of the Board of the hospital is a quorum to conduct business, but a smaller number may meet and compel attendance of absent members as prescribed. A member of the Board of the hospital who is interested in any discussions or decision-making regarding any subject or transaction under consideration by the Board, shall not be counted as participating in the discussions or decision-making, and is not entitled to vote on or agree to the subject or transaction relating to it.

### **Appointment of Board members.**

The board members will be nine consisting of:

1. Chairperson appointed by county executive member committee member.
2. Area sub county administrator appointed under section 50(b) of county government act, 2012.
3. Medical superintendent who shall be the secretary
4. Person with knowledge and experience on health matters appointed by the executive committee member.
5. Three persons who shall be residents of area of jurisdiction appointed by the executive committee member representing the following categories of person-
  - i) One person with knowledge and experience in finance and administration matters.
  - ii) Two people representing special interest group (PLD, Youth and Women)

A person can be appointed to the board if he or she holds a degree from a recognized university in Kenya, demonstrate a high level of integrity and leadership at senior level either public or private, meets requirement of chapter six of the constitution and not serving a state officer, hold a level O certificate of education or equivalent.

Members of the board apart from ex-

officio shall hold office for a period of three years



### **Roles and Functions of the Board**

The county and sub-county hospital management boards shall —

- (a) Be responsible for the supervision of the funds allocated to the respective hospitals;
- (b) Open and operate bank accounts at a bank(s) to be approved by the County Executive Members responsible for matters related to finance in the County;
- (c) Recommend activities to be included in the hospital work plans based on the County health sector strategic plan;
- (d) Cause to be kept books of accounts and records of accounts of the income, expenditure, assets and liabilities of the hospital as prescribed by the Accounting Officer;
- (e) cause to be prepared and submitted to the administrator of the fund monthly, quarterly and annual financial reports as prescribed; and
- (f) Cause to be kept a permanent record of all its deliberations.

### **Remuneration of the Board**

The members of the Board of the Hospital are not entitled to a salary. However, members of the Board are paid allowances as advised by the Salaries and Remuneration commission.

If a member present directly or indirectly interested into the outcome of any decision on the matter before the board shall disclose the fact and not take part in the consideration or discussion of, or vote on any of the matter in conflict.

Board members shall comply with the code of conduct governing public officers and provisions of chapter six of the constitution of Kenya.

**9. Management Discussion and Analysis**

**Clinical/operational performance**

ITEM	FY 2022/2023	FY 2023/2024	FY 2024/2025
Bed capacity	28	58	58
Patient attendance both inpatient and out patient	8680	13608	135626
Accident and emergency attendance	840	976	1123
Special clinic attendance	1483	5632	7536
Average length of stay	2days	2days	2days
Bed occupancy rate	72%	79%	81%
Mortality rate	0.19%	0.17%	0.18%

The facility had the below sponsors on various roles which were in tandem with their goals. A major milestone achievement for the year was the sponsorship our staff for training in Finland by partner on how to run the new maternity under construction.

S/No	Stakeholder	Role
1	FRED HOLLOWS	Eye ailment
2	SAVING MOTHERS	Ultra sound
3	VAMED international	Drilled Borehole Construction of new maternity wing
4	AMPATH Uzima	HIV-Care and treatment
5	Action Against Hunger (ACF)	Nutrition

**Financial performance that includes: -**

- revenue sources include:

**Chepareria Sub-County level 4 Hospital (West Pokot County Government)**  
**-Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

- Cash collection (user fee) (Lab, Drugs, Files/OPD, Eye etc)

- SHA

Summarized as:

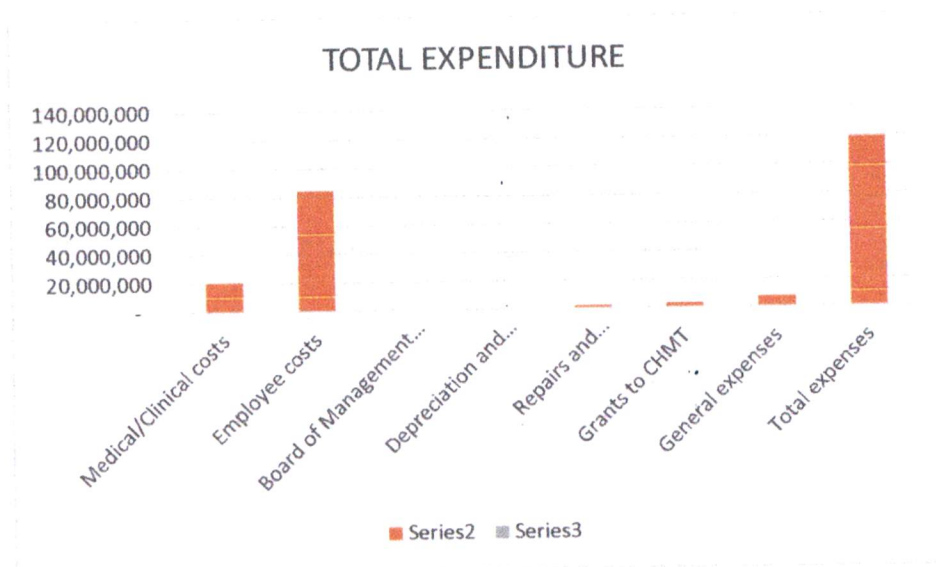
<b>CHEPARERI A SUB COUNTY RENDERING OF SERVICES FY 2025/2025</b>							
<b>MONTH</b>	<b>PHARMACY</b>	<b>LAB</b>	<b>MALE WARD FEMAELE</b>	<b>FEMALE WARD</b>	<b>PEADS WARD</b>	<b>INJECTIO N</b>	<b>DAILY TOTALS</b>
Jul-24	125,156	157,204	12,836	12,836	9,627	2,209	319,868
Aug-24	251,758	316,311	25,821	25,821	19,366	2,455	641,532
Sep-24	145,590	182,921	14,932	24,932	11,199	3,733	383,307
Oct-24	304,500	382,645	31,236	31,236	23,427	2,009	775,053
Nov-24	636,300	807,118	65,987	65,887	49,415	4,471	1,629,178
Dec-24	123,759	155,492	17,693	22,623	16,319	3,100	338,986
Jan-25	115,498	145,113	21,846	11,846	19,984	2,961	317,248
Feb-25	194,188	243,480	29,916	19,916	14,937	1,979	504,416
Mar-25	308,008	387,236	31,758	31,611	23,708	2,902	785,223
Apr-25	548,386	688,998	56,244	56,244	45,230	4,041	1,399,143
May-25	215,562	262,835	22,108	28,108	16,581	2,527	547,721
Jun-25	231,566	280,942	23,750	23,450	17,812	2,937	580,457
<b>TOTALS</b>	<b>3,200,271</b>	<b>4,010,295</b>	<b>354,127</b>	<b>354,510</b>	<b>267,605</b>	<b>35,324</b>	<b>8,222,132</b>

