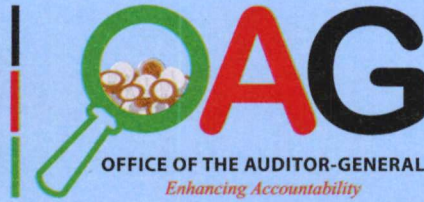


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REPORT

OF

THE AUDITOR-GENERAL

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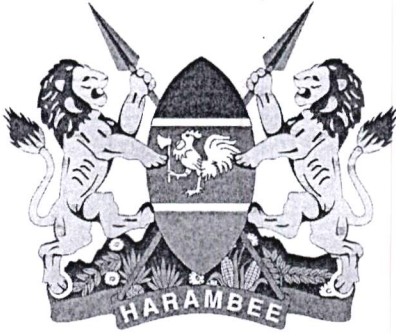
NYAMUSI SUB-COUNTY LEVEL 4 HOSPITAL

FOR THE YEAR ENDED  
30 JUNE, 2025

COUNTY GOVERNMENT OF NYAMIRA

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# **Nyamusi Level 4 HOSPITAL (Nyamira 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

CSR	Corporate Social Responsibility
OPD	Outpatient Department
PFMA	Public Financial Management Act
MED SUPT	Medical Superintendent
HAO	Health Administrative Officer
HMT	Health Management Team
HMB	Hospital Management Board
TAT	Turnaround Time
FY	Financial Year
RCO	Registered Clinical Officer
NHIF	National Hospital Insurance Fund
IPSAS	International Public Sector Accounting Standards
SCMOH	Sub—county medical officer of health
CHMT	County health management team
MOH	Ministry of health
Fiduciary Management	Key management personnel who have financial responsibility in the entity.
OSHA	Occupational Health & Safety Act

## 2. Key Hospital Information and Management

### (a) Background information

Nyamusi Level 4 hospital is a Ministry of health primary care hospital located in Nyamira North in Nyamira county under the department of Health. The facility is fully operational with a bed capacity of of 35 beds. The hospital is regulated by the Ministry of Health under registration No. 010373. The hospital is governed by a Board of Management.

### (b) Principal Activities

The principal activity/mission/ mandate of the hospital is to provide quality, affordable and accessible healthcare services and also eliminate communicable conditions and also reverse the rising burden of non-communicable conditions.

**Vision:** To be a healthy and productive facility with access to quality healthcare.

**Mission:** Provide quality and integrated health services for socio-economic development of the people of Nyamira

### (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 2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Medical Superintendent	Dr. Stephen Momanyi
2.	Head of accounting services	CPA Jemimah Abuga
3.	Head of supply chain	Ms. Peres Mose
4.	Accounting officer department of health services	Mr. Andrew Nyakundi Ongere
5.	Director Internal Audit	CPA Ann Nyanchama
6.	Health administrative officer	Mr. Benard Oriko
7.	Treasury accountant	Mr. Duke Kiriama
8.	Hospital Accountant	Mr. Zablon Atuta
9.	Hospital Matron	MS. Catherine Magara

**(e) Fiduciary Oversight Arrangements**

Fiduciary oversight of the county is done by:

**i. County Assembly**

The County assembly, pursuant to the constitution of Kenya, 2010 and the County Government Act, 2012 under Article 8(1) has fiduciary oversight role over the execution of the functions of the County Government., it approves the budget and expenditure of the County Government in accordance with article 207of the constitution of Kenya. It also approves the borrowings of the County Government in accordance of the constitution 212of the Constitution of Kenya 2010.

**ii. Internal audit**

The internal audit department of county government of Nyamira ensures that the internal controls exist and are adhered to. Internal audit department reports to the county audit committee.

**iii. Quality of health services committee**

Its major function is to establish and maintain hospital quality improvement program, review hospital quality assessment reports and make recommendations to the hospital board.

**iv. Finance and general-purpose committee**

Its function is to review the hospital budgets and also review fiscal management of the hospital, propose the fees chargeable on services and make recommendations to the board.

**v. The Controller of budget**

The controller of budget has fiduciary oversight role of the County Government under article 22(5) of the Constitution of Kenya, 2010 by approving withdrawal from the public funds only when satisfied that the is authorized by law.

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

(f) **Nyamusi sub-county hospital Headquarters**  
P.O. Box 3-40500  
Along Ekerenyo, Obwari, Nyamusi, Misambi road  
Nyamira Kenya



(g) **Nyamusi sub-county hospital Contacts**  
Telephone: (+254) 727521897  
E-mail: nyamusihospital@gmail.com

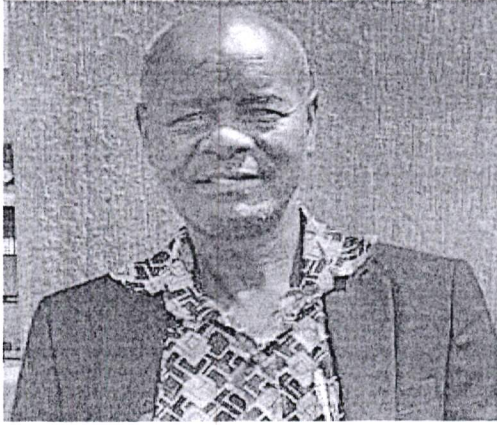


(h) **Nyamusi sub-county hospital Bankers**  
Kenya commercial bank, Nyamira branch  
P.o box 403-40500  
Nyamira, Kenya




(i) **Independent Auditors**  
  
Auditor General  
Office of Auditor General  
Anniversary Towers, Institute Way  
P.O. Box 30084  
GPO 00100  
Nairobi, Kenya

(j) **County Attorney**  
Office of county attorney  
County government of Nyamira  
P.O. Box. 434-40500  
Nyamira, Kenya

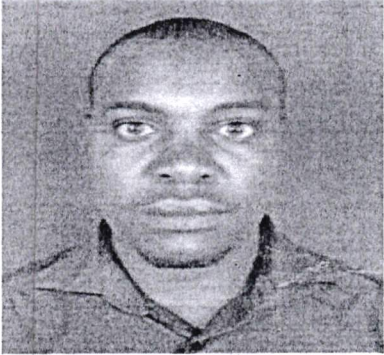


### 3. The Board of Management





Directors	Details
 <p><b>MR. JONES MOKO OMWENGA</b>  <b>EXECUTIVE COMMITTEE MEMBER:</b>  <b>FINANCE, ICT AND ECONOMIC PLANNING</b></p>	<p><i>Academic Qualifications</i></p> <p>He has a Master of Business Administration (Finance) from Jomo Kenyatta University of Agriculture &amp; Technology and a Bachelor of Education degree from Kenyatta University.</p> <p><i>Professional Experience</i></p> <p>Prior to his appointment he has served as the County Executive Committee member for Education &amp; Vocational Training, Trade, Tourism, Industrialization &amp; Cooperatives and Finance &amp; Economic Planning departments respectively in the County Government of Nyamira and Banking sector</p> <p>He hails from Itibo ward, Nyamira county.</p>
 <p><b>DR. DONALD MOGOI</b>  <b>EXECUTIVE COMMITTEE MEMBER FOR</b>  <b>HEALTH SERVICES</b></p>	<p>Dr. Donald Mogoi holds a Master of Science in epidemiology, a post graduate Diploma in Project Management &amp; Bachelors in Medicine &amp; Surgery.</p> <p><b>Professional experience</b></p> <p>He has 19 years' experience in the public health sector, raising from a medical officer to a district medical officer, a county director health and chief officer health services.</p>



 <p><b>MR. JEREMIAH ONGARO</b>  <b>CHAIRMAN, HOSPITAL MANAGEMENT BOARD</b></p>	<p><b>Academic Qualifications:</b>                  He completed his A- level in 1978 from Gekendo secondary school.</p> <p><b>Professional Experience</b>                  Retired civil servant with over 38 years of working experience in different capacities in the Ministry of agriculture. He later served at management level as Director in Ukulima SACCO and also as KTDA director in Sanganyi Tea Factory.</p>
 <p><b>DR. STEPHEN MOMANYI</b>  <b>MEDICAL SUPERINTENDENT SECRETARY, HOSPITAL MANAGEMENT BOARD</b></p>	<p><b>Academic Qualifications:</b>                  He graduated in 2014 with bachelor's degree in pharmacy from Mt. Kenya university and currently undertaking master's degree in public health from JKUAT.</p> <p><b>Professional Experience:</b>                  Worked as an intern in Kisii Teaching and Referral hospital, Kisii county. In 2016 he joined Nyamira county as a pharmacist and posted to Nyamusi sub-county hospital and currently serving as medical superintendent.</p>
 <p><b>MR. CHARLES FRANCIS MEROKA</b></p>	<p><b>Academic qualifications</b>                  Completed A--Level</p> <p><b>Work experience</b>                  Worked with the office of the president where he retired as a sergent</p>

