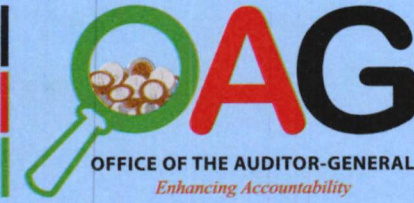


REPUBLIC OF KENYA



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REPORT

OF

THE AUDITOR-GENERAL

ON

SIRISIA LEVEL 4 HOSPITAL

FOR THE YEAR ENDED
30 JUNE, 2025

COUNTY GOVERNMENT OF BUNGOMA

PAPERS LAID	
DATE	19/2/2026
TABLED BY	Minority Whip
COMMITTEE	
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SIRISIA LEVEL 4 HOSPITAL (Bungoma County Government)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2025

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

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1. Acronyms & Glossary of Terms

MOPC	Medical Outpatient Clinic
SOPC	Surgical Outpatient Clinic
CCC	Comprehensive Care Centre
CSR	Corporate Social Responsibility
TB	Tuberculosis
OSHA	Occupational Health & Safety Act
PFMA	Public Financial Management Act
MED SUP	Medical Superintendent
HAO	Hospital Administrative Officer
HOD	Head of Department
Fiduciary Management	Key management personnel who have financial responsibility in the entity.
EEC	Executive Expenditure Committee.
HMT	Hospital Management Team.
AIE	Authority to Incur Expenditure
KEMSA	Kenya Medical Supplies Authority
KMTC	Kenya Medical Training College
PFM	Public Finance Management
SHA	Social Health Authority

2. Key Entity Information and Management

(a) Background information

Sirisia Hospital is a level 4 hospital established under gazette notice number GK-015021 and is domiciled in Bungoma County under the Health and Sanitation Department. The hospital is governed by a Board of Management and HMT whose team leaders are the board chairman and the medical superintendent respectively.

(b) Principal Activities

The principal activity/mission/ mandate of the hospital is to provide comprehensive healthcare services and training to the citizens of Sirisia, Bungoma County and beyond.

Mission:

To be progressive, responsible and sustainable health care facility for accelerated attainment of highest standards of health care services to all.

Vision:

An effective and quality care system that is accessible, equitable and affordable for every Kenyan.

Goal:

Attaining equitable, affordable, accessible and quality health care services for all.

Mandate;

- Provision of health services
- Ensure patient satisfaction.
- Technical health assistance to local communities.

Core Values:

- Professionalism
- Ethics
- Integrity
- Transparency and Accountability
- Partnership and Collaboration

(c) Key Management

Sirisia Level 4 Hospital management is under the following key organs:

1. County department of health and sanitation headed by County Executive Committee Member-Health and Sanitation, Chief Officer Health and Sanitation and County Director in charge of health and sanitation.
2. Board of Management-there is a board of management appointed by the County Executive Committee Member-Health and Sanitation comprised of 11 members inclusive of the Medical Superintendent as the Secretary.
3. Medical Superintendent-The Medical Superintendent is the AIE holder for the facility.

Health Management Team-there is a hospital management team comprising of head of departments drawn from 18 departments

(d) Fiduciary Management

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

No.	Designation	Name
1.	Medical Superintendent	Dr. Edith Wafula
2	Health Administrative Officer	Ms. Noel Omoko
3.	Hospital Accountant	Mr. Moses Bomji
4.	Nursing Officer In charge	Mrs. Everlyne Kusimba
5.	Head of supply chain	Mr. Evans Barasa
6	Head of pharmacy	Dr. Rono Victor
7	Head of laboratory	Ms. Irine Odhiambo

(e) Fiduciary Oversight Arrangements

- **County Executive** (County Executive Committee Member for Health and Sanitation (CECM) Chief Officer of Health and Sanitation and County Director of Health; they charged with Approval of Budgets, Overseeing of Revenue Collection and Expenditure.
- **County Assembly health subcommittee**- they appropriate funds to facilities, they oversee, revenue collection expenditure and implementation.
- **County Treasury** - charged with responsibility of financial compliance.

- **Board Quality of care subcommittee:** In charge of overseeing continuous quality improvement at the facility.
- **Board Audit subcommittee-** charged with the oversight of revenue and risk management at the hospital.
- **Finance and general-purpose subcommittee** charge with responsibility of revenue collection and expenditure with the facility.
- **Hospital Management Team-** It comprises of the departmental heads in the hospital, who take part in the daily operations of the hospital.
- **Hospital Executive Expenditure Committee-** Consolidate and prepare the hospital proposed budget and also monitor the hospital expenditure.
- **Hospital Infection and Prevention Control Sub-Committee-** Ensure proper waste management.
- **Hospital MPDSR Committee (Maternal and Perinatal Death Surveillance Response) -** Advocates policies, planning, service delivery and accountability towards ending preventable maternal and neonatal deaths.
- **Hospital mortality Audit Committee-** Review deaths and innovate ways of preventing further deaths.
- **Hospital Quality Improvement Sub-Committee-** It helps in identifying gaps within the facility to ensure quality of service through monitoring and evaluation.

(f). Hospital Headquarters
Sirisia Sub-County Hospital
P.O Box 122 - 50208
Sirisia
Chwele- Lwakhakha Highway

Anniversary Towers, Institute Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(g). Hospital Contacts
Telephone: (+254) 114394649
E-mail: sirisiahospital122@gmail.com




(j). Principal Legal Adviser
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

(h). Hospital Bankers
Kenya Commercial Bank
Operational/Collection Account-1102027626
Bungoma Branch




(k). County Attorney
County Government of Bungoma
Po Box 437 -50200
Moi Avenue
Bungoma.

(i). Independent Auditors
Auditor General
Office of Auditor General

3. The Board of Management

Ref	Directors	Details
1.	 <p>Pastor. Evans Makanda. Board Chairman</p>	<p>Mr. Evans Makanda is a dedicated pastor and skilled mason. He holds a Bachelor's degree in Biblical Studies from the Shekinah School of Preaching and leads Antioch Grace Ministry in Namwela, Sirisia Sub County. Alongside his pastoral duties, he is also a trained mason with extensive experience in construction.</p>
2.	 <p>Pastor. Moses Mabonga</p>	<p>Mr. Moses Mabonga is a retired primary school teacher who concluded his teaching career in 2020. His professional background also includes experience as a clerical officer at Mandera District Hospital and as an untrained teacher at Garissa County High School. In addition to his educational career, Mr. Mabonga serves as a pastor. He holds a diploma from Machakos Teachers Training College, completed his A levels at Garissa Boys, and his EACE at Teremi High School.</p>
3.	 <p>Dr. Edith Wafula Medical Superintendent / Board Secretary</p>	<p>Dr. Edith has served as the Medical Superintendent of Sirisia Level 4 Hospital since January 2025, bringing over a decade of experience in management and pharmaceutical practice. A graduate of the University of Nairobi with a specialization in Pharmacy, and a Master of Science degree in Health Economics and Policy from the same university. She has served as a pharmacist in charge and Sub County Pharmacist since 2016 at Sirisia, Kimilili and Kabuchai sub counties. She has also been serving as the County Focal Person for Pharmacovigilance for Bungoma county.</p>




4.	 <p>Mr. Mark Barasa</p>	<p>Mr. Mark Barasa is the Chairman of the Quality Assurance and Improvement Board Subcommittee.</p> <p>He holds a Diploma in Public Relations from the Industrial Rehabilitation Centre and a Certificate in Performing/Fine Arts from IPAL College. He earned his O-Level Certificate in 1985, achieving a Division Three.</p> <p>His professional background includes roles as a Community Peer Educator, and Community Health Educator within Kulisiru ward.</p>
5.	 <p>Mr. Joseph Khisa</p>	<p>Mr. Khisa holds a certificate in Automotive Motor Vehicle Mechanics from Kisumu National Polytechnic, after completing government training through the National Youth Service</p>
6.	 <p>Mr. Gabriel Olaka</p>	<p>Mr. Gabriel Olaka is a Public Health Officer with the Ministry of Health, working as the Sub County Public Health Officer in Sirisia Sub County. He holds a BSc in Environmental Health (2008) and completed a Senior Management Course at the Kenya School of Government, Kabarnet (2018).</p>
7.	 <p>Ms. Velma Natoto Lusweti</p>	<p>Ms. Velma Natoto holds a Bachelor's degree in Economics and Finance from Kenyatta University. She has over six years of experience in marketing and communications, having worked at Ecozoom East Africa as a Senior Marketing Communications Executive (2016-2020) and at Simba Corporation as an Assistant</p>



		Marketing Communications Executive (2014-2016). Currently, she serves as a Monitoring and Evaluation Officer at Ziwani Poultry.
8.	 Rev. David Muta Butala	He is the Chair of the Audit Subcommittee in the hospital board He holds a Bachelor of Arts in Bible Theology, an Advanced Diploma in Counselling Psychology, and a Diploma in School Management. He is a retired head teacher with 33 years of teaching experience, including 24 years as a head teacher and 3 years as an Education Officer, with over 20 years of experience as a pastor and overseer, he also has 3 years of experience in counselling.
9.	 Mr. Soita Wangila.	He serves as the Chairman for the Finance Subcommittee in the hospital board. He has a Diploma in Information Technology from Bumbe Technical Training Institute, works as a personal assistant to a chief officer in Busia County.
10.	 Mrs. Gentrax Ndinyo	She is a Ward Administrator in Bungoma County Government from 2014 and currently acting as the Sub County Administrator in Sirisia Sub County. Mrs. Gentrax Ndinyo holds a Bachelor's degree in Business Management Science in Project Planning from the University of Nairobi.