There was significant low percentage of 66% against the predetermined target for the year this was mainly attributed to the low numbers of individual registered under the new system of SHA.

**Utilization of funds**

On the utilization of funds, it shows major consumption was on medical cost and employee cost as indicated in the above table. This can also be explained as

Medical/Clinical costs	19,392,999	17.17%
Employee costs	80,096,640	70.93%
Board of Management Expenses	489,600	0.43%
Depreciation and amortization expense	778,320	0.69%
Repairs and maintenance	1,884,035	1.67%
Grants to CHMT	3,015,525	2.67%
General expenses	7,263,829	6.43%
<b>Total expenses</b>	<b>112,920,948</b>	



*(Handwritten signature)*

Name **Mrs Domongole Jenipher**  
 Secretary to the Board

## **10. Environmental and Sustainability Reporting**

Chepareria sub county Hospital exists to promote and participate in provision of affordable, integrated and high Quality promotive, curative and rehabilitative. It's what guides us to deliver our strategy, putting the client/Citizen first, delivering health services, and improving operational excellence. Below is an outline of the organisation's policies and activities that promote sustainability.

### **i) Sustainability strategy and profile**

Chepareria sub county Hospital exists to promote and participate in provision of affordable, integrated and high Quality promotive, curative and rehabilitative. Chepareria Sub County has continuously plan for operationalization of departments that are required for a hospital to continue serving its clients. One being the introduction of radiography unit as clients can now get scanned at the facility. Introduction of Eye unit has contributed to the hospital profile not forgetting the paediatric ward.

The existence of board for tenure of three years guarantees the budget making and continues disbursement of funds to the facility.

The county has continued to deploy more staff to the facility guaranteeing continuous service

### **ii) Environmental performance**

In conjunction with department of Environment, we have developed Environmental Rules and Regulations that help in waste management this involves recording and weighing all the waste generated at the facility

The facility has an incinerator to burn its waste and the ash generated is put in a ash pit dug at the facility

For glass waste they are crushed and put in a special pit

### **iii) Employee welfare**

Employee welfare is a critical component for unified service delivery. Chepareria sub county Hospital is very committed in ensuring that the welfare of all its employees is

catered for by providing a favourable working environment. Employees have a right to go training whenever there is one concerning their department. Like during this financial year the hospital accountant was able to attend PSASB training for the Financial Reporting Forum for County Hospital Accountants which was held in Naivasha.

The hospital does continuous training on infection prevention control on every staff at least once in every quarter

Whenever there is new vaccination the staffs are the first to be vaccinated as they are the ones who get in touch with the patients,

*iv) Market place practices-*

*a) Responsible competition practice.*

The Chepareria sub county Hospital applies the principles of public procurement as espoused in the Public Procurement and Asset Disposal Act, 2015; fairness, competitiveness, integrity, professionalism, transparency and accountability, promotion of local industry, promotion of citizen contractors and maximization of value for money.

The County uses the Public Procurement and Regulatory Authority market price index and its own market survey to assure competitive prices of procured goods, works and services. In compliance with achieving affirmative action as provided by the Constitution under Articles 55 and 56 and as enacted in the Public Procurement and Asset Disposal Act, 2015 Sections 155,156,157 & 158, the County reserves 30% of its procurement budget to Youths, Women and Persons Living with Disability. Furthermore, the department prepares and submits the reports to Public Procurement and Regulatory Authority Quarterly and bi-annually as required under the Act and Executive Order no. 2/2018.

*b) Responsible Supply chain and supplier relations*

The Hospital applies the procurement methods that ensure promotion of local industry through Request for Quotations and Open County Specific Tenders. In accordance, as provided in the first schedule of the Act, the threshold matrix guides all other procurement for adoption for each procurement, which is included in a procurement plan and approved by the accounting officer. The facility also in

compliance by the directive of the National treasury to adopt the eGP procurement starting July 2025

**c) Responsible marketing and advertisement**

The hospital ensures when marketing there is no false information regarding their products

Advertising in an understandable language so that it's understandable

**d) Product stewardship**

Ensure that product should be of quality standards

Ensure right of compensation for the product

**v) Corporate Social Responsibility / Community Engagements**

The hospital does counselling on nutrition to the population

The hospital does Barraza on personal health care.

The Hospital engaged in tress planting activities and organized free medical camps for TB and Malnutrition within the county.

We do free camps for patients with trachoma.

