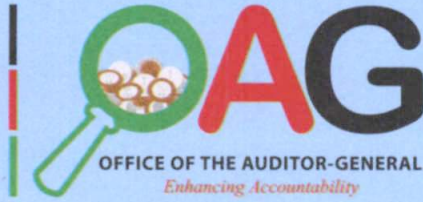


REPUBLIC OF KENYA



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REPORT

476

OF

THE AUDITOR-GENERAL

PAPERS LAID	
DATE	28/02/2026
TABLED BY	Majority leader
COMMITTEE	_____
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ON

URIRI SUB - COUNTY HOSPITAL

FOR THE YEAR ENDED  
30 JUNE, 2025

COUNTY GOVERNMENT OF MIGORI

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**URIRI SUB COUNTY HOSPITAL  
MIGORI COUNTY GOVERNMENT**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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

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**1. Acronyms & Glossary of Terms**

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

## **2. Key Uriri Sub County Hospital Information and Management**

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

Uriri Sub County Hospital is a level 4 hospital and is domiciled in Migori County under the Health Medical Service Department. The hospital is governed by a Board of Management.

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

The Vision of the hospital: Premier patient centred health institution in Migori County

Mission: Committed to provision of healthcare services as per the standard package of care.

### **Key Management**

The hospital's management is under the following key organs:  
County department of health-Chief Officer Medical Services  
Medical Superintendent  
Board of Management  
Accountant  
Hospital departmental Heads

### **(c) Fiduciary Management**

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

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Medical Superintendent	Kevin Ochieng Pesa
2.	Head of supply chain	Kenas Odongo
3.	Hospital Administrator	Mark Ongaro

### **(d) Fiduciary Oversight Arrangements**

- Clinical Research and Standards Committee.
- Audit committee
- Risk Committee
- County Assembly
- Parliamentary committees
- Other oversight committees

**Key Uriri Sub County Hospital Information and Management (continued)**

**Uriri Sub County Hospital (Migori County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

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- Parliamentary committees
- Other oversight committees

**(e) Uriri Sub County Hospital Headquarters**

P.O. Box 52,  
Opposite DCC office Uriri Town  
Uriri Rapogi Road  
KENYA

**(f) Uriri Sub County Hospital Contacts**

Telephone: 0710839505  
E-mail: countyhospitaluririsub@gmail.com

**(g) Uriri Sub County Hospital Bankers**

National Bank of Kenya  
A/C No, 01248045067700  
A/C No, 01020262939800





**(h) Independent Auditors**

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




**(i) Principal Legal Adviser  
County Attorney**

P.O. Box. 202  
MIGORI, Kenya





### 3. The Board of Management

Ref	Pictures	Details
1.		<p>Name: Isaac Onyango            Title: Board Chairperson            Age: 68yrs            Education: Bsc Animal science- Egerton University;            Diploma in Animal health; Egerton college            Working life:            Worked for the Government of Kenya;            Started as a Divisional Livestock officer and rose along the ranks and retired as a Provincial Livestock Production officer.            Independent Director</p>
2.		<p>Name: Kevin Ochieng Pesa            The Title: Secretary to the board            Age :36 Years            Academic Qualification: Diploma clinical medicine and surgery            Executive Director and Secretary to the board</p>
3.		<p>Name: Elijah Omolo Raduck            Age:64 years            Academic qualification: Form four            Work experience:            P1 teacher            Senior teacher            Deputy headteacher            Board member St Mary's Oyola            Parents representative Migori Boys high school            Board member Arambe secondary school            Independent Director and Member of Finance and Hospital Audit Committee</p>
4.		<p>Martine Obondo            Age: 50 years old            ID No. 11798513            Education: Bachelor's degree in Business Admin            P1 teacher certificate            Working experience</p>

**Uriri Sub County Hospital (Migori County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**


		<p>Project Co-ordinator  School WASH  Teacher at TSC  Community mobilizer  Independent Director and Chair of Finance and Hospital Audit Committee</p>
5.		<p>Name: Grace Atieno Otieno,  Academic Qualification: Form Four  A farmer  Age: 50yrs  Independent Director and Member of Finance and Hospital Audit Committee</p>
6.		<p>Name: Hezron Ochieng  Age: 66years  Work Experience: Retired senior teacher  Independent Director and Member of Hospital Development Committee</p>
7.		<p>Name: Oluoch Ogam  Education: Form 4  Work experience: Farmer  Age: 27  Independent Director and Member of Hospital Development Committee</p>

**4. Key Management Team**

<b>Ref</b>	<b>Management</b>	<b>Details</b>
1.	<p>Medical Superintendent – Kevin Ochieng Pesa</p>  <p>Diploma in Clinical medicine and surgery</p>	<p>Functions</p> <ul style="list-style-type: none"> <li>-Is the hospital authorized and accounting officer</li> <li>- Implements Government policies</li> <li>- Supervises daily operations of the hospital</li> <li>-Is the facility in charge</li> </ul>
2.	<p>Nursing Officer Incharge</p>  <p>Abigael Okuja Odingo Diploma in Community</p>	<p>Functions</p> <ul style="list-style-type: none"> <li>- Coordinates Nursing services within the hospital</li> <li>- In charge of non-pharmaceutical commodities</li> <li>-Assist Medical superintendent in execution of his duties</li> </ul>
3.	<p>Hospital Administrator - Mark Ongaro</p>  <p>Diploma in business administration</p>	<p>Functions</p> <ul style="list-style-type: none"> <li>- Oversees non-technical activities</li> <li>-In charge of casual and other auxiliary staff</li> <li>- Monitors finances and supplies of the hospital</li> <li>- In charge of Staff welfare</li> </ul>
4.	<p>Pharmacy in charge - George Aduda</p>  <p>Diploma in pharmaceutical technology</p>	<p>Functions</p> <ul style="list-style-type: none"> <li>-timely ordering of pharmaceuticals and non-pharmaceuticals, storage and appropriate use</li> <li>-controls and manages use of commodities</li> <li>-compile monthly rely commodity report etc</li> </ul>
5.	<p>Laboratory in charge - Christabel Shilosyo Milimu</p>	<p>Functions</p>

**Uriri Sub County Hospital (Migori County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

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	 <p>Diploma in medical laboratory technology</p>	<ul style="list-style-type: none"><li>-coordinate all laboratory services within the facility</li><li>-Ensures quality sample taking, networking/testing and timely results</li><li>-manages laboratory commodities by timely quantification, ordering, storage and appropriate use etc</li></ul>
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## **5. Chairman's Statement**

On behalf of the Board of Management of Uriri Sub County Hospital, I am pleased to present this report for the year ended 30<sup>th</sup> June 2025.

The year under review has been both challenging and rewarding. Despite economic pressures, resource limitations, and increased demand for services, the institution has remained steadfast in its mission to deliver quality and accessible healthcare to the community.