 <p><b>MRS. RACHEAL MOGENI</b></p>	<p><b>Academic qualifications</b>                  Completed O-level</p> <p><b>Work experience</b>                  Wholesale and Retail businesslady within Nyamira county</p>
 <p><b>MR. SAMWEL NDUBI</b></p>	<p><b>Academic qualifications</b>                  Graduated in 1989 with Masters in Arts,Economics from university of Poona,India.</p> <p><b>Work experience</b>                  Worked with Kenindia Assurance company LTD from 1989 to 2011 and retired as regional manager, central Kenya based in Nyeri.</p>
 <p><b>MR. GILBERT BOSIRE ONDARI</b></p>	<p><b>Academic Qualifications</b>                  He is a teacher by profession having graduated with Postgraduate Diploma in Education from Kenyatta University and Bachelor's Degree in Arts (Economics/Sociology) in 1995 from Egerton University.</p> <p><b>Professional experience</b>                  Worked with as BOM teacher in Ikobe secondary school between 1997-2011. Project manager with Health and water foundation, and currently working with County government of Nyamira as a ward administrator since 2014</p>

4. Key Management Team

Ref	Management	Details
1.	 <p><b>DR. STEPHEN MOMANYI</b>  <b>BACHELOR'S DEGREE IN PHARMACY</b></p>	<p>Coordinating Pharmaceutical services and overall superintendent of the hospital</p>
2.	 <p><b>MR. BENARD ORIKU</b>  <b>BACHELOR'S DEGREE IN PUBLIC ADMINISTRATION</b></p>	<p>Oversee general administrative operations and staff welfare of the hospital</p>
3.	 <p><b>MR. ZABLON ATUTA</b>  <b>DEGREE IN BACHELOR OF COMMERCE, ACCOUNTING OPTION AND CPA</b></p>	<p>Coordinating Finance and accounting services</p>

4.	 <p><b>MS. CATHERINE MAGARA</b>  <b>DIPLOMA IN KENYA REGISTERED COMMUNITY HEALTH NURSING</b></p>	Coordinating Nursing Services
5.	 <p><b>VIRGINIA NYAMBOKI</b>  <b>DIPLOMA IN MEDICAL LABORATORY</b></p>	Coordinating Laboratory Services
6.	 <p><b>MR. DOMINIC MASINGA</b>  <b>DIPLOMA IN NUTRITION AND DIETETICS MANAGEMENT</b></p>	Coordinating Nutrition services
7.	 <p><b>MRS. WINIFRED NJUGUNA</b></p>	Coordinating Clinical Services

	<b>DIPLOMA IN CLINICAL MEDICINE AND SURGERY</b>	
8.	 <b>DR. KELVIN OGETO</b> <b>BACHELOR IN MEDICINE &amp; SURGERY</b>	Coordinating clinical and medical services
9.	 <b>Ms. Angeline Morema</b> Diploma in Health Records and Information Technology	<b>Health Records and Information Officer In charge</b>

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

It is my pleasure to present to you the annual report and financial statements of Nyamusi sub-county hospital for the financial year ended June 2025. This report reflects the performance, achievements and challenges of Nyamusi sub-county hospital in delivering quality, affordable and accessible healthcare services to the community.

Nyamusi sub-county hospital showered courage, adaptability and excellence in meeting the health needs of the population. Some of the notable achievements during the year include:

- Upgrading of its infrastructure by overseeing construction and completion of the new maternity and paediatric units.
- The hospital board had negotiated and secured the construction and equipping of the mother child and new born unit with the Safaricom foundation together with borehole which has been a challenge for some time. The completion of the project will reduce patient referrals and ensure timely management of the patients and at the same time reduce the operational costs.
- Nyamusi sub-county hospital enhanced its service delivery and patient satisfaction with the adoption of cashless mode of revenue collection, customer care desk and feedback mechanism mostly by the CHP's. The hospital has also improved its waiting times for our services, infection prevention and control measures and referral system.
- The human resource capacity and capability of the hospital was boosted with the county government posting new technical staffs including medical doctor and orthopaedic technologist.
- Nyamusi sub-county hospital fostered its partnerships and collaborations with various stakeholders such as county government, the ministry of health, development partners, academic institutions and community groups. The hospital received both financial, technical and material support from these partners as well as engaging in joint initiatives such as outreach and mentorship programs and advocacy campaigns.

The hospital management Board and hospital management is striving to position the hospital as the lead health service provider in the region, seek increased visibility, resource mobilization and allocation in line with the status of a Level 4 hospital. It will further seek to win the support of local leaders with the objective of boosting the image of the hospital and improving its relations with the political leadership and public at large.

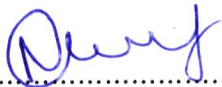
*Nyamusi Level 4 Hospital (Nyamira County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025*

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The hospital Board is also seeking to improve linkage with private players and other public healthcare providers in the whole region and beyond.

Nyamusi sub-county hospital is determined to achieve its goals and objectives and some of the plans for the coming years is maintaining its quality care and patient safety by implementing best practices, conducting audits and evaluations, obtaining accreditation from relevant bodies and addressing any gaps or weaknesses identified. The hospital also intends to expand its access and coverage by increasing its catchment area, mobilizing community health workers and volunteers and enhancing outreach services. Nyamusi sub-county hospital wish to develop its human resource capacity by attracting and retaining qualified staff, creating conducive work environment and foster team work and collaboration. On top of this the hospital intends to expand the number of services in the coming year, like introduction of radiology and theatre services. nyamusi sub-county hospital will strengthen its partnership and collaborations by maintaining good relations with existing partners, identifying new potential partners, engaging in constructive dialogue and consultation.

On behalf of the board I greatly appreciate and commend our staffs for their commitment and professionalism and remain positive that with the initiatives in place the hospital will remain centre of excellence in health service delivery in our region.



.....  
**Mr. Jeremiah Ongaro**  
**Chairman to the Board**

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

### **a) Background**

Nyamusi subcounty hospital is a public health facility under registration no. 010373 in the republic of Kenya. The institution has been in existence for more than two decades and has grown from humble beginning as a Level 1 facility to now Level 4 hospital which serves population of 21,000 with a bed capacity of 40 beds and monthly outpatient workload of 750 patients. The hospital has a combination of both medical and non-medical staffs with high level of human resource technology to undertake various routine investigations and procedures. Nyamusi hospital has invested in providing quality and sustainable health care and patient satisfaction. Nyamusi Level 4 hospital is governed by the policies and regulations set forth by both the National and county governments responsible for health services. The main mandate of the hospital is to provide curative, preventive, promotive and rehabilitative health services. It also serves as a centre for training for medical students and health workers

### **b) Finance**

#### **i) Revenue**

The hospital's revenue is derived from Facility Improvement Financing, county grants and donors. During the year the hospital realized great improvement of revenue compared to the last financial year 2023/2024 which translates to an increment of 282% and the key performance indicators was SHA due to the efficiency in claiming system, reduced waiting times in various services centres. The amount collected as revenue is spent within the facility in accordance with PFM Act 2012 and FIF regulations. During the year the facility had 100% absorption rate. During the financial year total FIF amounted to Ksh. 44,086,742.

#### **ii) Expenditure**

The total FIF expenditure during the period amounted to Ksh. 30,802,437. Top drivers of the budget were procurement of pharmaceuticals and non-pharmaceuticals, laboratory reagents, patients food, casual wages and contracted services among others.

#### **c) Strategy**

This plan intends to sustain a competitive business-like orientation to achieve improved client satisfaction, financial sustainability, and infrastructure development that reflects modern standards in medical practice.

The strategy is characterized by both Growth and social responsibility and transformative initiatives that will see the hospital grow to become the best Level (IV) hospital in Nyamira County

**d) Achievements**

The hospital management board and the hospital management realised great achievement in terms of revenue, which has grown compared to the previous financial year 2023/2024, infrastructural development such as the new maternity and paediatric inpatient complex with bed capacity of 25 beds.

**e) Challenges**

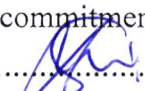
Nyamusi Level 4 Hospital based on the population that its serves is faced with a lot of challenges ranging from Global issues, financial constraints, inadequate human resource, environmental challenges, infrastructural i.e. dilapidated buildings, and technological growth that the hospital has to adopt in order to succeed in the healthcare service delivery

**Looking forward**

We recognize that our leadership position in health sector requires us to provide clear study in the way health services are provided by sustaining the market leadership position while at the same time setting standards, enhancing service delivery. Crucial to this is implementation of key operational systems, hospital information management systems (HMIS) and implementation of infrastructure projects and continuous replacement of obsolete medical equipment. Looking into the future, we foresee strong growth and expanding returns from operations and greater collaboration with respective providers.