## **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 Chepareria sub county hospital affairs.

### **Principal activities**

The principal activities of the entity are to promote and participate in provision of affordable, integrated and high Quality promotive, curative and rehabilitative

### **Results**

The results of the entity for the year ended June 30 2025 are set out on page 01. to 08

### **Board of Management**

The members of the Board who served during the year are shown on page viii

### **Auditors**

The Auditor General is responsible for the statutory audit of the CSCH in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year ended June 30, 2025 in accordance to section 23 of the Public Audit Act, 2015 which empowers the Auditor General to appoint an auditor to audit on his behalf.

By Order of the Board



.....  
**Name Mrs Domongole Jenipher**

**Secretary to the Board**

## **12. Statement of Board of Management's Responsibilities**

Section 164 of the Public Finance Management Act, 2012 (*Facility Improvement Fund Act 2019*) requires the Board of Management to prepare financial statements in respect of that *entity*, which give a true and fair view of the state of affairs of the CSCH at the end of the financial year/period and the operating results of the *CSCH* for that year/period. The Board of Management is also required to ensure that the CSCH keeps proper accounting records which disclose with reasonable accuracy the financial position of the CSCH. The council members are also responsible for safeguarding the assets of the *CSCH*

The Board of Management is responsible for the preparation and presentation of the *CSCHs* financial statements, which give a true and fair view of the state of affairs of CSCH 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 CSCH; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board of Management accepts responsibility for the CSCH's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (*– Facility Improvement fund Act 2019*) The Board members are of the opinion that the CSCHs financial statements give a true and fair view of the state of CSCH's transactions during the financial year ended June 30, 2023, and of the CSCH's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the CSCH

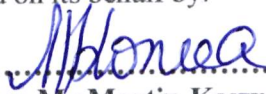
which have been relied upon in the preparation of the CSCH's financial statements as well as the adequacy of the systems of internal financial control.

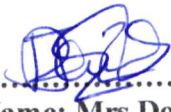
In preparing the financial statements, the Directors have assessed the Fund's ability to continue as a going concern OR

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

**Approval of the financial statements**

The Hospital's financial statements were approved by the Board on 9-12-2025 and signed on its behalf by:

  
.....  
**Name: Mr Martin Korwa**  
**Chairperson**  
**Board of Management**

  
.....  
**Name: Mrs Domongole Jenipher.**  
**Accounting Officer**

# REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

## **REPORT OF THE AUDITOR-GENERAL ON CHEPARERIA SUB COUNTY LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2025 - COUNTY GOVERNMENT OF WEST POKOT**

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### **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 Chepareria Sub County Level 4 Hospital set out on pages 1 to 41, which comprise of the statement of financial position

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*Report of the Auditor-General on Chepareria Sub County Level 4 Hospital for the year ended 30 June, 2025 - County Government of West Pokot*

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 Chepareria Sub County Level 4 Hospital as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Health Act 2017, County Governments Act, 2012 and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Inaccuracies in Property, Plant and Equipment**

The statement of financial position reflects property, plant and equipment balance of Kshs.14,800,465 as disclosed in Note 22 to the financial statements. However, review of Hospital records and physical verification revealed various assets including land, buildings and medical equipment were not disclosed in the financial statement. Management did not provide valuation report for the land on which the Hospital structures are built.

In the circumstances, the accuracy, existence and completeness of property plant and equipment balance of Kshs.14,800,465 could not be confirmed.

#### **2. Unsupported Prior Year Adjustment**

The statement of changes in nets assets reflects prior adjustment of property, plant and equipment balance of Kshs.14,016,882. However, the supporting schedules were not provided for audit.

In the circumstances, the accuracy, existence and completeness of prior year adjustment balance of Kshs.14,016,882 could not be confirmed.

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

## **Emphasis of Matter**

### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual amounts of Kshs.121,431,849 and Kshs.106,789,481 respectively resulting in an underfunding of Kshs.14,642,368 or 12% of the budget.

The underfunding may have negatively impacted on planned programmes and affected delivery of medical services to the public.

My opinion is not modified in respect of 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 effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

### **Other Information**

The Board Management is responsible for the Other Information set out on page v to xxviii which comprise of Key Entity Information and Management, The Board of Management, 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, Statement of Directors 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. Lack of an Annual Procurement Plan**

The Management did not prepare an annual procurement plan for the year under review despite the Hospital contracting multiple firms for supply of various goods and services including pharmaceutical and non-pharmaceutical supplies. This was contrary to Regulation 40(1) of the Public Procurement and Asset Disposal Regulations, 2020 which requires that a procuring entity shall prepare a procurement plan for each financial year as part of the annual budget preparation process.

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

### **2. Deficiencies in Implementation of Universal Health Coverage (UHC)**

Review of Hospital records and Interviews on 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 as detailed below;

#### **MEDICAL SPECIALISTS - TABLE 1**

<b>Item</b>	<b>Level 4 Standard</b>	<b>Number in Hospital</b>	<b>Variance</b>	<b>Percentage (%)</b>
Medical officers	16	0	(16)	100
Anesthesiologists	2	0	(2)	100
General Surgeon	2	0	(2)	100
Gynecologists	2	0	(2)	100
Pediatricians	2	0	(2)	100
Radiologists	2	2	(0)	100
Registered Community Health Nurses	75	36	(39)	52
<b>Total</b>	<b>101</b>	<b>38</b>	<b>(63)</b>	

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

#### **MEDICAL EQUIPMENT - TABLE 2**

<b>Services</b>	<b>Level 4 Hospital Standard</b>	<b>Actuals in the Hospital</b>	<b>Variance</b>	<b>Percentage (%)</b>
Resuscitaire in Labour Ward	2	0	(2)	100