4. Key Management Team

Ref	Management	Details
1.	 <p>A graduate of the University of Nairobi with Bachelor of Pharmacy, and a Master of Science in Health Economics and Policy.</p>	Dr. Edith Wafula- Medical Superintendent.
2.	 <p>Her academic credentials include a Higher Diploma in Education (Catholic University of Eastern Africa, 2011), a diploma in Hospital Management (Strathmore University, 2021), a course in Policy and Advocacy in Global Health (University of Washington, 2020), and a Master Class in Communication Skills (Safaricom Foundation, Kenya, 2020). She is currently pursuing a degree in Health Administration.</p>	Ms. Noel Omoko - Health Administrative Officer
3.	 <p>He holds a Bachelor's degree in Commerce from Kisii University, and CPA section 5.</p>	Mr. Moses Bomji – Accountant
4.	 <p>Mrs. Kusimba has a Bachelor of Science in Community Nursing and is pursuing a Master's in Advanced Nurse Practitioner Midwifery at Masinde Muliro University of Science and Technology.</p>	Mrs. Evelyn Naswa Kusimba - Chief Nursing Officer In charge
5.	 <p>He holds a Diploma in Supply Chain Management from the University of Eldoret and is currently pursuing a Bachelor of Commerce with a specialization in Procurement at Kibabii University.</p>	Mr. Evans Barasa H.O.D Supply Chain Management Department.

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

6.		Catherine completed her Diploma at KMTC Muranga Campus in 2010	Mrs. Catherine Lusweti H.O.D Health Records and Information Department.
7.		She holds a Bachelor of Science in Community Nutrition from Great Lakes University of Kisumu, and a Diploma in Community Nutrition from the same institution, earned in June 2013.	Ms. Ruth Wesiela-H.O.D Nutrition Department
8.		Joan earned her Diploma in Occupational Therapy from KMTC Mombasa Campus.	Ms. Joan Nafuna Nyongesa- H.O.D Occupational Therapy Department.
9.		He acquired a Diploma in Public Health at KMTC Msambweni. He is also pursuing a part-time BSc in Public Health with IT at Maseno University.	Mr. Thomas Sikuku-H.O.D Public Health.
10.		Dr. Sidawa graduated from the University of Nairobi in 2020 with a Bachelor of Medicine and Bachelor of Surgery.	Dr. Bristone Sidawa- Medical Officer
11.		Makas is a Medical Engineering technician who graduated from KMTC Loitoktok Campus with a Diploma in Biomedical Engineering in 2008.	Mr. David Makas- H.O.D Biomedical Engineering Department
12.		She holds a Bachelor's degree in Medical Laboratory Science from Masinde Muliro University of Science and Technology and has undergone supervisory skills training at the Kenya School of Government	Ms. Irine Consilia Odhiambo H.O.D Laboratory

13.		He holds a Bachelor of Pharmacy from the University of Nairobi and has completed an MSc, awaiting graduation.	Dr. Rono Kiprotich Victor- H.O.D Pharmacy
14.		Holds a Diploma in clinical medicine and surgery from KMTC Homabay.	Mr. Matanda Benson Clinical Officer In Charge

5. Chairman’s Statement

As we conclude this financial year, it is my privilege to present an overview of our hospital’s performance and achievements. This year has been marked by significant progress and resilience in the face of ongoing challenges. The hospital has achieved a robust financial performance, reflecting prudent management and strategic planning. Our revenue streams have remained strong, with notable growth in several key areas. This growth is a testament to the dedicated efforts of the hospital staff and the continued trust and support of our community. Operationally, we have made substantial strides as a hospital in enhancing patient care and hospital infrastructure. Noteworthy improvements include the expansion of our services. These initiatives have been instrumental in elevating the quality of care we provide. I would like to extend my deepest gratitude to the hospital management and the dedicated staff, whose tireless efforts and unwavering commitment have been the cornerstone of our success. Additionally, I appreciate the support of our stakeholders and the community, which has been vital in achieving our objectives.

Looking ahead, we remain optimistic about the future and are committed to continuing our journey towards excellence.

.....EVANS MAXANDA.....

Name

Chairman to the Board

7. Statement of Performance Against Predetermined Objectives

Sirisia Sub County Hospital has 6 strategic pillars and objectives within the annual work plan for the FY 2025-2026. These strategic pillars are as follows:

1. To eliminate Communicable Conditions.
2. To halt and reverse the increasing burden of non-communicable conditions.
3. To reduce the burden of violence and injuries.
4. To provide essential health services
5. To minimize exposure to health risk factors
6. To strengthen collaboration with health-related sectors:

The objectives are derived from the 6 pillars. 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 6 strategic pillars, as indicated in the diagram below:

Pillars of health	Key Issues/Challenges* Relate to access (demand side) to care and/or quality (supply side) of service delivery	Priority interventions to address identified challenges
Eliminate communicable conditions	Lack of adequate infrastructure and Equipment	Construct, equip and operationalize more inpatient wards. Complete and operationalize the 100-bed maternal and neonatal hospital Adequate funding by county government to enable expansion of services.
	Stigma/ poor disclosure	Counseling and Psychological support Formation of support groups
	Poor documentation	Ensure proper documentation at service delivery points through training and mentorship program
	Poor health seeking behaviour Immunization coverage still below required nationwide immunization target of 95% Commodity stock out Stigma and poor disclosure Inadequate Human Resource	Create awareness through health education Strengthen defaulter tracing mechanisms Proper Forecasting, quantification & resource mobilization Strengthen testing and immunization Counseling and Psychological Advocate employment of more staff
Halt and reverse	Lack of awareness	Community sensitization about NCDS and

increasing burden of non-communicable conditions		screening
	Poor health seeking behavior	Health Education on availability of health services
	Religious and cultural beliefs and taboos	Health education on behavior change
	Knowledge gap on management of non-communicable conditions among Health Providers	Capacity building of health care providers
	Inadequate Funding for NCDs related activities	Allocate enough funding for activities that help to curb the surge of NCDs
	Inadequate health products and technologies in management and treatment of NCDs	Procurement of health products Technologies and management of NCDs
Reduce the burden of violence & injuries	Inadequate inter-agencies collaboration	Enhance Linkage and collaboration
	Inadequate staffing to run accident and emergency Department	Employ specialized medical personnel/Capacity building of specialized personnel to handle Health Related cases.
	Lack of emergency preparedness Team	Set up and operationalize emergency preparedness Team
	Increased incidences of drug and substance abuse	Establishment of youth Friendly, counseling and rehabilitation center.
	Poor staff attitude	Sensitization of Health Providers
	Poor documentation and reporting	Source and orient staff on the use of violence and injuries reporting tools at facility level
	Cultural Beliefs	Create Awareness on Human rights and Health Education
	Need of establishing a GBV unit, Mental health and rehabilitation center	Operationalize GBV unit to provide; a safe house for GBV victims and a Mental health and rehabilitation center
Provide essential medical services	Inadequate blood supply/Lack of blood screening services at facility level/county	sensitization of the community on blood donation -ensure allocation of funds to run the drive (blood donation)

	Inadequate budget allocation for health products and technologies	-increase funding for health products and technologies at facility level
	Inadequate staffing High rate of staff attrition (exits) without replacement	Advocate for employment of more staff County to put in place a succession management plan
Minimize exposure to health risk factors	Lack of Adherence to quality standards	Performance of Quality checks: Mentorship, External Quality Assessment and Support Supervision
	Drug and substance abuse (High numbers noted among staff.)	Develop health promotion messages Construct a Rehabilitation Center
	Poor segregation of waste	Conduct regular planned CMEs on IPC
	Inadequate protective gears	Procure and ensure proper use of protective gear
	Negative Peer pressure	Intensify Health Education in the Community
	Cultural beliefs	Intensify Health Education in the Community
	Risky sexual behavior (unprotected sex)	Intensify Sex education among the adolescents (School Health Program) Provision of condoms
Strengthen collaboration with health-related sectors	Inadequate funding to conduct regular meeting	resource mobilization
	Knowledge gap on health related issues	need for sensitization meetings for stakeholders

8. Corporate Governance Statement

The Hospital Management Board adhered to its schedule, holding four quarterly meetings throughout the year. These meetings played a crucial role in steering the hospital towards achieving its goals through planning, oversight, and strategic advice to hospital management.