Significant progress has been made in strengthening governance, enhancing service delivery, and ensuring prudent use of available resources. We have invested in modern medical equipment, improved staff capacity through training, and undertaken infrastructure upgrades that will have a lasting impact on patient care.

We recognize that our successes would not have been possible without the dedication of our medical and administrative staff, the support of the County Government of Migori and the trust of the communities we serve. While challenges such as delayed funding and rising operational costs persist, we remain committed to pursuing innovative solutions and partnerships to ensure financial sustainability and improved service delivery.

Looking ahead, the Board will continue to prioritize accountability, transparency, and strategic growth. With the continued support of our partners and stakeholders, we are confident that the institution will achieve greater milestones in the coming years.

Sincerely,



.....  
**Name: Isaac Onyango**

**Chairman to the Board**

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

As the Medical Superintendent of Uriri Sub County Hospital, I am pleased to present this financial statement for the year ended 30<sup>th</sup> June 2025.

During the reporting period, the hospital continued to provide quality healthcare services to our patients while ensuring prudent management of resources. Our primary source of income remained government allocations, patient service fees, insurance claims (SHA) and donor support. These funds enabled us to sustain essential services, procure medicines and medical supplies, and carry out maintenance of hospital infrastructure.

Despite facing challenges such as rising costs of pharmaceuticals, increased demand for specialized care, and occasional delays in fund disbursement, we managed to maintain operations within the approved budget. Expenditure was directed mainly towards purchase of essential drugs, diagnostic equipment, and facility improvements.

I am encouraged to note that cost-control measures and improved revenue collection systems have strengthened the hospital's financial stability. However, the hospital still requires additional investment to expand service capacity, modernize equipment, and enhance staff training.

On behalf of the management team, I extend gratitude to the Ministry of Health, County Government of Migori, County Health Department leadership, development partners, and the community for their continued support. With sustained collaboration and responsible financial stewardship, we remain committed to delivering accessible, efficient, and patient-centered healthcare.

Sincerely,



.....  
**Name: Kevin Ochieng Pesa**

**Secretary to the Board**

**7. Statement of Performance Against Predetermined Objectives**

The hospital has three major strategic pillars where its scope for operation lies. These included;

- Pillar 1: Planning and administrative support services
- Pillar 2: Preventive and promotive health services
- Pillar 3: Curative, rehabilitative and referral service

Uriri Subcounty hospital develops its annual work plans based on the above 3 pillars/Themes/Issues. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Uriri Sub County Hospital achieved its performance targets set for the FY 2024/25 period for its 3 strategic pillars, as indicated in the diagram below:

<b>Strategic Pillar/Theme/Issues</b>	<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
<b>Planning and administrative support services</b>	<p>To ensure efficient and effective well-coordinated health services</p> <p>To increase, develop, retain and motivate health personnel</p> <p>To construct, expand, maintain and improve health infrastructure</p> <p>To accelerate scale up of Universal Health Coverage</p>	<p>No Of health policies developed</p> <p>No.of Annual Work Plans developed</p> <p>No.of Strategic plans developed</p> <p>% of performance reviews conducted</p> <p>% quarterly support supervision conducted</p> <p>% quarterly data quality audits conducted</p> <p>%of Health Information tools printed and distributed</p>	<p>Developing Annual work plans.</p> <p>Conducting performance reviews</p>	<p>As Uriri Sub County Sub County Hospital, one workplan developed</p> <p>Biannual and annual review conducted</p>
<b>Preventive and promotive health services</b>	<p>To reduce the burden of preventable diseases and promote healthy lifestyles among communities</p> <p>To reduce maternal and new-born mortality</p> <p>To increase community health units to cover 1</p>	<p>% of hospitals supplied with Pharmaceuticals</p> <p>% of hospitals supplied with non-pharmaceuticals</p> <p>% of hospitals supplied with Laboratory Reagents</p>	<p>Supplying the hospital with pharmaceuticals, on pharmaceuticals, laboratory</p>	<p>Uriri Sub County Hospital was supplied with medical drugs non pharmaceuticals, laboratory</p>

**Uriri Sub County Hospital (Migori County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

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

## **8. Corporate Governance Statement**

During the Financial Year 2024/25 the Board Member held quarterly meetings to discuss the performance of the hospital. Consequently, the meetings were convened every time the facility receive funds from Migori Health Services Fund Board to discuss and see the areas which need urgent funding so that facility to continue operating normally. These meetings were held in the medical superintendent boardroom. The Board members also were taken through the previous financial audit review report for the period 2024/25 where a discussion was made.

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

### **The Roles and Functions of The Board Members**

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

### **Ethics and Conduct of Board Members**

**Uriri Sub County Hospital (Migori County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

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

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

## **9. Management Discussion and Analysis**

### **Financial performance**

Uriri Sub County Hospital registered a total of Ksh. 18,964,112 (Eighteen Million Nine Hundred and Sixty-Four Thousand One Hundred and Twelve) as the revenue for financial year 2024/25. This resulted to an increase in revenue by Ksh. 16,222,50 which was majorly attributed by increase in donor funds worth Ksh. 12,313,692. Further, revenue from exchange transaction increased from Ksh. 2,741,609 to 6,650,420. This was attributed by increase in the uptake of Social Health Insurance Fund by the neighbouring community and the public as a whole.

The net surplus for the year also increased from Ksh. 1,948,943 to Ksh. 2,500,994 whereby on the other hand operation expenditure increased from Ksh. 1,948,943 to Ksh. 16,463,119. The expenditure increased by a greater margin which was due to the donations in kind that the hospital received.

### **Clinical/operational performance**

- Bed capacity of the hospital - 50
- Overall patient attendance during the year for patient – 9,388
- Accident and Emergency attendance
- Specialised clinic attendance- 17,418
- Average length of stay for in stay 2.8 Days
- Bed occupancy rate 223%
- Mortality rate -0

### **Sponsorship and partnerships.**

The Hospital enjoys close partnership with:

- CIHEB,
- LWALA COMMUNITY
- KEMRI

### **Financial performance**

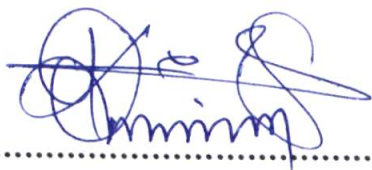
**Uriri Sub County Hospital (Migori County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

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**- Revenue sources.**

The Revenue streams for the Hospital is mainly:

Facility improvement fund (SHA, NHIF and User fees) and donations



.....  
**Name: Kevin Ochieng Pesa**

**Secretary to the Board**

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

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

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

The hospital enjoys good political good will which has enabled it to benefit from the county government and various partners. Moreover, free medical camps organized by the facility to the community has created a good relationship between the management and the community hence making it a pivotal facility that the community rely on for various health services.