<b>Services</b>	<b>Level 4 Hospital Standard</b>	<b>Actuals in the Hospital</b>	<b>Variance</b>	<b>Percentage (%)</b>
New Born Unit incubators	5	0	(5)	100
New Born Unit Cots	5	0	(5)	100
Functional ICU Beds	6	0	(6)	100
High Dependency Units (HDU) Beds	6	0	(6)	100
Renal Units with at Least 5 Dialysis Machines	5	0	(5)	100
Two Functional Operational Theatre – Maternity & General	2	0	(2)	100
Central Sterile Services Department	1	0	1	100
Bed Capacity	150	46	(104)	69

### **3. Poor Service Delivery**

Physical verification on 24 October, 2025 revealed the following unsatisfactory matters;

#### **3.2 Unequipped Pediatric Ward**

The County Government of West Pokot constructed a pediatric ward at a contract sum of Kshs.10,000,000 to completion and the facility commissioned in the financial year ended 2024. However, the ward had remained unequipped with facilities including new born units, baby cots and enough beds.

#### **3.3 Unequipped Maternity Ward**

The maternity ward was in poor condition and was not fit for the services. There were only two (2) nurses on duty effectively affecting efficiency of service delivery and response to emergencies. There were two (2) broken down incubators without New Born Units (NBUs) at the ward which had not been maintained or serviced. In addition, there was no resuscitation machine, oxygen cylinders, mosquito nets and cleaning areas in the maternity ward.

#### **3.4 Unequipped General Ward**

The general ward was used both as female and male ward, which affected the patient's dignity and privacy. The ward was in poor condition with no maintenance in terms of painting, running water, cleaning and general hygiene standards.

In the circumstances, the Hospital's ability to deliver medical services efficiently to the residents could not be confirmed.

### **4. Non-Remittance of Public Procurement Capacity Building Levy**

Review of documents revealed that Management did not deduct and remit the public procurement capacity building levy. This was contrary to Paragraph 3(1) of Legal Notice

206 of the Levy Order 2023 which provides that there shall be paid a levy by a supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of 0.03% of the value of the signed contract, exclusive of applicable taxes.

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

#### **5. Non-Compliance with Facility Improvement Financing (FIF) Act**

Review of bank statements and transaction records revealed that the Hospital collected and deposited total revenue of Kshs.7,877,599 into its legitimate designated account. However, Kshs.7,270,429 was transferred to the West Pokot County Health Account with only Kshs.6,230,975 being returned to the Hospital's operational account while Kshs.1,039,454 was withheld at the County level. This was contrary to Section 5 of the Facility Improvement Financing Act, 2023, which requires that all facility funds be retained in designated FIF accounts and explicitly prohibits the transfer of such funds to any other account.

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

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

#### **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

##### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

##### **Basis for Conclusion**

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 Board of Management**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

### **Auditor-General's Responsibilities for the Audit**

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the

effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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

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

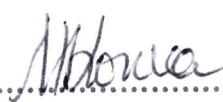
**Nairobi**


**16 December, 2025**

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

Description	Notes	30th June 2025	FY 2023-2024
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the County Government	6	-	12,141,789
In-kind contributions from the County Government	7	93,997,762	89,409,795
Total grants from development partners	8	4,569,587	6,068,037
Rendering of services- Medical Service Income	9	8,222,132	
<b>Total Receipts</b>		<b>106,789,481</b>	<b>107,619,621</b>
<b>Expenses</b>			
Medical/Clinical costs	10	19,392,999	8,132,007
Employee costs	11	80,096,640	82,636,920
Board of Management Expenses	12	489,600	233,500
Depreciation and amortization expense	13	778,320	23,837
Repairs and maintenance	14	1,884,035	1,768,853
Grants to CHMT	15	3,015,525	1,824,900
General expenses	16	7,263,829	5,302,200
<b>Total expenses</b>		<b>112,920,948</b>	<b>99,922,217</b>
<b>GAINS</b>			
<b>Net Surplus for the Quarter</b>		<b>( 6,131,467)</b>	<b>7,697,404</b>
Attributable to:			
Surplus/(deficit) attributable to minority interest		-	-
Surplus attributable to owners of the controlling entity		-	-
		-	-

The Hospital's financial statements were approved by the Board on 9-12-2025 and signed on its behalf by:

  
 .....  
**Chairman**  
**Board of Management**

  
 .....  
**Head of Finance**  
**ICPAK No: 27277**


  
 .....  
**Medical Superintendent**

**Chepareria Sub-County level 4 Hospital (West Pokot County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

**15. Statement of Financial Position As At 30<sup>th</sup> June 2025**

Description	Notes	30th June 2025	FY 2023-2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	17	912,377	6,241,064
Receivables from exchange transactions	18	1,322,560	612,795
Receivables from non-exchange transactions	19	1,621,710	922,000
Inventories	21	812,200	3,641,175
<b>Total Current Assets</b>		<b>4,668,847</b>	<b>11,417,034</b>
<b>Non-current assets</b>			
<b>Plant property and equipment</b>	22	14,800,465	166,863
<b>Total Non-current Assets</b>		<b>14,800,465</b>	<b>166,863</b>
<b>Total assets</b>		<b>19,469,311</b>	<b>11,583,897</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade Payables		-	-
Total Current Liabilities		-	-
<b>Non-current liabilities</b>			
<b>Total Non-current liabilities</b>		-	-
<b>Total Liabilities</b>		-	-
<b>Net assets</b>		<b>19,469,311</b>	<b>11,583,897</b>
Balance Brought Forward			3,886,493
Revaluation reserve		-	-
Accumulated surplus/Deficit		19,469,312	7,697,404
Capital Fund			-
		-	-
<b>Total Net Assets and Liabilities</b>		<b>19,469,312</b>	<b>11,583,897</b>

The Hospital's financial statements were approved by the Board on 9-12-2025 and signed on its behalf by:

.....  