Board members were appointed by the H.E the Governor of Bungoma County, with established processes for member induction, training, role distribution, and removal if necessary, according to the Bungoma County Health Act 2019.

Additionally, the hospital displayed service delivery charters prominently throughout the facility to ensure transparency and accountability.

The board also operated through the following sub-committees to enhance efficiency:

- Finance and General-Purpose sub-committee
- Quality and Service Delivery sub-committee
- Audit sub-committee.

Each sub-committee contributed to the hospital's success by focusing on their specific mandates, ensuring continuous improvement in financial management, service quality, and internal controls.

9. Management Discussion and Analysis

Clinical Performance

Sirisia Sub County hospital is located along Chwele- Lwakhakha Highway in Sirisia Sub County. It has a catchment population of 146,324 with a bed capacity of thirty-one. The facility offers service to residents of Sirisia Sub County, some from Cheptais, Kabuchai and Bumula Sub-Counties, Busia County and others from the neighbouring country Uganda.

The hospital offers outpatient and inpatient services that include: mental health clinic, Tuberculosis clinic, Physiotherapy services, Orthopaedics and Trauma services, Special Clinics (MOPC, SOPC, Orthopaedic, CCC/TB and Mental), internal medicine, emergency general medical services, Pharmacy services, Laboratory services, Dental, comprehensive HIV care, nutritional services, Maternal and child Health services, Family planning, Radiology and imaging.

The hospital strives to ensure that the services provided are safe, timely, appropriate, innovative, effective, evidence-based and in line with modern technological advancement. Adherence to clinical guidelines continues to be strengthened to improve patient safety and ensure quality healthcare.

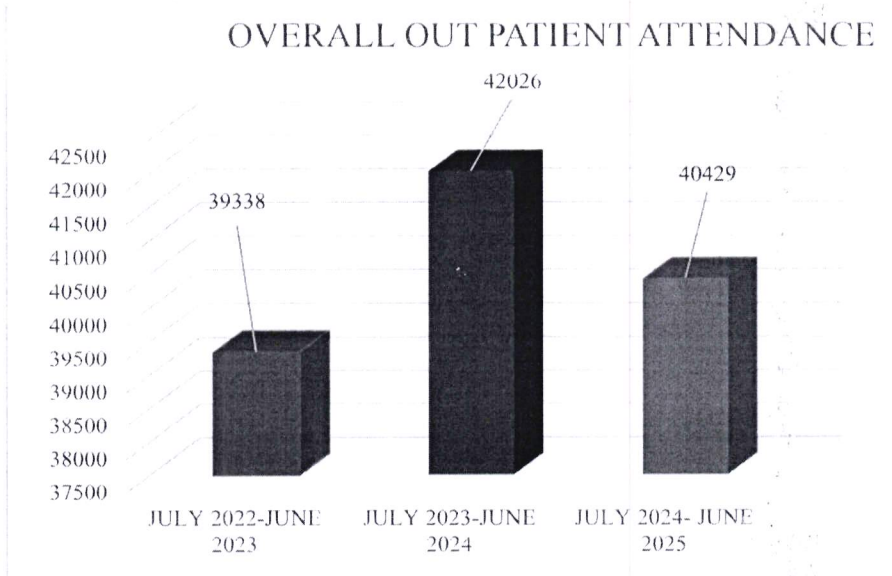
During the FY 2024/2025 the hospital experienced a slight decrease in numbers of clients seeking services in the facility compared with the FY 2023/2024. This was attributed to the protracted industrial actions by health care workers and also medical equipment malfunction which compromised service delivery.

The major challenges experienced include: staff shortage across all cadres, protracted industrial actions compromising service delivery, inadequate infrastructure and equipment, in adequate funding and delayed reimbursement from SHA

Overall patient attendance

The average patient attendance for the F/Y 2024/2025 as 40,429 for outpatient and 1,432 for in-patient.

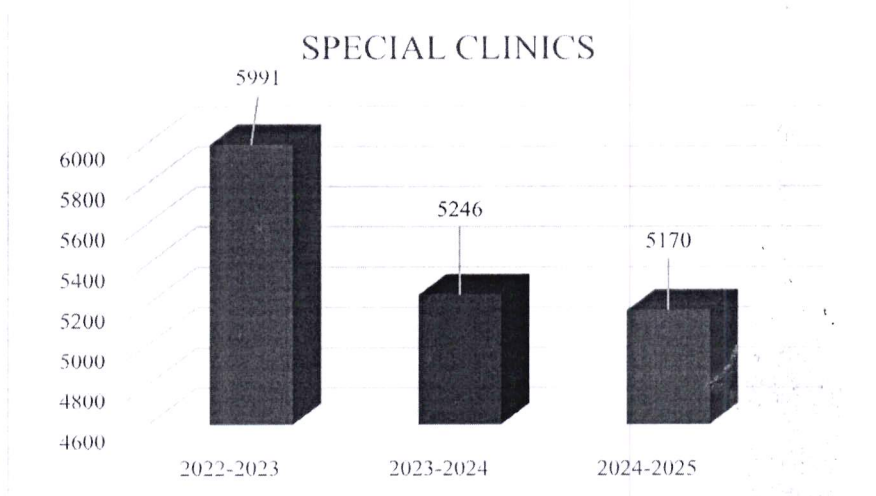
There was a slight drop in patient attendance compared to FY 2023/2024. This was attributed to strikes of staffs from various medical sections. The Hospital's patient attendance analysis over the last financial year is as depicted in the chart below:



Specialized clinics Attendance

Sirisia Sub County Hospital runs several specialist clinics (MOPC, SOPC, Orthopaedic, CCC/TB and Mental) to review, treat and follow up on patients with various conditions that require the special intervention. The clinics are run throughout the year with specific emphasis on patients' progress.

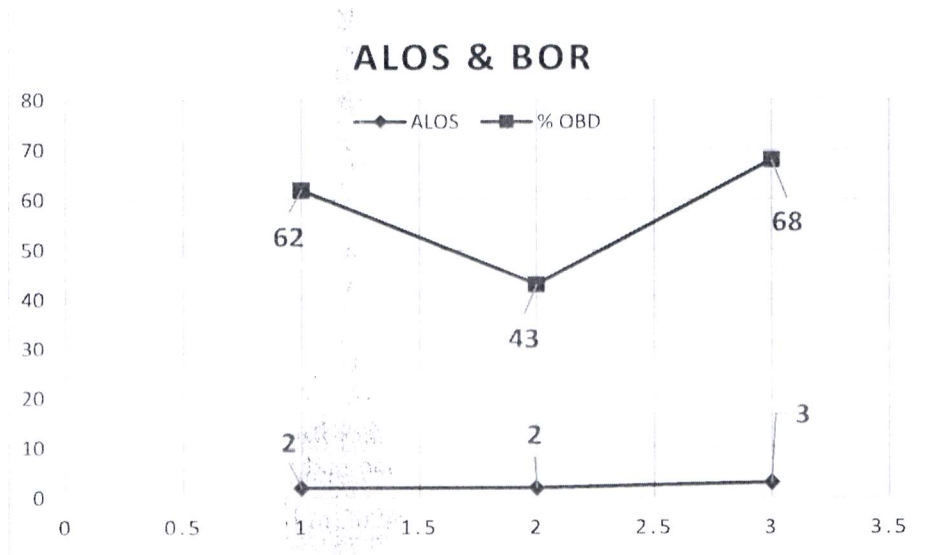
The chart below shows patient attendance trend in the major specialty clinics as the number of patients in 2024/2025 reduced due to staff strikes



Bed occupancy rate and average length of stay for in patient

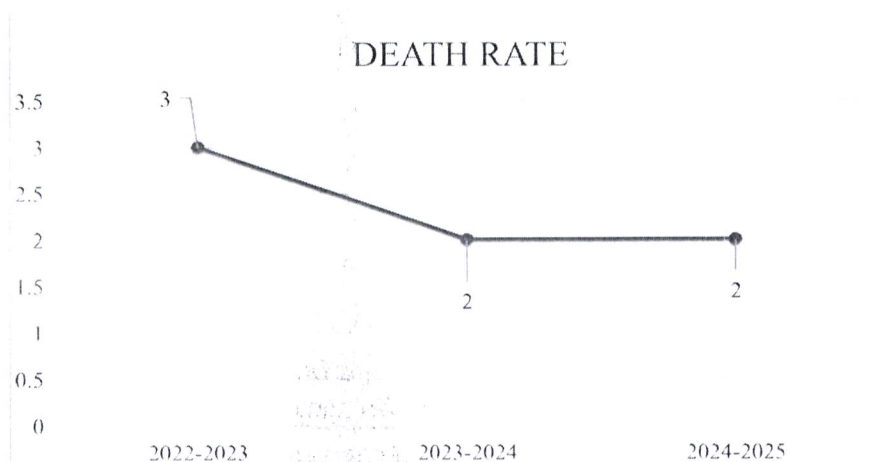
In the year 2023/24 the bed occupancy rate averaged 43% with an average length of stay of 2.1 days for in patients and in 2024/2025 there was an increased bed occupancy to 68% with average Length of stay of 3 days per patient

The trend is as shown below:



Mortality Rate

During the period under review the death rate averaged 14 per 1000 population. This is attributed to the critically ill patients who seek treatment after the illness has advanced.