**Appreciation**

I take this opportunity to express my appreciation to board chairman, members of the board for their guidance and support through our transformation journey. I also acknowledge the contribution of our entire staff and management towards the performance of our hospital. They worked tirelessly and demonstrated enduring commitment to provide excellent services to our clients.

.....  
  
**Dr Stephen Momanyi**  
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.

Nyamusi sub-county hospital has two (2) strategic pillars/ themes/issues and objectives. These strategic pillars/ themes/ issues are as follows:

Pillar /theme/issue 1: **Clinical Services Delivery**

Pillar/theme/issue 2: **Healthcare Financing and Sustainability**

Nyamusi sub-county hospital develops its annual work plans based on the above *two* pillars/Themes/Issues. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The hospital achieved its performance targets set for the FY 2024/2025 period for its two strategic pillars, as indicated in the diagram below:

*Nyamusi Level 4 Hospital (Nyamira County Government)  
Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025*

Strategic Pillar/Theme / Issues	Objective	Key Performance Indicators	Activities	Achievements
<b>Clinical Services Delivery</b>	<ul style="list-style-type: none"> <li>To Establish and enhance good clinical governance</li> </ul>	<ul style="list-style-type: none"> <li>Hospital Drug formulary in place</li> <li>No of stock-out tracer drugs</li> <li>No. of prescription reviewed</li> <li>Updated SOPs</li> </ul>	<ul style="list-style-type: none"> <li>Rational use of Medications</li> <li>Rational use of blood and blood products</li> <li>Provision of Health products</li> <li>Monthly Clinical Audits and mortality Meetings</li> </ul>	<ul style="list-style-type: none"> <li>Hospital Drug formulary in place.</li> <li>%reduction in morbidity and no mortality.</li> </ul>
	<ul style="list-style-type: none"> <li>To strengthen Emergency Preparedness</li> </ul>	<ul style="list-style-type: none"> <li>Training reports</li> <li>Committee Minutes</li> </ul>	<ul style="list-style-type: none"> <li>Train staff on Emergency preparedness.</li> <li>Form Emergency Preparedness Committee</li> <li>Conduct Annual Emergency Drill</li> </ul>	<ul style="list-style-type: none"> <li>Staff Trained</li> <li>Committee is in existence.</li> </ul>
	<ul style="list-style-type: none"> <li>To ensure Quality Diagnostic Services</li> </ul>	<ul style="list-style-type: none"> <li>Registers</li> <li>Survey reports</li> <li>Client satisfaction report</li> <li>EMR</li> </ul>	<ul style="list-style-type: none"> <li>Expand the scope of 24 hours specialized services</li> <li>Introduce new specialized Services</li> <li>Adhere to Quality Standards</li> </ul>	<ul style="list-style-type: none"> <li>UECs Culture sensitivity etc done 24 hours</li> </ul>

*Nyamusi Level 4 Hospital (Nyamira County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025*

	<ul style="list-style-type: none"> <li>To Enhance Effective Internal and External Referral Systems</li> </ul>	<ul style="list-style-type: none"> <li>Survey Reports</li> <li>Meeting Minutes</li> <li>EMR</li> <li>Client Satisfaction report</li> </ul>	<ul style="list-style-type: none"> <li>Implement referral guidelines</li> <li>Review and implement internal and external referral protocols</li> </ul>	<ul style="list-style-type: none"> <li>Referral guidelines implemented 100%</li> </ul>
<b>Healthcare Financing</b>	<ul style="list-style-type: none"> <li>To increase revenue collection and enhance revenue base</li> </ul>	<ul style="list-style-type: none"> <li>Revenue Reports</li> <li>%increase in revenue</li> </ul>	<ul style="list-style-type: none"> <li>Diversify Revenue Streams</li> <li>Review User Fee Charges</li> <li>Increase Customer Base</li> </ul>	<ul style="list-style-type: none"> <li>Revenue improved compared to previous year</li> <li>Review of user fees continuous and on progress</li> <li>New services introduced, such as orthopedic technology services</li> <li>More patients have been enrolled to NHIF</li> </ul>
	<ul style="list-style-type: none"> <li>Facilitate prudent Financial Management</li> </ul>	<ul style="list-style-type: none"> <li>Financial Reports</li> <li>% increase in Resource allocation to departments</li> </ul>	<ul style="list-style-type: none"> <li>Provide E and M-Payment</li> <li>Strengthen use of financial and procurement policies and guidelines</li> </ul>	<ul style="list-style-type: none"> <li>M-payment at the Linkage Stage</li> <li>Financial and procurement policies and guidelines in place</li> </ul>

## **8. Corporate Governance Statement**

Nyamusi Sub- County Hospital Board of Management is responsible for the corporate governance of the Hospital and is accountable to the Department of Health Services, County Government of Nyamira for ensuring that the Hospital complies with the laws and the highest standards of corporate governance and business ethics. The Board members attach great importance to the need to conduct the business and operations of the Hospital with integrity and in accordance with generally accepted corporate practice and endorse the internationally developed principles of good corporate governance.

### **A. Succession plan.**

The county executive committee member responsible for health may dissolve the hospital boards on account of gross misconduct if the board has been investigated and dissolution recommended by special committee appointed by the county executive committee member of health services or on account of resolution of the county assembly of Nyamira following successful petition.

### **B. Existence of a service charter.**

The County Health Facility improvement fund has service charter.

### **C. Process of appointment and Administration hospital board members.**

There is established a non-executive hospital management board of seven (7) members in each Gazetted hospital in Nyamira county appointed by the county executive committee member of health services.

### **D. Functions of the Hospital board members.**

- (a) Oversight the administration of the funds allocated to the hospital
- (b) Approve and adopt strategic plans and annual budgets, set objectives and review key risk and performance areas.
- (c) Operate bank account at a commercial bank approved by the county executive committee member responsible for matters related to finance in the county.
- (d) Resources mobilization
- (c) Cause to prepare work plans and procurement plans for approval by county chief officer responsible for health services
- (d) Cause to prepare cash flow projections for approval by the chief officer responsible for health services
- (e) Cause to prepare and submit to the chief officer responsible for health services monthly, quarterly and annual financial reports as prescribed by the relevant laws.

### **E. Board remuneration,**

The remuneration of the board shall be as per the relevant salaries and remuneration commission circulars and remuneration shall be a maximum of four full board and sub-committee meetings respectively and which shall not exceed four meetings annually for each committee.

## 9. Management Discussion and Analysis

### Clinical/operational performance

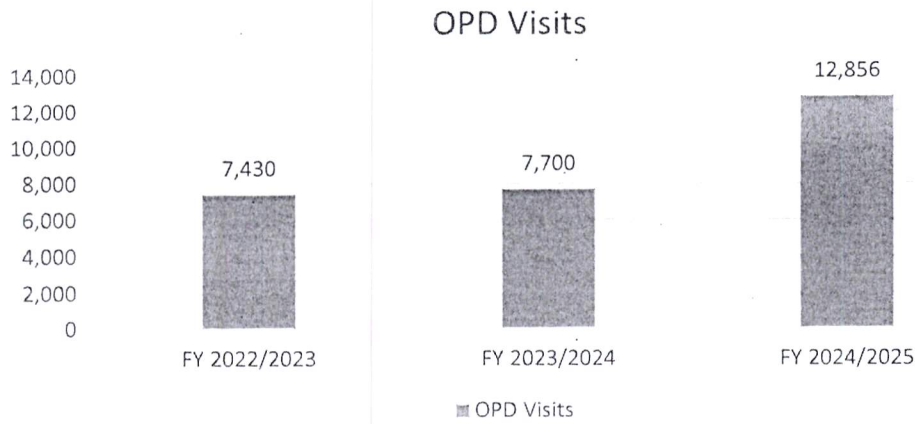
- Bed capacity of the hospital.
- Overall patient attendance during the year for both inpatient and outpatient.
- Accident and Emergency attendance
- Specialised clinic attendance
- Average length of stay for in patient.
- Bed occupancy rate
- Mortality rate
- Surgical theatre utilisation (number of operations over a period of time)
- Sponsorships and partnerships