### ***ii) Environmental performance***

The hospital has incinerator which has ensure that all the biomedical wastes are properly managed to avoid environmental pollution. This has also helped in reducing the spread of various diseases and creating a clean environment for healthcare providers and patients.

Formed committees to carryout infection prevention and control within the work environment

Outline clearly, environmental policy guiding the organisation, provide evidence of the policy. Outline successes, shortcomings, efforts to manage biodiversity, waste management policy and efforts to reduce environmental impact of the organisation's products.in the work environment

### ***iii) Employee welfare.***

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

### ***iv) Market place practices-***

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

#### ***a) Responsible competition practice.***

Display of Service chatters

Carryout exit visit interviews

Provisions of complaints and suggestion box

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

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

**Uriri Sub County Hospital (Migori County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

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

***c) Responsible marketing and advertisement***

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

***d) Product stewardship***

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

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

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

**11. Report of The Board of Management**

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

**Principal activities**

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

**Results**

The results of the Uriri Sub County Hospital for the year ended June 30 2025 are set out on pages 1 to 6

**Board of Management**

The members of the Board who served during the year are shown on page v. During the year no director retired or resigned.

**Auditors**

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

By Order of the Board



**Name: Kevin Ochieng Pesa**

**Secretary to the Board**

**Uriri Sub County Hospital (Migori County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

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**12. Statement of Board of Management’s Responsibilities**

The Board of Management is responsible for the preparation and presentation of the entity’s financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year ended on June 30, 2025


These responsibilities 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 Uriri Sub County Hospital; (v) selecting and applying appropriate accounting policies, and (vi) making accounting estimates that are reasonable in the circumstances.

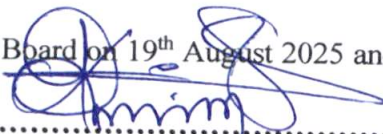
The Board of Management accepts responsibility for the *Uriri Sub County Hospital’s* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS),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

In preparing the financial statements, the Directors have assessed the Fund’s ability to continue as a going concern or nothing has come to the attention of the Board of management to indicate that the Uriri Sub County Hospital will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The Hospital’s financial statements were approved by the Board on 19<sup>th</sup> August 2025 and signed on its behalf by

  
.....  
**Name: Isaac Onyango**  
**Chairperson**  
**Board of Management**

  
.....  
**Name: Kevin Ochieng Pesa**  
**Accounting Officer**

# REPUBLIC OF KENYA



Telephone: +254-(20) 3214000  
E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke

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

## **REPORT OF THE AUDITOR-GENERAL ON URIRI SUB - COUNTY HOSPITAL FOR THE YEAR ENDED 30 JUNE, 2025 – COUNTY GOVERNMENT OF MIGORI**

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### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Uriri Sub-County Hospital - County Government of Migori set out on pages 1 to 42, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Uriri Sub-County Hospital - County Government of Migori as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with the International Public sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Inaccuracies in the Annual Report and Financial Statements**

The statement of financial position reflects receivables from exchange transactions balance of Kshs.2,500,034 which differs with the re-computed balance of Kshs.6,095,178 (calculated as shown below), resulting in an unreconciled variance of Kshs.3,595,144:

<b>Particulars</b>	<b>Amount (Kshs.)</b>
<b>Receivables from exchange transactions balance as at 30 June, 2024 - Statement of financial position</b>	<b>3,595,144</b>
<i>Add: Rendering of services-medical service income earned in 2024/2025- Statement of financial performance</i>	6,650,420
<i>Less: Rendering of services-medical service income received in 2024/2025 - Statement of cash flows</i>	(4,150,386)
<b>Re-Computed receivables from exchange transactions balance as at 30 June, 2025</b>	<b>6,095,178</b>

In addition, review of the Hospital's revenue collection system revealed that claims amounting to Kshs.2,677,200 submitted to Social Health Authority had been rejected, resulting in corresponding loss of revenue to the Hospital.

In the circumstances, the accuracy and completeness of the receivables from exchange transactions balance of Kshs.2,500,034 could not be confirmed.

#### **2. Non-Disclosure of Salaries Paid on Behalf of the Hospital by Migori County Executive**

The statement of financial performance reflects employee costs of Kshs.218,462. However, it was noted that the salaries and wages of employee of Uriri Sub-County Hospital were paid directly by the County Government of Migori on behalf of the Hospital. The expenses were not disclosed in the Hospital's books of account or financial statements.

In the circumstances, the accuracy and completeness of the employee cost amount of Kshs.218,462 could not be confirmed.

### **3. Undisclosed Assets**

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

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

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

#### **Emphasis of Matter**

##### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final income budget and actual on comparable basis amounts of Kshs.6,650,1109 and Kshs.4,152,076 respectively, resulting in underfunding of Kshs.2,500,034 or 38% of the budget.

The underfunding affected planned activities and may have negatively impacted service delivery by the Hospital.

##### **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 Audit Matters**

In the prior year's audit report, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources and Effectiveness of Internal Controls, Risk Management and Governance sections respectively. Review of

the status during audit of the Hospital in 2024/2025 revealed that the following matters remained unresolved:

S/No.	Financial Year	Audit Issue
1	2023/2024	Unsupported Rendering of Services -Medical Service Income
2	2023/2024	Unsupported Receivables from Exchange Transaction
3	2023/2024	Unsupported Inventories Balance
4	2023/2024	Unconfirmed Property Plant and Equipment
5	2023/2024	Deficiencies in Implementation of Universal Health Coverage (UHC)
6	2023/2024	Lack of Approved Budget
7	2023/2024	Lack of Autonomy in the Operations of Hospitals
8	2023/2024	Lack of Approved Strategic Plan
9	2023/2024	Lack of Risk Management and Fire Management Strategy
10	2023/2024	Lack of a finance and accounting policy manual other key policy manuals
11	2023/2024	Information. Communication and Technology (ICT ) Environment and Business Continuity Plan/Data Recovery Mechanism
12	2023/2024	Weakness in Revenue Controls
13	2023/2024	Lack of Operational Risks Management Policy and Internal Audit Function.

### Other Information

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

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

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

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

## Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the 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. Failure to Retain Facilities Improvement Funds at the Hospital

Review of revenue records obtained from the Uriri Sub-County Hospital in Migori County revealed that the Sub-County Hospital collected a total Kshs.4,986,406 towards the health facilities improvement which was all transferred to Migori County Health Services Fund Account. However, the Management reimbursed a total of Kshs.4,150,386 to the Sub-County Hospital resulting in a deficit of Kshs.836,020. This was contrary to Section 5(1) of the Facilities Improvement Financing Act, 2023 which requires that all monies raised or received by or on behalf of all public health facilities be retained in the Hospital Facilities Improvement Financing Account.

In addition, failure to reimburse the total amount transferred by the facilities negatively impacted on service delivery by the health facilities.