Financial performance that includes: -

The revenue sources for the hospital are the National Hospital Insurance Fund (NHIF), Social Health Authority (SHA) and cash collection.

The facility managed to collect a total of KShs. **23,014,473.10** cash collection being Kshs 4,946,047.05, NHIF KShs.6,926,975 , SHA Ksh. 11,020,854.05 and waiver/exemptions kshs. 120,597

10. Environmental And Sustainability Reporting

i) Sustainability strategy and profile

Sirisia Sub-County Hospital exists to transform lives. Its main objective is to provide comprehensive quality health care services through provision of patient centred health care services. Our clients are our priority. We aim to improve client experience through regular staff meetings mortality reviews, lab clinical data interface, data reviews and also by partnering with various stakeholders to improve service delivery. There are also efforts to increase on service menu to reduce referrals

ii) Environmental performance

The hospital has an infection prevention committee which is charged with the role of ensuring safe environment for healthcare workers, clients and hospital visitors. There is a clear policy on waste segregation and disposal of medical waste. The committee meets regularly to discuss and implement its findings.

iii) Employee welfare

Hiring is normally done by the County Public Service Board. It also plays role in promotion and re- designation of the staff. The hospital management role is to conduct staff assessment needs. The hospital management encourages and supports its staff members to train and capacity build in various courses, both technical and professional to improve service delivery. Some of the trainings include Kenya School of Government leadership courses, seminars, Continuous Medical Education.

It also recommends staff for higher diploma and masters programmes and other specialization programs. There is an annual staff recognition and reward system whose main role is to reward excellence in performance. The staffs get presents, certificates during the get together.

iv) **Market place practices-**

The hospital has

a) *Responsible competition practice.*

The hospital management has adopted an anti-corruption crusade messaging and interventions. It only engages in responsible political engagement. As a government institution, the hospital engages in fair competition and respects its competitors. The hospital offers quality health care services in collaboration with its partners. It adheres to code of ethics guidelines which apply to all staff. The hospital has a disciplinary and advisory committee which handles all corruption cases appropriately

b) *Responsible Supply chain and supplier relations*

Sirisia Sub County Hospital offers fair competition to all its suppliers. The facility has opened up business to all who qualify as per public procurement and disposal act through prequalification award and payment.

c) *Responsible marketing and advertisement*

As a government hospital and as per ethical guidelines we do not publicly advertise our health services, but through the health promotion and community strategy departments we make our services known to the community.

d) *Product stewardship*

The hospital observes patient rights and interest through offering patient centred care. Patient service charters are available and well displayed clearly outlining services available, timelines and cost.

v) *Corporate Social Responsibility / Community Engagements*

The hospital did not engage in any Corporate Social Responsibility activity due to budgetary constrain, but we did community stakeholder engagements with other stakeholders.

11. Report of The Board of Management

The Board members submit their report together with the Audited Financial Statements for the year ended 30th June, 2025, which show the state of Sirisia Level 4 Hospital's affairs.

Principal activities

The principal activities of the Sirisia Level 4 Hospital are to provide comprehensive health care services to its clients.

Results

The results of the entity for the year ended 30th June 2025 are set out on pages 1 to 6

Board of Management

The members of the Board who served during the year are shown on pages vi to viii.

During the year 2024/2025 there was a board member, Maurice Wasama who died after a short illness.

Auditors

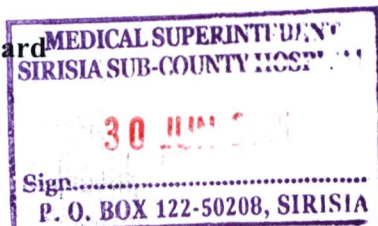
The Auditor General is responsible for the statutory audit of Sirisia Level 4 Hospital in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



.....
Dr. Edith Wafula

Secretary to the Board



12. Statement of Board of Management's Responsibilities

Section 164 of the Public Finance Management Act, requires the Board of Management to prepare financial statements in respect to Sirisia 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 Sirisia Level 4 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

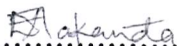
The Board of Management is responsible for the preparation and presentation of the Hospital's financial statements, which give a true and fair view of the state of affairs of the hospital for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) maintaining 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 hospitals 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 Sirisia Level 4 Hospital, which have been relied upon in the preparation of the hospital financial statements as well as the adequacy of the systems of internal financial control.

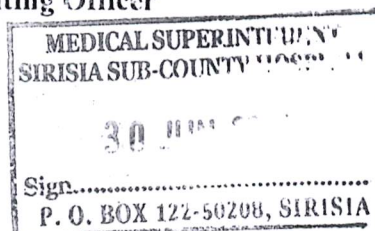
Nothing has come to the attention of the Board of management to indicate that sirisia level 4 hospital will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The Hospital's financial statements were approved by the Board on 30th JUN 2025 and signed on its behalf by:


.....
Mr. Evans Makanda
Chairperson
Board of Management


.....
Dr. Edith Wafula
Accounting Officer



REPUBLIC OF KENYA

Phone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON SIRISIA LEVEL 4 HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2025 - COUNTY GOVERNMENT OF BUNGOMA

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 Sirisia Level 4 Hospital - County Government of Bungoma set out on pages 1 to 43, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance,

Report of the Auditor-General on Sirisia Level 4 Hospital for the year ended 30 June, 2025 - County Government of Bungoma

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Sirisia Level 4 Hospital - County Government of Bungoma 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 Bungoma County Health Service Act, 2019, the Facilities Improvement Financing Act, 2023, the Public Health Act, 2017 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracy of the Financial Statements

1.1. The Statement of Financial Position

The statement of financial position reflects revaluation reserves balance of Kshs.1,703,853 and accumulated surplus balance of Kshs.2,987,430. However, these balances differ from statement of changes in net assets reported balances of Kshs. Nil and Kshs.4,691,284 respectively. Further, the statement reflects Kshs.1,083,430 in respect to property plant and equipment. However, Note 32 to the financial statements reflects a balance of Kshs.865,651 resulting to unreconciled variance of Kshs.217,779.

In the circumstances, the accuracy and completeness of the respective balances reflected in the statement of financial position could not be confirmed.

1.2. The Statement of Cash Flows

The statement of cash flows reflects net cash out flows from operating activities of Kshs.3,392,105. However, the recalculation of the amount indicates an amount of Kshs.1,142,614 resulting to unreconciled variance of Kshs.2,249,491. Further, cash and cash equivalents balance of Kshs.1,674,304 as at 1 July, 2024 has not been disclosed in the statement.

In the circumstances, the accuracy and completeness of the respective balances reflected in the statement of cash flows could not be confirmed.

2. Non-Disclosure of Property, Plant and Equipment Balances

The statement of financial position reflects property, plant and equipment balance of Kshs.1,083,430. However, the Hospital owns undetermined value of assets including land, buildings, motor vehicles, and furniture and fittings which have not been valued and disclosed under property, plant and equipment in the financial statements.

In the circumstances, the accuracy, existence and valuation of the property, plant and equipment balance of Kshs.1,083,430 could not be confirmed.

3. Irregular Repairs and Maintenance

The statement of financial performance reflects an amount of Kshs.2,099,428 in respect of repairs and maintenance and as disclosed in Note 19 to the financial statements. Review of payments for medical equipment revealed that the Hospital paid Kshs.129,920 for repair of X-Ray machine. The services were said not to be available locally and the amount was for consultation services that was paid upfront before repairs were done. As at the time of audit in November, 2025, the X-Ray machine was still not functional. Further, the Hospital paid Kshs.150,000 for repair of theatre bed but the bed had not been repaired as at the time of audit.

In the circumstances, the regularity, completeness and occurrence of the expenditure totaling Kshs.279,920 in respect of repairs and maintenance could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.39,972,313 and Kshs.23,014,473 respectively, resulting to an under-funding of Kshs.16,957,840 or 42% of the budget. Similarly, the Hospital spent a total of Kshs.24,157,087 against a budget of Kshs.40,313,313 resulting to an under-expenditure of Kshs.16,156,226 or 40% of the budget.