### Financial performance that includes: -

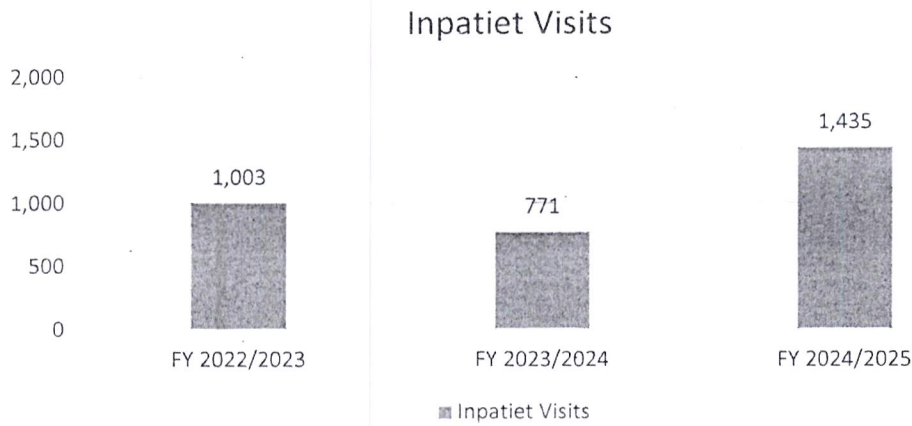
- Revenue sources,
- Utilisation of funds

		FY 2022-2023	FY 2023-2024	2024/2025
<b>Bed capacity</b>		30	40	45
<b>Patient Attendance: Inpatient and Out- patient</b>	OPD Visits	7,700	7,900	12,856
	IPD	1,003	771	1,435
<b>Specialized Clinics attendance</b>		1,077	930	971
<b>Average Length of Stay (In-patients) in Days</b>		5 Days	3 Days	30days
<b>Bed Occupancy rate</b>		16.5%	10%	68%
<b>Mortality rate</b>		0 %	0.01%	0.01%
<b>Maternity (Total Deliveries)</b>		526	496	399
<b>Sponsorship and partnerships</b>		Nuru ya Mtoto	Nuru ya Mtoto	Nuru ya Mtoto
<b>Revenue sources</b>		- User fees - Insurance scheme	- User fees - Insurance scheme	- User fees - Insurance scheme
<b>Utilization of funds</b>		- 100% absorption rate	- 100% absorption rate	- 100% absorption rate

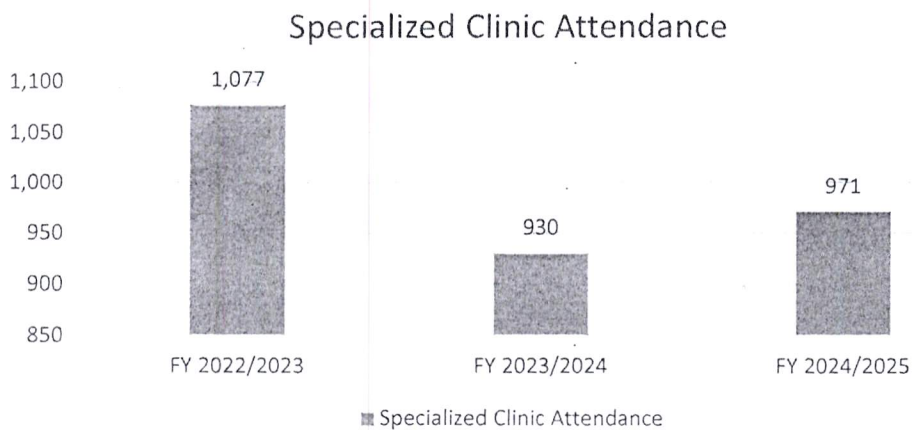
**Patient Attendance**  
 i) **OPD Visits**



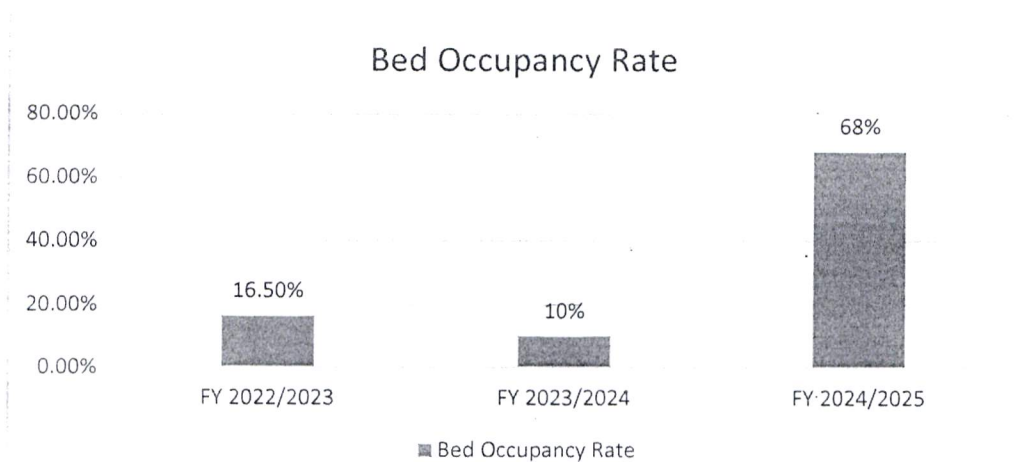
ii) **Inpatient Visits**



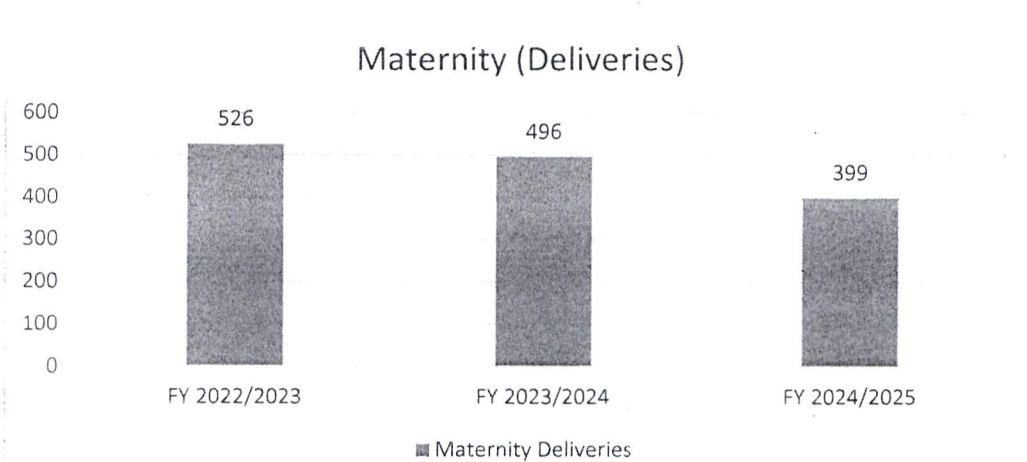
**Specialized Clinic Attendance**



### Bed Occupancy Rate



### Maternity (Deliveries)



Thank you.

Dr. Stephen Momanyi  
Secretary to the board

## **10. Environmental And Sustainability Reporting**

Nyamusi subcounty hospital is committed to transforming lives amidst competitive environment by delivering quality, affordable and accessible health care services. For sustainability purpose the hospital recognizes its responsibility to protect and conserve the environment, promote the welfare of employees, uphold ethical market practices and engage with the society by coming up the following policies and activities.

Nyamusi sub-county Hospital is in existence within competitive environment with diverse challenges and for sustainability, various policies have been put into place to be the leading healthcare facility in the region as outlined below.

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

Nyamusi sub-County Hospital and its stakeholders are increasingly emphasizing on the need to ensure sustainability for both its investments and its resource mobilization and financing capabilities with an objective of ensuring that Nyamusi sub-County Hospital going concern is secured. The hospital has conducted a basic assessment of available options for feasible financing tools that would assure the hospital of its long-term sustainability. The hospital has reviewed its current resource mobilization strategies and proposed feasible sustainability financing options, which include:

- Introduction of new specialized clinical services such as theatre and radiology services
- Public Private Partnership
- Enhancing Client satisfaction through quality service care and reducing patient waiting time
- Expand revenue base by introducing more other insurance covers and partnering with other financial institutions for support in procuring health care commodities.

### **ii) Environmental performance**

Nyamusi sub-county Hospital is using the National Health Care Waste Management policy guideline which is guiding us in the management of the waste that we generate in the hospital and a copy of the policy document is available.

#### **Successes**

- We are having color-coded bins at strategic points in all departments.
- Segregation posters are available to guide in the segregation of waste.

- We have waste treatment equipment within the organization that helps us treat our waste and we only dispose of non-contaminated waste to the dumping site.
- The general cleanliness of the organization is well maintained both indoors and grounds.