In the circumstances, Management of the Migori County Health Services Fund was in breach of the law.

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

Review of the Hospital's operations and records during the financial year revealed that Uriri Sub-County Hospital operated below the set standards as per the Kenya Quality Assurance Model for Health Checklist for level 4 hospitals. The following deficiencies in implementation of Universal Health Care programme were observed:

Description	Level 4 Standard	Number in the Hospital	Variance
Medical Officers	16	0	16
Anaesthesiologists	2	0	2
General Surgeons	2	0	2
Gynaecologists	2	0	2
Paediatrics	2	0	2
Radiologists	2	0	2

Description	Level 4 Standard	Number in the Hospital	Variance
Kenya Registered Community Health Nurses	75	14	61
Beds	150	56	94
Resuscitaire (2 in Labor & 1 in Thearte)	2	2	0
New Born Unit Incubators	5	0	5
New Born Unit Cots	5	0	5
Functional ICU Beds	6	0	6
High Dependency Unit (HDU) Beds	6	0	6
Renal Unit with at least 5 Dialysis Machines	5	0	5
Two Functional Operational Theatres – Maternity & General	2	0	2
Mortuary and Autopsy Services	Should be in place	Not in place	
Advanced life support	Should be in place	Not in place	
Caesarion sections and Surgical operations	Should be in place	Not in place	

The deficiencies contravene the First Schedule of Health Act, 2017 and implies that accessing highest attainable standards of health, which includes the right to health care services including reproductive health care as required by Article 43(1) of the Constitution of Kenya 2010 may not be achieved. Further, this contravenes the Kenya Quality Model for Health Policy Guidelines may have hindered the achievement of the Government program on Universal Health Coverage (UHC).

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

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. Lack of Audit Committee and Internal Audit Unit**

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

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

### **2. Failure to Automate Own Source Revenue Collection**

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

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

### **3. Weakness in Inventory Management**

The statement of financial position reflects inventories balance of Kshs.3,927,558 as disclosed in Note 15 to the financial statements. However, audit review and inspection conducted in the Hospital's stores on 6 December, 2025 revealed that inventory was received and recorded in the store bin cards and issued by a single officer. This practice increased the risk of errors, omissions and manipulation of figures. Additionally, the processes of receiving and issuing drugs were not automated.

In the circumstances, the effectiveness of internal controls over the management of inventories could not be confirmed.

### **4. Failure to Retain All Monies Raised at the Hospital**

The statement of financial performance reflects rendering of services-medical service income amount of Kshs.6,650,420, representing 70% of the total collections by the Hospital of Kshs.9,500,599 which was transferred to FIF Account maintained at the County Headquarters. The balance of Kshs.2,850,179 or 30% was retained in the centralized HIF. This practice contravened Section 5(1) and (2) of the Facility Improvement Act, 2023, which requires full retention of all monies at the facility.

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

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

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

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

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

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

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

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

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


My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is

not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

Nairobi

09 December, 2025

Uriri Sub County Hospital (Migori County Government)  
Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025

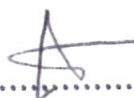
14. Statement of Financial Performance for the Year Ended 30 June 2025

Description	Note	2024 - 2025	2023 - 2024
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Public Donations and Contributions	6	12,313,692	-
		<b>12,313,692</b>	<b>-</b>
<b>Revenue from exchange transactions</b>			
Rendering of services- Medical Service Income	7	6,650,420	2,741,609
<b>Revenue from exchange transactions</b>		<b>6,650,420</b>	<b>2,741,609</b>
<b>Total revenue</b>		<b>18,964,112</b>	<b>2,741,609</b>
<b>Expenses</b>			
Medical/Clinical costs	8	14,834,305	238,410
Board of Management Expenses	9	215,000	100,000
Employee costs	10	218,462	112,262
Repairs and maintenance	11	521,000	106,400
General expenses	12	674,351	235,595
<b>Total expenses</b>		<b>16,463,119</b>	<b>792,667</b>
<b>Net Surplus / (Deficit) for the year</b>		<b>2,500,994</b>	<b>1,948,943</b>

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

  
.....

**Chairman: Isaac Onyango**  
**Board of Management**

  
.....

**Head of Finance: Stephen Nyainda**  
**ICPAK No: 31086**

  
.....

**Medical Superintendent: Kevin Ochieng Pesa**

**Uriri Sub County Hospital (Migori County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**


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

Description	Note	2024 - 2025	2023-2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	13	2,650	1,690
Receivables from exchange transactions	14	2,500,034	3,595,144
Inventories	15	3,937,558	342,414
<b>Total Current Assets</b>		<b>6,440,241</b>	<b>3,939,248</b>
<b>Non-current assets</b>			
Property, plant, and equipment	16	-	-
<b>Total Non-current Assets</b>		<b>-</b>	<b>-</b>
<b>Total assets</b>		<b>6,440,241</b>	<b>3,939,248</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	17	-	-
<b>Total Current Liabilities</b>		<b>-</b>	<b>-</b>
<b>Net assets</b>		<b>6,440,241</b>	<b>3,939,248</b>
<b>Represented By:</b>			
Revaluation reserve		-	-
Accumulated surplus/Deficit		6,440,241	3,939,248
Capital Fund		-	-
<b>Net Assets</b>		<b>6,440,241</b>	<b>3,939,248</b>

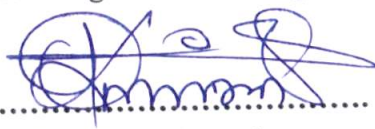
The Hospital's financial statements were approved by the Board on 19<sup>th</sup> August 2025 and signed on its behalf by:

  
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**Chairman: Isaac Onyango**  
**Board of Management**

  
 .....

**Head of Finance: Stephen Nyainda**  
**ICPAK No: 31086**

  
 .....

**Medical Superintendent: Kevin Ochieng Pesa**

**Uriri Sub County Hospital (Migori County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

**16. Statement of Changes in Net Asset for The Year Ended 30<sup>th</sup> June 2025**

Description	Revaluation reserve	Accumulated surplus/Deficit	Capital	Total
			Fund	
<b>At July 1, 2023</b>	-	<b>1,990,305</b>	-	<b>1,990,305</b>
Surplus/(deficit) for the year	-	1,948,943	-	1,948,943
<b>At June 30, 2024</b>	-	<b>3,939,248</b>	-	<b>3,939,248</b>
<b>At July 1, 2024</b>	-	<b>3,939,248</b>	-	<b>3,939,248</b>
Surplus/(deficit) for the year	-	2,500,994	-	2,500,994
<b>At June 30, 2025</b>	-	<b>6,440,241</b>	-	<b>6,440,241</b>