In the circumstances, the under-funding and under-expenditure affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

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

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with Staff Ethnic Diversity Rule

Analysis of the Hospital's Human Resource staff categorization data provided for audit review, revealed that out of the fifteen (15) staff employed under Universal Health Care, 14 were from the local dominant community representing 93% of the total staff population. Further, out of one hundred and six staff (106) under permanent and pensionable terms which included the management of the Hospital, eighty-six (86) or 81 % were from the local community. This was contrary to the provisions of the National Cohesion and Integration Act 2008 Section 7(1) and (2) which states that all public establishments shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public establishment shall have more than one third of its staff from the same ethnic community.

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

2. Failure to Meet Level 4 Hospital Requirements

Records maintained by the facility and analysis of healthcare staffing, and physical verification of medical equipment available at the facility revealed the following shortfalls against what was required in the Kenya Quality Model for Health Guidelines of a Level 4 Facility.

Medical Specialists-Table 1

Item	Level 4 standard	Number in Hospital	Variance	Variance in Percentage in Hospital
Medical officers	16	3	13	81%
Anesthesiologists	2	0	2	100%
Radiologist	2	0	2	100%
Total	20	3	17	85%

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

Equipment-Table 2

Services	Level 4 Standard	Actuals	Variance	Variance in Percentage
Resuscitaire in Labour Ward	2	1	1	50%
New Born Unit incubators	5	2	3	60%
Functional ICU Beds	6	0	6	100
High Dependency Units (HDU) Beds	6	0	6	100%
Renal Units with at Least 5 Dialysis Machines	5	0	5	100%
Total	24	3	21	88%

Audit review and physical verification of medical equipment at the Hospital revealed deficiencies in the functionality and adequacy of key medical equipment across several departments as follows:

- i. The hospital lacked a mortuary or holding facility for deceased patients. Management did not provide satisfactory explanations regarding the handling and temporary storage of bodies;
- ii. The radiology department had only one radiographer. The installed X-ray machine had been non-functional for over six months as at the time of audit;
- iii. The theatre was operationally constrained due to lack of some essential and functional medical equipment such as a patient monitor for the recovery room and an electrical operating bed;
- iv. A laundry drier machine and a washing machine procured and installed in 2019 at a cost of Kshs.2,500,000 and Kshs.3,500,000 respectively were not functional since installation;
- v. The physiotherapy department had one physiotherapist, but was unmanned during verification. It also lacked key medical equipment such as electrical nerve stimulators, treadmills, microwave therapy units, ultrasound devices, and shortwave diathermy machines; and
- vi. The only hematology analyzer at the laboratory was not in use due to stockout of reagents.

In the circumstances, Management is in breach of law in respect of capacitation for the Hospital and the residents of Bungoma County have not realized the services set under the Universal HealthCare Program.

3. Failure to Gazette the Hospital as Level 4 Facility

Review of Hospital records revealed that Sirisia Level 4 Hospital obtained a license from the Medical Practitioners and Dentists Council (MPDC) on 21 January, 2025 authorizing its operations as a Level 4 Hospital. However, the Hospital has not been formally gazetted as a Level 4 facility by the County Department of Health as required under the relevant regulatory framework.

In the circumstances, the Hospital's eligibility for certain Government funding, staffing norms, and service level responsibilities associated with level 4 status could not be confirmed.

4. Anomalies in Presentation and Disclosure of Annual Report and Financial Statements

Review of the annual report and financial statements provided for audit revealed several cases of inaccuracies and non-compliance with the Public Sector Accounting Standards (PSASB) financial reporting template for 2024/2025 financial year, as detailed below:

- i. The report of the Board of Management and statement of Board of Management's responsibilities are not captured under the table of contents.
- ii. Details for explanation of material differences between actual and budgeted amounts as required were not provided.
- iii. Chairman's statement and report of the Medical Superintendent have not been signed.
- iv. The names of the signatories to the statements of financial performance and position were not indicated.
- v. Notes to the financial statement linked to the disclosures of the cash flow amounts have not been captured under the statement of cash flows.
- vi. The ICPAK number of the head of finance who has signed the financial statements has not been indicated as required.

In the circumstances, the presentation and disclosure of the annual report and financial statements is not in compliance with the Public Sector Accounting Standards Board's template reporting requirements.

5. Long Outstanding Trade Payables

The statement of financial position reflects trade and other payables balance of Kshs.10,907,393 as disclosed in Note 36 to the financial statements. Included in this balance are long outstanding payables amounting to Kshs.10,044,867, which have remained unpaid for over one year. Management did not provide an explanation for the delay in settlement of these liabilities. Further, no repayment plan or schedule was

Report of the Auditor-General on Sirisia Level 4 Hospital for the year ended 30 June, 2025 - County Government of Bungoma

provided for audit verification to demonstrate how and when the outstanding obligations will be settled.

This was contrary to Section 41 (2) of the Public Finance Management (County Governments) Regulations, 2015 which provides that debt service payments shall be a first charge on the County Revenue Fund and the Accounting Officer shall ensure this is done to the extent possible that the County Government does not default on debt obligations.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Weaknesses in Information Communication Technology (ICT) Internal Controls

Review of the general environment and ICT function at the Hospital revealed that the Hospital has no offsite backup system. Further, an assessment of the general ICT infrastructure revealed that the network is not protected by firewalls and the computers were not protected by anti-virus and the Hospital lacked CCTV cameras to act as control in ensuring safety of the staff and patients seeking treatment in the facility without infringing on their privacy.

In addition, the ICT department is managed by one staff who is tasked with all ICT related issues and lacked dedicated sitting area to deal with ICT related issues.

In the circumstances, the effectiveness of controls over ICT systems and data processed, stored and maintained through the systems could not be confirmed.

2. Lack of Risk Management Policy and Risk Register

Review of internal controls and documentation revealed that Hospital does not maintain a risk policy and register. In the absence of an active risk register and updated risk management framework, the Hospital's operations are carried out without structured risk identification, assessment or mitigation strategies. This indicates a lack of risk awareness and preparedness within the facility.

In the circumstances, the Hospital is exposed to poor risk management and preparedness due to the absence of risk-informed processes.

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

Responsibilities of the Management and Board of Management

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

In preparing the financial statements, Management is responsible for assessing the Hospital's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable 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

08 December, 2025

Appendix I

Unresolved Prior Year Matters

Reference No. of the Auditor-General's Audit Report	Observation
	Report on the Financial Statements
1	Inaccuracies of the Financial Statements
2	Failure to Prepare a Trial Balance
3	Inaccurate Property Plant and Equipment Balance
4	Unsupported Revenue from Exchange Transactions
5	Unconfirmed Cash and Cash Equivalent Balance
6	Unsupported Receivables from Exchange Transactions
7	Unsupported Inventories
	Report on Lawfulness and Effectiveness in the Use of Public Resources
1	Non-Compliance with Law on Ethnic Composition
2	Lack of Quarterly Revenue Report
	Report on Effectiveness of Internal Controls, Risk Management and Governance
1	Lack of Internal Audit Function
2	Failure to Automate Accounting and Procurement Functions
3	Lack of Risk Management Policy and Registers
4	Lack of Information Technology (ICT) Controls
5	Inadequate Internal Controls for Revenue Collection
6	Inadequate Controls in Management of Pharmaceutical and Non-Pharmaceutical Stocks

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

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

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Revenue from non-exchange transactions			
In-kind contributions from the County Government	7	8,308,250.00	8,377,688.00
		8,308,250.00	8,377,688.00
Revenue from exchange transactions			
Rendering of services- Medical Service Income	11	22,457,483.05	23,969,341.00
Revenue from rent of facilities	12	24,800.00	693,620.00
Miscellaneous Income	14	532,190.05	-
Revenue from exchange transactions		23,014,473.10	24,662,961.00
Total revenue		31,322,723.10	33,040,649.00
Expenses			
Medical/Clinical costs	15	13,879,199.00	10,070,252.00
Employee costs	16	3,839,830.00	7,872,660.00
Board of Management Expenses	17	1,285,680.00	1,428,400.00
Depreciation and amortization expense	18	217,779.00	347,184.00
Repairs and maintenance	19	2,099,428.00	2,492,347.00
General expenses	21	6,892,780.00	8,204,542.00
Total expenses		28,214,696.00	30,415,385.00
Other gains/(losses)			
Medical services contracts Gains/Losses	25	(120,597.00)	(220,684.00)
Total other gains/(losses)		(120,597.00)	(220,684.00)
Net Surplus / (Deficit) for the year		2,987,430.10	2,404,580.00

(The notes set out on pages 7 to 39 form an integral part of the Annual Financial Statements.)