### **Challenges**

- Frequent breakdown of the equipment and the cost of repair.
- unstable power supply, that is regular power outages.
- Shortage of staffs.
- Inadequate funds.

### **iii) Employee welfare**

Hiring process involves bringing new employees on board. This is the mandate of the County Public Service Board reference made from the Public Service Commission Human Resource Manual and procedures May 2016, mentioned in section B which provides the rules governing recruitment and appointment of new officers

Improvement of employee skills and career management is done through employee sponsorship to further their studies in line with their careers. This is done by sponsorship and supporting employees to attend short courses offered by the government institutions.

Training programs are based on the identified needs from the training needs assessments and are emphasized for performance improvement addressing both individual and organizational goals.

Performance management system is a process conducted by the employer to identify areas of weakness and support the individuals in order to get better results. It's an annual exercise intended to provide employees with clear understanding of job expectations, regular feedback on performance, advice and steps for improving performance, rewards for good performance and actions for poor performance. It helps to measure performance and ultimately the achievement of intended results for the organization. The hospital conducts regular appraisal and feedback for its staff using balanced score card system that measures staff's achievements against their set targets and objectives.

The Human Resource Manual procedures also provide for guidelines and standards for the prevention and protection of officer against accidents and occupational hazards arising at the work place. It provides for guidelines, procedures and modalities for the administration and payment of

compensation for work related injuries and accidents contracted while and in the course of employment.

The hospital has a positive work culture and environment by promoting team work, collaboration, communication, respect, integrity and professionalism among its staff. The hospital also encourages its staff to participate in social activities such as celebrations. The hospital also offers psychosocial support and counselling services to its staff who experiences stress or trauma in their place of work. The hospital provides PPE, test kits and vaccines to its staff who are exposed to health risks and the hospital complies with the occupational safety and health Act of 2007(OSHA) to ensure health and safety of its staff.

**iv) Market place practices-**

**a) Responsible competition practice.**

This is effectively done through proper use of the available county website for advertisement purposes as well as making good use of the instituted internal committees to help minimize corruption.

**b) Responsible Supply chain and supplier relations**

The Hospital ensures best involvement of suppliers in the tendering process and feedback given to suppliers in good time as well as prompt payment for the goods and services rendered.

**c) Responsible marketing and advertisement**

The Hospital strives to effectively to market and advertise its services and events through the use of the county website and daily newspapers and local media houses.

**d) Product stewardship**

The Hospital in strives to adhere to best market practices in rendering its services and its products are highly standardized and adhere to KEBS standards and or the Pharmacy and Poisons Board standards to ensure safety to the consumers.

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

Nyamusi sub-county Hospital seeks to impact people's lives through its Corporate Social Responsibility (CSR) initiatives. The initiatives are aimed at improving lives and enhance engagement with the public. Central to this philosophy is the commitment to enhance the quality of life of people from marginalized and vulnerable communities, by empowering them and catalyzing change through creating awareness on diseases and available interventions.

## **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 Nyamusi Sub- County hospital's affairs.

### **Principal activities**

The principal activity of the Nyamusi Sub- County hospital is to provide quality health care services to the public.

### **Results**

The results of the Hospital for the year ended June 30, 2025 are set out on page 1-5

### **Board Of Management**

The members of the Board who served during the year are shown on page (vi) - (viii).

### **Auditors**

The Auditor General is responsible for the statutory audit of the Nyamusi sub-county hospital in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



Dr. Stephen Momanyi  
Secretary to the board

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

Section 164 of the Public Finance Management Act, 2012 requires the Board of Management to prepare financial statements in respect of Nyamusi level 4 hospital, which give a true and fair view of the state of affairs of the *hospital* at the end of the financial year/period and the operating results of the hospital for that year/period. The Board of Management is also required to ensure that the *hospital* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *hospital*. The council members are also responsible for safeguarding the assets of the *hospital*.

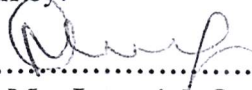
The Board of Management is responsible for the preparation and presentation of the *hospital's* financial statements, which give a true and fair view of the state of affairs of the *hospital* for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity, (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the *hospital*; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

The Board of Management accepts responsibility for the *hospital's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012. The Board members are of the opinion that the *hospital's* financial statements give a true and fair view of the state of *hospital's* transactions during the financial year ended June 30, 2025, and of the hospital's financial position as at that date. The Board members further confirm the completeness of the accounting records maintained for the *hospital*, which have been relied upon in the preparation of the *hospital's* financial statements as well as the adequacy of the systems of internal financial control.

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

### Approval of the financial statements

The Hospital's financial statements were approved by the Board on 27<sup>th</sup> August 2025 and signed on its behalf by:



.....  
**Name: Mr. Jeremiah Ongaro**  
**Chairperson**  
**Board of Management**



.....  
**Name: Dr. Stephen Momanyi**  
**Medical Superintendent**

# REPUBLIC OF KENYA

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

## REPORT OF THE AUDITOR-GENERAL ON NYAMUSI SUB-COUNTY LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2025 - COUNTY GOVERNMENT NYAMIRA

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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 Nyamusi Sub-County Level 4 Hospital - County Government of Nyamira set out on pages 1 to 37, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial

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

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

### **Basis for Qualified Opinion**

#### **Unsupported Property, Plant and Equipment Balance**

The statement of financial position and as disclosed in Note 19 to the financial statements reflects property, plant and equipment balance of Kshs.46,653,041. However, Note 19 to the financial statements reflects cost of property, plant and equipment as at 30 June 2025 of Kshs.45,859,744, while re-computed correct balance is Kshs.49,333,775.

Further, the schedule does not show opening accumulated depreciation and it was, therefore, not possible establish the accumulated depreciation and the net book value as at 30 June, 2025.

In addition, Management did not maintain an updated asset register in the prescribed format to support the property, plant and equipment balance of Kshs.46,653.041. The asset register did not have details including asset value, date of acquisition, acquisition cost, accumulated depreciation, current depreciation, net book value, tag number, supplier's name and the officer responsible for each asset.

In the circumstances, the accuracy, completeness and ownership of property, plant and equipment balance of Kshs.46,653,041 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Nyamusi Sub-County Level 4 Hospital – County Government of Nyamira 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 Hospital spent Kshs.30,802,437 against the actual receipts of Kshs.35,360,886 resulting in an under-absorption of Kshs.4,558,449 or 13 % of the actual receipts.

The under-absorption affected implementation of the planned activities and programs and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this/these matter.

### **Key Audit Matters**

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

### **Other Matter**

#### **Prior Year Matters**

In the audit report of the previous year, several matters were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management has not resolved some of the issues and has not supported resolution of the issues stated as resolved.

Further, some issues have been omitted from the progress on follow up of Auditor Recommendation's report. Management is in contravention of Section 149(2)(l) of the Public Finance Management Act, 2012 which requires the Accounting Officers designated to try to resolve any issues resulting from an audit that remain outstanding.

#### **Other Information**

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

In connection with my audit on the Hospital 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 and I am required to report that fact. I have nothing to report in this regard.

# REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

## **Conclusion**

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

## **Basis for Conclusion**

### **1. Non - Compliance with Requirements of Universal Health Coverage**

Review of Hospital records and interviews on services offered, equipment used and medical specialists in the Hospital revealed that the Hospital had one (1) Medical Officer against the required six-teen (16), twelve (12) Kenya Registered Community Health Nurses against the required seventy-five (75), no Gynecologist, Radiologist, General Surgeons, Pediatricians and Radiologists against the required two (2) for each position.

Further, the Hospital lacked advanced life support, surgical, renal dialysis, functional intensive care unit beds, high dependency unit beds and dialysis machines required for a level 4 Hospital.

In addition, the Hospital had a bed capacity of forty (40) against the required one hundred and fifty (150). These deficiencies contravene the First Schedule of the Health Act, 2017 and imply that accessing the highest attainable standard of health, which includes the right to health care services, including reproductive health care as required by Article 43(1) of the Constitution of Kenya, 2010 may not be achieved.

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

### **2. Unremitted NITA Payments**

During the year under review, the Hospital did not remit NITA levy for its ten employees amounting to Kshs.6,000 contrary to section 5(Cap 237) of the Industrial training Act that requires employer to pay the training levy to the Commissioner- General annually at a monthly rate of KShs.50 per employee including casual employees.

The Hospital is at risks of paying penalties and fines associated with non-compliance with the Industrial Training Act.

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

### **3. Non-Remittance of Affordable Housing Levy**

Review of payroll records revealed that the Hospital did not remit housing levy for its ten (10) employees as per the requirements of Finance Act, 2023 which requires, all employees irrespective of their contract of service to pay the affordable housing levy to Kenya Revenue Authority through their employer.