**Chairman**  
**Board of Management**

.....  


**Head of Finance**  
**ICPAK No: 27397**

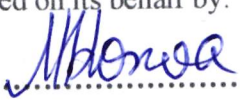
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**Medical Superintendent**


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

Description	Revaluation reserve	Accumulated surplus/Deficit	Capita	Total
			Fund	
As at July 1, 2023 (previous year)	0	3,886,493	-	3,886,493
Revaluation gain	0	-	-	-
Surplus/(deficit) for the year	-	7,697,404	-	7,697,404
Capital/Development grants	-	-	-	-
As at June 30, 2024 (previous year)	0	11,583,897	-	11,583,897
<b>Prior adjustment (Property, Plant and Equipment)</b>		14,016,882		14,016,882
At July 1, 2024(current year)	0	25,600,779	-	25,600,779
Revaluation gain	0	-	-	-
Surplus/(deficit) for the period	-	(6,131,467)	-	(6,131,467)
Capital/Development grants	-	-	-	-
<b>30 June, 2025</b>	<b>0</b>	<b>19,469,312</b>	<b>-</b>	<b>19,469,312</b>

The Hospital's financial statements were approved by the Board on 9-12-2025 and signed on its behalf by:

  
 .....  
**Chairman**  
**Board of Management**

  
 .....  
**Head of Finance**  
**ICPAK No: 27397**

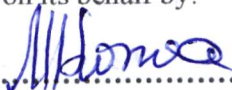
  
 .....  
**Medical Superintendent**


*Chepareria Sub-County level 4 Hospital (West Pokot County Government)  
Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025*

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

Description	Note	30th June 2025 Kshs	FY 2023-2024 Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from the County Government			12,141,789
In-kind contributions from the County Government			89,409,795
Total grants from development partners			6,068,037
Rendering of services- Medical Service Income		8,222,132	
<b>Total Receipts</b>		<b>8,222,132</b>	<b>107,619,621</b>
<b>Payments</b>			
Medical/Clinical costs		1,225,065	8,132,007
Employee costs			82,636,920
Board of Management Expenses		489,600	233,500
Repairs and maintenance		1,884,035	1,768,853
Grants to CHMT		3,015,525	1,824,900
General expenses		5,541,554	5,302,200
Total Payments		<b>12,155,779</b>	<b>99,898,380</b>
<b>working capital</b>			
Increase in receivables		( 1,409,475)	185,335
Increase in inventories		2,828,975	( 3,641,175)
Increase in Payables		-	-
<b>Net cash flows from operating activities</b>	<b>20</b>	<b>(3,933,647)</b>	<b>4,265,401</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment, & intangible assets		(1,395,040)	-
Proceeds from the sale of property, plant, and equipment		-	-
Acquisition of investments		-	-
<b>Net cash flows used in investing activities</b>			
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Capital grants received		-	-
<b>Net cash flows used in financing activities</b>			
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>( 5,328,687)</b>	<b>4,265,401</b>
Trade payables			
Cash and cash equivalents at 1 July 2024	<b>17</b>	6,241,064	1,975,663
<b>Cash and cash equivalents at 30 June 2025</b>	<b>17</b>	<b>912,377</b>	<b>6,241,064</b>

The Hospital's financial statements were approved by the Board on 9-12-2025 and signed on its behalf by:

  
.....  
**Chairman**  
**Board of Management**

  
.....  
**Head of Finance**  
**ICPAK No: 27397**

  
.....  
**Medical Superintendent**

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	a	b	c=(a+b)	d	e=(c-d)	f=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	%
Budget carryovers from the previous year	6,240,500	-	6,240,500		6,240,500	0%
<b>Receipts</b>		-	-		-	
Transfers from the County Government		-	-		-	
Grants from donors and development partners	4,569,587	-	4,569,587	4,569,587	-	100%
In Kind contributions	98,621,762	-	98,621,762	93,997,762	4,624,000	95%
Public contributions and donations	-	-	-	-	-	
Rendering of services- Medical Service Income	12,000,000	-	12,000,000	8,222,132	3,777,868	69%
Revenue from rent of facilities	-	-	-	-	-	
Finance / interest income	-	-	-	-	-	
Miscellaneous receipts ( <i>specify</i> )	-	-	-	-	-	
<b>Total receipts</b>	<b>121,431,849</b>	<b>-</b>	<b>121,431,849</b>	<b>106,789,481</b>	<b>14,642,368</b>	<b>88%</b>
<b>Payments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Medical/Clinical costs	22,000,000	-	22,000,000	19,392,999	2,607,001	88%
Employee costs	85,000,000	-	85,000,000	80,096,640	4,903,360	94%
Remuneration of directors	500,000	-	500,000	489,600	10,400	98%
Repairs and maintenance	2,086,025	-	2,086,025	1,884,035	201,990	90%
Grants and subsidies	3,600,000	-	3,600,000	3,015,525	584,475	84%

General expenses	8,245,824	-	8,245,824	8,042,149	203,675	98%
Depreciation		-	-		-	
Refunds	-	-	-	-	-	
<b>Total Operational Expenditure paid</b>	<b>121,431,849</b>	<b>-</b>	<b>121,431,849</b>	<b>112,920,948</b>	<b>8,510,901</b>	<b>93%</b>
Capital Expenditure paid	-	-	-	-	-	
Surplus	-	-	-	(6,131,467)	6,131,467	