The Hospital's financial statements were approved by the Board on 30th June 2025 and signed on its behalf by:

Atakanda

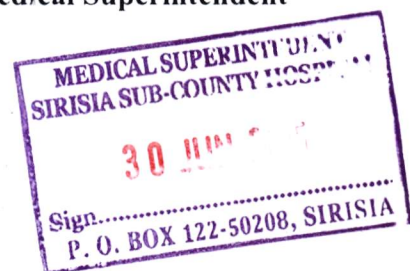
Chairman
Board of Management

Harigat

Head of Finance
ICPAK No:

[Signature]

Medical Superintendent



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

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

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	27	416,653.08	1,674,304.00
Receivables from exchange transactions	29	5,344,640.00	1,695,236.00
Inventories	31	8,753,953.95	4,485,754.00
Total Current Assets		14,515,247.03	7,855,294.00
Non-current assets			
Property, plant, and equipment	32	1,083,430.00	1,043,530.00
Total Non-current Assets		1,083,430.00	1,043,530.00
Total assets (A)		15,598,677.03	8,898,824.00
Liabilities			
Current liabilities			
Trade and other payables	36	10,907,393.00	9,587,103.00
Total Current Liabilities		10,907,393.00	9,587,103.00
Non-current liabilities			
Total non-current liabilities		-	-
Total Liabilities (B)		10,907,393.00	9,587,103.00
Net assets (A-B)		4,691,284.03	(688,279.00)
Represented by:			
Revaluation reserve		1,703,853.93	688,829.00
Accumulated surplus/Deficit		2,987,430.10	970,802.00
Capital Fund			1,674,304.00
Net Assets		4,691,284.03	2,404,580.00

(The notes set out on pages 7 to 39 form an integral part of the Annual Financial Statements.)

The Hospital's financial statements were approved by the Board on 30th June 2025 and signed on its behalf by:

[Signature]
 Chairman
 Board of Management

[Signature]
 Head of Finance
 ICPAK No:

[Signature]
 Medical Superintendent

MEDICAL SUPERINTENDENT
SIRISIA SUB-COUNTY HOSPITAL
30 JUN 2025
 Sign.....
 P. O. BOX 122-50208, SIRISIA

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

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital	Total
			Fund	
As at July 1, 2023 (previous year)	0	-		-
Revaluation gain	0		-	-
Surplus/(deficit) for the year	-	2,404,580.00		2,404,580.00
Capital/Development grants	-	-	-	-
As at June 30, 2024 (previous year)	0	2,404,580.00		2,404,580.00
At July 1, 2024 (current year)	0		-	
Revaluation gain	0	1,703,853.93	-	1,703,853.93
Surplus/(deficit) for the year	-	2,987,430.10		2,987,430.10
Capital/Development grants	-	-	-	-
At June 30, 2025 (current year)	0	4,691,284.03		4,691,284.03

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

Description	Note	2024-2025	2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from the County Government		-	-
Grants from donors and development partners		-	-
Transfers from other Government entities		-	-
Public contributions and donations		-	-
Rendering of services- Medical Service Income		22,457,483.05	23,969,341.00
Revenue from rent of facilities		24,800.00	693,620.00
Finance / interest income		-	-
Miscellaneous receipts(<i>specify</i>)		532,190.05	-
Total Receipts		23,014,473.10	24,662,961.00
Payments			
Medical/Clinical costs		13,879,199.00	10,070,252.00
Employee costs			
Board of Management Expenses		1,285,680.00	1,428,400.00
Repairs and maintenance		2,099,428.00	2,492,347.00
Grants and subsidies		-	-
General expenses		6,892,780.00	8,204,542.00
Finance costs		-	-
Refunds paid out		-	-
Total Payments		24,157,087.00	22,195,541.00
Net cash flows from operating activities	43	(3,392,104.90)	2,467,420.00
Cash flows from investing activities			
Purchase of property, plant, equipment		-	-
Purchase of intangible assets		-	-
Proceeds from the sale of PPE		-	-
Acquisition of investments		-	-
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Capital grants received		-	-
Net cash flows used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(1,142,613.90)	2,467,420.00
Cash and cash equivalents as at 1 July 2024	27		1,674,304.00
Cash and cash equivalents as at 30 June	27	416,653.08	

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

18. Statement of Comparison of Budget and Actual Amounts for Year Ended 30th June 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						
Receipts			-		-	#DIV/0!
Transfers from the County Government		-	-		-	#DIV/0!
Grants from donors and development partners	-	-	-		-	#DIV/0!
Transfers from other Government entities	-	-	-		-	#DIV/0!
Public contributions and donations	-	-	-		-	#DIV/0!
Rendering of services- Medical Service Income	39,422,313.00	-	39,422,313.00	22,457,483.1	16,964,829.95	57%
Revenue from rent of facilities	-	-	-	24,800.0	(24,800.00)	#DIV/0!
Finance / interest income		-	-		-	#DIV/0!
Miscellaneous receipts ..medical records /attachment	550,000.00	-	550,000.00	532,190.1	17,809.95	97%
Total receipts	39,972,313.00	-	39,972,313.00	23,014,473.1	16,957,839.90	58%
Payments			-		-	#DIV/0!
Medical/Clinical costs	29,450,000.00		29,450,000.00	13,879,199.0	15,570,801.00	47%
Employee costs	-	-	-	-	-	#DIV/0!
Board of management expenses	650,000.00	-	650,000.00	1,285,680.0	(635,680.00)	198%
Repairs and maintenance	5,152,000.00	-	5,152,000.00	2,099,428.0	3,052,572.00	41%
Grants and subsidies		-	-		-	#DIV/0!
General expenses	5,061,313.00	-	5,061,313.00	6,892,780.0	(1,831,467.00)	136%
Finance costs		-	-		-	#DIV/0!
Refunds		-	-		-	#DIV/0!
Total Operational Expenditure paid	40,313,313.00	-	40,313,313.00	24,157,087.00	16,156,226.00	60%
Capital Expenditure paid		-	-		-	#DIV/0!
Surplus	(341,000.00)	-	(341,000.00)	(1,142,613.90)	801,613.90	335%

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

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	(1,142,613.90)
1	opening bank balances	
2	Reason for differences	
3	Reason for differences	
4	Reason for differences	
	Closing Cash and Cash Equivalent as per the statement of Cash flows	416,653.08

Reasons for the differences in between the Actual and Budgeted Amount

1. Over 90% budget utilization forms the integral supplies / commodities frequently utilized by the hospital
2. Under 90% budget utilization, though forms also the integral part of the hospital utilization but not frequently used.

19. Notes to the Financial Statements

1. General Information

Sirisia level 4 Hospital is established by and derives its authority and accountability from PFM Act. The entity is wholly owned by the Bungoma County Government and is domiciled in Bungoma County in Kenya. The hospital principal activity is to provide comprehensive health care services and training to the citizens of Sirisia, Bungoma County and beyond.

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* accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 3 The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *sirisia level 4 Hospital*. The financial statements have been prepared in accordance with the PFM Act, and (*include any other applicable legislation*), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

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

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

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

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

Standard	Effective date and impact:
	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 ass
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48- Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>

Standard	Effective date and impact:
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.

iii) Early adoption of standards

The Entity adopted new or amended standards in the financial year ended June 30th, 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 *Entity* and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the asset that has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

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

Sale of goods

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

Interest income

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

Rental income

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

Notes to the Financial Statements (Continued)

b. Budget information

The original budget for FY 2024/2025 was approved by Board on **July 2024**. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the *sirisia level 4 hospital did not* record additional appropriations. The hospital's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

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

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

c. Taxes

Sales tax/ Value Added Tax

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

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

d. Investment property

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

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a period of years. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e. Property, plant and equipment

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

f. Leases

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

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

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

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

g. Intangible assets

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

Notes to the Financial Statements (Continued)

h. Biological Assets

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

i. Research and development costs

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

- The technical feasibility of completing the asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- The asset will generate future economic benefits or service potential
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development.

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

j. Financial instruments

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

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not

at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification of financial assets

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

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out .

Financial liabilities

Classification

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

k. Inventories

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

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

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

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

l. Provisions

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

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

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

Notes to the Financial Statements (Continued)

m. Social Benefits

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

n. Contingent liabilities

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

o. Contingent assets

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

p. Nature and purpose of reserves

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

q. Changes in accounting policies and estimates

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

Notes to the Financial Statements (Continued)

r. Employee benefits

Retirement benefit plans

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

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

v. Service concession arrangements

The Entity analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the *Entity* recognizes that asset when, and only when, it controls or regulates the services. The operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the *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 Entity's financial statements in conformity with IPSAS requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions.