**Uriri Sub County Hospital (Migori County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

**17. Statement of Cash Flows for The Year Ended 30<sup>th</sup> June 2025**

Description	Note	2024 - 2025	2023-2024
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Rendering of services- Medical Service Income		4,150,386	793,357
<b>Total Receipts</b>		<b>4,150,386</b>	<b>793,357</b>
<b>Payments</b>			
Medical/Clinical costs		2,520,613	238,410
Board of Management Expenses		215,000	100,000
Employee costs		218,462	112,262
Repairs and maintenance		521,000	106,400
General expenses		674,351	235,595
<b>Total Payments</b>		<b>4,149,426</b>	<b>792,667</b>
<b>Net cash flows from operating activities</b>	18	<b>960</b>	<b>690</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment & intangible assets			
Proceeds from the sale of property, plant, and equipment			
Acquisition of investments			
<b>Net cash flows used in investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Capital grants received		-	-
<b>Net cash flows used in financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>960</b>	<b>690</b>
Cash and cash equivalents as at 1 July	16	1,690	1,000
<b>Cash and cash equivalents as at 30 June</b>	16	<b>2,650</b>	<b>1,690</b>

Uriri Sub County Hospital (Migori County Government)  
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18. Statement of Comparison of Budget and Actual Amounts for Year Ended 30<sup>th</sup> June 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	a	b	c=(a+b)	d	e=(c-d)	f=d/c%
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget Carryovers from Previous Budget	-	1,690	1,690	1,690	-	100%
<b>Revenue</b>						
Rendering of services- Medical Service Income	6,650,420	-	6,650,420	4,150,386	2,500,034	62%
<b>Total income</b>	<b>6,650,420</b>	<b>1,690</b>	<b>6,652,110</b>	<b>4,152,076</b>	<b>2,500,034</b>	<b>62%</b>
<b>Expenses</b>			-	-		
Medical/Clinical costs	5,021,607	1,690	5,023,297	2,520,613	2,502,684	50%
Board of Management Expenses	215,000	-	215,000	215,000	-	100%
Employee costs	218,462	-	218,462	218,462	-	100%
Repairs and maintenance	521,000	-	521,000	521,000	-	100%
General expenses	674,351	-	674,351	674,351	-	100%
<b>Total Operational Expenditure Paid</b>	<b>6,650,420</b>	<b>1,690</b>	<b>6,652,110</b>	<b>4,149,426</b>	<b>2,502,684</b>	<b>62%</b>
<b>Surplus for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,650</b>	<b>-</b>	<b>0%</b>
	<b>0</b>		<b>0</b>		<b>2,650</b>	



**Uriri Sub County Hospital (Migori County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

<b>Capital expenditure Paid</b>	-	-	-	-	-	0%
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***Budget Reconciliation***

<b>Description of Particulars</b>	<b>Amount in Kshs</b>
Actual Surplus Amounts as per the statement of Budget	2,650
Closing Cash and Cash Equivalent as per the statement of Cash flows	2,650

NOTE: The hospital registered 62% utilization in rendering of services as there was an outstanding Ksh. 2,500,034 rendering services income from the health services which the hospital did not receive for the period ended 30th June 2025. This particular figure is reflected in the trade receivable note. This resulted to the under absorption of medical and clinical cost at 50%.

**19. Notes to the Financial Statements**

**1. General Information**

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

**2. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant, and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the *entity's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note xx The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the *entity*. The financial statements have been prepared in accordance with the PFM Act, and (*include any other applicable legislation*), and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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

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

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

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

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

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43	<i>Applicable 1<sup>st</sup> January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees

**Uriri Sub County Hospital (Migori County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

Standard	Effective date and impact:
	<p>and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
<p>IPSAS 45- Property Plant and Equipment</p>	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
<p>IPSAS 46 Measurement</p>	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> <li data-bbox="470 1758 1348 1908">i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> </ol>

**Uriri Sub County Hospital (Migori County Government)**  
**Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2025**

Standard	Effective date and impact:
	<p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47- Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48- Transfer Expenses	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49- Retirement Benefit Plans	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></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 &	<p><b><i>Applicable 1<sup>st</sup> January 2027</i></b></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>

**Uriri Sub County Hospital (Migori County Government)  
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Standard	Effective date and impact:
Evaluation of Mineral Resources	<ul style="list-style-type: none"> <li data-bbox="469 264 1364 344">i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li data-bbox="469 367 1364 501">ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li data-bbox="469 524 1364 757">iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ul>

**iii) Early adoption of standards**

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

**4. Summary of Significant Accounting Policies**

**a. Revenue recognition**

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

**Transfers from other Government entities**

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

**ii) Revenue from exchange transactions**

**Rendering of services**

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

**Sale of goods**

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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 Uriri Sub County Hospital.

**Interest income**

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

**Rental income**

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

**b. Budget information**

The original budget for FY 2024/25 was approved whereby the budget for the facility was incorporated with other hospitals under the vote line of Health Services Management Fund.

The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the *entity* recorded no additional appropriations on the FY 2024/25 budget. The *Uriri Sub County Hospital's* budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget.

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

**c. Taxes**

**Sales tax/ Value Added Tax**

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

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

**d. Investment property**

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

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

**e. Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Uriri Sub County Hospital recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are

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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 Uriri Sub County Hospital. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Uriri Sub County Hospital 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 Uriri Sub County Hospital 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 Uriri Sub County Hospital. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

**g. Intangible assets**

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

**h. Research and development costs**

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

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

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

**i. Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The Uriri Sub County Hospital does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).*

A financial instrument is any contract that gives rise to a financial asset of one Uriri Sub County Hospital and a financial liability or equity instrument of another entity. At initial recognition, the Uriri Sub County Hospital 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 Uriri Sub County Hospital classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the Uriri Sub County Hospital's management model for financial assets and

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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 Uriri Sub County Hospital 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 Uriri Sub County Hospital classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

**Amortized cost**

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

**Fair value through net assets/ equity**

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

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

**Financial liabilities**

**Classification**

The Uriri Sub County Hospital classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

**j. Inventories**

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

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

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

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

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

**k. Provisions**

Provisions are recognized when the 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.