**Budget Reconciliation**

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	(6,131,467)
1	depreciation	778,320
2	Increase/decrease in receivables	(1,409,475)
3	Increase/Decrease in inventories	2,828,975
4	Net cash flow from operating activities	(3,933,647)
5	Opening Cash and cash equivalents as per the statement of Cash flows	6,241,064
6	property investment	(1,395,040)
	Closing Cash and Cash Equivalent as per the statement of Cash flows	912,377

## **19. Notes to the Financial Statements**

### **1. General Information**

CSCH entity is established by and derives its authority and accountability from FIF Act. The entity is wholly owned by the West Pokot County Government and is domiciled in West Pokot County in Kenya. The entity's principal activity is promotive health

### **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 Note xx 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, and (*include any other applicable legislation*), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

**3. Adoption of New and Revised Standards**

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

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.*

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43	<p><i>Applicable 1<sup>st</sup> 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 cash flows 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><i>No impact</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>No impact</i></p>
IPSAS 45- Property Plant and	<p><i>Applicable 1<sup>st</sup> 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,</p>

Standard	Effective date and impact:
Equipment	<p>infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>No impact</i></p>
<p>IPSAS 46 Measurement</p>	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ul> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>No impact</i></p>
<p>IPSAS 47- Revenue</p>	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></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>

Standard	Effective date and impact:
IPSAS 48- Transfer Expenses	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>No impact</i></p>
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1<sup>st</sup> 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><i>No impact</i></p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1<sup>st</sup> 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> <ol style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>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.</li> <li>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.</li> </ol>

*iii) Early adoption of standards*

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

**4. Summary of Significant Accounting Policies**

**a. Revenue recognition**

**i) Revenue from non-exchange transactions**

**Transfers from other Government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the CSCH and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the asset that has been acquired using such funds.

**ii) Revenue from exchange transactions**

**Rendering of services**

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

**Sale of goods**

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

**Interest income**

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

**Rental income**

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

*Notes to the Financial Statements (Continued)*

**b. Budget information**

The original budget for FY 2024/2025 was approved by Board on 2025. 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 CSCH recorded additional appropriations of CSCH on the FY 2024/2025 budget following the Board's approval. The CSCH 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 of *one* year. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

**e. Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the 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. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

## **Financial liabilities**

### **Classification**

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

#### **k. Inventories**

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

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

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

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

#### **l. Provisions**

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

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

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

*Notes to the Financial Statements (Continued)*

**m. Social Benefits**

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

**n. Contingent liabilities**

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

**o. Contingent assets**

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

**p. Nature and purpose of reserves**

The entity creates and maintains reserves in terms of specific requirements

**Changes in accounting policies and estimates**

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

**q. Employee benefits**

**Retirement benefit plans**

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

**r. Foreign currency transactions**

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

**s. Borrowing costs**

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

**t. Related parties**

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

**u. Service concession arrangements**

The Entity analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the *CSCH* 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 *CSCH* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**v. Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**w. Comparative figures**

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

**x. Subsequent events**

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

**5. Significant Judgments and Sources of Estimation Uncertainty**

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

**Estimates and assumptions.**

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. 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.

**6. Transfers from the County Government**

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Transfer from County Government		12,141,789
<b>Total government grants and subsidies</b>	-	<b>12,141,789</b>

**6 b Transfers from The County Government**

Name of the Entity sending the grant	Amount recognized to Statement of financial performance KShs	Amount deferred under deferred income KShs	Total grant income during the year	Total
				FY 2023-2024
			KShs	KShs
West Pokot County Government	-			12,141,789
<b>Total</b>	-	-	-	<b>12,141,789</b>

**7. In Kind Contributions from The County Government**

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Salaries and wages	80,096,640	82,636,920
food rations	2,495,900	2,146,550
Cleaning materials	350,000	-
Other fuels (firewood)	350,000	
Pharmaceutical and Non-Pharmaceutical Supplies	978,343	4,626,325
Drugs KEMSA drawing rights	9,726,879	
<b>Total grants in kind</b>	<b>93,997,762</b>	<b>89,409,795</b>

**8. Grants From Donors and Development Partners**

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
GLOBAL FUND	4,569,587	6,068,037
<b>Total grants from development partners</b>	<b>4,569,587</b>	<b>6,068,037</b>

**8 (b) 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	FY 2023-2024
	KShs	KShs	KShs	KShs	KShs
Global funds				4,569,587	6,068,037
JICA					
World Bank					
<b>Total</b>				<b>4,569,587</b>	<b>6,068,037</b>

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

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Pharmacy	3,200,271	-
Laboratory	4,010,295	-
Male ward	354,127	-
Female Wards	354,510	-
Pediatric Ward	267,605	-
OPD/MCH	35,324	-
Accident and Emergency Service	-	-
<b>Totals</b>	<b>8,222,132</b>	<b>-</b>

**10. Medical/ Clinical Costs**

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Laboratory chemicals and reagents	371,800	177,920
Dressing and Non-Pharmaceuticals	1,616,658	1,829,134
Pharmaceutical supplies/Medical Drugs	17,404,541	6,124,953
<b>Total medical/ clinical costs</b>	<b>19,392,999</b>	<b>8,132,007</b>

**11. Employee Costs**

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Salaries, for P&P	80,096,640	78,412,920
wages for casuals	-	4,224,000
<b>Employee costs</b>	<b>80,096,640</b>	<b>82,636,920</b>

**12. Board of Management Expenses**

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Sitting allowance	489,600	233,500
<b>Total</b>	<b>489,600</b>	<b>233,500</b>

**13. Depreciation and Amortization Expense**

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Property, plant and equipment	778,320	23,837
Intangible assets	-	-
Investment property carried at cost	-	-
<b>Total depreciation and amortization</b>	<b>778,320</b>	<b>23,837</b>