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

Useful lives and residual values

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

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

Provisions

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

7. In Kind Contributions from The County Government

Description	2024/2025	2023/2024
	KShs	KShs
Salaries and wages	3,839,830.00	7,872,660.00
Medical supplies-Drawings Rights (KEMSA)	4,468,420.00	
Pharmaceuticals and Non-Pharmaceutical Supplies (other suppliers)		505,028.00
Utility bills	-	-
Total grants in kind	8,308,250.00	8,377,688.00

11. Rendering of Services-Medical Service Income

Description	2024/2025	2023/2024
	Kshs	Kshs
Pharmaceuticals	1,014,480.00	1,522,850.00
Non-Pharmaceuticals	377,770.00	728,130.00
Laboratory	894,648.00	1,366,671.00
Radiology	396,700.00	864,900.00
Orthopedic and Trauma Technology	93,100.00	229,600.00
In patient	457,430.00	1,082,790.00
Theatre	181,850.00	178,624.00
Accident and Emergency Service	217,900.00	191,600.00
Out patient	439,772.00	
Nutrition service	10,800.00	52,856.00
Cancer centre service	-	
Dental services	144,047.00	92,200.00
Reproductive health	-	
Other medical services income	-	598,100.00
Farewell home services	-	
Ear Nose and Throat service	-	34,700.00
Attachment fee	-	172,000.00
Anesthesia Service	-	
Physiotherapy	60,380.00	41,850.00
Medical records	-	758,290.00
Medical exams	76,800.00	61,000.00
NHIF	6,926,975.00	15,993,180.00
Oxygen	23,380.00	
Other medical services income (<i>specify</i>)-SHA	11,020,854.05	
Waivers & Exemptions	120,597.00	
Total revenue from the rendering of services	22,457,483.05	23,969,341.00

12. Revenue From Rent of Facilities

Description	2024/2025	2023/2024
	Kshs	Kshs
Residential property (Hospital canteen)	24800	693,620.00
Commercial property	0	
Total Revenue from rent of facilities	24,800.00	693,620.00

(RENT OF HOSPITAL CANTEEN)

14. Miscellaneous Income

Description	2024/2025	2023/2024
	Kshs	Kshs
Insurance recoveries		
Income from sale of tender	-	
Services concession income	-	
Sale of goods (water, publications, containers etc)	-	
Write backs (Deposits, payments in advance etc)	-	
Attachment fee frm students	327,500.00	
Medical expenses	204,690.05	
Rent		
Bad debts recovered	-	
<i>Others (Specify)</i>	-	
Total Miscellaneous income	532,190.05	

15. Medical / Clinical Costs

Description	2024/2025	2023/2024
	Kshs	Kshs
Dental costs/ materials		
Laboratory chemicals and reagents	1,863,841.00	586,526.00
Public health activities	-	
Food and Ration	2,628,515.00	3,151,579.00
Uniform, clothing, and linen	615,000.00	40,600.00
Dressing and Non-Pharmaceuticals	5,116,826.00	2,127,333.00
Pharmaceutical supplies	2,027,904.00	2,936,774.00
Health information stationery		
Reproductive health materials	-	
Sanitary and cleansing Materials	656,702.00	653,710.00
Purchase of Medical gases	233,000.00	24,880.00
X-Ray/Radiology supplies	172,400.00	372,560.00
Other medical related clinical costs (households)	-	176,290.00
Medical records expenses	565,011.00	
Total medical/ clinical costs	13,879,199.00	10,070,252.00

16. Employee Costs

Description	2024/2025	2023/2024
	Ksh	Kshs
Salaries, wages, and allowances	3,839,830.00	7,872,660.00
Contributions to pension schemes	-	
Service gratuity	-	
Performance and other bonuses	-	
Staff medical expenses and Insurance cover	-	
Group personal accident insurance and WIBA	-	
Social contribution	-	
Other employee costs (<i>specify</i>)	-	
Employee costs	3,839,830.00	7,872,660.00

17. Board of Management Expenses

Description	2024/2025	2023/2024
	Kshs	Kshs
Chairman's Honoraria	-	
Sitting allowance	1,285,680.00	1,428,400.00
Mileage	-	
Insurance expenses	-	
Induction and training	-	
Travel and accommodation allowance	-	
Airtime allowances	-	
Total	1,285,680.00	1,428,400.00

18. Depreciation and Amortization Expense

Description	2024/2025	2023/2024
	Kshs	Kshs
Property, plant and equipment	217,779.00	347,184.00
Intangible assets	-	
Investment property carried at cost	-	
Total depreciation and amortization	217,779.00	347,184.00

19. Repairs And Maintenance

Description	2024/2025	2023/2024
	Kshs	Kshs
Property- Buildings	367,550.00	824,545.00
Medical equipment		570,340.00
Office equipment		
Furniture and fittings	-	
Computers and accessories	417,120.00	687,392.00
Motor vehicle expenses	384,457.00	410,070.00
plant, machinery & equipment	773,008.00	
Maintenance household items	157,293.00	
Maintenance of civil works	-	
Total repairs and maintenance	2,099,428.00	2,492,347.00

Sirisia Level 4 Hospital (Bungoma County Government)
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21. General Expenses

Description	2024/2025	2023/2024
	Kshs	Kshs
Advertising and publicity expenses	-	
Catering expenses	320,596.00	210,090
Waste management expenses	-	
Insecticides and rodenticides	79,000.00	217,172
Audit fees	-	
Bank charges	10,350.00	33,281
Conferences and delegations	-	
Consultancy fees	-	
Contracted services	517,735.00	
Electricity expenses	922,308.00	1,352,364.00
Fuel and Lubricants	1,756,949.00	1,490,697.00
Other fuels	-	
Insurance	-	
Research and development expenses	-	
Travel and accommodation allowance	1,925,350.00	1,632,450.00
General office supplies	689,009.00	1,581,821.00
Legal expenses	-	
Licenses and permits	-	
Courier and postal services	18,900.00	9,450.00
Printing and stationery	-	768,090.00
Hire charges	-	
Rent expenses	-	
Water and sewerage costs	390,284.00	530,582.00
Skills development levies	-	
Telephone and mobile phone services	226,000.00	237,000.00
Internet expenses	36,299.00	141,545.00
Staff training and development	-	
Subscriptions to professional bodies	-	
Subscriptions to newspapers periodical, magazines, and gazette notices	-	
Library books/Materials	-	
Purchase ICT	-	
Purchase computers	-	
Parking charges	-	
Total General Expenses	6,892,780.00	8,204,542.00

25. Medical Services Contracts Gains /Losses

Description	2024/2025	2023/2024
	Kshs	Kshs
Comprehensive care contracts with NHIF/SHA	0	
Non- Comprehensive contracts care with NHIF/SHA	0	
Linda Mama Program	0	
Waivers and Exemptions	120,597	220,684
Total Gain/Loss	120,597	220,684

27. Cash And Cash Equivalents

Description	2024/2025	2023/2024
	Kshs	Kshs
Current accounts	416,653.08	1,674,304.00
On - call deposits	-	-
Fixed deposits accounts	-	-
Cash in hand		
Others(<i>specify</i>)- Mobile money	-	-
Total cash and cash equivalents	416,653.08	1,674,304.00

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

Description	Account number	2024/2025	2023/2024
		Kshs	Kshs
a) Current account			
Kenya Commercial bank	1102027626	416,653.08	1,674,304.00
Equity Bank, etc		-	
Sub- total		416,653.08	1,674,304.00
b) On - call deposits			
Kenya Commercial bank			
Equity Bank – etc			
Sub- total		-	-
c) Fixed deposits account			
Bank Name		-	-
Sub- total		-	-
d) Others(<i>specify</i>)			
cash in hand			
Mobile money- Mpesa, Airtel money			
Sub- total		-	-
Grand total		416,653.08	1,674,304.00

29. Receivables From Exchange Transactions

Description	2024/2025	2023/2024
	KShs	KShs
Medical services receivables	5,344,640.00	1,695,236.00
Rent receivables		
Other exchange debtors		
Less: impairment allowance		
Total receivables	5,344,640.00	1,695,236.00

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	-	%		%
Between 1- 2 years	5,344,640.00	30%	1695236	11%
Between 2-3 years	-	%		%
Over 3 years	-	%		%
Total (a+b)	5344640	%	1695236	%

31. Inventories

Description	2024/2025	2023/2024
	KShs	KShs
Pharmaceutical supplies	6,395,926.95	2,501,470.00
Non-Pharmaceutical supplies	1,639,320.00	1,586,870.00
Laboratory supplies	634,077.00	237,374.00
Maintenance supplies		
Food supplies	84,630.00	160,040.00
Linen and clothing supplies		
Cleaning materials supplies		
Medical records		
General supplies		
Purchase X-ray supplies		
Other fuel		
Purchase of computers		
Less: provision for impairment of stocks		
Total	8,753,953.95	4,485,754.00

Detailed disclosure on inventories

	2024/2025	2023/2024
	KShs	KShs
Opening balance	4,485,754.00	4,485,754.00
Additional Inventory in the year	4,343,609.95	
Inventory expensed in the year	75,410.00	
Write-downs in the year		
Others specify		
Closing balance	8,753,953.95	4,485,754.00