**l. Social Benefits**

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

**m. Contingent liabilities**

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

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**n. Contingent assets**

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

**o. Nature and purpose of reserves**

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

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

The Uriri Sub County Hospital recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

**q. Employee benefits**

**Retirement benefit plans**

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

**r. Foreign currency transactions**

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

**s. Borrowing costs**

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

**t. Related parties**

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

**u. Service concession arrangements**

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

**v. Cash and cash equivalents**

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

**w. Comparative figures**

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

**x. Subsequent events**

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

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

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

**Estimates and assumptions.**

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

**Useful lives and residual values**

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

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

**Provisions**

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

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Notes to Financial Statements Continued

6. Public Donations and Contributions

Description	2024 - 2025	2023 - 2024
	KShs	KShs
Public donations	12,313,692	-
<b>Total</b>	<b>12,313,692</b>	<b>-</b>

7. Rendering of Services-Medical Service Income

Description	2024-2025	2023 - 2024
		KShs
Funds Receivable from Fund Board (FIF)	6,650,420	885,274
NHIF capitation Claims	-	37,750
NHIF	-	1,818,585
<b>Total</b>	<b>6,650,420</b>	<b>2,741,609</b>

8. Medical/ Clinical Costs

Description	2024-2025	2023 - 2024
	KShs	KShs
Pharms	12,813,357	121,000
Lab items	137,900	-
Non-Pharms	77,750	-
Food and Ration	1,503,369	56,910
Sanitary and cleansing Materials	216,429	42,300
Medical Records	85,500	18,200
<b>Total</b>	<b>14,834,305</b>	<b>238,410</b>

9. Board of Management Expenses

Description	2024-2025	2023 - 2024
	KShs	KShs
Sitting allowance and other board related expenditure	215,000	100,000
<b>Total</b>	<b>215,000</b>	<b>100,000</b>

10. Employee Cost

Description	2024-2025	2023 - 2024
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	<b>KShs</b>	<b>KShs</b>
Temporary Employees	218,462	112,262
<b>Total</b>	<b>218,462</b>	<b>112,262</b>

**11. Repairs and Maintenance**

<b>Description</b>	<b>2024-2025</b>	<b>2023 - 2024</b>
	<b>KShs</b>	<b>KShs</b>
General Repairs and Maintenance	521,000	-
Furniture and fittings	-	106,400
<b>Total</b>	<b>521,000</b>	<b>106,400</b>

**12. General Expenses**

<b>Description</b>	<b>2024-2025</b>	<b>2023 - 2024</b>
	<b>KShs</b>	<b>KShs</b>
Fuel	289,750	22,100
Bank Charges	24,961	13,550
Travel and accommodation allowance	140,500	20,000
Printing and stationery	88,640	44,800
Water and sewerage costs	-	24,945
Telephone and mobile phone services	130,500	19,000
Office Tea	-	39,700
Other Fuel	-	10,500
Service Charter	-	41,000
<b>Total</b>	<b>674,351</b>	<b>235,595</b>

**13. Cash And Cash Equivalents**

<b>Description</b>	<b>2024-2025</b>	<b>2023 - 2024</b>
	<b>KShs</b>	<b>KShs</b>
Current accounts	2,650	1,690
<b>Total cash and cash equivalents</b>	<b>2,650</b>	<b>1,690</b>

**(a). Detailed Analysis of Cash and Cash Equivalent**

<b>Description</b>			<b>2024-2025</b>	<b>2023 - 2024</b>
<b>Financial institution</b>		<b>Account number</b>	<b>KShs</b>	<b>KShs</b>
a) Current account				

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National Bank		01248045067700	1,649	1,690
National Bank		01020262939800	1,001	-
<b>Sub- total</b>			<b>2,650</b>	<b>1,690</b>
<b>Grand total</b>			<b>2,650</b>	<b>1,690</b>

**14. Receivables From Exchange Transactions**

Description	2024-2025	2023 - 2024
	KShs	KShs
Medical services receivables	2,500,034	3,595,144
<b>Total receivables</b>	<b>2,500,034</b>	<b>3,595,144</b>

**(a) Analysis of Receivables from Exchange Transactions**

Description	2024-2025		2023-2024	
		% of the total		% of the total
Receivable within 1 year	2,500,034	100%	1,738,809	48%
Between 1- 2 years	-		1,856,335	52%
<b>Total</b>	<b>2,500,034</b>		<b>3,595,144</b>	

**15. Inventories**

Description	2024-2025	2023 - 2024
	KShs	KShs
Pharmaceutical supplies	3,655,071	170,399
Food supplies	-	51,395
Non-Pharms and Pharmaceuticals	282,487	120,620
<b>TOTAL</b>	<b>3,937,558</b>	<b>342,414</b>

**16. Property, Plant and Equipment**

Description	La	Buil din gs	Motor vehicl es	Furniture, fittings, and office equipment	ICT Equip ment	Plant and medical	Capital	T ot al
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	nd	and Civi l wor ks				equipm ent	Work in progres s	
	K sh	Ks h	Ksh	Ksh	Ksh	Ksh	Ksh	K sh
<b>Cost</b>								
At 1 July 2022	0	0	0	0	0	0	0	0
Additions	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0
Transfers/adjustments	0	0	0	0	0	0	0	0
<b>At 30<sup>th</sup> Jun 2023</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
At 1 July 2024	0	0	0	0	0	0	0	0
Additions	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0
Transfer/adjustments	0	0	0	0	0	0	0	0
<b>At 30<sup>th</sup> Jun 2025</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Depreciation and impairment</b>								
At 1 July 2023		0	0	0	0	0		0
Depreciation for the year		0	0	0	0	0		0
Disposals		0	0	0	0	0		0
Impairment		0	0	0	0	0		0
<b>At 30 June 2024</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
At July 2024		0	0	0	0	0	0	0
Depreciation		0	0	0	0	0		0
Disposals		0	0	0	0	0		0
Impairment		0	0	0	0	0		0
Transfer/adjustment		0	0	0	0	0	0	0
<b>At 30<sup>th</sup> June 2025</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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Net book values									
At 30 <sup>th</sup> Jun 2024		0	0	0	0	0	0	0	0
At 30 <sup>th</sup> Jun 2025		0	0	0	0	0	0	0	0

**a: Below are list of property, plant and equipment that are in the facility**

DEPARTMENT	ASSET CATEGORY	QUANTITY	CONDITION
<b>1.VMMC ROOM</b>	COUCH	2	GOOD
	MAYOS TRAY	2	GOOD
	WALL CLOCK	1	GOOD
	HANDWASHING FACILITY	1	GOOD
	FILE CABINET	1	GOOD
	DRUG CABINET	1	GOOD
	PLASTIC TABLE	1	GOOD
	STEPPING STOOL	1	GOOD
	BLACK PEDAL BIN	1	GOOD
	YELLOW PEDAL BIN	1	GOOD
	RED PEDAL BIN	1	GOOD
<b>2.CONULTATION</b>	COACH	1	GOOD
	HP DESKTOP	1	NON-FUNCTIONAL
	OFFICE CHAIRS	2	GOOD
	TROLLEY	1	GOOD
	DRIP STAND	1	GOOD
	OFFICE TABLE	1	GOOD
	NEBULIZER MACHINE	1	GOOD
<b>3.LABORATORY</b>	REFRIGERATORS	2	GOOD
	OFFICE CABINET	1	GOOD
	BIOSAFETY CABINET	1	GOOD
	CODED BINS	3	GOOD
	MICROSCOPE	2	GOOD
	CENTRIFUGE	1	GOOD
	OFFICE CHAIRS		GOOD
	HP DESKTOP	1	GOOD
	CD4 ANALYSER MACHINE(PIMA)	1	GOOD
	FHG MACHINE	1	GOOD
	OFFICE CHAIRS	3	GOOD
<b>4.PHARMACY</b>	HP DESKTOP	1	GOOD
	FRIDGE	1	GOOD
	OFFICE TABLE	2	GOOD
	PA SYSTEM	1	GOOD
<b>5.PHARMACY STORE</b>	GENERATOR	1	GOOD