**14. Repairs And Maintenance**

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Motor vehicle expenses	-	22,650
Maintenance of building and stations	1,884,035	1,746,203
<b>Total repairs and maintenance</b>	<b>1,884,035</b>	<b>1,768,853</b>

**15. Grants And Subsidies**

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Community development and social work		
Education initiatives and programs		
Free/ subsidised medical camp		
Disability programs		
Free cancer screening		
Social benefit expenses		
Grants to CHMT	3,015,525	1,824,900
<b>Total grants and subsidies</b>	<b>3,015,525</b>	<b>1,824,900</b>

**16. General Expenses**

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Advertising and Publicity expenses		-
Catering Expenses	256,485	507,175
Daily Subsistence Allowance	741,500	156,300
Sanitary and Cleaning Materials	610,407	513,295
Food and Ration	4,197,460	3,159,575
General Office Supplies	320,663	328,655
Bank charges	10,114	17,501
fuel and lubricants	120,000	100,000
Other fuels	350,000	25,000
automation	642,200	414,399
data/ connectivity	15,000	80,300
purchase of furniture		-
<b>Total General Expenses</b>	<b>7,263,829</b>	<b>5,302,200</b>

17(a) Cash And Cash Equivalents		
Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
Current accounts	912,377	6,241,064
<b>Total cash and cash equivalents</b>	<b>912,377</b>	<b>6,241,064</b>

**17(b) Detailed Analysis of Cash and Cash Equivalents**

Description	Account number	FY 2024-2025	FY 2023-2024
		KShs	KShs
a) Current account			
Kenya Commercial bank	1267071257	330,121	6,240,490
Kenya Commercial bank	1144925754	582,256	574
<b>Grand total</b>		<b>912,377</b>	<b>6,241,064</b>

**18. Receivables From Exchange Transactions**

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
NHIF Medical services receivables	1,322,560	612,795
Less: impairment allowance	-	-
<b>Total receivables</b>	<b>1,322,560</b>	<b>612,795</b>

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Detail analysis of receivables from exchange	FY 2024-2025		
	Kshs		
	FY 2024-2025	% of the total	% of the total
Less than 1 year	1,322,560	1	100%
Between 1- 2 years	-		
Between 2-3 years	-		
Over 3 years	-		
<b>Total (a+b)</b>	<b>1,322,560</b>	<b>1</b>	<b>100%</b>

**19. (a) Receivables From Non-Exchange Transactions**

Description	FY 2024-2025	FY 2023-2024
Transfers from the County Government	1,621,710	922,000
Less: impairment allowance	-	-
<b>Total</b>	<b>1,621,710</b>	<b>922,000</b>

**19(b) Analysis of Receivables From Non-Exchange Transactions**

Description	FY 2024-2025		
	Kshs		
	Current FY	% of the total	% of the total
Less than 1 year	1,621,710		100%
Between 1- 2 years	-		0%
Between 2-3 years	-		0%
Over 3 years	-		0%
<b>Total (a+b)</b>			<b>100%</b>

**20. Cash Generated from Operations**

	<b>FY 2024-2025</b>	<b>FY 2023-2024</b>
<b>Surplus for the year before tax</b>	- 6,131,467	7,697,404
<b>Adjusted for:</b>		
Depreciation	778,320	23,837
Non-cash grants received	-	-
Impairment	-	-
Gains and losses on disposal of assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
<b>Working Capital adjustments</b>		
Increase in inventory	2,828,975	( 3,641,175)
Increase in receivables	(1,409,475 )	185,335
Increase in deferred income	-	-
Increase in payables	-	-
Increase in payments received in advance	-	-
<b>Net cash flow from operating activities</b>	<b>3,933,647</b>	<b>4,265,401</b>

**21. Inventories**

<b>Description</b>	<b>FY 2024-2025</b>	<b>FY 2023-2024</b>
Pharmaceutical supplies	733,200	3,626,325
Maintenance supplies	-	-
Food supplies	79,000	14,850
Linen and clothing supplies	-	-
Cleaning materials supplies	-	-
General supplies	-	-
Less: provision for impairment of stocks	-	-
<b>Total</b>	<b>812,200</b>	<b>3,641,175</b>

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**disclosure on inventories**

	<b>FY 2024-2025</b>	<b>FY 2023-2024</b>
Opening balance	3,641,175	-
Additional Inventory in the year		3,641,175
Inventory expensed in the year	(2,828,975)	-
Write-downs in the year		-
Others specify		-
<b>Closing balance</b>	<b>812,200</b>	<b>3,641,175</b>

**22. Property, Plant and Equipment**

Description	Land	Buildings and Civil works	Furniture, fittings, and office equipment	ICT Equipment	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
<b>Cost</b>						
At 1 July 2023			190,700			190,700
Additions						-
Disposals			-			-
Transfers/adjustments			-			-
<b>At 30th Jun 2024</b>			190,700			190,700
						-
At 1 July 2024			190,700			190,700
Additions		14,496,752		1,395,040		15,891,792
Disposals			-			-
Transfer/adjustments						-
<b>At 30th June 2025</b>		14,496,752	190,700	1,395,040		16,082,492

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<b>Depreciation and impairment</b>						-
At 1 July 2024		<b>479,870</b>	<b>23,837</b>			<b>503,707</b>
Depreciation for the year		289,935	23,837	464,548		<b>778,320</b>
Disposals			-			-
Impairment			-			-
<b>At 30th June 2025</b>		<b>769,805</b>	<b>47,674</b>	<b>464,548</b>		<b>1,282,027</b>
At July 2024			-		-	-
Depreciation		769,805	47,674	464,548		<b>1,282,027</b>
Disposals			-			-
Impairment			-			-
Transfer/adjustment			-			-
<b>At 30th June 2025</b>		<b>769,805</b>	<b>47,674</b>	<b>464,548</b>		<b>1,282,027</b>
<b>Net book values</b>						-
At 30th Jun 2024		14,496,752	190,700	1,395,040	-	<b>16,082,492</b>
At 30th June 2025		13,726,947	143,026	930,492		<b>14,800,465</b>

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**Investment Property**

Description	FY 2024-2025	FY 2023-2024
	KShs	KShs
At beginning of the year		
Additions		-
Disposals during the year	-	-
Fair value gain	-	-
Depreciation ( <i>where investment property is at cost</i> )	-	-
Impairment	-	-
At end of the year		

### **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:

#### **(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 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 recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The entity has significant concentration of credit risk on amounts due from xxxx The board of management sets the 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.