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32. 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
Cost									
Rates	0%	2.50%	10%	12.50%	30%	2.50%	2.50%	-	-
At 1 July 2023 (previous year)					990,614.00	400,000.00			1,390,614
Additions									-
Disposals									-
Transfers/adjustments									-
Revaluation Adjustments									-
At 30th Jun 2024	0	0	0	0	990,614.00	400,000.00	0	-	1,390,614
									-
At 1 July 2024 (current year)	-	-	-	-	990,614.00	400,000.00	-	-	1,390,614
Additions	-	-	-	-	-	-	-	-	-
Disposals									-
Transfer/adjustments									-
Revaluation Adjustments									-
At 30th Jun 2025	-	-	-	-	990,614.00	400,000.00	-	-	1,390,614
Depreciation and impairment									-
At 1 July 2023 (previous year)		-	-	-	-	-	-	-	-
Depreciation for the year					297,184.00	10,000.00			307,184
Disposals									-
Impairment									-
At 30 June 2024		-	-	-	297,184.00	10,000.00	-	-	307,184
At July 2024 (current year)		-	-	-	297,184.00	10,000.00	-	-	307,184
Depreciation					208,029.00	9,750.00			217,779
Disposals									-

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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
Cost									
Impairment									-
Transfer/adjustment									-
At 30th June 2025		-	-	-	505,213.00	19,750.00	-	-	524,963
									-
Net book values									-
At 30th Jun 2024 (previous)	-	-	-	-	693,430.00	390,000.00	-	-	1,083,430
At 30th Jun 2025 (current)	-	-	-	-	485,401.00	380,250.00	-	-	865,651

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36. Trade and other Payables

Description	2024/2025		2023/2024	
	KShs		KShs	
Trade payables	10,907,393.00		9,587,103.00	
Employee dues				
Third-party payments (e.g. unremitted payroll deductions)				
Audit fee				
Doctors' fee				
Total trade and other payables	10,907,393.00		9,587,103.00	
Ageing analysis:	2024/2025	% of the Total	2023/2024	% of the total
Under one year	4,169,754.00	38%		%
1-2 years	1,061,799.00	10%		%
2-3 years	4,091,369.00	38%		%
Over 3 years	1,584,471.00	0%		%
Total	10,907,393.00	85%	0	%

43. Cash Generated from Operations

Description	2024/2025	2023/2024
	KShs	KShs
Surplus for the year before tax	2,987,430	2,404,580.00
Adjusted for:		
Depreciation	217,779	347,184
Non-cash grants received		
Impairment		
Gains and losses on disposal of assets		
Contribution to provisions		
Contribution to impairment allowance		
Working Capital adjustments		
Increase in inventory	(4,268,200)	(3,249,006)
Increase in receivables	(3,649,404)	(180,236)
Increase in deferred income		-
Increase in payables	1,320,290	2,806,285
Increase in payments received in advance		0,00
Net cash flow from operating activities	(3,392,105)	2,128,807.00

44. Financial Risk Management

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

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

(i) Credit risk

The entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, 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)	1,695,236			
Receivables from exchange transactions				
Receivables from non-exchange transactions				
Bank balances				
Total	1,695,236	-	-	-
At 30 June 2025 (current year)				
Receivables from exchange transactions	5,344,640			
Receivables from –non-exchange transactions				
Bank balances				
Total	7,039,876	-	-	-

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

(ii) Liquidity risk management

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

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

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Trade payables				
Current portion of borrowings				
Provisions				
Deferred income				
Employee benefit obligation				
Total	-	-	-	-
At 30 June 2025				
Trade payables	-	-	10,907,393	10,907,393
Current portion of borrowings				
Provisions				
Deferred income				
Employee benefit obligation				
Total	-	-	10,907,393	10,907,393

(iii) Market risk

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

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

a) Foreign currency risk

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

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

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

Description	KShs	Other currencies	Total
	Kshs		Kshs
At 30 June 2025			
Financial assets (investments, cash, debtors)			
Liabilities			
Trade and other payables			

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Borrowings			
Net foreign currency asset/(liability)	0	0	0

Foreign currency sensitivity analysis

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

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

b) Interest rate risk

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

Management of interest rate risk

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

Sensitivity analysis

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

Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of financial performance if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs 0.00 (2025: KShs 0.00). A rate increase/decrease of 5% would result in a decrease/increase in surplus of KShs 0.00 (2025 – KShs 0.00).

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Notes to the Financial Statements (Continued)

iv) Capital Risk Management

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

Description	2024/2025	2023/2024
	Kshs	Kshs
Revaluation reserve	11025655.9	
Retained earnings		
Capital reserve		
Total funds		
Total borrowings		
Less: cash and bank balances	(416,653.08)	
Net debt/ (<i>excess cash and cash equivalents</i>)		
Gearing	%	%

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The related parties include:

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

Description	2024/2025	2023/2024
	Kshs	Kshs
Transactions with related parties		
a) Services offered to related parties		
Services to N/A		
Sales of services to N/A		
Total	-	-
b) Grants from the Government		
Grants from County Government		
Grants from the National Government Entities		
Donations in kind		
Total	-	-
c) Expenses incurred on behalf of related party		
Payments of salaries and wages for N/A employees		
Payments for goods and services for N/A		
Total	-	-
d) Key management compensation		
Directors' emoluments		
Compensation to the medical Sup		
Compensation to key management		
Total	-	-

45. Segment Information

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46. Contingent Liabilities

Contingent liabilities	2024/2025	2023/2024
	Kshs	Kshs
Court case against the hospital - N/A		
Bank guarantees in favour of subsidiary		
Total	-	-

47. Capital Commitments

Capital Commitments	2024/2025	2023/2024
	Kshs	Kshs
Authorised For		
Authorised And Contracted For – N/A		
Total	-	-

48. Events after the Reporting Period

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

49. Ultimate and Holding Entity

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

50. Currency

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

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20. Appendices

Appendix 1: Progress on Follow Up of Auditor Recommendations

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

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)
OAG/SIRISIA LEVEL 4 HOSP./2023/2024	Unsupported Revenue from exchange transactions	The management has provided the detailed claims statement and schedules to support the same	resolved	
	Inaccuracies of the financial statements	The management acknowledges the auditor's observation. The ledgers have been reconciled	resolved	
	Failure to prepare a trial Balance	The management acknowledges the auditor's finding, regarding the non-maintenance of a general ledger for the hospital during the year under review. However the trial balance was prepared	resolved	
	Inaccurate Property, Plant and Equipment Balance	In the spirit of implementing the accounting standard, management has written to the county department of public works for valuation of its plant, property and buildings. Management has further made a proposal in the budget to allocate funds for revaluation of facility assets	Not resolved	December 2025

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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)
	Unconfirmed Cash and Cash Equivalents Balance	The variance of Kshs.2,062 were bank charges. The Hospital Management has attached the bank statement highlighting the charges	resolved	
	Unsupported Receivables from Exchange Transactions	The Hospital management has provided ledgers supporting the amount due from NHIF for audit verification	resolved	
	Unsupported Inventories	The management has provided the supporting documents for the unreconciled variance of Kshs. 1,078,692	resolved	
	Non-Compliance with Laws on Ethnic Composition	Management however notes that most of the staff working in the facility were inherited from the National Government. In collaboration with the Public Service Board, management commits to comply with Section 7(2) of the National Cohesion and Integration Act, 2008 in its future recruitment. The current status of ethnic composition is as below:	Not resolved	
	Lack of Quarterly Revenue Report	Management has taken note of this audit observation. The Hospital is currently submitting quarterly reports in compliance with regulation 64(1) of the	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)
		Public Finance Management (County Governments) Regulations, 2015		
	Lack of Internal Audit Function	Regulation 157(1) of the Public Finance Management (County Governments) Regulations, 2015 provides that the County Head of Internal Audit Services, is responsible for operational aspects of internal audit function within the county Government entities. Internal audit and assurance services were provided by the County Internal Audit department	resolved	
	Failure to Automate Accounting and Procurement Functions	Management is operationalizing the Hospital Management Information System (HMIS) which upon completion will automate all transactions. Management has further developed a work plan to implement e-procurement and IFMIS to process all procurements and expenditures respectively	Not resolved	1 year
	Lack of Risk Management Policy and Registers	The Hospital has adopted the Risk Management Policy of the county executive.	Partially resolved	30 th March 2026

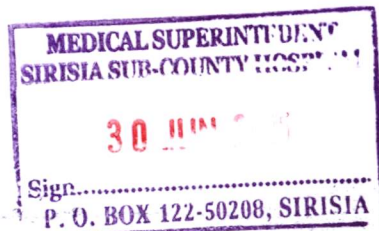
Guidance Notes:

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



.....
Accounting Officer



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Appendix II: Projects Implemented by The Entity

Projects

Projects implemented by the Hospital Funded by development partners

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

Status of Projects completion

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

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Appendix III: Inter-Entity Confirmation Letter

Name of Transferring entity.....

Name of Beneficiary entity.....

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30 th June 2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
Total					

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

Head of Accounts Department - Disbursing Entity:
 Name Sign Date

Head of Accounts Department - Beneficiary Entity:
 Name Sign Date.....

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Appendix IV Reporting of Climate Relevant Expenditures

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

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Appendix V: Disaster Expenditure Reporting Template

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