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<b>6.MCH</b>	PATIENT BENCHES	3	GOOD
	OFFICE TABLES	3	GOOD
	OFFICE CHAIRS	3	GOOD
<b>7.FAMILY PLANNING ROOM</b>	OFFICE TABLE	1	GOOD
	CABINET	1	GOOD
	TROLLEY	1	GOOD
	COACH	1	GOOD
	OFFICE CHAIRS	1	GOOD
<b>8.ANC ROOM</b>	BP MACHINE	1	GOOD
	ULTRASOUND MACHINE	1	GOOD
	OFFICE TABLE	1	GOOD
	CABINET	1	GOOD
	COACH	1	GOOD
<b>9.FP/ANC WAITING BAY</b>	CODED BINS	3	GOOD
	THERMAL ABLATION	1	GOOD
<b>10.HTC ROOM</b>	PATIENT BENCHES	1	GOOD
	WEIGHING MACHINE	1	GOOD
<b>11.PMTCT ROOM</b>	OFFICE TABLE	1	GOOD
	CHAIRS	2	GOOD
	CABINET	1	GOOD
<b>12.PSC PHARMACY</b>	OFFICE TABLE	1	GOOD
	OFFICE CHAIRS	1	GOOD
<b>13.NUTRITION</b>	OFFICE CHAIRS	2	GOOD
	TABLE	1	GOOD
	ROOM HEATER	1	GOOD
	OFFICE TABLE	1	GOOD
<b>14.CASH OFFICE</b>	OFFICE CHAIR	1	GOOD
	WOODEN CASHBOX	1	GOOD
	HP DESKTOP	1	GOOD
	CPU	1	GOOD
	DELL LAPTOP	1	GOOD
	PROJECTOR	1	GOOD
	POWER BACKUP	1	NON-FUNCTIONAL
	HP DESKTOP	1	GOOD
	OFFICE TABLE	1	GOOD
	OFFICE CHAIRS	3	GOOD
	CABINETS	2	GOOD
	LEEP MACHINE	1	GOOD
	<b>NURSING OFFICERS OFFICE</b>	CABINET	
OFFICE CHAIR			GOOD
OFFICE TABLE			GOOD
HP DESKTOP			GOOD
CRYOTHERAPY			GOOD
<b>MATERNITY</b>			

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	DELIVERY COACH		GOOD
	SOLAR BATTERIES		GOOD
			GOOD
			GOOD
	EXAMINATION LAMP		GOOD
	OFFICE TABLES		GOOD
	OFFICE CHAIRS		GOOD
	OXYGEN MACHINES		1 FUNCTIONAL
	CODED BINS		GOOD
	RESCUSSITAIRS		2 FUNCTIONAL
	HANDWASH FACILITIES		GOOD
	PULSE OXIMETER	1	GOOD
	BEDS		GOOD
<b>HEALTH RECORDS</b>			
	OFFICE TABLE		GOOD
	OFFICE CHAIRS		GOOD
	HP DESKTOP	1	FUNCTIONAL
	PRINTER		GOOD
	2 WIRELESS SPEAKERS		GOOD
	PULSE OXIMETER		GOOD
	ENERGIZER BATTERY		GOOD
	WATER TANKS		GOOD
	HOSPITAL GENERATOR		GOOD
	INCINERATOR		NEEDS REPAIR
	VACCINE FRIDGE		GOOD
VACCINE FRIDGE		NON-FUNCTIONAL	

**17. Trade and Other Payable**

Description	2024-2025	2023 - 2024
		<b>KShs</b>
Trade payables	-	-
	-	-
<b>Ageing analysis:</b>	<b>Current FY</b>	<b>% of the Total</b>
Under one year	0	
<b>Total</b>	<b>0</b>	

**18. Cash Generated from Operations**

Description	2024-2025	2023-2024
	<b>KShs</b>	<b>KShs</b>
Surplus for the year before tax	2,500,994	1,948,943

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<b>Adjusted for:</b>		
Depreciation	-	-
Non-cash grants received	-	-
Impairment	-	-
Gains and losses on disposal of assets	-	-
Contribution to provisions	-	-
Contribution to impairment allowance	-	-
<b>Working Capital adjustments</b>	-	
Increase in inventory	(3,595,144)	(342,414)
Increase in receivables	1,095,110	(1,605,839)
Increase in deferred income	-	-
Increase in payables	-	-
Increase in payments received in advance	-	-
<b>Net cash flow from operating activities</b>	<b>960</b>	<b>690</b>

**19. Financial Risk Management**

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

**(i) Credit risk**

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
<b>At 30 June 2025</b>				
Receivables from exchange transactions	2,500,034	0	0	0

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Receivables from –non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
<b>Total</b>	<b>2,500,034</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

**(ii) Liquidity risk management**

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

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

**(iii) Market risk**

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

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

**a) Foreign currency risk**

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

**Foreign currency sensitivity analysis**

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

**b) Interest rate risk**

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

**Management of interest rate risk**

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

**Sensitivity analysis**

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

**iv) Capital Risk Management**

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

**20. Related Party Balances**

**Nature of related party relationships**

Entities and other parties related to the Uriri Sub County Hospital include those parties who have the ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates, and close family members.

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

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

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**21. Segment Information**

*The facility has no segment.*

**22. Contingent Liabilities**

Contingent liabilities	2024-2025
	Kshs
Bank guarantees in favour of subsidiary	0
<b>Total</b>	<b>0</b>

**23. Capital Commitments**

Capital Commitments	2024-2025
	Kshs
Authorised For	0
Authorised And Contracted For	0
<b>Total</b>	<b>0</b>