**(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:

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.

**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.

**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 (2025: KShs). A rate increase/decrease of 5% would result in a decrease/increase in surplus of KShs xxx (2025– KShs).

**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:

**8. 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.

West pokot County Government is the principal shareholder of the *CSCH*, holding 100% of the *CSCH* equity interest. The National Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. The related parties include:

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

**9. Events after the Reporting Period**

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

**10. Ultimate and Holding Entity**

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

**11. Currency**

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

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**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.

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
1	Inadequate facility resources	County government is coordination with the facility to budget and allocate more resources to the facility	In progress	Immediately
2	Universal health coverage	The county has employed new staff and have been deployed to the facility	Resolved	Immediately
3	Lack of approved strategic plans	Prepared a draft strategic plan awaiting approval	Not resolved	As Soon As Possible
4	Inefficient revenue collection systems	The management in collaboration with the National Government is in the process of installing a new system That shall enhance accountability. Also the department has benchmarked on the effectiveness of the new system and opted for AFYA KE	In progress	Immediately

**Guidance Notes:**

- (i) Use the same reference numbers as contained in the external audit report.

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- (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 the for implementation of each issue.
- (iv) Indicate the status of “Resolved” or “Not Resolved” by the date of submitting this report to National Treasury.

  
.....  
**Accounting Officer**

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**Appendix II: Inter-Entity Confirmation Letter**

Name of Transferring entity...Ministry of health west Pokot county

Name of Beneficiary entity...Chepareria Sub County Hospital

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 <sup>th</sup> June (Current FY)					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
1	25/10/2024	849,694.		849,694.	
2	16/12/2024	387,000.		387,000.	
3	31/01/2025	2,571,056.		2,571,056	
4	30/04/2025	1,098,125		1,098,125	
5	14/06/2025	1.325,100.		1.325,100	
Total		6,230,975.		6,230,975	

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

**Head of Accounts Department - Disbursing Entity:**  
 Name JACKSON MERIAKO Sign [Signature] Date 9-12-2025

**Head of Accounts Department - Beneficiary Entity:**  
 Name Geoffrey Wilson Sign [Signature] Date 9-12-2025

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CHEPARERIA SUB COUNTY LEVEL 4 HOSPITAL			CHEPARERIA SUB COUNTY LEVEL 4 HOSPITAL		
REPORTS AND FINANCIAL STATEMENTS			REPORTS AND FINANCIAL STATEMENTS		
FOR THE YEAR ENDED June 30, 2025			FOR THE YEAR ENDED JUNE 30, 2024		
AS OF 30/06/2025			AS OF 30/06/2024		
TRIAL BALANCE			TRIAL BALANCE		
Description	DR	CR	Description	DR	CR
<b>Revenue from non-exchange transactions</b>			<b>Revenue from non-exchange transactions</b>		
Transfers from the County Government			Transfers from the County Government	12,141,789	
In-kind contributions from the County Government		93,997,762	In-kind contributions from the County Government	89,409,795	
Grants from donors and development partners		4,569,587	Grants from donors and development partners	6,068,037	
Rendering of services- Medical Service Income		8,222,132			
<b>Total revenue</b>		<b>106,789,481</b>	<b>Total revenue</b>	<b>107,619,621</b>	
<b>Expenses</b>			<b>Expenses</b>		
Medical/Clinical costs	19,392,999		Medical/Clinical costs	8,132,007	
Employee costs	80,096,640		Employee costs	82,636,920	
Board of Management Expenses	489,600		Board of Management Expenses	233,500	
Depreciation and amortization expense			Depreciation and amortization expense		

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	778,320			23,837	
Repairs and maintenance	1,884,035		Repairs and maintenance	1,768,853	
Grants to CHMT	3,015,525		Grants to CHMT	1,824,900	
General expenses	7,263,829		General expenses	5,302,200	
Plant property and equipment's	14,800,465		Plant property and equipment's	166,863	
<b>CASH AND BANK BALANCES</b>			<b>CASH AND BANK BALANCES</b>		
Kenya Commercial bank 1267071257	330,121		Kenya Commercial bank 1267071257	6,240,490	
Kenya Commercial bank 1144925754	582,256		Kenya Commercial bank 1144925754	574	
cash in hand	-		cash in hand	-	
<b>ACCOUNTS RECEIVABLES-</b>			<b>ACCOUNTS PAYABLE-</b>		
Payables		-	Payables		-
Prepayments	-		Prepayments	-	

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Receivables from exchange transactions	1,322,560		Receivables from exchange transactions	612,795	
Receivables from-non exchange transactions	1,621,710		Receivables from non-exchange transactions	922,000	
Inventories	812,200		inventories	3,641,175	
Fund balance b/fwrd 2023/2024		25,600,779	Fund balance b/fwrd 2022/2023		3,886,493
Capital fund					
<b>TOTAL</b>	<b>132,390,260</b>	<b>132,390,260</b>	<b>TOTAL</b>	<b>111,506,114</b>	<b>111,506,114</b>