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

#### **4. Failure to Comply with Work Injury Benefit (WIBA) Act, 2007**

During the year under review the Hospital did not secure WIBA Insurance for its employees contrary to Section 7(1) of Work Injury Benefit Act, 2007, which provides that every employer shall obtain and maintain an insurance policy with an insurer approved by the Minister in respect of any liability that the employer may incur under this Act to any of his employees.

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

#### **5. Non-Remittance of Social Health Authority (SHA)**

The statement of financial performance reflects employee cost of Kshs.47,874,876 which includes Social Health Authority (SHA) deduction of Kshs.21,600 as disclosed in Note 11 to the financial statements. However, review of payment details revealed that the Management did not remit deductions amounting to Kshs.21,600, contrary to Section 48(1) of social Insurance Act, 2023.

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

#### **6. Underpayment of Staff**

Review of muster roll and payroll records revealed that the Hospital has been paying the eight (8) casual workers, gross salary of Kshs.7,720 per month which is below the required minimum monthly wage for unskilled employee of Kshs.7,997 as per section 2 of labour institution Act.

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

#### **7. Failure to Implement E-Procurement System**

The statement of financial performance reflects medical costs of Kshs.20,459,679 on sourcing of medical items. However, review of the procurement records revealed that the Hospital did not use the e-procurement system in the process of procuring the items. The Hospital, therefore, did not comply with the requirements of the Executive order number 2 of 2018 and the Head of Public Service Circular OP/CAB.6/2A on Transition to E-procurement System requiring that by 10 June, 2025 all institutions should be registered by e-GP for seamless transition.

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

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

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

## **Conclusion**

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

## **Basis for Conclusion**

### **Ineffective Audit Committee**

Review of the hospital governance structure revealed that the Hospital had established an audit committee. However, the committee did not convene meetings to review the audit reports contrary to Regulations 172(1) of the Public Finance Management (County Government) Regulations, 2015.

In the circumstances the governance structure was weak.

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

### **Responsibilities of Management and Board of Management**

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

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

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

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

The Board of Management 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**

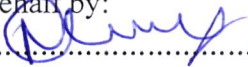
**28 November, 2028**

*Nyamusi Level 4 Hospital (Nyamira County Government)  
Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025*

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

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from the County Government		0	355,200
In- kind contributions from the County Government	6	48,289,418	47,504,354
Grants from donors and development partners	7	3,862,131	1,867,758
Transfers from other Government entities(MOH)	8	340,700	1,139,097
		<b>52,492,249</b>	<b>50,866,409</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Medical Service Income	9	44,086,742	11,522,321
<b>Revenue from exchange transactions</b>		<b>44,086,742</b>	<b>11,522,321</b>
<b>Total revenue</b>		<b>96,578,991</b>	<b>62,388,730</b>
<b>Expenses</b>			
Medical/Clinical costs	10	20,459,679	7,944,432
Employee costs	11	47,874,876	47,698,116
Board of Management Expenses	12	121,500	176,500
Depreciation and amortization expense	13	2,680,734	2,561,225
Repairs and maintenance	14	6,248,260	1,042,200
General expenses	15	8,611,971	5,038,614
<b>Total expenses</b>		<b>85,997,020</b>	<b>64,461,087</b>
<b>Net Surplus / (Deficit) for the year</b>		<b>10,581,971</b>	<b>(2,072,357)</b>

The notes set out on pages 6 to 36 form an integral part of the Annual Financial Statements. The Hospital's financial statements were approved by the Board on 27<sup>th</sup> August 2025 and signed on its behalf by:

  
.....

Mr. Jeremiah Ongaro  
Chairman  
Board of Management

  
.....

CPA Jemimah B. Abuga  
Head of Accounting Services

  
.....

Dr. Stephen Momanyi  
Medical Superintendent

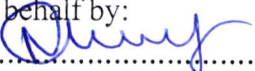
ICPAK No:12842

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

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	16	4,558,449	1836,510
Receivables from exchange transactions	17	10,562,366	1,345,600
Inventories	18	1,687,649	1,034,245
<b>Total Current Assets</b>		<b>16,808,464</b>	<b>4,216,355</b>
<b>Non-current assets</b>			
Property, plant, and equipment	19	46,653,041	48,803,775
<b>Total Non-current Assets</b>		<b>46,653,041</b>	<b>48,803,775</b>
<b>Total assets (A)</b>		<b>63,461,505</b>	<b>53,020,130</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	20	21,600	162,196
<b>Total Current Liabilities</b>		<b>21,600</b>	<b>162,196</b>
<b>Total Liabilities (B)</b>		<b>21,600</b>	<b>162,196</b>
<b>Net assets (A-B)</b>		<b>63,439,905</b>	<b>52,857,934</b>
<b>Represented by:</b>			
Accumulated surplus/Deficit		8,030,660	(2,551,311)
Capital Fund		55,409,245	55,409,245
<b>Net Assets</b>		<b>63,439,905</b>	<b>52,857,934</b>

*The notes set out on pages 6 to 36 form an integral part of the Annual Financial Statements.*

The Hospital's financial statements were approved by the Board on 27<sup>th</sup> August 2025 and signed on its behalf by:



Mr. Jeremiah Ongaro  
Chairman  
Board of Management



CPA Jemimah Abuga  
Head of Accounting Services  
ICPAK No:12842



Dr. Stephen Momanyi  
Medical Superintendent

*Nyamusi Level 4 Hospital (Nyamira County Government)*  
*Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025*

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

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital Fund	Total
<b>As at July 1, 2023</b>	<b>0</b>	<b>(478,954)</b>	<b>52,878,199</b>	<b>52,399,245</b>
Revaluation gain	0	0	0	0
Surplus/(deficit) for the year	0	(2,072,357)	2,531,046	458,689
Capital/Development grants	0	0	0	0
<b>As at June 30, 2024</b>	<b>0</b>	<b>(2,551,311)</b>	<b>55,409,245</b>	<b>52,857,934</b>
<b>At July 1, 2024</b>	<b>0</b>	<b>(2,551,311)</b>	<b>55,409,245</b>	<b>52,857,934</b>
Revaluation gain	0	0	0	0
Surplus/(deficit) for the year	0	10,581,971		10,581,971
Capital/Development grants	0	0	0	0
<b>At June 30, 2025</b>	<b>0</b>	<b>8,030,660</b>	<b>55,409,245</b>	<b>63,439,905</b>

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

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from the County Government		0	355,200
Rendering of services- Medical Service Income		33,524,376	10,176,721
<b>Total Receipts</b>		<b>33,524,376</b>	<b>10,531,921</b>
<b>Payments</b>			
Medical/Clinical costs		14,666,306	3,563,943
Employee costs		1,154,400	1,405,200
Board of Management Expenses		121,500	176,500
Repairs and maintenance		6,248,260	1,042,200
General expenses		8,611,971	5,038,614
<b>Total Payments</b>		<b>30,802,437</b>	<b>11,226,457</b>
<b>Net cash flows from operating activities</b>		<b>2,721,939</b>	<b>(694,536)</b>
<b>Net increase/decrease in cash and cash equivalents</b>			
Cash and cash equivalents as at 1 July 2024		1,836,510	2,531,046
<b>Cash and cash equivalents as at 30 June 2025</b>		<b>4,558,449</b>	<b>1,836,510</b>

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

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilisation
	a	b	c=(a+b)	d	e=(c-d)	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget carryovers from the previous year	1,836,510	0	1,836,510	1,836,510	0	100%
<b>Receipts</b>	<b>0</b>		<b>0</b>	<b>0</b>		
Rendering of services- Medical Service Income	17,373,307	16,217,313	33,590,620	33,524,376	66,244	99%
<b>Total receipts</b>	<b>19,209,817</b>	<b>16,217,313</b>	<b>35,427,130</b>	<b>35,360,886</b>	<b>66,244</b>	<b>99%</b>
<b>Payments</b>						
Medical/Clinical costs	7,518,585	8,826,305	16,344,890	14,666,306	1,678,584	90%
Employee costs	1,276,000	0	1,276,000	1,154,400	121,600	90%
Remuneration of directors	153,000	0	153,000	121,500	31,500	79%
Repairs and maintenance	4,255,800	2,803,214	7,059,014	6,248,260	810,754	89%
General expenses	6,006,432	4,587,794	10,594,226	8,611,971	1,982,255	81%
<b>Total Operational Expenditure paid</b>	<b>19,209,817</b>	<b>16,217,313</b>	<b>35,427,130</b>	<b>30,802,437</b>	<b>4,624,693</b>	<b>89%</b>
<b>Surplus</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,558,449</b>	<b>(4558,449)</b>	<b>%</b>

**Budget Reconciliation**

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	4,558,449
1	Reason for differences	-
2	Reason for differences	-
3	Reason for differences	-
4	Reason for differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	4,558,449

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

### **1. General Information**

Nyamusi Level 4 is established by and derives its authority and accountability from PFM Act and Facility improvement Financing Act 2023. The hospital is wholly owned by the Government of Kenya and is domiciled in Nyamira County in Kenya. The hospital's principal activity is provision of primary healthcare services.