*There was capital commitments under the financial year under review*

**24. Events after the Reporting Period**

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

**25. Ultimate and Holding Uriri Sub County Hospital**

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

**26. 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.

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status:</b>	<b>Timeframe</b>
1	The statement of financial performance and as disclosed under Note 7 to the financial statements reflects Kshs.2,741,609 in respect to rendering of services-medical service income. However, the amount was not supported with bank statements extracts and correspondences supporting the receipts balances. In the circumstances, the propriety of the expenditure of Kshs.1,985,539 in respect to rendering of services-medical service income could not be confirmed.	The management noted the auditor's observation and provided bank statement extracts for Kshs. 2,741,609 medical services income.	Resolved	
2	The statement of financial position and as disclosed under Note 7 to the financial statements reflects Kshs.3,595,144 in respect to receivables from exchange transactions. However, the balance not supported with detailed aged analysis, ledger and repayment schedules for the year under review. Further, included in this balance is rendered income deposited directly to CRF account of Kshs.590,705 and NHIF and Linda Mama claims of Kshs.1,265,630 which are outstanding for over two years. In the circumstances, the accuracy and completeness of Kshs.3,595,144 in respect to receivable from exchange transactions as at 30 June, 2024 could not be confirmed.	The management noted the auditor's observation and provided detailed aged analysis, and trade receivable ledger for Kshs. 3,595,144. Further, the management provides the demand letter to NHIF whereby there has been positive feedback as by the end of 30th June 2024, the above outstanding had been settled.	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe
3	<p>The statement of financial position and as disclosed under Note 7 to the financial statements reflects Kshs.342,414 in respect to inventories. However, the balance was not supported with signed inventory report for the year under review and inventory summaries. In the circumstances, the accuracy and completeness of Kshs.342,414 in respect to inventories as at 30 June,2024 could not be confirmed.</p>	<p>The management noted the auditor’s observation and provided inventory report as at 30th June 2024.</p>	Resolved	
4	<p>The statement of financial position reflects nil balances in respect to property, plant and equipment as disclosed in Note 19 to the financial statements. However, review of the Hospital's records and physical verification revealed that Management did not maintain up to date fixed asset register to record necessary information such as date of acquisition, type of assets, supplier name, costs, accumulated depreciation, net book values, value, asset codes, custodian and location among other details in respect of the assets the fund owns. As a result, it was not possible to establish fully depreciated assets, bonded items and how the same will be written off in the books of accounts. Further, there was no evidence to show that the Hospital has ever valued its assets to ascertain the correct market values. In addition, various assets including land, buildings, motor vehicles, furniture, computers and equipment owned by or in possession of the Hospital were not disclosed in the financial statements, the ownership documents for land and motor vehicles were not provided for audit, there was no evidence that the management had insured its assets including donated assets from various agencies against foreseeable risks as the Hospital lacked ownership documents and most of the assets were not tagged and asset movement's registers was not appropriately kept. In the circumstances, the accuracy and completeness of the property, plant and equipment could not be confirmed.</p>	<p>The management noted the auditor’s observation and wishes to state that transfer of ownership documents to the facility and the county as a whole is awaiting the Intergovernmental Relation Technical Committee (IGRTC) report that contains all the assets and liabilities inherited from the defunct local authority. Upon receipt of this report, the current asset register will be updated with the date of acquisition, supplier name and other cost related disclosures.</p>	Not Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe
		<p>Moreover, the management will engage a valuer who will value these assets to their current market values there after charge each with depreciation chargeable to each class of assets. Further, the management will do a budget for tagging all its assets. Meanwhile, the management has temporary asset register which will be fully updated once all the ownership documents will be handed over to the facility. Find the attached asset register for your review.</p>		
5	Unresolved Prior Year Matters	<p>The management noted the auditor's observation and is committed to continuously resolve the issues as raised in the auditor's report.</p>	Partially Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe
		<ul style="list-style-type: none"> <li>• There is no payment of revenue to CRF as all the revenue collected by the hospital are sent to Migori County Health Services Fund account thereafter returned to the hospital for operations.</li> <li>• There are segregation of duties to the revenue officers as provided for in annexure 8.</li> <li>• The hospital undertakes annual stock take which has improved management of hospital store as provided for in annex 3.</li> <li>• The hospital has since developed proper guidelines on the disposal of expired pharmaceuticals.</li> <li>• The hospital has received health workers</li> </ul>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe
		from Migori County Government through the department of medical services. This has helped in the implementation of Universal Health Coverage as provided for in annex 5. Annex 10: Health Products and Technologies Standard Operating Procedures		
6	The audit verification revealed that the hospital operated without a budget and it is therefore not clear how the Hospital incurred expenditures that were not budgeted for and approved. The Management therefore is in contravention of paragraph 24 of the International Public Sector Accounting Standards which states that public sector entities are typically subject to budgetary limits in the form of appropriations or budget authorizations which may be given effect through authorizing legislation.	The management noted the auditor's observation and wishes to state that the budget for the hospital was amalgamated with that of other hospitals whereby the total allocation for all hospitals were Kshs. 145,950,000.	Partially resolved	
7	Deficiencies in Implementation of Universal Health Coverage (UHC)	The management noted the auditor's observation and wish to state that it relies on the county government to bridge the	Partially resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe
		above-mentioned gaps and at the moment, the hospital received some medical staff from county. This has helped to continuously reduce the above-mentioned deficits.		
8	Lack of Autonomy in the Operations of Hospital	The management noted the auditor's observation and wishes to state that the hospital is autonomous and it procures and pays for services rendered. Further, the hospital relies on the county government for major development expenditures and supplies.	Partially resolved	
9	Lack of Approved Strategic Plan	The management noted the auditor's observation and wish to state that the hospital uses the strategic plan for medical service department but	Partially resolved	

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<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status:</b>	<b>Timeframe</b>
		going forward, it will develop its own strategic plan.		
10	Lack of Risk Management and Fire Management Strategy	The management noted the auditor's observation and wish to state that it uses the risk management strategy developed by the county government.	Resolved	
11	Lack of a Finance and Accounting Policy Manual Other Key Policy Manuals	The management noted the auditor's observation and wishes to state that it is guided by Public Finance Management Act 2012 and Public Finance Management (County Governments) Regulations, 2015 as the key manuals for accounting and finance.	Resolved	
12	Information, Communication and Technology (ICT) Environment and Business Continuity Plan/Data Recovery Mechanism	The management noted the auditor's observation and wish to state that currently the hospital is in the process of digitizing the health	Partially resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe
		<p>system through the partnership with the Ministry of Health through the implementation of TAIFA CARE TIBERBU HMIS SYSTEM. This system comes with various policies which will articulate and address the data security, recovery and protection plans. The department of medical services has conducted training where various key personnel required for the implementation of the HMIS System were invited for a 5-day workshop. Implementation of this system, therefore, will ensure that the above issues raised by the auditor are resolved. Find the attached</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe
		annexure for your review.		
13	Weaknesses in Revenue Controls	The management has noted the auditor's observation and would wish to state that currently it has four revenue officers where one is the revenue officer in charge of the facility who does the banking and also prints the Mpesa statements. The other two are revenue clerks who issues the receipts to the patient once payment has been done through mpesa paybill and the third one is SHA clerk offering SHA services. This has helped to improve revenue safeguards and controls in the hospital.	Resolved	
14	Lack of an Operational Risk Management Policy and Internal audit Function	The management noted the auditor's observation and wish to state that the	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe
		hospital uses the risk management policy for the county. Further, the hospital relies on the functions of the internal audit instituted by the County.		

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**Kevin Ochieng Pesa**