### **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 hospital'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 the notes. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the hospital. The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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**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 cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
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>
IPSAS 45-Property Plant and Equipment	<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, 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>
IPSAS 46 Measurement	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol 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> </ol>

Standard	Effective date and impact:
	<ul style="list-style-type: none"> <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>
IPSAS 47- Revenue	<p><i>Applicable 1<sup>st</sup> January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
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>
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>
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> <ul 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> </ul>

*iii) Early adoption of standards*

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

**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 *hospital* 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 *30<sup>th</sup> June 2024*. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the hospital upon receiving the respective approvals in order to conclude the final budget. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

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

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

**c. Taxes**

**Sales tax/ Value Added Tax**

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

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

*Notes to the Financial Statements (Continued)*

**d. Investment property**

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

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model. 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. The management adopted straight line method of depreciation with the following rates under the Income Tax Act:

<b>Item</b>	<b>Depreciation Rate</b>
Land	0%
Building and civil works	4%
Motor vehicle	25%
Furniture	12.5%
ICT Equipment	30%
Medical equipment	12.5%

*Notes to the Financial Statements (Continued)*

**f. Leases**

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

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

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

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

**g. Intangible assets**

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

*Notes to the Financial Statements (Continued)*

**h. Biological Assets**

The hospital 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 hospital expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the hospital 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. *The hospital does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the hospital's financial statements.*

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 hospital classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an 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 hospital classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

### **Amortized cost**

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

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

**Fair value through net assets/ equity**

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

**Fair value through surplus or deficit**

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the 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 hospital assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date.

## **Financial liabilities**

### **Classification**

The hospital 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 hospital.

#### **l. Provisions**

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

Where the hospital 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 hospital 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 hospital 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 hospital creates and maintains reserves in terms of specific requirements.

**q. Changes in accounting policies and estimates**

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

*Notes to the Financial Statements (Continued)*

**r. Employee benefits**

**Retirement benefit plans**

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

**s. Foreign currency transactions**

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

**t. Borrowing costs**

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

**u. Related parties**

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

**v. Service concession arrangements**

The hospital 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 *hospital* 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 hospital also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**w. Cash and cash equivalents**

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

**x. Comparative figures**

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

**y. Subsequent events**

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 hospital'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 hospital.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset.

### **Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note xxx. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Notes to Financial Statements Continued

6. In Kind Contributions from The County Government

Description	2024/2025	2023/2024
	KShs	KShs
Salaries and wages	46,698,876	46,292,916
Pharmaceuticals and Non-Pharmaceutical Supplies	1,590,542	1,211,438
<b>Total grants in kind</b>	<b>48,289,418</b>	<b>47,504,354</b>

7. Grants From Donors and Development Partners

Description	2024/2025	2023/2024
	KShs	KShs
Medical supplies (USAID)	3,862,131	1,867,758
<b>Total grants from development partners</b>	<b>3,862,131</b>	<b>1,867,758</b>

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

Name of the Entity sending the grant	Amount recognized to Statement of financial performance	Amount deferred under deferred income	Amount recognised in capital fund.	Total grant income during the year	Comparative Period
	KShs	KShs	KShs	KShs	KShs
Medical supplies USAID	3,862,131	0	0	3,862,131	1,867,758
<b>Total</b>	<b>3,862,131</b>	<b>0</b>	<b>0</b>	<b>3,862,131</b>	<b>1,867,758</b>

8. Transfers From Other Government Entities

Description	2024/2025	2023/2024
	KShs	KShs
Transfer from National Government (Ministry of Health)	340,700	1,139,097
<b>Total Transfers</b>	<b>340,700</b>	<b>1,139,097</b>

Notes to Financial Statements Continued

9. Rendering of Services-Medical Service Income

Description	2024/2025	2023/2024
	Kshs	Kshs
Pharmaceuticals	247,810	384,875
Non-Pharmaceuticals	148,240	151,320
Laboratory	195,289	282,345
Outpatient services	168,805	241,160
Insurance	43,326,598	10,462,621
<b>Total revenue from the rendering of services</b>	<b>44,086,742</b>	<b>11,522,321</b>
<b>Cashflow adjustments:</b>		
Receivables from exchange transactions	(10,562,366)	(1,345,600)
<b>Total cashflow revenue from rendering of services</b>	<b>33,524,376</b>	<b>10,176,721</b>

Notes to the Financial Statements (Continued)

10. Medical/ Clinical Costs

Description	2024/2025	2023/2024
	Kshs	Kshs
Dental costs/ materials	0	0
Laboratory chemicals and reagents	1,779,280	704,070
Public health activities	0	0
Food and Ration	1,856,125	718,650
Uniform, clothing, and linen	1,190,000	0
Dressing and non-pharmaceuticals	3,094,265	785,830
Pharmaceutical supplies	3,931,136	567,693
Health information stationery	1,546,600	503,600
In kind pharmaceuticals and non-pharmaceuticals	5,793,373	4,218,293
Sanitary and cleansing Materials	818,900	284,100
Purchase of Medical gases	450,000	0
Pharmaceutical trade payables	0	162,196
<b>Total medical/ clinical costs</b>	<b>20,459,679</b>	<b>7,944,432</b>
<b>Cashflow adjustment:</b>		
In-kind pharmaceuticals and non-pharmaceuticals	(5,793,373)	(4,218,293)
Trade payables	0	(162,196)
<b>Cashflow total medical/clinical costs</b>	<b>14,666,306</b>	<b>3,563,943</b>

11. Employee Costs

Description	2024/2025	2023/2024
	Kshs	Kshs
Salaries, wages, and allowances	46,698,876	46,292,916
Casual wages	1,176,000	1,405,200
<b>Total Employee costs</b>	<b>47,874,876</b>	<b>47,698,116</b>
<b>Cashflow adjustments:</b>		
In-kind salaries, wages and allowances (County Government)	(46,698,876)	(46,292,916)
Casual SHA payables	(21,600)	
<b>Cashflow total Employee costs</b>	<b>1,154,400</b>	<b>1,405,200</b>

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12. Board of Management Expenses

Description	2024/2025	2023/2024
	Kshs	Kshs
Sitting allowance	121,500	176,500
<b>Total</b>	<b>121,500</b>	<b>176,500</b>

13. Depreciation and Amortization Expense

Description	2024/2025	2023/2024
	Kshs	Kshs
Property, plant and equipment	2,680,734	2,561,225
<b>Total depreciation and amortization</b>	<b>2,680,734</b>	<b>2,561,225</b>

14. Repairs And Maintenance

Description	2024/2025	2023/2024
	Kshs	Kshs
Property- Buildings	2,651,000	703,300
Medical equipment	1,764,000	130,000
Office equipment	0	0
Furniture and fittings	1,080,000	0
Computers and accessories	270,000	50,000
Motor vehicle expenses	483,260	158,900
Maintenance of civil works	0	0
<b>Total repairs and maintenance</b>	<b>6,248,260</b>	<b>1,042,200</b>

Notes to the Financial Statements (Continued)

15. General Expenses

Description	2024/2025	2023/2024
	Kshs	Kshs
Advertising and publicity expenses	280,000	90,000
Catering expenses	523,620	157,500
Other fuel (firewood, charcoal and cooking gas)	715,000	141,500
Insecticides and rodenticides	100,000	13,000
Household and institutional appliances	290,000	8,700
Bank charges	22,392	15,081
Contracted services	560,000	573,000
Electricity expenses	1,005,700	964,739
Fuel and Lubricants	926,000	818,087
Travel and accommodation allowance	2,232,600	675,400
Printing and stationery	852,900	166,900
Water and sewerage costs	280,000	0
Telephone and mobile phone services	295,000	75,000
CHMT support	105,751	267,944
Primary healthcare support	423,008	1,071,763
<b>Total General Expenses</b>	<b>8,611,971</b>	<b>5,038,614</b>

16. Cash And Cash Equivalents

Description	2024/2025	2023/2024
	KShs	KShs
Current accounts	4,558,449	1,836,510
On - call deposits	0	0
<b>Total cash and cash equivalents</b>	<b>4,558,449</b>	<b>1,836,510</b>

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

Description		2024/2025	2023/2024
Financial institution	Account number	KShs	KShs
<b>a) Current account</b>			
Kenya Commercial bank	1152846930	4,554,773	1,836,510
Kenya Commercial bank	1331446457	3,676	0
<b>Sub- total</b>		<b>4,558,449</b>	<b>1,836,510</b>

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**17. Receivables From Exchange Transactions**

Description	2024/2025	2023/2024
	KShs	KShs
Medical services receivables	10,562,366	1,345,600
<b>Total receivables</b>	<b>10,562,366</b>	<b>1,345,600</b>

**Analysis of Receivables From Exchange Transactions**

Description	2024/2025		2023/2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	0	%	0	0
Between 1- 2 years	10,562,366	100%	1,345,600	100%
Between 2-3 years	0	%	0	0
<b>Total (a+b)</b>	<b>10,562,366</b>	<b>%</b>	<b>1,345,600</b>	<b>100%</b>

**18. Inventories**

Description	2024/2025	2023/2024
	KShs	KShs
Pharmaceutical supplies	881,292	899,000
Laboratory Supplies	257,440	
Non-pharmaceuticals	471,689	
Food supplies	35,600	64,010
Cleaning materials supplies	2,800	10,260
General supplies	4,800	10,475
Medical records	34,028	50,500
<b>Total</b>	<b>1,687,649</b>	<b>1,034,245</b>

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**19. Property, Plant and Equipment**

Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Other Assets (specify)	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh		Ksh	Ksh
<b>Cost</b>									
At 1 July 2023 (previous year)	10,000,000	32,640,000	4,200,000	175,000	175,000	1,050,000	0	0	48,240,000
Additions	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
Transfers/adjustments	0	0	0	0	0	0	0	0	0
Revaluation Adjustments	0	0	0	0	0	0	0	0	0
<b>At 30<sup>th</sup> Jun 2024</b>	<b>10,000,000</b>	<b>31,334,400</b>	<b>3,150,000</b>	<b>153,125</b>	<b>122,500</b>	<b>4,043,750</b>	<b>0</b>	<b>0</b>	<b>48,803,775</b>
At 1 July 2024 (current year)	10,000,000	3,1334,400	3,150,000	153,125	122,500	4,043,750	0	0	48,803,775
Additions	0	0	0	460,000	70,000	0	0	0	530,000
Disposals	0	0	0	0	0	0	0	0	0
Transfer/adjustments	0	0	0	0	0	0	0	0	0
Revaluation Adjustments	0	0	0	0	0	0	0	0	0
<b>At 30<sup>th</sup> Jun 2025</b>	<b>10,000,000</b>	<b>30,081,024</b>	<b>2,362,500</b>	<b>133,985</b>	<b>85,750</b>	<b>3,196,485</b>	<b>0</b>	<b>0</b>	<b>45,859,744</b>
<b>Depreciation and impairment</b>	0%	4%	25%	12.5%	30%	12.5%			

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Description	Land	Buildings and Civil works	Motor vehicles	Furniture, fittings, and office equipment	ICT Equipment	Plant and medical equipment	Other Assets (specify)	Capital Work in progress	Total
	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh		Ksh	Ksh
At 1 July 2023 (previous year)	10,000,000	32,640,000	4,200,000	175,000	175,000	1,050,000	0	0	48,240,000
Depreciation for the year	0	1,360,000	1,400,000	25,000	75,000	150,000	0	0	3,010,000
Disposals	0	0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0	0
<b>At 30 June 2024</b>	<b>10,000,000</b>	<b>31,334,400</b>	<b>3,150,000</b>	<b>153,125</b>	<b>122,500</b>	<b>4,043,750</b>	<b>0</b>	<b>0</b>	<b>48,803,775</b>
At July 2024 (current year)	10,000,000	31,334,400	3,150,000	153,125	122,500	4,043,750	0	0	48,803,775
Depreciation	0	1,253,376	787,500	76,640	57,750	505,468	0	0	2,680,734
Disposals	0	0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0	0
<b>At 30<sup>th</sup> June 2025</b>	<b>10,000,000</b>	<b>30,081,024</b>	<b>2,362,500</b>	<b>536,485</b>	<b>134,750</b>	<b>3,538,282</b>	<b>0</b>	<b>0</b>	<b>46,653,041</b>
<b>Net book values</b>									
At 30 <sup>th</sup> Jun 2024 (previous)	10,000,000	31,334,400	3,150,000	153,125	122,500	4,043,750	0	0	48,803,775
At 30 <sup>th</sup> Jun 2025 (current)	10,000,000	30,081,024	2,362,500	133,985	85,750	3,196,485	0	0	46,653,041

Notes to the Financial Statements (Continued)

20. Trade and other Payables

Description	2024/2025		2023/2024	
	KShs		KShs	
Trade payables(SHA)	21,600		162,196	
<b>Total trade and other payables</b>	<b>21,600</b>		<b>162,196</b>	
<b>Ageing analysis:</b>	<b>Current FY</b>	<b>% of the Total</b>	<b>Compa rative FY</b>	<b>% of the total</b>
Under one year	21,600	100%	162,196	100%
1-2 years	0	%	0	%
2-3 years	0	%	0	%
Over 3 years	0	%	0	%
<b>Total</b>	<b>21,600</b>	<b>100%</b>	<b>162,196</b>	<b>100%</b>

21. Cash Generated from Operations

Description	2024/2025		2023/2024	
	KShs		KShs	
Surplus for the year before tax	10,603,571		(2,072,357)	
<b>Adjusted for:</b>				
Depreciation	2,680,734		2,561,225	
<b>Working Capital adjustments</b>				
Increase in receivables	(10,562,366)		(1,345,600)	
Increase in payables	0		162,196	
<b>Net cash flow from operating activities</b>	<b>2,721,939</b>		<b>(694,536)</b>	

Notes to the Financial Statements (Continued)

**22. Financial Risk Management**

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024 (previous year)				
Receivables from exchange transactions	1,345,600	1,345,600	0	0
Bank balances	1,836,510	1,836,510	0	0
<b>Total</b>	<b>3,182,110</b>	<b>3,182,110</b>	<b>0</b>	<b>0</b>
At 30 June 2025 (current year)				
Receivables from exchange transactions	10,562,366	10,562,366	0	0
Bank balances	4,558,449	4,558,449	0	0
<b>Total</b>	<b>15,120,815</b>	<b>15,120,815</b>	<b>0</b>	<b>0</b>

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 hospital has significant concentration of credit risk on amounts due from exchange transactions. The board of

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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.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2024</b>				
Trade payables	0	0	162,196	162,196
<b>Total</b>	<b>0</b>	<b>0</b>	<b>162,196</b>	<b>162,196</b>
<b>At 30 June 2025</b>				
Trade payables	0	21,600	0	21,600
<b>Total</b>	<b>0</b>	<b>21,600</b>	<b>0</b>	<b>21,600</b>

**(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 hospital's exposure to market risks or the way it manages and measures the risk.

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**a) Foreign currency risk**

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

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

The hospital 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.

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

**b) Interest rate risk**

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

**(iv) Capital Risk Management**

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

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

**23. 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.

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

- i) The National Government;
- ii) The County Government;
- iii) Hospital Board members
- iv) Key Management

**24. Events after the Reporting Period**

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

**25. Ultimate and Holding Entity**

The hospital is a County Corporation/ or a Semi- Autonomous Government Agency under the Department of health. Its ultimate parent is the County Government of Nyamira.

**26. Currency**

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

20. Appendices


**Appendix 1: Progress on Follow Up of Auditor Recommendations**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Unsupported property, plant and equipment	Management takes note and on completion of valuation and handing over of assets by the IGRTC the hospital shall fully have details of the assets, meanwhile the county is in custody of the vehicles including ambulance	Not resolved	3-4 years
2.	Payments of undisclosed payables	The amount of undisclosed payables was meant for casual wages in arrears which were initially at the executive label and later transferred to the hospital with corresponding funding.	Resolved	
3.	Unlawful transfer of funds	Management has been using its own FIF Act 2022 which had this provision of transfers before the new national law that took effect on November 2023 which prohibited the transfer. Management has since embraced the new legislation.	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.	Non-compliance with requirements of universal health coverage	Management takes note and is progressively improving bed capacity through construction of new inpatient complex, also improving capacity of the staffs and sending more staffs for specialized training in various institutions. Further through collaboration with Mpesa Foundation we are constructing Mother child hospital with full equipped theatre.	Not resolved	
5.	Lack of audit committee	Management has established the audit committee for the facility instead of using the county executive one to look into issues particularly affecting the hospital.	Resolved	

.....  
  
**Accounting Officer**

*Dr. Stephen Momanyi*